1 4 0 6 0 2 0 1 8 2 0 1 0 0 1 0 0

PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT

For the Year Ended December 31, 2018

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 Jeffrey P Siefker (Name) 614-445-2900 (Area Code) (Telephone Number) (Extension)

siefkerj@grangeinsurance.com (E-Mail Address) 614-542-3017 (Fax Number)

OFFICERS

Name	Title	Name	Title
JOHN (NMN) AMMENDOLA	PRESIDENT & CEO	LAVAWN DEE COLEMAN	EVP & SECRETARY
TERESA JEAN DALENTA	EVP & CFO		

OTHER OFFICERS

MICHELLE RENEE BENZ	EVP - CHIEF SALES & MARKETING 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	TERESA JEAN DALENTA
MICHAEL DESMOND FRAIZER	ROBERT ENLOW HOYT	SUZAN BULYABA KEREERE #	MARY MARNETTE PERRY
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	TERESA JEAN DALENTA
PRESIDENT & CEO	EVP & SECRETARY	EVP & CFO

Subscribed and sworn to before me this 25th day of February, 2019

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, 2022

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)	1,340,202,326		1,340,202,326	1,278,145,583
2.	Stocks (Schedule D):				
	2.1 Preferred stocks	8,997,085		8,997,085	10,151,681
	2.2 Common stocks	686,721,143	25,253	686,695,890	705,114,781
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens			0	1,384,899
	3.2 Other than first liens			0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)	83,487,914		83,487,914	86,403,862
	4.2 Properties held for the production of income (less $ .... encumbrances)	10,125,365		10,125,365	10,484,817
	4.3 Properties held for sale (less $ .... encumbrances)			0	0
5.	Cash ($ 313,975 , Schedule E-Part 1), cash equivalents ($ 65,739,268 , Schedule E-Part 2) and short-term investments ($ 0 , Schedule DA)	66,053,243		66,053,243	64,655,488
6.	Contract loans (including $ .... premium notes)			0	0
7.	Derivatives (Schedule DB)	0		0	0
8.	Other invested assets (Schedule BA)	114,486,969		114,486,969	112,325,088
9.	Receivables for securities	2,993,047		2,993,047	542,482
10.	Securities lending reinvested collateral assets (Schedule DL)	26,100,208		26,100,208	3,072,388
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	2,339,167,300	25,253	2,339,142,047	2,272,281,069
13.	Title plants less $ .... charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	10,798,244		10,798,244	11,831,040
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	255,281,871	1,317,461	253,964,410	241,903,719
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 863,574 earned but unbilled premiums)	902,765	39,191	863,574	858,892
	15.3 Accrued retrospective premiums ($ ....) and contracts subject to redetermination ($ ....)			0	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	778,613		778,613	567,904
	16.2 Funds held by or deposited with reinsured companies			0	0
	16.3 Other amounts receivable under reinsurance contracts			0	0
17.	Amounts receivable relating to uninsured plans			0	0
18.1	Current federal and foreign income tax recoverable and interest thereon			0	182,660
18.2	Net deferred tax asset	23,636,776		23,636,776	11,105,215
19.	Guaranty funds receivable or on deposit			0	0
20.	Electronic data processing equipment and software	35,845,998	28,619,407	7,226,591	9,531,474
21.	Furniture and equipment, including health care delivery assets ($ ....)	2,413,944	2,413,944	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23.	Receivables from parent, subsidiaries and affiliates			0	3,388,380
24.	Health care ($ ....) and other amounts receivable			0	0
25.	Aggregate write-ins for other-than-invested assets	15,933,108	3,334,180	12,598,928	938,641
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,684,758,619	35,749,436	2,649,009,183	2,552,588,994
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	2,684,758,619	35,749,436	2,649,009,183	2,552,588,994
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	44,539,070	44,539,070	0	0
2502.	Overfunded Plan Asset	(44,539,070)	(44,539,070)	0	0
2503.	Personal Loans	3,334,180	3,334,180	0	0
2598.	Summary of remaining write-ins for Line 25 from overflow page	12,598,928	0	12,598,928	938,641
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	15,933,108	3,334,180	12,598,928	938,641

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	490,115,066	519,777,536
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	(28,396)	(30,949)
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	148,215,963	150,605,711
4. Commissions payable, contingent commissions and other similar charges	24,566,918	21,843,532
5. Other expenses (excluding taxes, licenses and fees)	40,527,918	41,261,198
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	13,809,766	12,505,509
7.1 Current federal and foreign income taxes (including $ 8,781,025 on realized capital gains (losses))	5,301,922	0
7.2 Net deferred tax liability		0
8. Borrowed money $ 60,000,000 and interest thereon $ 115,000	60,115,000	60,115,000
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ 23,094,723 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)	477,003,513	461,215,049
10. Advance premium	5,740,245	5,446,311
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders	2,886,053	2,646,271
12. Ceded reinsurance premiums payable (net of ceding commissions)	2,564,816	1,464,364
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)		0
14. Amounts withheld or retained by company for account of others	38,895	83,604
15. Remittances and items not allocated		0
16. Provision for reinsurance (including $ ...... certified) (Schedule F, Part 3, Column 78)		6,348,485
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding	(365,398)	(328,719)
19. Payable to parent, subsidiaries and affiliates	6,327,011	0
20. Derivatives	0	0
21. Payable for securities		0
22. Payable for securities lending	26,100,208	3,072,388
23. Liability for amounts held under uninsured plans		0
24. Capital notes $ ...... and interest thereon $		0
25. Aggregate write-ins for liabilities	28,917,332	52,022,319
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	1,331,836,834	1,338,047,609
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	1,331,836,834	1,338,047,609
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		0
34. Gross paid in and contributed surplus		0
35. Unassigned funds (surplus)	1,317,172,349	1,214,541,385
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)	1,317,172,349	1,214,541,385
38. Totals (Page 2, Line 28, Col. 3)	2,649,009,183	2,552,588,994
DETAILS OF WRITE-INS		
2501. Reserve for checks written off	2,606,349	2,764,710
2502. Deferred compensation	23,619,892	20,493,463
2503. Liability for Benefit Plans	317,486	20,652,503
2598. Summary of remaining write-ins for Line 25 from overflow page	2,373,605	8,111,643
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	28,917,332	52,022,319
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)	1,138,763,080	1,117,728,956
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	582,980,763	601,841,817
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	124,085,732	120,754,537
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	365,897,496	349,865,285
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	1,072,963,991	1,072,461,640
7. Net income of protected cells		0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	65,799,089	45,267,316
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	44,652,018	37,397,128
10. Net realized capital gains (losses) less capital gains tax of $ 8,781,025 (Exhibit of Capital Gains (Losses))	33,033,382	26,897,008
11. Net investment gain (loss) (Lines 9 + 10)	77,685,400	64,294,136
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered $ 1,109,138 amount charged off $ 5,355,708)	(4,246,570)	(4,436,078)
13. Finance and service charges not included in premiums	15,763,536	17,632,599
14. Aggregate write-ins for miscellaneous income	1,161,458	837,682
15. Total other income (Lines 12 through 14)	12,678,423	14,034,203
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	156,162,913	123,595,655
17. Dividends to policyholders	4,443,329	3,976,668
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)	151,719,584	119,618,987
19. Federal and foreign income taxes incurred	14,471,228	15,468,955
20. Net income (Line 18 minus Line 19) (to Line 22)	137,248,356	104,150,032
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,214,541,385	1,106,821,695
22. Net income (from Line 20)	137,248,356	104,150,032
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of $ (14,234,329)	(51,693,926)	54,914,921
25. Change in net unrealized foreign exchange capital gain (loss)		0
26. Change in net deferred income tax	(1,702,768)	(35,852,310)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(2,101,906)	(8,660,546)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	6,348,485	(6,348,485)
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	14,532,723	(483,922)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	102,630,964	107,719,690
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	1,317,172,349	1,214,541,385
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	1,161,458	837,682
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)	1,161,458	837,682
3701. Deferred Gain - Intercompany Pooling Change	398,959	(2,646,329)
3702. Change in Funded Status - Benefit Plans	10,235,580	2,162,407
3703. Change in Overfunded Plan Asset	3,898,184	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	14,532,723	(483,922)

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	1,143,492,294	1,141,924,094
2.	Net investment income	60,300,679	49,926,518
3.	Miscellaneous income	12,678,423	14,034,203
4.	Total (Lines 1 through 3)	1,216,471,397	1,205,884,815
5.	Benefit and loss related payments	612,851,389	532,116,481
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7.	Commissions, expenses paid and aggregate write-ins for deductions	488,531,366	447,874,604
8.	Dividends paid to policyholders	4,203,547	3,382,387
9.	Federal and foreign income taxes paid (recovered) net of $ 8,781,025 tax on capital gains (losses)	17,767,671	13,484,544
10.	Total (Lines 5 through 9)	1,123,353,973	996,858,017
11.	Net cash from operations (Line 4 minus Line 10)	93,117,424	209,026,798
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	386,730,606	238,297,548
	12.2 Stocks	167,686,962	115,796,551
	12.3 Mortgage loans	1,403,565	934,291
	12.4 Real estate	0	0
	12.5 Other invested assets	3,564,948	13,985,581
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
	12.7 Miscellaneous proceeds	0	0
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	559,386,081	369,013,971
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	468,289,195	441,886,820
	13.2 Stocks	163,770,868	78,534,505
	13.3 Mortgage loans	0	0
	13.4 Real estate	546,117	110,061
	13.5 Other invested assets	6,064,948	16,908,280
	13.6 Miscellaneous applications	2,450,565	502,806
	13.7 Total investments acquired (Lines 13.1 to 13.6)	641,121,692	537,942,472
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)	(81,735,611)	(168,928,501)
	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)	(9,984,059)	(26,442,412)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(9,984,059)	(26,442,412)
	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)	1,397,754	13,655,885
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	64,655,488	50,999,603
	19.2 End of year (Line 18 plus Line 19.1)	66,053,243	64,655,488

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	15,305,569	8,643,510	8,227,092	15,721,986
2.	Allied lines	8,112,624	4,589,742	4,390,320	8,312,046
3.	Farmowners multiple peril	15,090,608	8,129,387	7,641,988	15,578,008
4.	Homeowners multiple peril	251,032,040	136,926,531	137,217,781	250,740,791
5.	Commercial multiple peril	130,765,667	55,463,945	62,227,346	124,002,266
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	8,648,950	4,004,510	4,007,114	8,646,346
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	1,851,862	1,055,782	1,000,197	1,907,448
13.	Group accident and health	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	52,213,772	18,809,539	20,757,340	50,265,970
17.1	Other liability-occurrence	22,251,332	9,213,470	10,489,981	20,974,820
17.2	Other liability-claims-made	231,947	86,350	111,558	206,740
17.3	Excess workers' compensation	0	0	0	0
18.1	Products liability-occurrence	103,282	45,261	56,634	91,909
18.2	Products liability-claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	292,259,560	90,915,639	92,458,148	290,717,051
19.3,19.4	Commercial auto liability	74,939,657	32,630,012	34,855,763	72,713,906
21.	Auto physical damage	281,680,354	90,694,507	93,536,775	278,838,085
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	0	0	0	0
24.	Surety	0	0	0	0
26.	Burglary and theft	64,320	6,864	25,478	45,707
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	1,154,551,544	461,215,049	477,003,513	1,138,763,080
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	8,227,092				8,227,092
2.	Allied lines	4,390,320				4,390,320
3.	Farmowners multiple peril	7,641,988				7,641,988
4.	Homeowners multiple peril	137,217,781				137,217,781
5.	Commercial multiple peril	62,227,346				62,227,346
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	4,007,114				4,007,114
10.	Financial guaranty					0
11.1	Medical professional liability-occurrence					0
11.2	Medical professional liability-claims-made					0
12.	Earthquake	1,000,197				1,000,197
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation	20,757,340				20,757,340
17.1	Other liability-occurrence	10,489,981				10,489,981
17.2	Other liability-claims-made	111,558				111,558
17.3	Excess workers' compensation					0
18.1	Products liability-occurrence	56,634				56,634
18.2	Products liability-claims-made					0
19.1,19.2	Private passenger auto liability	92,458,148				92,458,148
19.3,19.4	Commercial auto liability	34,855,763				34,855,763
21.	Auto physical damage	93,536,775				93,536,775
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft	25,478				25,478
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	477,003,513	0	0	0	477,003,513
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					477,003,513
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	11,582,969	4,641,265	156,319	637,732	437,252	15,305,569
2.	Allied lines	5,677,614	2,917,193	60,812	338,026	204,969	8,112,624
3.	Farmowners multiple peril	15,985,872	283,622		628,775	550,110	15,090,608
4.	Homeowners multiple peril	78,480,873	186,429,026	219,763	10,459,668	3,637,953	251,032,040
5.	Commercial multiple peril	97,405,226	46,784,364		5,448,569	7,975,354	130,765,667
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine	3,198,927	5,931,290		360,373	120,893	8,648,950
10.	Financial guaranty						0
11.1	Medical professional liability-occurrence						0
11.2	Medical professional liability-claims-made						0
12.	Earthquake	999,093	968,971		77,161	39,040	1,851,862
13.	Group accident and health						0
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation	8,585,966	45,687,929	296,582	2,175,574	181,131	52,213,772
17.1	Other liability-occurrence	12,514,029	11,162,162		927,139	497,721	22,251,332
17.2	Other liability-claims-made	269,220	98,811		9,664	126,419	231,947
17.3	Excess workers' compensation						0
18.1	Products liability-occurrence	42,253	65,803		4,303	470	103,282
18.2	Products liability-claims-made						0
19.1,19.2	Private passenger auto liability	88,199,324	217,291,726		12,177,482	1,054,008	292,259,560
19.3,19.4	Commercial auto liability	30,284,326	48,322,078	187,582	3,122,486	731,843	74,939,657
21.	Auto physical damage	90,786,709	203,288,540	390	11,736,681	658,603	281,680,354
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety						0
26.	Burglary and theft	35,701	31,299		2,680		64,320
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	444,048,101	773,904,077	921,447	48,106,314	16,215,768	1,154,551,544
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 $ 0

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $ 0

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	3,693,947	2,877,515	262,858	6,308,603	1,117,714	807,648	6,618,669	42.1
2.	Allied lines	1,189,833	893,165	83,320	1,999,678	999,090	1,010,831	1,987,937	23.9
3.	Farmowners multiple peril	10,432,468	14,479	541,061	9,905,886	2,212,268	3,778,210	8,339,944	53.5
4.	Homeowners multiple peril	27,621,102	85,841,946	4,542,104	108,920,944	29,125,883	30,445,499	107,601,328	42.9
5.	Commercial multiple peril	57,106,426	21,340,404	10,732,355	67,714,476	89,247,171	81,988,179	74,973,468	60.5
6.	Mortgage guaranty				0	0	0	0	0.0
8.	Ocean marine				0	0	0	0	0.0
9.	Inland marine	927,517	3,378,101	172,225	4,133,392	472,129	1,852,104	2,753,417	31.8
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	59	110	(51)	0.0
13.	Group accident and health				0	0	0	0	0.0
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	4,520,627	18,325,809	1,754,344	21,092,092	39,736,238	37,173,739	23,654,591	47.1
17.1	Other liability-occurrence	6,006,783	1,634,437	2,711,409	4,929,812	16,463,221	18,085,142	3,307,891	15.8
17.2	Other liability-claims-made	57,361	13,940	2,852	68,448	207,546	182,528	93,466	45.2
17.3	Excess workers' compensation				0	0	0	0	0.0
18.1	Products liability-occurrence	(1,286)	5,235	158	3,790	72,919	63,136	13,573	14.8
18.2	Products liability-claims-made				0	0	0	0	0.0
19.1,19.2	Private passenger auto liability	59,836,750	137,887,996	7,908,990	189,815,756	202,503,414	224,920,214	167,398,956	57.6
19.3,19.4	Commercial auto liability	18,268,533	38,500,422	2,270,758	54,498,197	100,935,924	116,209,665	39,224,455	53.9
21.	Auto physical damage	41,895,751	107,282,667	5,967,137	143,211,281	7,016,791	3,256,262	146,971,810	52.7
22.	Aircraft (all perils)		31	1	30	349	383	(4)	0.0
23.	Fidelity				0	0	0	0	0.0
24.	Surety				0	646	646	0	0.0
26.	Burglary and theft	42,550		1,702	40,848	3,703	3,239	41,313	90.4
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	231,598,361	417,996,145	36,951,273	612,643,233	490,115,066	519,777,536	582,980,763	51.2
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	491,152	108,374	23,981	575,545	345,607	219,153	22,590	1,117,714	578,947
2.	Allied lines	573,219	157,021	29,210	701,030	173,734	136,746	12,419	999,090	370,226
3.	Farmowners multiple peril	1,159,717	12,168	46,875	1,125,009	1,120,415	12,146	45,302	2,212,268	971,214
4.	Homeowners multiple peril	4,733,384	16,492,158	849,022	20,376,520	2,582,664	6,531,256	364,557	29,125,883	11,666,232
5.	Commercial multiple peril	41,085,916	8,004,466	5,785,073	43,305,310	31,948,929	15,907,176	1,914,244	89,247,171	38,965,034
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine	24,669	31,983	2,266	54,386	90,994	344,155	17,406	472,129	250,969
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	62		2	59	4,554
13.	Group accident and health				0				(a) 0	2,110
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation	9,132,257	18,789,091	5,826,614	22,094,734	2,854,952	15,521,614	735,063	39,736,238	8,407,830
17.1	Other liability-occurrence	2,621,155	2,096,643	188,712	4,529,086	20,626,587	5,157,246	13,849,698	16,463,221	671,674
17.2	Other liability-claims-made	123,165		7,327	115,839	52,408	43,121	3,821	207,546	105,974
17.3	Excess workers' compensation				0				0	
18.1	Products liability-occurrence	29,050	26,628	2,227	53,451	9,286	10,993	811	72,919	35,152
18.2	Products liability-claims-made				0				0	
19.1,19.2	Private passenger auto liability	36,976,694	102,188,632	5,566,613	133,598,713	21,344,118	50,431,612	2,871,029	202,503,414	55,320,286
19.3,19.4	Commercial auto liability	16,699,954	36,596,395	2,163,534	51,132,816	14,495,507	37,382,731	2,075,130	100,935,924	21,412,356
21.	Auto physical damage	(832,560)	(1,701,132)	(101,348)	(2,432,345)	3,103,318	6,739,532	393,714	7,016,791	9,452,584
22.	Aircraft (all perils)		364	15	349				349	3
23.	Fidelity				0				0	
24.	Surety		673	27	646				646	
26.	Burglary and theft	(528)		(21)	(507)	1,114	3,271	175	3,703	821
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	112,817,244	182,803,464	20,390,126	275,230,582	98,749,694	138,440,752	22,305,963	490,115,066	148,215,963
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	10,600,043			10,600,043
1.2 Reinsurance assumed	16,635,449			16,635,449
1.3 Reinsurance ceded	1,089,420			1,089,420
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	26,146,072	0	0	26,146,072
2. Commission and brokerage:				
2.1 Direct, excluding contingent		65,990,198		65,990,198
2.2 Reinsurance assumed, excluding contingent		105,419,922		105,419,922
2.3 Reinsurance ceded, excluding contingent		9,402,556		9,402,556
2.4 Contingent-direct		10,289,435		10,289,435
2.5 Contingent-reinsurance assumed		16,212,770		16,212,770
2.6 Contingent-reinsurance ceded		1,060,088		1,060,088
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	187,449,681	0	187,449,681
3. Allowances to manager and agents	13,401	2,425,927		2,439,328
4. Advertising	10,403	2,022,148		2,032,550
5. Boards, bureaus and associations	970,284	2,271,213	4,915	3,246,412
6. Surveys and underwriting reports		8,824,206		8,824,206
7. Audit of assureds' records		575,847		575,847
8. Salary and related items:				
8.1 Salaries	53,352,895	66,403,718	952,191	120,708,804
8.2 Payroll taxes	3,384,730	4,877,378	98,805	8,360,913
9. Employee relations and welfare	11,272,528	13,478,063	337,526	25,088,117
10. Insurance	622,064	708,993	85,414	1,416,471
11. Directors' fees	478,066	616,972	12,753	1,107,792
12. Travel and travel items	1,627,293	1,831,381	27,983	3,486,657
13. Rent and rent items	2,501,734	541,666	4,685,333	7,728,733
14. Equipment	1,682,335	2,689,934		4,372,270
15. Cost or depreciation of EDP equipment and software	4,596,351	6,772,313		11,368,664
16. Printing and stationery	366,432	895,727	10,649	1,272,807
17. Postage, telephone and telegraph, exchange and express	2,264,128	6,335,138	142,809	8,742,076
18. Legal and auditing	693,776	1,706,372	17,403	2,417,552
19. Totals (Lines 3 to 18)	83,836,422	122,976,997	6,375,780	213,189,199
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $		23,612,972		23,612,972
20.2 Insurance department licenses and fees		2,125,148		2,125,148
20.3 Gross guaranty association assessments		(114,609)		(114,609)
20.4 All other (excluding federal and foreign income and real estate)		231,365		231,365
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	25,854,875	0	25,854,875
21. Real estate expenses			5,389,613	5,389,613
22. Real estate taxes			1,836,504	1,836,504
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	14,103,238	29,615,943	4,809,475	48,528,655
25. Total expenses incurred	124,085,732	365,897,496	18,411,372	(a) 508,394,599
26. Less unpaid expenses-current year	148,215,963	75,430,172	3,474,430	227,120,565
27. Add unpaid expenses-prior year	150,605,711	71,588,562	4,021,677	226,215,951
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)	126,475,479	362,055,886	18,958,619	507,489,985
DETAILS OF WRITE-INS				
2401. Software Expense	7,042,025	10,374,044	394,763	17,810,833
2402. Miscellaneous Expense	2,349,607	12,550,082	11,534	14,911,223
2403. Donations	1,029,812	1,356,764	21,968	2,408,545
2498. Summary of remaining write-ins for Line 24 from overflow page	3,681,793	5,335,051	4,381,210	13,398,054
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	14,103,238	29,615,943	4,809,475	48,528,655

(a) Includes management fees of $ 12,444,282 to affiliates and $ 7,114,543 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 1,234,641	993,126
1.1	Bonds exempt from U.S. tax	(a) 10,024,490	9,781,276
1.2	Other bonds (unaffiliated)	(a) 30,143,277	30,339,204
1.3	Bonds of affiliates	(a) 0	
2.1	Preferred stocks (unaffiliated)	(b) 510,584	586,028
2.11	Preferred stocks of affiliates	(b) 0	
2.2	Common stocks (unaffiliated)	12,867,158	13,086,654
2.21	Common stocks of affiliates	0	
3.	Mortgage loans	(c) 20,027	15,457
4.	Real estate	(d) 9,132,783	9,132,783
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 977,857	1,111,184
7.	Derivative instruments	(f)	
8.	Other invested assets	3,034,651	3,034,651
9.	Aggregate write-ins for investment income	142,544	142,544
10.	Total gross investment income	68,088,012	68,222,907
11.	Investment expenses		(g) 18,411,372
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h) 1,338,000
14.	Depreciation on real estate and other invested assets		(i) 3,821,517
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		23,570,889
17.	Net investment income (Line 10 minus Line 16)		44,652,018
	DETAILS OF WRITE-INS		
0901.	Securities Lending Income	126,228	126,228
0902.	Miscellaneous Investment Income	16,316	16,316
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)	142,544	142,544
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 $ 1,050,757 accrual of discount less $ 12,393,678 amortization of premium and less $ 2,136,939 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 $ 1,327 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 $ 23,060 amortization of premium and less $ .... paid for accrued interest on purchases.
(f) Includes $ .... accrual of discount less $ .... amortization of premium.
(g) Includes $ .... investment expenses and $ .... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ .... interest on surplus notes and $ .... interest on capital notes.
(i) Includes $ .... depreciation on real estate and $ .... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 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	2,747,755		2,747,755	(1,129,022)	
1.1	Bonds exempt from U.S. tax	(18,081)		(18,081)		
1.2	Other bonds (unaffiliated)	(3,167,292)	(77,505)	(3,244,797)	(6,514,785)	
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	322,576	0	322,576	(1,752,006)	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	6,778,162	(1,239,035)	5,539,127	(58,249,174)	0
2.21	Common stocks of affiliates	36,252,113	0	36,252,113	2,253,224	0
3.	Mortgage loans	17,339	0	17,339	0	0
4.	Real estate	0	0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0	0	0
7.	Derivative instruments			0		
8.	Other invested assets	198,375	0	198,375	(536,493)	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	43,130,947	(1,316,540)	41,814,407	(65,928,256)	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	25,253	2,000	(23,253)
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)	25,253	2,000	(23,253)
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	1,317,461	939,826	(377,635)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	39,191	28,563	(10,628)
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	28,619,407	25,174,379	(3,445,028)
21. Furniture and equipment, including health care delivery assets	2,413,944	2,777,031	363,087
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	3,334,180	4,725,731	1,391,551
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	35,749,436	33,647,530	(2,101,906)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	35,749,436	33,647,530	(2,101,906)
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	44,539,070	37,937,254	(6,601,816)
2502. Personal Loans	3,334,180	4,725,731	1,391,551
2503. Overfunded Plan Asset	(44,539,070)	(37,937,254)	6,601,816
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)	3,334,180	4,725,731	1,391,551

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 National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP") subject to any deviations prescribed or permitted by the Department. The Company does not employ accounting practices that depart from the NAIC SAP.

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:

					Amount ($)	
		SSAP #	F/S Page	F/S Line #	**2018**	2017
	NET INCOME					
(1)	Grange Mutual Casualty Company state basis (Page 4, Line 20, Columns 1 & 2)	xxx	xxx	xxx	**137,248,356**	104,150,032
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP				**0**	0
(3)	State Permitted Practices that increase/(decrease) NAIC SAP				**0**	0
(4)	**NAIC SAP (1-2-3=4)**	xxx	xxx	xxx	**137,248,356**	104,150,032
	SURPLUS					
(5)	Grange Mutual Casualty Company state basis (Page 3, Line 37, Columns 1 & 2)	xxx	xxx	xxx	**1,317,172,349**	1,214,541,385
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP				**0**	0
(7)	State Permitted Practices that increase/(decrease) NAIC SAP				**0**	0
(8)	**NAIC SAP (5-6-7=8)**	xxx	xxx	xxx	**1,317,172,349**	1,214,541,385

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

The preparation of financial statements in conformity with NAIC SAP 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. Securities Valuation Office ("SVO") identified investments identified in SSAP No. 26R are stated at fair value.
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 has not modified its capitalization policy from the prior period.
13. The Company does not have pharmaceutical rebate receivables.

D. Going Concern:

Management has evaluated the Company's viability and has no doubt as to the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections 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 or purchase any new loans during 2018.
2. The Company did not reduce interest rates of any outstanding mortgage loans during 2018.
3. The Company did not originate any new loans in 2018.
4. Age analysis of mortgage loans. As the Company only owns residential mortgage loans, all other loan types are omitted from the tables below. The Company is not a participant or co-lender in the mortgage agreements.
   a. Current year: None
   b. Prior year:

	Residential All Other	Total
1. Recorded investment (all)		
a. Current	1,384,899	1,384,899
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. The Company did not have any investments in impaired loans.
6. The Company did not have any impaired loans.
7. The following table presents the allowance for credit losses as of December 31, 2018 and 2017:

	Amount ($)	
	2018	2017
a. Balance at beginning of each period	**0**	300,000
b. Additions charged to operations	**0**	0
c. Direct write-downs charged against the allowance	**0**	(300,000)
d. Recoveries of amounts previously charged off	**0**	0
e. Balance at end of each period	**0**	0

8. The Company did not have mortgage loans derecognized as a result of foreclosure.

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. The aggregate amount of unrealized losses:
      1. Less than 12 months $ (264,020)
      2. 12 months or longer $ (2,783,998)
   b. The aggregate related fair value of securities with unrealized losses:
      1. Less than 12 months $ 18,866,885
      2. 12 months or longer $ 105,159,316
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, 2018 is $26.1 million.
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.

NOTES TO FINANCIAL STATEMENTS

2. Securities lending collateral received:

	Fair Value ($)
Open	0
30 days or less	26,100,208
31 to 60 days	0
61 to 90 days	0
Greater than 90 days	0
Subtotal	26,100,208
Securities received	0
Total collateral received	**26,100,208**

3. The Company has no dollar repurchase agreements as collateral received.

b. The Company has not sold or re-pledged any collateral.

c. 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 re-invested the cash collateral in the Northern Institutional Liquid Asset Portfolio.

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	26,100,208	26,100,208
31 to 60 days	0	0
61 to 90 days	0	0
Greater than 90 days	0	0
Subtotal	26,100,208	26,100,208
Securities received	0	0
Total collateral reinvested	**26,100,208**	**26,100,208**

3. The Company has no dollar repurchase agreements as collateral.

b. The maturity dates of the liabilities match 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, 2018.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing: None

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing: None

H. Repurchase Agreements Transactions Accounted for as a Sale: None

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale: None

J. Real Estate: None

K. Low Income Housing Tax Credits: None

L. Restricted Assets:

1. Restricted assets (including pledged) summarized by restricted asset category:

	Amount ($)										
	Gross (Admitted and Nonadmitted) Restricted									Percentage (%)	
	Current year							Current Year			
	1	2	3	4	5	6	7	8	9	10	11
	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 Non-admitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Non-Admitted) 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	26,100,208				26,100,208	3,072,388	23,027,820		26,100,208	1.00 %	1.00 %
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	4,263,300				4,263,300	3,974,100	289,200		4,263,300	0.20 %	0.20 %
j. On deposit with states	2,823,528				2,823,528	2,781,475	42,053		2,823,528	0.10 %	0.10 %

NOTES TO FINANCIAL STATEMENTS

	Amount ($)									Percentage (%)	
	Gross (Admitted and Nonadmitted) Restricted										
	Current year							Current Year			
	1	2	3	4	5	6	7	8	9	10	11
	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 Non-admitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Non-Admitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
k. On deposit with other regulatory bodies											
l. Pledged collateral to FHLB (including assets backing funding agreements)	152,535,652				152,535,652	129,220,723	23,314,929		152,535,652	5.70 %	5.80 %
m. Pledged as collateral not captured in other categories											
n. Other restricted assets											
o. Total Restricted Assets	185,722,688				185,722,688	139,048,686	46,674,002		185,722,688	6.90 %	7.00 %
(a) Subset of column 1											
(b) Subset of column 3											

2. Detail of assets pledged as collateral not captured in other categories (reported on line m in the above table): None
3. Details of other restricted assets: None
4. The following table presents the collateral received and reflected as assets within the financial statements as of December 31, 2018:

	Amount ($)		Percentage (%)	
	Book/Adjusted Carrying Value ("BACV")	Fair Value	% of BACV to Total Assets*	% of BACV to Total Admitted Assets**
a. Cash, cash equivalents and short-term investments	0	0	0.00 %	0.00 %
b. Schedule D, part 1	0	0	0.00 %	0.00 %
c. Schedule D, part 2, Section 1	0	0	0.00 %	0.00 %
d. Schedule D, part 2, Section 2	0	0	0.00 %	0.00 %
e. Schedule B	0	0	0.00 %	0.00 %
f. Schedule A	0	0	0.00 %	0.00 %
g. Schedule BA, part 1	0	0	0.00 %	0.00 %
h. Schedule DL, part 1	26,100,208	26,100,208	1.00 %	1.00 %
i. Other	0	0	0.00 %	0.00 %
j. Total collateral assets	**26,100,208**	**26,100,208**	**1.00 %**	**1.00 %**

* Column 1 (BACV) divided by asset page, line26 (column 1)
** Column 1 (BACV) divided by asset page, line 26 (column 3)

k. Recognized Obligation to Return Collateral Asset: None

M. Working Capital Finance Investments: None

N. Offsetting and Netting of Assets and Liabilities: None

O. Structured Notes:

Structured notes as defined per the Purpose and Procedures Manual of the NAIC Investment Analysis Office at December 31, 2018:

CUSIP Identification	Actual Cost ($)	Fair Value ($)	Book/Adjusted Carrying Value ($)	Mortgage-Referenced Security (YES/NO)
3130A8G56	1,000,000	982,970	1,000,000	No
3130A9T92	989,500	961,290	1,000,133	No
3130AAPC6	1,500,000	1,474,335	1,500,000	No
3134G9WD5	1,955,000	1,913,880	1,966,000	No
3134GAFP4	2,500,000	2,372,500	2,500,000	No
3134GBX98	1,997,000	1,960,660	2,000,000	No
337358BH7	2,030,000	2,367,976	2,054,818	No
38141GWJ9	1,756,160	1,679,983	1,754,672	No
564759PS1	1,946,480	2,000,498	1,991,041	No
61744YAQ1	997,880	991,484	997,455	No
61745EY21	2,000,000	1,982,500	2,000,000	No
61760QLR3	1,200,000	1,168,500	1,200,000	No
78012KFG7	759,707	731,025	754,978	No
89114QMA3	1,995,000	1,985,380	2,000,581	No
904678AF6	530,738	438,882	438,882	No
912810FR4	3,715,114	3,641,945	3,743,267	No
912810FS2	3,220,675	3,183,018	3,277,500	No
912810PV4	3,637,229	3,620,739	3,711,039	No
912810PZ5	2,924,204	2,875,101	2,956,366	No
912810QV3	2,282,798	2,365,588	2,432,209	No
912810RF7	2,687,666	2,758,662	2,819,447	No
9128284H0	6,567,678	6,587,019	6,638,237	No
912828B25	4,244,084	4,324,605	4,427,020	No
912828K33	12,629,537	12,633,972	12,846,570	No
912828MF4	7,124,933	7,022,003	7,181,920	No
912828NM8	8,423,873	8,359,751	8,498,182	No
912828PP9	15,530,886	15,174,636	15,627,099	No
912828Q60	10,486,551	10,498,648	10,676,789	No
912828QV5	9,377,272	9,359,842	9,501,228	No
912828S50	1,074,557	1,059,686	1,081,108	No
912828SA9	13,275,496	13,609,346	13,904,844	No
912828TE0	12,558,842	12,738,937	13,103,963	No
912828UH1	12,722,737	13,048,002	13,321,002	No
912828V49	1,340,156	1,322,358	1,381,636	No
912828VM9	10,461,628	10,411,215	10,512,551	No
912828X39	10,353,015	10,374,862	10,537,273	No
912828XL9	2,984,242	2,993,284	3,105,980	No
Total	**180,780,638**	**180,975,082**	**184,443,790**	

NOTES TO FINANCIAL STATEMENTS

P. 5 GI Securities: None

Q. Short Sales: None

R. Prepayment Penalty and Acceleration Fees:

	General Account	Protected Cell
1. Number of CUSIPs	26	0
2. Aggregate amount of investment income ($)	1,791,853	0

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 deferred tax assets ("DTA") and deferred tax liabilities ("DTL") at December 31, 2018 and 2017 are as follows:

	Amount ($)								
	2018			2017			Change		
1.	**Ordinary**	**Capital**	**Total**	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Gross DTA	**49,479,424**	**4,679,626**	**54,159,050**	46,024,667	4,204,041	50,228,708	3,454,757	475,585	3,930,342
b. Statutory valuation allowance adjustment	**0**	**0**	**0**	0	0	0	0	0	0
c. Adjusted gross DTAs	**49,479,424**	**4,679,626**	**54,159,050**	46,024,667	4,204,041	50,228,708	3,454,757	475,585	3,930,342
d. DTAs nonadmitted	**0**	**0**	**0**	0	0	0	0	0	0
e. Subtotal net admitted DTAs	**49,479,424**	**4,679,626**	**54,159,050**	46,024,667	4,204,041	50,228,708	3,454,757	475,585	3,930,342
f. DTL	**15,150,073**	**15,372,201**	**30,522,274**	9,862,820	29,260,673	39,123,493	5,287,253	(13,888,472)	(8,601,219)
g. Net admitted DTA/(DTL)	**34,329,351**	**(10,692,575)**	**23,636,776**	36,161,847	(25,056,632)	11,105,215	(1,832,496)	14,364,057	12,531,561

	Amount ($)								
	2018			2017			Change		
2. Admission calculation components SSAP No. 101	**Ordinary**	**Capital**	**Total**	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Recovered through loss carrybacks	**34,658,371**	**0**	**34,658,371**	26,505,301	0	26,505,301	8,153,070	0	8,153,070
b. The lesser of 2(b)1 and 2(b)2 below:	**3,448,960**	**0**	**3,448,960**	4,544,590	0	4,544,590	(1,095,630)	0	(1,095,630)
1. Adjusted gross DTAs expected to be realized within one or three years	**3,448,960**	**0**	**3,448,960**	4,544,590	0	4,544,590	(1,095,630)	0	(1,095,630)
2. Adjusted DTAs allowed per limitation threshold	**xxx**	**xxx**	**191,107,965**	xxx	xxx	150,653,439	xxx	xxx	40,454,526
c. Adjusted gross DTAs offset by gross DTLs	**11,372,093**	**4,679,626**	**16,051,719**	14,974,776	4,204,041	19,178,817	(3,602,683)	475,585	(3,127,098)
d. Total DTA admitted	**49,479,424**	**4,679,626**	**54,159,050**	46,024,667	4,204,041	50,228,708	3,454,757	475,585	3,930,342

3.	**2018**	2017
a. Ratio percentage used to determine recovery period and threshold limitation (%)	**1,250.28 %**	1,012.50 %
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above ($)	**1,274,053,097**	1,004,356,262

	2018		2017		Change	
4. Impact of tax-planning strategies	**Ordinary**	**Capital**	Ordinary	Capital	Ordinary	Capital
a. Determination of adjusted gross DTAs and net admitted DTAs by tax character as a percentage						
1. Adjusted gross DTAs ($)	**49,479,424**	**4,679,626**	46,024,667	4,204,041	3,454,757	475,585
2. Percentage of total adjusted gross DTAs by tax character attributable to planning (%)	**0.00 %**	**0.00 %**	0.00 %	0.00 %	0.00 %	0.00 %
3. Net admitted adjusted gross DTAs ($)	**49,479,424**	**4,679,626**	46,024,667	4,204,041	3,454,757	475,585
4. Percentage of net admitted adjusted gross DTAs by tax character attributable to planning (%)	**0.00 %**	**0.00 %**	0.00 %	0.00 %	0.00 %	0.00 %
b. Does the Company's tax-planning strategies include the use of reinsurance?			Yes		No	x

B. Unrecognized Deferred Tax Liabilities: None

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

NOTES TO FINANCIAL STATEMENTS

			Amount ($) 2018	2017	Change
1.	Current income tax:				
	a.	Federal	**18,364,592**	17,058,512	1,306,080
	b.	Foreign	**0**	0	0
	c.	Subtotal	**18,364,592**	17,058,512	1,306,080
	d.	Federal income tax on net capital gains	**8,781,025**	12,320,782	(3,539,757)
	e.	Utilization of capital loss carry-forward	**0**	0	0
	f.	Other	**(3,893,364)**	(1,589,558)	(2,303,806)
	g.	**Federal and foreign income taxes incurred**	**23,252,253**	27,789,736	(4,537,483)

				Amount ($) 2018	2017	Change
2.	Deferred tax assets:					
	a.	Ordinary:				
		1.	Discounting of unpaid losses	**8,221,972**	3,747,458	4,474,514
		2.	Unearned premium reserve	**20,275,238**	19,599,777	675,461
		3.	Policyholder reserves	**0**	0	0
		4.	Investments	**0**	0	0
		5.	Deferred acquisition costs	**0**	0	0
		6.	Policyholder dividends accrual	**0**	0	0
		7.	Fixed assets	**0**	0	0
		8.	Compensation and benefits accrual	**11,234,202**	8,996,289	2,237,913
		9.	Pension accrual	**2,164,162**	5,143,009	(2,978,847)
		10.	Receivables – nonadmitted	**7,507,382**	8,399,163	(891,781)
		11.	Net operating loss carry-forward	**0**	0	0
		12.	Tax credit carry-forward	**0**	0	0
		13.	Other (including items <5% of total ordinary tax assets)	**76,468**	138,971	(62,503)
			Subtotal	**49,479,424**	46,024,667	3,454,757
	b.	Statutory valuation allowance adjustment		**0**	0	0
	c.	Nonadmitted		**0**	0	0
	d.	Admitted ordinary deferred tax assets		**49,479,424**	46,024,667	3,454,757
	e.	Capital:				
		1.	Investments	**4,333,768**	4,204,041	129,727
		2.	Net capital loss carry-forward	**0**	0	0
		3.	Real estate	**0**	0	0
		4.	Other (including items <5% of total capital tax assets)	**345,858**	0	345,858
			Subtotal	**4,679,626**	4,204,041	475,585
	f.	Statutory valuation allowance adjustment		**0**	0	0
	g.	Nonadmitted		**0**	0	0
	h.	Admitted capital deferred tax assets		**4,679,626**	4,204,041	475,585
	i.	Admitted deferred tax assets (2d + 2h)		**54,159,050**	50,228,708	3,930,342
3.	Deferred tax liabilities:					
	a.	Ordinary:				
		1.	Investments	**1,558,523**	1,247,851	310,672
		2.	Fixed assets	**8,389,368**	7,480,838	908,530
		3.	Deferred and uncollected premium	**0**	0	0
		4.	Policyholder reserves	**230,370**	103,587	126,783
			Reserves Transition Liability	**4,091,378**	0	4,091,378
		5.	Other (including items <5% of total ordinary tax liabilities)	**880,434**	1,030,544	(150,110)
			Subtotal	**15,150,073**	9,862,820	5,287,253
	b.	Capital:				
		1.	Investments	**0**	0	0
		2.	Real estate	**0**	0	0
		3.	Other (including items <5% of total capital tax liabilities)	**0**	0	0
			Unrealized capital gains	**15,372,201**	29,260,673	(13,888,472)
			Subtotal	**15,372,201**	29,260,673	(13,888,472)
	c.	Deferred tax liabilities		**30,522,274**	39,123,493	(8,601,219)
4.	**Net deferred tax asset/(liability) (2i – 3c)**			**23,636,776**	11,105,215	12,531,561

D. The Company's provision for income tax 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 as of December 31, 2018 are as follows:

			Amount ($)	Tax Effect at 21% ($)	Effective Tax Rate (%)
1.	Tax reconciliation by effective rate:				
	a.	Income before taxes	160,500,609	33,705,128	21.00 %
	b.	Tax-exempt interest	(9,781,276)	(2,054,068)	(1.28)%
	c.	Dividends received deduction	(5,608,737)	(1,177,835)	(0.73)%
	d.	Proration	3,847,503	807,976	0.50 %
		Impact of GLIC sale	(37,999,231)	(7,979,839)	(4.97)%
	e.	Meals & entertainment, lobbying expense, etc.	1,991,500	418,215	0.26 %
	f.	Pension (pre-paid & unfunded PBO)	9,835,017	2,065,354	1.29 %
	g.	Change in nonadmit	4,246,579	891,782	0.56 %
	h.	Realized (gain) on donation of securities	(1,849,917)	(388,483)	(0.24)%
	i.	Rate change	(13,058,166)	(1,828,143)	(1.14)%
	j.	Other, including prior year true-ups	2,356,836	494,934	0.30 %
		Total	**114,480,717**	**24,955,021**	**15.55 %**
2.	Tax reconciliation by statement of income:				
	a.	Federal and foreign income tax incurred expense/(benefit)		14,471,228	9.02 %
	b.	Tax on realized gains/(losses)		8,781,025	5.47 %
	c.	Change in net deferred income tax charge/(benefit)		1,702,768	1.06 %
		Total		**24,955,021**	**15.55 %**

E. Operating Loss and Tax Credit Carry-forwards:

		Amount ($)
1.	At December 31, 2018, the Company had net operating loss carry forwards of:	0
	At December 31, 2018, the Company had capital loss carry forwards of:	0
	At December 31, 2018, the Company had AMT credit carry forwards, which do not expire, of:	0

NOTES TO FINANCIAL STATEMENTS

2. The following is the income tax expense that is available for recoupment in the event of future net losses:

	Ordinary ($)	Capital ($)	Total ($)
2018	18,266,561	8,781,025	27,047,586
2017	14,510,695	10,665,578	25,176,273
2016	0	9,418,244	9,418,244
Total	**32,777,256**	**28,864,847**	**61,642,103**

3. The Company did not have any protective deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return:

1. The Company's federal income tax return is consolidated with the following entities:
Grange Indemnity Insurance Company
Grange Insurance Company of Michigan
Grange Property & Casualty Insurance Company
Trustgard Insurance Company
GrangeAmerica Corporation
Northview Insurance Agency, Inc.
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 does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

10. Information Concerning 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, Grange Insurance Company of Michigan, Grange Property & Casualty Insurance Company and Trustgard Insurance Company (collectively, the "Subsidiaries"). The Company, domiciled in the State of Ohio, is a member of the Grange Insurance Enterprise.
2. On June 4, 2018, the Company announced a plan to convert its corporate structure to a Mutual Holding Company structure. Through this conversion, the Company and its affiliate, Integrity Mutual Insurance Company ("IMICO"), will become stock companies and change their names to Grange Insurance Company ("GIC") and Integrity Insurance Company ("IIC"), respectively. GIC, and its wholly owned subsidiaries, along with IIC, and its wholly owned subsidiaries, will be owned by a new holding company, Grange Holdings, Inc. ("GHI"), which will be 100% owned by a new mutual holding company, Grange Mutual Holding Company ("GMHC"). The conversion plan was approved by the policyholders of the Company and IMICO on July 19, 2018 and was approved by the Department on September 14, 2018. The change in structure will be effective on January 1, 2019.
3. On October 1, 2018, the Company completed its sale of all issued and outstanding common shares of its wholly owned subsidiary, Grange Life Insurance Company ("GLIC"), to Kansas City Life Insurance Company for $74.7 million, which was approved by the Department on August 30, 2018. On August 10, 2018 as part of the transaction, GLIC paid a dividend of $30.0 million to the Company, which was approved by the Department on July 25, 2018. The sale resulted in a pre-tax gain of approximately $36.0 million for the Company.
4. As part of the dividend discussed in Note 10A(3) above, the ownership of Northview Insurance Agency, Inc. ("Northview"), a noninsurance subsidiary discussed in Note 10L(2) below, was transferred to the Company via a dividend on August 10, 2018. Northview will be transferred, via dividend, to GHI in 2019.
5. The Company owns all the issued and outstanding common stock of GrangeAmerica Corporation, a noninsurance subsidiary discussed in Note 10L(1) below. As part of the corporate structure conversion discussed in Note 10A(1) above, ownership of GrangeAmerica Corporation, will be transferred, via dividend, to GHI in 2019.
6. The Company is affiliated with IMICO. IMICO has two 100% wholly owned subsidiaries, Integrity Property & Casualty Insurance Company and Integrity Select Insurance Company. The companies, domiciled in Ohio, are members of the Grange Insurance Enterprise.

B. Descriptions of transactions with Parent, Subsidiaries and Affiliates: See Note 10A.

C. Amounts of transactions with Parent, Subsidiaries and Affiliates: See Note 10A.

D. Amounts Due From or To Related Parties:

At December 31, 2018, the Company reported $6.3 million as amounts due to its Subsidiaries and affiliates (IMICO). The terms of the settlement require that these amounts be settled within 45 days. Up until the sale in October 2018, GLIC reimbursed the Company for salaries, F.I.C.A., employee relations and welfare, directors' fees, travel, rent, equipment, and printing and stationery monthly. The Subsidiaries reimburse the Company for salaries, F.I.C.A., and employee relations and welfare monthly. Other expenses and net intercompany balances are reimbursed quarterly.

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 and affiliate (IMICO), whereby the Company provides services to the Subsidiaries and affiliate and makes available all services necessary to support their 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. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies: None

NOTES TO FINANCIAL STATEMENTS

K. Investments in Foreign Insurance Subsidiary: None

L. Investments in a Downstream Noninsurance Company:

1. As stated in Note 10A(5), 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 its financial statements are not audited; as a result, the carrying value of $2,000 has been non-admitted.
2. As stated in Note 10A(4), the Company owns 100% of Northview, a noninsurance subsidiary. This company was transferred from GLIC, via a dividend, and its financial statements are not audited; as a result, the carrying value of $23,253 has been non-admitted.

M. All SCA Investments:

1. Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities):

	SCA Entity	Percentage of SCA Ownership (%)	Gross Amount ($)	Admitted Amount ($)	Nonadmitted Amount ($)
a.	SSAP No. 97 8a Entities		0	0	0
b.	SSAP No. 97 8b(ii) Entities				
	GrangeAmerica Corporation	100%	2,000	0	2,000
	Northview Insurance Agency, Inc	100%	23,253	0	23,253
	Total SSAP No. 97 8b(ii) Entities		25,253	0	25,253
c.	SSAP No. 97 8b(iii) Entities		0	0	0
d.	SSAP No. 97 8b(iv) Entities		0	0	0
e.	Total SSAP No. 97 8b Entities, except 8b(i)		25,253	0	25,253
f.	**Total (a + e)**		25,253	0	25,253

2. NAIC Filing Response Information: Not Applicable

N. Investment in Insurance SCAs: None

O. SCA Loss Tracking: None

11. Debt:

A. Apart from item Note 11B immediately below, the Company did not have any capital notes or other debt obligations outstanding during the periods presented.

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 has borrowed funds in the form of a 10-year fixed term, fixed-rate advance at 2.23%. In October 2016, the Company borrowed $60.0 million for general operating purposes. The Company has determined the actual maximum borrowing capacity as $143.1 million based on the FHLB Additional Borrowing Capacity statement published at the time of the report.
2. FHLB Capital Stock
   a. Aggregate Totals

		1. Current Year			2. Prior Year		
		Total ($)	**General Account ($)**	**Protected Cell Account ($)**	Total ($)	General Account ($)	Protected Cell Account ($)
a.	Membership Stock – Class A	**0**	**0**	**0**	0	0	0
b.	Membership Stock – Class B	**3,063,106**	**3,063,106**	**0**	2,773,996	2,773,996	0
c.	Activity Stock	**1,200,194**	**1,200,194**	**0**	1,200,104	1,200,104	0
d.	Excess Stock	**0**	**0**	**0**	0	0	0
e.	**Total (a+b+c+d)**	**4,263,300**	**4,263,300**	**0**	3,974,100	3,974,100	0
f.	Actual or estimate borrowing capacity as determined by the insurer	**143,080,623**			118,332,442		

   b. Membership Stock (Class A and B) Eligible for Redemption

		1	2	Eligible for Redemption		
		Current Year Total (2+3+4+5)	Not Eligible for Redemption	3 Less Than 6 Months	4 1 to Less Than 3 Years	5 3 to 5 Years
1.	Membership Stock – Class A	**0**	0	0	0	0
2.	Membership Stock – Class B	**3,063,106**	3,063,106	0	0	0

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

		Fair Value ($)	Carrying Value ($)	Aggregate Total Borrowing ($)
1.	Current year total general account collateral pledged	150,152,141	152,535,652	60,000,000
2.	Current year protected cell account collateral pledged	0	0	0
3.	**Current year total general and protected cell accounts collateral pledged**	**150,152,141**	**152,535,652**	**60,000,000**
4.	Prior year total general and protected cell accounts collateral pledged	128,243,455	129,220,723	60,000,000

   b. Maximum Amount Pledged During Reporting Period

		Fair Value ($)	Carrying Value ($)	Amount Borrowed at Time of Maximum Collateral ($)
1.	Current year total general account maximum collateral pledged	152,823,389	156,576,192	60,000,000
2.	Current year protected cell account maximum collateral pledged	0	0	0
3.	**Current year total general and protected cell accounts maximum collateral pledged**	**152,823,389**	**156,576,192**	**60,000,000**
4.	Prior year total general and protected cell accounts maximum collateral pledged	136,371,145	136,169,452	60,000,000

4. Borrowing from FHLB
   a. Amount as of the Reporting Date

		1. Current Year			2. Prior Year		
		Total ($)	**General Account ($)**	**Protected Cell Account ($)**	Total ($)	General Account ($)	Protected Cell Account ($)
a.	Debt	**60,000,000**	**60,000,000**	**0**	60,000,000	60,000,000	0
b.	Funding Agreements	**0**	**0**	**0**	0	0	0
c.	Other	**0**	**0**	**0**	0	0	0
d.	**Total (a+b+c)**	**60,000,000**	**60,000,000**	**0**	60,000,000	60,000,000	0

NOTES TO FINANCIAL STATEMENTS

b. Maximum Amount during Reporting Period (Current Year)

		Total ($)	General Account ($)	Protected Cell Account ($)
a.	Debt	**60,000,000**	60,000,000	0
b.	Funding Agreements	**0**	0	0
c.	Other	**0**	0	0
d.	**Total (a+b+c)**	**60,000,000**	**60,000,000**	**0**

c. The Company has no prepayment obligations under its debt arrangement.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans:
The Company sponsors a defined benefit pension plan (the "Plan"), amended and restated, for 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. Under the provisions of the Plan, benefits are determined by applying factors specified in the Plan to a participant's defined average monthly compensation. The Company uses a December 31 measurement date for the Plan.

As a supplement to the benefits provided under the Plan, the Company sponsors a supplemental defined benefit pension plan (the "Supplemental Plan") for certain highly compensated employees (as defined).

In addition to the Plan, the Company sponsors a defined benefit plan (the "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 for medical benefits and all employees that retire prior to December 31, 2018 for life insurance benefits. 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, 2018 or 2017. The Company uses a December 31 measurement date for the Postretirement Plan. There were no amendments to the Postretirement Plan during 2018. The Postretirement Plan was amended in 2017 with the Company no longer providing retiree life insurance to any participant who retires on or after January 1, 2019.

The Company also sponsors a defined benefit pension plan (the "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.

There were no amendments to the Plan, Supplemental Plan or Board Plan during the years ended December 31, 2018 and 2017.

A. Defined Benefit Plan:
Below is a summary of assets, obligations and assumptions of the pension (Plan), postretirement plans (Postretirement Plan) and nonqualified plans (collectively, the Supplemental Plan and Board Plan) as of December 31, 2018 and 2017.

1. Change in Benefit Obligation

		Amount ($)			
		Overfunded		Underfunded	
		2018	2017	**2018**	2017
a.	Pension Benefits				
1.	Benefit obligation at beginning of year	**0**	0	**196,272,263**	180,639,897
2.	Service cost	**0**	0	**5,167,401**	5,280,078
3.	Interest cost	**0**	0	**6,549,195**	6,505,719
4.	Contribution by plan participants	**0**	0	**0**	0
5.	Actuarial gain/(loss)	**0**	0	**(22,595,570)**	12,869,574
6.	Foreign currency exchange rate changes	**0**	0	**0**	0
7.	Benefits paid	**0**	0	**(3,005,180)**	(2,796,806)
8.	Plan amendments	**0**	0	**0**	0
9.	Business combinations, divestitures, curtailments, settlements, and special termination benefits	**0**	0	**(6,821,115)**	(6,226,199)
10.	**Benefit obligation at end of year**	**0**	0	**175,566,994**	196,272,263
b.	Postretirement Benefits				
1.	Benefit obligation at beginning of year	**0**	0	**33,466,892**	34,810,348
2.	Service cost	**0**	0	**315,133**	446,197
3.	Interest cost	**0**	0	**1,052,215**	1,172,608
4.	Contribution by plan participants	**0**	0	**0**	0
5.	Actuarial gain/(loss)	**0**	0	**(2,176,094)**	679,069
6.	Foreign currency exchange rate changes	**0**	0	**0**	0
7.	Benefits paid	**0**	0	**(2,378,545)**	(1,588,315)
8.	Plan amendments	**0**	0	**0**	(2,053,015)
9.	Business combinations, divestitures, curtailments, settlements, and special termination benefits	**0**	0	**0**	0
10.	**Benefit obligation at end of year**	**0**	0	**30,279,601**	33,466,892
c.	Nonqualified Plans				
1.	Benefit obligation at beginning of year	**0**	0	**5,978,462**	6,029,991
2.	Service cost	**0**	0	**10,291**	11,381
3.	Interest cost	**0**	0	**173,361**	181,609
4.	Contribution by plan participants	**0**	0	**0**	0
5.	Actuarial gain/(loss)	**0**	0	**(342,555)**	184,397
6.	Foreign currency exchange rate changes	**0**	0	**0**	0
7.	Benefits paid	**0**	0	**(374,668)**	(428,916)
8.	Plan amendments	**0**	0	**0**	0
9.	Business combinations, divestitures, curtailments, settlements, and special termination benefits	**0**	0	**0**	0
10.	**Benefit obligation at end of year**	**0**	0	**5,444,891**	5,978,462

2. Change in Plan Assets

		Amount ($)					
		Pension Benefits		Postretirement Benefits		Nonqualified Plans	
		2018	2017	**2018**	2017	**2018**	2017
a.	Fair value of plan assets at beginning of year	**171,781,746**	142,732,324	**0**	0	**0**	0
b.	Actual return on plan assets	**(7,193,988)**	19,987,999	**0**	0	**0**	0
c.	Foreign currency exchange rate changes	**0**	0	**0**	0	**0**	0
d.	Reporting entity contribution	**10,500,000**	18,084,428	**2,378,545**	1,588,315	**374,668**	428,916
e.	Plan participants' contributions	**0**	0	**0**	0	**0**	0
f.	Benefits paid	**(3,005,180)**	(2,796,806)	**(2,378,545)**	(1,588,315)	**(374,668)**	(428,916)
g.	Business combinations, divestitures, curtailments, settlements, and special termination benefits	**(6,821,115)**	(6,226,199)	**0**	0	**0**	0
h.	**Fair value of plan assets at end of year**	**165,261,463**	171,781,746	**0**	0	**0**	0

NOTES TO FINANCIAL STATEMENTS

3. Funded Status

	Pension Benefits 2018	Pension Benefits 2017	Postretirement Benefits 2018	Postretirement Benefits 2017
a. Components				
1. Prepaid benefit costs	**44,539,080**	37,937,264	**0**	0
2. Overfunded plan assets	**(44,539,080)**	(37,937,264)	**0**	0
3. Accrued benefit costs	**0**	0	**40,320,668**	41,389,121
4. Liability for pension benefits	**10,305,531**	24,490,517	**(4,596,176)**	(1,943,767)
b. Assets and liabilities recognized				
1. Assets (nonadmitted)	**0**	0	**0**	0
2. Liability recognized	**10,305,531**	24,490,517	**35,724,492**	39,445,354
c. Unrecognized liabilities	**0**	0	**0**	0

4. Components of Net Periodic Benefit Cost

	Pension Benefits 2018	Pension Benefits 2017	Postretirement Benefits 2018	Postretirement Benefits 2017	Nonqualified Plans 2018	Nonqualified Plans 2017
a. Service cost	**5,167,401**	5,280,078	**315,133**	446,197	**10,291**	11,381
b. Interest cost	**6,549,195**	6,505,719	**1,052,215**	1,172,608	**173,361**	181,609
c. Expected return on plan assets	**(11,409,493)**	(10,316,497)	**0**	0	**0**	0
d. Transition asset or (obligation)	**0**	0	**0**	0	**0**	0
e. (Gains) and losses	**3,591,081**	3,615,128	**(189,488)**	(181,064)	**133,668**	119,887
f. Prior service cost/(credit)	**0**	0	**265,241**	685,768	**(75,661)**	(75,661)
g. (Gain) or loss recognized due to a settlement or curtailment	**0**	0	**0**	0	**0**	0
h. Total net period benefit cost	**3,898,184**	5,084,428	**1,443,101**	2,123,509	**241,659**	237,216

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

	Pension Benefits 2018	Pension Benefits 2017	Postretirement Benefits 2018	Postretirement Benefits 2017
a. Items not yet recognized as a component of net periodic cost - prior year	**(62,427,781)**	(62,844,837)	**1,943,767**	205,288
b. Net transition asset or obligation recognized	**0**	0	**0**	0
c. Net prior service cost or credit arising during the period	**0**	0	**0**	2,053,015
d. Net prior service cost or credit recognized	**0**	0	**189,580**	610,107
e. Net gain and loss arising during the period	**3,992,089**	(3,198,072)	**2,518,649**	(863,466)
f. Net gain and loss recognized	**3,591,081**	3,615,128	**(55,820)**	(61,777)
g. Items not yet recognized as a component of net periodic cost - current year	**(54,844,611)**	(62,427,781)	**4,596,176**	1,943,767

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

	Pension Benefits 2018	Pension Benefits 2017	Postretirement Benefits 2018	Postretirement Benefits 2017
a. Net transition asset or (obligation)	**0**	0	**0**	0
b. Net prior service cost/(credit)	**0**	0	**247,168**	189,580
c. Net recognized gains and losses	**3,434,411**	3,591,081	**(305,862)**	(55,820)

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

	Pension Benefits 2018	Pension Benefits 2017	Postretirement Benefits 2018	Postretirement Benefits 2017
a. Net transition asset or (obligation)	**0**	0	**0**	0
b. Net prior service cost/(credit)	**0**	0	**(1,460,294)**	(1,649,874)
c. Net recognized gains and losses	**(54,844,611)**	(62,427,781)	**6,056,470**	3,593,641

8. Weighted-average assumptions used to determine net periodic benefit cost as of December 31:

	Pension 2018	Pension 2017	Postretirement 2018	Postretirement 2017	Nonqualified 2018	Nonqualified 2017
a. Weighted-average discount rate	**3.67 %**	4.15 %	**3.62 %**	4.10 %	**3.37 %**	3.71 %
b. Expected long-term rate of return on plan assets	**6.75 %**	7.25 %	**NA**	NA	**NA**	NA
c. Rate of compensation increase	**3.75 %**	3.75 %	**NA**	NA	**3.75 %**	3.75 %

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

	Pension 2018	Pension 2017	Postretirement 2018	Postretirement 2017	Nonqualified 2018	Nonqualified 2017
d. Weighted-average discount rate	**4.39 %**	3.67 %	**4.31 %**	3.62 %	**4.09 %**	3.37 %
e. Rate of compensation increase	**3.75 %**	3.75 %	**NA**	NA	**3.75 %**	3.75 %

For measurement purposes, an 7.50% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2019, then decrease gradually to 5.00% for 2024, and remain at that level thereafter.

9. The amount of the accumulated benefit obligation for the Plan was $142.6 million and $154.6 million at December 31, 2018 and 2017, respectively. The amount of the accumulated benefit obligation for the nonqualified plans combined was $5.3 million and $5.7 million at December 31, 2018 and 2017, 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	(52,232)	44,565
b. Effect on postretirement benefit obligation	(1,231,251)	1,066,780

12. The following total estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated for all plans

	Amount ($)
a. 2019	12,845,639
b. 2020	8,358,933
c. 2021	9,728,180
d. 2022	9,767,388
e. 2023	9,959,237
f. Thereafter	60,868,914

13. The Company made contributions into the Plan of $10.5 million and $18.1 million in 2018 and 2017, respectively. The Company does not have any regulatory pension plan contribution requirements for 2019.
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

NOTES TO FINANCIAL STATEMENTS

18. Explanation of significant change in the benefit obligation or plan assets not otherwise apparent: Not Applicable
19. Plan assets expected to be returned to the Company: Not Applicable
20. The Company's benefit plan obligations, plan assets and recorded unfunded liabilities as of December 31, 2018:

	Pension Benefits ($)	Postretirement Benefits ($)	Nonqualified Plans ($)
Benefit obligation	(175,566,994)	(30,279,601)	(5,444,891)
SSAP 92 / 102 remaining deferral	0	0	0
Net benefit obligation	(175,566,994)	(30,279,601)	(5,444,891)
Plan assets	165,261,463	0	0
Unfunded liability	**(10,305,531)**	**(30,279,601)**	**(5,444,891)**

21. Transition surplus impact: There was no activity in 2018 and 2017.

B. Investment Policies and Strategies:

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. The Plan asset allocation as of December 31, 2018 and the target asset allocation, presented as a percentage of total plan assets:

	2018	Target
Bonds	**59.00 %**	59.00 %
Equities	**32.20 %**	35.00 %
Hedge funds	**4.80 %**	5.00 %
Cash and cash equivalents	**4.00 %**	1.00 %

C. Fair Value Measurements:

1. Fair Value Measurements of Plan Assets at December 31, 2018:

	Amount ($)			
	Level 1	Level 2	Level 3	**Total**
Bonds	0	97,494,453	0	**97,494,453**
Equities	53,165,863	0	0	**53,165,863**
Hedge funds	0	0	7,959,533	**7,959,533**
Cash and cash equivalents	6,641,614	0	0	**6,641,614**
Total Plan assets	**59,807,477**	**97,494,453**	**7,959,533**	**165,261,463**

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. During 2018, the target weights of the Plan assets were adjusted based on an asset allocation study to increase fixed income holdings and decrease equity holdings. We expect to maintain the new allocation target weights over the next several years. Evaluation of these factors resulted in the selection of the 6.75% long-term rate of return assumption for December 31, 2018 (a decrease compared to 7.25% used as of December 31, 2017) 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 Plan:

In addition to the defined benefit plans described in the preceding sections, the Company sponsors 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. The Company contributes a 50% match of each participant's contributions that does not exceed 6% of compensation. Such contributions made by the Company were approximately $2.6 million and $2.7 million in 2018 and 2017, respectively.

The Grange DC Plan also provides that additional employer contributions (as defined) may be made in such amounts as determined by the Board. Additional employer contributions were approximately $0.7 million in both 2018 and 2017.

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, 2018 and 2017.

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 Account"), to employees of the Company who are hired on or after January 1, 2007, as they are not eligible to participate in the Plan. Employer contributions to the RA Accounts become 100% vested upon the employee completing three years of credited service. The Company contributed approximately $1.7 million and $1.6 million to the eligible participants' RA Accounts in 2018 and 2017, respectively.

F. Multiemployer Plan: Not Applicable

G. Consolidating/Holding Company Plans: Not Applicable

H. Postemployment Benefits and Compensated Absences:

The Company has an accrued liability of $1.7 million and $2.7 million at December 31, 2018 and 2017, respectively, related to its paid time off program.

I. Impact of Medicare Modernization Act on Postretirement Benefits:

1. Recognition of the existence of the Act: Not Applicable
2. Effects of the Subsidy in Measuring the Net Postretirement Benefit Cost: Not Applicable
3. Disclosure on gross benefit:

	Amount ($)	
	2018	2017
Subsidy received during the calendar year	**130,954**	113,692
Expected subsidy receivable	**138,587**	170,199

Future gross benefits payments are estimated to be at approximately the same level as 2018.

NOTES TO FINANCIAL STATEMENTS

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations:

1. The Company has no common stock outstanding.
2. The Company has no preferred stock outstanding.
3. Dividend Restrictions: The Company does not pay dividends to its policyholders. Dividends recorded in these financial statements were paid by other companies within the intercompany pooling agreement discussed in Note 26.
4. No dividends were paid by the Company, see item 3 immediately above
5. The Company does not pay dividends to its policyholders, see item 3 immediately 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 gross cumulative unrealized gains and losses is $242.0 million.
11. The Company has no surplus notes.
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:

1. 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, 2018, the Company has recorded a liability for these guaranty fund assessments in the amount of $1.3 million over 33 insolvencies. The Company believes there are no insolvencies that will have a material financial impact on the results of the Company. This amount includes assessments against all companies discussed in Note 1C.
2. 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. The Company does not write long-term care insurance and had no related 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 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 Leasing Arrangements:

1. Excluding the sale-leaseback noted in item 3 immediately below, the Company's leases are limited to claims branch offices and certain operating leases for office equipment, which are immaterial. 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 item 3 immediately below, as of December 31, 2018, the Company's future minimum rental payments are:

Years ending December 31	Operating leases ($)
2019	1,086,000
2020	2,242,000
2021	0
2022	0
2023	0
Total	**3,328,000**

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 $1.1 million per year. At the end of this operating lease in 2020, a balloon payment of approximately $2.2 million 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 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:

1. Loaned Securities:
The Company participates in a securities lending program with its custodian as lending agent. Securities on loan as of December 31, 2018 were fixed income bonds totaling $26.1 million. 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, the custodian, reinvests the cash collateral according to investment guidelines outlined in the securities lending agreement and is

NOTES TO FINANCIAL STATEMENTS

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
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. 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. Fair Value Hierarchy

1. The Company has categorized its investments that are measured at fair value into the three-level hierarchy or investments reported at net asset value ("NAV") as of December 31, 2018:

	Amount ($)				
	Level 1	Level 2	Level 3	NAV	**Total**
a. Assets at fair value/NAV					
Perpetual preferred stock					
Industrial & miscellaneous	5,994,679	0	0	0	**5,994,679**
Parent, subs & affiliates	0	0	0	0	**0**
Total perpetual preferred stock	5,994,679	0	0	0	**5,994,679**
Bonds					
US Government	0	0	0	0	**0**
Industrial & miscellaneous	0	105,474,455	0	0	**105,474,455**
Parent, subs & affiliates	0	0	0	0	**0**
Total bonds	0	105,474,455	0	0	**105,474,455**
Common stock					
Industrial & miscellaneous	191,984,443	4,305,580	0	266,082,541	**462,372,564**
Parent, subs & affiliates	0	0	224,348,579	0	**224,348,579**
Total common stock	191,984,443	4,305,580	224,348,579	266,082,541	**686,721,143**
Other invested assets					
Hedge funds	0	9,752,604	36,164,777	0	**45,917,381**
Floating rate loans	0	68,569,588	0	0	**68,569,588**
Total other invested assets	0	78,322,192	36,164,777	0	**114,486,969**
Total assets at fair value/NAV	**197,979,122**	**188,102,227**	**260,513,356**	**266,082,541**	**912,677,246**
b. Total liabilities at fair value	**0**	**0**	**0**	**0**	**0**

2. The fair value measurements in Level 3 of the hierarchy as of December 31, 2018:

	Amount ($)									
	Beginning Balance at 01/01/2018	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 12/31/2018**
Common stock	295,957,388	0	0	0	33,092,251	0	0	(104,701,060)	0	**224,348,579**
Other invested assets	38,144,197	0	0	0	(1,979,420)	0	0	0	0	**36,164,177**
Total	**334,101,585**	**0**	**0**	**0**	**31,112,831**	**0**	**0**	**(104,701,060)**	**0**	**260,513,356**

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, 2018, 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. At the end of every quarter and at year end, the Company utilizes fair values provided by its custodian. Fair value is determined by evaluations that are 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.

Common Stocks, Industrial & Misc.**–** 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, 2018, for each respective entity totaling $224.3 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. Four of the subsidiaries are 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. The other two subsidiaries valued at $25,253 support the insurance businesses and are non-admitted. 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 five 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 $0.2 million as of December 31, 2018. 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, 2018, all investments related to the private equity funds are classified as Level 3 assets.

NOTES TO FINANCIAL STATEMENTS

The other four limited partnerships, totaling $45.7 million as of December 31, 2018 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 $9.8 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, 2018, the partnership is classified as Level 2 assets. The remaining three hedge funds, valued at $35.9 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.

The Company invests in Eaton Vance Institutional Senior Loan, 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, 2018, the fund is classified as Level 2 assets totaling $68.6 million.

5. Derivative Assets and Liabilities: None

B. Other Fair Value Disclosures: None

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

	Amount ($)						
Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	NAV	Not Practicable (Carrying Value)
Bonds	1,339,950,751	1,340,202,326	0	1,338,318,698	1,632,053	0	0
Common stock	420,638,602	686,695,890	191,984,443	4,305,580	224,323,326	266,082,541	25,253
Preferred stock	9,296,473	8,997,085	5,994,679	3,301,794	0	0	0
Other invested assets	114,486,969	114,486,969	0	78,322,192	36,164,777	0	0
Money market	65,739,268	65,739,268	65,739,268	0	0	0	0
Total	**1,950,112,063**	**2,216,121,538**	**263,718,390**	**1,424,248,264**	**262,120,156**	**266,082,541**	**25,253**

D. Not Practicable to Estimate Fair Value:

Type of Financial Instrument	Carrying Value ($)	Effective Interest Rate	Maturity Date	Explanation
Common stock	25,253	N/A	N/A	Non-insurance subsidiaries

E. Investments Measured using NAV:

BMO Pyrford International Stock Fund ($68.8 million) – The fund seeks capital appreciation by investing in equity securities of companies located in a number of countries outside the United States. The funds may meet redemption requests by redeeming shares in-kind, although the Funds do not intend to do so. These redemption methods will be used regularly and may be used in stressed market conditions.

DFA International Core Equity Portfolio ($67.4 million) – The portfolio purchases a broad and diverse group of securities of non-U.S. companies in developed markets with a greater emphasis on small capitalization, value and high profitability companies as compared to their representation in the international universe. The portfolio reserves the right to meet redemption requests through an in-kind redemption, typically in response to a particularly large redemption, at the request of a client or in stressed market conditions.

TCW Emerging Markets Income Fund ($66.6 million) – The fund invests primarily in debt securities issued or guaranteed by companies, financial institutions and government entities in emerging market countries. The fund reserves the right to make a "redemption in kind" (payment in portfolio securities) rather than cash if the amount redeemed in any 90-day period is large enough to effect fund operations.

Transamerica International Equity Fund ($63.3 million) – The fund seeks maximum long-term total return, consistent with reasonable risk to principal, by investing in a diversified portfolio of common stocks of primarily non-U.S. issuers. Shares will normally be redeemed for cash, although each fund retains the right to wholly or partly redeem its shares in kind, under unusual circumstances (such as adverse or unstable market, economic, or political conditions), in an effort to protect the interests of shareholders by the delivery of securities selected from its assets at its discretion.

21. Other Items:

A. Extraordinary Items: None

B. Troubled Debt Restructuring: None

C. Other Disclosures: None

D. Business Interruption Insurance Recoveries: None

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

F. Subprime Mortgage Related Risk Exposure:

1. Management 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 a mortgage represents a subprime risk: borrowers with low credit ratings (FICO score); unconventionally high initial loan-to-value ratios (LTVs); unconventionally structured loans (option pay adjustable rate mortgages or negative amortizing loans); unconventionally high interest rates; and less than conventional documentation of the borrower's income and/or assets.
2. The Company does not have direct exposure through investments in subprime mortgage loans.
3. The Company does not have direct exposure through other investments.
4. The Company does not write Mortgage Guaranty or Financial Guaranty insurance coverage.

G. Insurance Linked Securities: None

NOTES TO FINANCIAL STATEMENTS

22. Events Subsequent:

Effective January 1, 2019, the corporate structure converted into a new mutual holding company. Through this conversion, the Company and its affiliate, IMICO, and their subsidiaries became stock companies under Grange Holdings, Inc., which is 100% owned by Grange Mutual Holding Company. Additionally, at this conversion date, the Company and IMICO changed their names to Grange Insurance Company and Integrity Insurance Company, respectively.

There have been no other events after year end, but before the filing of this statement, which have a material effect upon the financial condition of the Company.

Did the reporting entity write accident and health insurance premium that is subject to section 9010 of the federal Affordable Care Act? No

23. Reinsurance:

A. Unsecured Reinsurance Recoverable: None exceed 3% of Surplus

B. Reinsurance Recoverable in Dispute: None

C. Reinsurance Assumed and Ceded:

1. The following table summarizes assumed and ceded unearned premiums and the related commission equity at December 31, 2018:

	Amount ($)					
	Assumed Reinsurance		Ceded Reinsurance		Net	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates	320,737,860	57,732,815	19,875,147	3,577,526	300,862,713	54,155,289
b. All other	391,943	70,550	3,219,576	579,524	(2,827,633)	(508,974)
c. Total	**321,129,803**	**57,803,365**	**23,094,723**	**4,157,050**	**298,035,080**	**53,646,315**

d. Direct Unearned Premium Reserve: 178,968,433

2. The Company's contingent commissions associated with existing contractual arrangements:

	Amount ($)			
	Direct	Assumed	Ceded	Net
a. Contingent commission	10,289,435	16,212,770	1,060,088	25,442,117
b. Sliding scale adjustments	0	0	0	0
c. Other profit commission arrangements	0	0	0	0
d. Total	**10,289,435**	**16,212,770**	**1,060,088**	**25,442,117**

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

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation: None

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination: None

25. Changes in Incurred Losses and Loss Adjustment Expenses:

The changes in incurred losses and loss adjustment expense attributable to insured events of prior years are generally a result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

	Amount ($)	
	2018	2017
Balance January 1	**901,661,076**	790,740,666
Less: Reinsurance Recoverable	**231,277,828**	205,789,695
Net Balance January 1	**670,383,248**	584,950,971
Incurred Related to:		
Current Year	**785,443,995**	766,873,757
Prior Year	**(78,377,500)**	(44,277,402)
Total Incurred	**707,066,495**	722,596,355
Paid Related to:		
Current Year	**469,663,223**	454,333,039
Prior Year	**269,455,490**	182,831,039
Total Paid	**739,118,713**	637,164,078
Net Balance at December 31	**638,331,030**	670,383,248
Plus: Reinsurance Recoverable	**213,168,875**	231,277,828
Balance at December 31	**851,499,905**	901,661,076

NOTES TO FINANCIAL STATEMENTS

26. Intercompany Pooling Agreements:

Effective January 1, 2017, the Company participates in a pooling agreement with the following percentages:

		NAIC Co Code	Pooling Percentage (%) 2018	2017
Lead Company:	Grange Mutual Casualty Company	14060	**96.00 %**	96.00 %
Affiliates:	Trustgard Insurance Company	40118	**0.00 %**	0.00 %
	Grange Indemnity Insurance Company	10322	**0.00 %**	0.00 %
	Grange Insurance Company of Michigan	11136	**0.00 %**	0.00 %
	Grange Property & Casualty Insurance Company	11982	**0.00 %**	0.00 %
	Integrity Mutual Insurance Company	14303	**4.00 %**	4.00 %
	Integrity Property & Casualty Insurance Company	12986	**0.00 %**	0.00 %
	Integrity Select Insurance Company	10288	**0.00 %**	0.00 %

The intercompany pooling agreement cedes underwriting results back only to the two mutual parent companies, the Company and Integrity Mutual Insurance Company, with their respective stock subsidiary companies receiving none from the pool.

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 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:	0
2.	Date of the most recent evaluation of this liability:	December 31, 2018
3.	Was anticipated investment income utilized in the calculation?	No

31. High Deductibles: None

32. Discounting of Liabilities for Unpaid Losses or Unpaid Adjustment Expenses: None

33. Asbestos/Environmental Reserves:

A. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos losses? No

B. Ending Reserves for Asbestos Claims for Bulk and IBNR Losses Included in A: None

C. Ending Reserves for Asbestos Claims for LAE included in A (Case, Bulk and IBNR): None

D. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to environmental losses? Yes

Direct Basis	2014	2015	2016	2017	**2018**
Beginning reserves (include Case, Bulk and IBNR)	426,225	372,802	234,526	429,200	**5,230,667**
Incurred losses and loss adjustment expenses	192,694	67,112	506,651	6,133,077	**270,559**
Calendar year payments for losses and loss adjustment expenses	246,117	205,388	311,977	1,331,610	**362,298**
Ending reserves (include Case, Bulk and IBNR)	372,802	234,526	429,200	5,230,667	**5,138,928**

Assumed Reinsurance Basis	2014	2015	2016	2017	**2018**
Beginning reserves (include Case, Bulk and IBNR)	0	0	0	0	**0**
Incurred losses and loss adjustment expenses	0	0	0	0	**0**
Calendar year payments for losses and loss adjustment expenses	0	0	0	0	**0**
Ending reserves (include Case, Bulk and IBNR)	0	0	0	0	**0**

Net of Ceded Reinsurance Basis	2014	2015	2016	2017	**2018**
Beginning reserves (include Case, Bulk and IBNR)	125,141	130,582	(10,121)	180,885	**3,310,667**
Incurred losses and loss adjustment expenses	251,558	64,685	502,983	4,461,392	**169,097**
Calendar year payments for losses and loss adjustment expenses	246,117	205,388	311,977	1,331,610	**257,957**
Ending reserves (include Case, Bulk and IBNR)	130,582	(10,121)	180,885	3,310,667	**3,221,807**

E. Ending Reserves for Environmental Claims for Bulk and IBNR Losses Included in D:

	2018	2017
Direct Basis	**2,544,000**	4,466,675
Assumed Reinsurance Basis	**0**	0
Net of Ceded Reinsurance Basis	**2,544,000**	2,546,675

F. Ending Reserves for Environmental Claims for LAE included in A (Case, Bulk and IBNR):

	2018	2017
Direct Basis	**370,728**	216,726
Assumed Reinsurance Basis	**0**	0
Net of Ceded Reinsurance Basis	**370,728**	216,726

34. Subscriber Savings Accounts: None

NOTES TO FINANCIAL STATEMENTS

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 up to 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

1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [ ] No [X]

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

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

2.2 If yes, date of change:

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]

If yes, complete and file the merger history data file with the NAIC.

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 0.0 %

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?
Deloitte & Touche LLP, 180 E. Broad St., Suite 1400, Columbus, OH 43215

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?
Philip A. Baum, 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 0

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 [ ] No [X]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ ] No [X]

24.02 If no, give full and complete information, relating thereto

On deposit in custodial account.

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

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. $ 26,100,208

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 $ 26,100,208
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 26,100,208
- 24.103 Total payable for securities lending reported on the liability page $ 26,100,208

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	$ 4,263,300
25.28	On deposit with states	$ 2,823,528
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	$ 152,535,652
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? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Northern Trust	50 S. LaSalle St.-M27, Chicago, IL 60603
Federal Home Loan Bank of Cincinnati	221 E. 4th St., Suite 600, 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 [X] No [ ]
28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
JP Morgan Chase Bank, N.A.	Northern Trust	02/01/2018	Service Enhancements

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["…that have access to the investment accounts"; "…handle securities"]

1 Name of Firm or Individual	2 Affiliation
SSGA Funds Management, Inc.	U
Asset Allocation & Management Company, LLC	U
Thompson, Siegel & Walmsley, LLC	U
Crescent Capital Group LP	U
J. Christopher Montgomery	I
James Habegger	I
John Ammendola	I
Teresa Dalenta	I

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [ ] No [X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [ ] No [X]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
111242	SSGA Funds Management, Inc.	FTUGI3NU6B7EELQF380	SEC #801-60103	NO
109875	Asset Allocation & Management Company, LLC		SEC #801-60075	NO
105726	Thompson, Siegel & Walmsley, LLC		SEC #801-6273	NO
153966	Crescent Capital Group LP	549300L8Z46F3ZAWSB82	SEC #801-71747	NO

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	09658L-51-3	BMO Pyrford Intl Stock Fund	68,799,649
29.2002	893509-22-4	Transamerica Intl Equity	63,307,670
29.2003	233203-37-1	DFA Intl Core Equity	67,362,712
29.2004	87234N-76-5	TCW EMERGING MARKETS INCOME FUND	66,612,510
29.2999 TOTAL			266,082,541

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
BMO PYRFORD INTERNATIONAL STOCK FUND	Roche Holding Genuss	20,396,600	12/31/2018
DFA INTERNATIONAL CORE EQUITY PORTFOLIO	Royal Dutch Shell PLC	235,940,000	12/31/2018
TCW EMERGING MARKETS INCOME FUND	Petrobras Global Finance	110,780,000	12/31/2018
TRANSAMERICA INTERNATIONAL EQUITY	Navartis AG	98,550,000	12/31/2018

GENERAL INTERROGATORIES

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	1,340,202,327	1,339,950,751	(251,576)
30.2 Preferred Stocks	8,997,085	9,296,473	299,388
30.3 Totals	1,349,199,412	1,349,247,224	47,812

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

The Company utilizes fair values provided by its custodian Northern Trust. ICE is their primary source.

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

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
    a.Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
    b.Issuer or obligor is current on all contracted interest and principal payments.
    c.The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
    Has the reporting entity self-designated 5GI securities? Yes [ ] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
    a. The security was purchased prior to January 1, 2018.
    b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
    c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
    d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
    Has the reporting entity self-designated PLGI securities? Yes [ ] No [X]

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 2,973,039

35.2 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	$ 1,459,578

36.1 Amount of payments for legal expenses, if any? $ 399,103

36.2 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
Baker & Hostetler LLP	$ 116,716
Taft, Stettinius & Hollister, LLP	$ 103,352

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 0

37.2 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	$ 1,138,763,080	$ 1,117,728,956
2.3	Premium Ratio (2.1/2.2)	0.000	0.000
2.4	Reserve Numerator	$ 2,110	$ 2,110
2.5	Reserve Denominator	$ 1,115,306,146	$ 1,131,567,347
2.6	Reserve Ratio (2.4/2.5)	0.000	0.000

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 reporting entity 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 the Financial Statements 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	$	$	$	$	$
16.12 Products	$	$	$	$	$
16.13 Automobile	$	$	$	$	$
16.14 Other*	$	$	$	$	$

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that is exempt from the statutory provision for unauthorized reinsurance? Yes [ ] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 exempt from the statutory provision for unauthorized reinsurance	$
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	$

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. $

19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [X] No [ ]

19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [ ] No [ ]

FIVE-YEAR HISTORICAL DATA

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

	1 2018	2 2017	3 2016	4 2015	5 2014
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)	463,007,790	452,372,228	451,470,220	483,107,313	493,121,890
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	330,277,090	330,749,199	331,224,296	335,668,315	324,751,905
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	425,588,746	410,099,735	409,377,311	425,055,918	420,976,071
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	(63)	0	32,868	72,862
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	1,218,873,626	1,193,221,100	1,192,071,827	1,243,864,415	1,238,922,728
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)	441,999,549	449,818,085	375,147,652	401,615,123	410,647,064
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	315,663,678	329,158,073	276,345,218	280,101,448	270,356,042
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	396,888,316	407,502,199	331,566,131	345,068,309	340,169,654
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	(60)	0	27,609	61,204
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	1,154,551,544	1,186,478,297	983,059,002	1,026,812,489	1,021,233,965
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	65,799,089	45,267,316	56,642,328	3,064,525	(1,695,760)
14. Net investment gain (loss) (Line 11)	77,685,400	64,294,136	54,259,791	55,800,072	41,880,865
15. Total other income (Line 15)	12,678,423	14,034,203	2,911,321	3,608,958	5,768,438
16. Dividends to policyholders (Line 17)	4,443,329	3,976,668	3,031,059	2,770,955	2,763,600
17. Federal and foreign income taxes incurred (Line 19)	14,471,228	15,468,955	28,240,778	2,530,328	10,079,976
18. Net income (Line 20)	137,248,356	104,150,032	82,541,603	57,172,272	33,109,967
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	2,649,009,183	2,552,588,994	2,311,663,058	2,192,204,748	2,120,580,772
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	253,964,410	241,903,719	197,547,274	199,247,900	199,815,304
20.2 Deferred and not yet due (Line 15.2)	863,574	858,892	783,083	622,507	433,299
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	1,331,836,834	1,338,047,609	1,204,841,363	1,124,120,009	1,073,282,751
22. Losses (Page 3, Line 1)	490,115,066	519,777,536	449,830,719	445,598,265	387,073,373
23. Loss adjustment expenses (Page 3, Line 3)	148,215,963	150,605,711	135,120,251	120,585,657	109,646,489
24. Unearned premiums (Page 3, Line 9)	477,003,513	461,215,049	392,465,708	402,980,209	405,451,936
25. Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	1,317,172,349	1,214,541,385	1,106,821,695	1,068,084,739	1,047,298,021
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	93,117,424	209,026,798	89,614,336	93,843,228	72,264,058
Risk-Based Capital Analysis					
28. Total adjusted capital	1,317,172,349	1,217,143,037	1,109,661,374	1,070,806,835	1,049,956,083
29. Authorized control level risk-based capital	103,459,672	109,383,915	117,528,766	112,574,614	99,853,307
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)	57.3	56.2	52.5	54.7	57.6
31. Stocks (Lines 2.1 & 2.2)	29.7	31.5	33.5	30.5	26.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.1	0.1	0.1	0.2
33. Real estate (Lines 4.1, 4.2 & 4.3)	4.0	4.3	4.9	5.5	5.9
34. Cash, cash equivalents and short-term investments (Line 5)	2.8	2.8	2.5	1.8	2.5
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)	4.9	4.9	5.2	5.6	6.1
38. Receivables for securities (Line 9)	0.1	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	1.1	0.1	1.3	1.7	1.7
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)	224,348,579	295,957,388	289,180,001	225,649,125	221,081,255
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	0
48. Total of above Lines 42 to 47	224,348,579	295,957,388	289,180,001	225,649,125	221,081,255
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)	17.0	24.4	26.1	21.1	21.1

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2018	2 2017	3 2016	4 2015	5 2014
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(51,693,926)	54,914,921	(3,815,140)	(32,736,643)	22,946,610
52. Dividends to stockholders (Line 35)	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	102,630,964	107,719,690	38,736,956	20,786,718	37,051,255
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)	285,056,606	277,680,941	276,205,511	280,236,501	267,994,457
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	162,181,045	156,092,205	163,835,520	177,565,773	176,445,740
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	202,356,856	192,158,701	152,126,364	182,086,510	206,806,907
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	(1,080)	647	11,452	66,597
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	649,594,506	625,930,768	592,168,042	639,900,235	651,313,701
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)	270,408,095	213,467,262	228,224,893	231,697,195	218,719,565
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	155,693,803	149,405,557	137,621,837	149,155,249	148,211,942
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	186,541,335	169,023,299	123,562,482	150,277,531	169,377,671
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	(1,118)	543	9,620	55,941
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	612,643,233	531,895,000	489,409,755	531,139,595	536,365,119
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)	51.2	53.8	49.7	57.3	57.5
68. Loss expenses incurred (Line 3)	10.9	10.8	12.6	11.9	11.4
69. Other underwriting expenses incurred (Line 4)	32.1	31.3	32.0	30.6	31.2
70. Net underwriting gain (loss) (Line 8)	5.8	4.0	5.7	0.3	(0.2)
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)	30.6	28.3	32.1	30.3	29.8
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	62.1	64.6	62.3	69.1	68.9
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)	87.7	97.7	88.8	96.1	97.5
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)	(55,430)	(20,458)	(20,062)	17,345	9,841
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)	(4.6)	(1.8)	(1.9)	1.7	1.0
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)	(50,165)	(29,903)	5,454	18,294	7,327
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)	(4.5)	(2.8)	0.5	1.8	0.8

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	3,195	1,985	600	61	21	0	340	1,770	XXX
2. 2009	1,110,432	56,014	1,054,418	655,909	18,716	20,902	78	88,042	4	34,589	746,055	XXX
3. 2010	1,130,319	54,705	1,075,614	673,017	21,162	23,166	45	93,107	9	38,268	768,074	XXX
4. 2011	999,154	60,130	939,024	706,020	90,583	26,903	540	91,032	17	34,607	732,815	XXX
5. 2012	1,049,020	55,725	993,294	612,887	28,500	23,917	262	84,914	25	33,115	692,931	XXX
6. 2013	1,112,953	51,619	1,061,333	596,868	15,782	26,221	709	90,515	25	34,394	697,088	XXX
7. 2014	1,183,215	48,946	1,134,270	625,360	5,853	28,718	106	97,986	76	38,687	746,029	XXX
8. 2015	1,220,621	44,297	1,176,325	617,035	12,708	26,089	792	98,123	126	37,636	727,621	XXX
9. 2016	1,178,833	43,320	1,135,513	509,911	2,639	12,606	34	95,812	13	35,113	615,644	XXX
10. 2017	1,152,878	35,149	1,117,729	493,598	4,531	6,475	39	93,010	11	32,787	588,501	XXX
11. 2018	1,175,563	36,800	1,138,763	394,746	9,434	2,332	80	82,114	14	18,190	469,663	XXX
12. Totals	XXX	XXX	XXX	5,888,546	211,891	197,928	2,749	914,677	320	337,726	6,786,191	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 Subrog-ation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstand-ing 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.	135,058	131,208	3,633	0	50	0	732	0	110	0	0	8,374	XXX
2.	1,406	496	432	73	0	0	645	0	52	0	81	1,968	XXX
3.	8,956	8,213	614	134	0	0	1,055	0	94	0	142	2,372	XXX
4.	14,515	12,345	1,118	248	0	0	1,144	0	75	0	193	4,259	XXX
5.	21,018	16,523	1,800	483	0	0	1,568	0	176	0	295	7,557	XXX
6.	25,690	19,424	3,445	784	0	0	2,800	0	307	0	473	12,033	XXX
7.	15,433	1,686	7,122	1,237	0	0	5,056	0	816	0	821	25,504	XXX
8.	24,021	806	12,652	1,956	0	0	10,058	0	1,636	0	1,405	45,605	XXX
9.	41,260	48	22,723	2,763	2	0	15,494	0	3,752	0	2,718	80,420	XXX
10.	66,906	23	41,194	3,608	6	0	22,860	0	7,123	0	5,276	134,458	XXX
11.	147,996	6,670	106,291	4,442	61	0	31,509	0	41,035	0	18,185	315,781	XXX
12.	502,259	197,440	201,025	15,728	118	0	92,921	0	55,177	0	29,588	638,331	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	7,482	892
2.	767,389	19,366	748,023	69.1	34.6	70.9	0	0	96.0	1,271	697
3.	800,009	29,563	770,446	70.8	54.0	71.6	0	0	96.0	1,223	1,149
4.	840,806	103,732	737,074	84.2	172.5	78.5	0	0	96.0	3,040	1,219
5.	746,280	45,793	700,487	71.1	82.2	70.5	0	0	96.0	5,812	1,745
6.	745,845	36,725	709,121	67.0	71.1	66.8	0	0	96.0	8,926	3,107
7.	780,491	8,958	771,533	66.0	18.3	68.0	0	0	96.0	19,632	5,872
8.	789,614	16,387	773,227	64.7	37.0	65.7	0	0	96.0	33,911	11,695
9.	701,561	5,497	696,064	59.5	12.7	61.3	0	0	96.0	61,172	19,248
10.	731,171	8,212	722,960	63.4	23.4	64.7	0	0	96.0	104,470	29,988
11.	806,084	20,640	785,444	68.6	56.1	69.0	0	0	96.0	243,176	72,605
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	490,115	148,216

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 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018	11 One Year	12 Two Year
1. Prior	212,078	197,784	186,902	190,316	187,986	191,682	192,946	195,721	198,193	197,993	(199)	2,272
2. 2009	684,055	670,442	659,784	659,630	658,747	658,183	659,486	658,802	660,365	659,932	(433)	1,131
3. 2010	XXX	704,579	682,678	672,971	675,182	677,097	676,866	677,065	676,864	677,254	391	190
4. 2011	XXX	XXX	658,251	638,515	640,633	645,670	646,350	647,011	646,705	645,984	(721)	(1,027)
5. 2012	XXX	XXX	XXX	625,523	619,581	622,697	620,375	618,575	616,311	615,423	(888)	(3,152)
6. 2013	XXX	XXX	XXX	XXX	620,329	618,375	627,341	623,244	620,463	618,324	(2,139)	(4,920)
7. 2014	XXX	XXX	XXX	XXX	XXX	674,854	685,016	674,375	677,145	672,807	(4,339)	(1,568)
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	697,750	688,412	680,183	673,593	(6,590)	(14,819)
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	624,784	611,300	596,512	(14,788)	(28,272)
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	648,561	622,838	(25,723)	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	662,310	XXX	XXX
										12. Totals	(55,430)	(50,165)

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 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018		
1. Prior	000	91,336	133,928	152,902	167,146	177,135	181,642	185,237	187,981	189,729	XXX	XXX
2. 2009	438,800	568,758	610,628	633,830	647,100	651,487	654,565	655,128	655,627	658,017	XXX	XXX
3. 2010	XXX	453,247	571,839	615,157	646,156	663,604	669,169	672,673	673,747	674,976	XXX	XXX
4. 2011	XXX	XXX	427,826	536,675	579,198	612,564	628,068	636,460	640,562	641,800	XXX	XXX
5. 2012	XXX	XXX	XXX	407,699	509,904	554,731	588,847	600,686	606,127	608,042	XXX	XXX
6. 2013	XXX	XXX	XXX	XXX	379,500	490,483	547,374	580,778	597,359	606,598	XXX	XXX
7. 2014	XXX	XXX	XXX	XXX	XXX	420,436	538,034	589,230	628,116	648,118	XXX	XXX
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	400,097	518,956	587,379	629,624	XXX	XXX
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	355,953	467,744	519,844	XXX	XXX
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	375,495	495,503	XXX	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	387,564	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 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018
1. Prior	93,659	38,796	16,600	10,782	4,942	3,957	3,863	5,035	5,007	4,364
2. 2009	112,341	50,394	19,876	7,880	4,381	2,679	2,223	1,765	3,285	1,004
3. 2010	XXX	116,523	45,891	20,104	8,505	5,481	3,640	2,716	1,927	1,535
4. 2011	XXX	XXX	105,312	41,783	20,527	11,127	6,744	4,319	3,011	2,014
5. 2012	XXX	XXX	XXX	103,982	48,875	25,450	13,180	7,828	4,530	2,885
6. 2013	XXX	XXX	XXX	XXX	103,965	54,292	31,165	18,189	8,840	5,461
7. 2014	XXX	XXX	XXX	XXX	XXX	118,837	71,113	38,515	23,552	10,941
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	138,853	76,239	42,322	20,754
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	131,105	69,223	35,454
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	128,244	60,446
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	133,359

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

States, etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	 3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 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	0	0	0	0	
11. Georgia GA	L	44,076,611	41,553,724	0	29,623,351	30,205,142	31,426,928	390,986	
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	18,364,391	19,024,244	0	11,552,515	8,585,303	21,919,420	185,618	
15. Indiana IN	L	16,261,417	16,185,510	0	5,952,091	6,016,564	17,254,582	135,941	
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	29,646,451	28,795,513	0	12,833,821	14,213,879	15,333,951	285,429	
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	271,628,528	277,302,973	0	132,134,463	103,570,564	88,158,752	4,774,258	
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	27,074,458	25,037,722	0	12,852,451	19,033,729	18,547,993	264,273	
40. Rhode Island RI	N	0	0	0	0	0	0	0	
41. So. Carolina SC	L	844,508	1,259,268	0	1,103,792	471,791	659,829	30,770	
42. So. Dakota SD	N	0	0	0	0	0	0	0	
43. Tennessee TN	L	30,999,940	31,015,079	0	23,326,648	24,318,174	16,668,203	301,444	
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	5,151,797	4,356,968	0	2,219,229	2,742,616	1,597,282	81,751	
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	XXX	444,048,101	444,531,002	0	231,598,361	209,157,762	211,566,938	6,450,470	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

(a) Active Status Counts

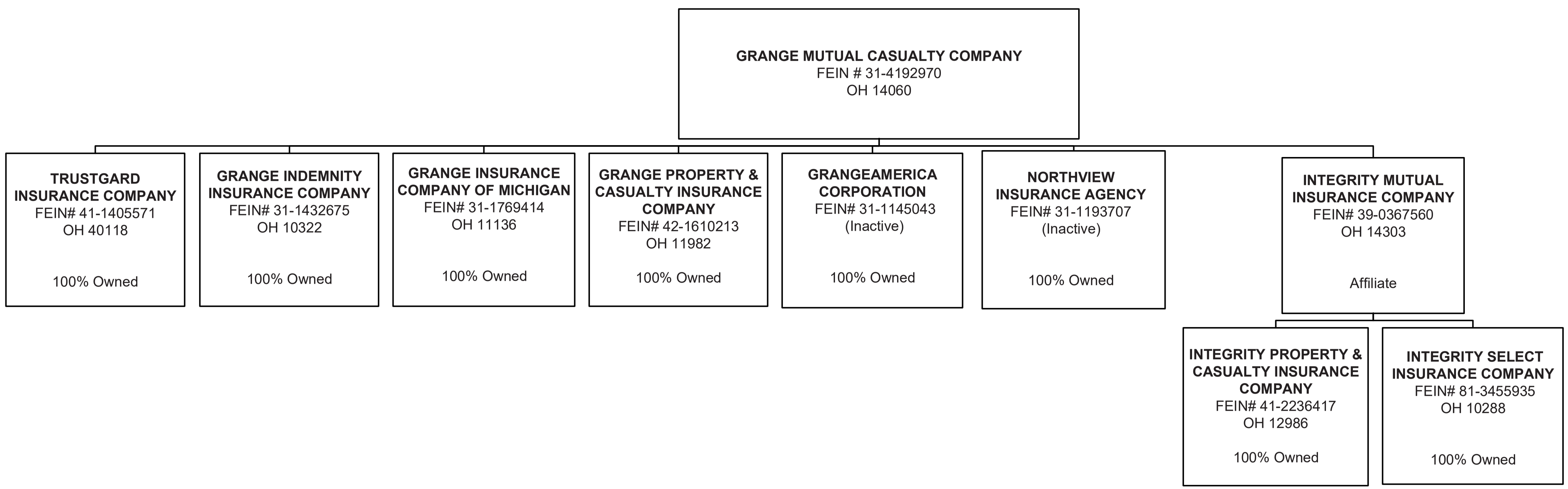
L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG	15	R – Registered – Non-domiciled RRGs	0
E – Eligible – Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSLI)	0	Q – Qualified – Qualified or accredited reinsurer	0
D – Domestic Surplus Lines Insurer (DSLI) – Reporting entities authorized to write surplus lines in the state of domicile	0	N – None of the above – Not allowed to write business in the state	42

(b) Explanation of basis of allocation of premiums by states, etc.

Location of the risk

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

PART 1 – ORGANIZATIONAL CHART



ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)