

FINANCIAL REPORT 2015



GRANGE ENTERPRISE P&C FINANCIAL REPORT*

Assets

Cash and Short Term Investments	\$45,062,006
Bonds (at amortized cost)	1,413,822,238
Stocks (at market value)	401,803,815
Real Estate (at cost less accumulated depreciation)	106,930,582
Floating Rate Bank Loans	57,929,249
Other Invested Assets	53,229,553
Securities Lending Reinvested Collateral Assets	39,791,121
Accrued Investment Income	14,024,848
Premiums in Course of Collection	237,940,960
Electronic Data Processing Equipment (at cost less accumulated depreciation)	2,750,118
Federal Income Tax Receivable	12,433,946
Net Deferred Tax Asset	49,223,869
Other Miscellaneous Assets	17,136,176
Total Assets	\$2,452,078,481

Liabilities and Policyholders' Surplus

Unearned Premiums	\$479,738,344
Reserve for Losses	530,474,125
Reserve for Loss Adjustment Expense	143,554,354
General Expenses Payable	49,354,396
Payable for Securities Lending	39,791,121
Other Liabilities	95,460,367
Total Liabilities	1,338,372,707
Policyholders' Surplus	1,113,705,774
Total Liabilities and Policyholders' Surplus	\$2,452,078,481

Statement of Income and Surplus 2015

Premiums Earned	\$1,225,338,352
Losses and Loss Adjustment Expense Incurred	847,198,581
Other Underwriting Expenses Incurred	374,491,527
Net Underwriting Gain	3,648,244
Net Investment Gain	67,753,091
Other Income Less Other Expense	16,630,181
Dividends to Policyholders	(3,298,756)
Income Before Federal Income Taxes	84,732,760
Federal Income Taxes Incurred	9,472,991
Net Income	75,259,769
Other Surplus Changes	(53,809,278)
Change in Policyholders' Surplus	21,450,491
Policyholders' Surplus — January 1	1,092,255,283
Policyholders' Surplus—December 31	\$1,113,705,774

GRANGE LIFE FINANCIAL REPORT*

Assets

Cash and Short Term Investments	\$22,636,303
Bonds (at amortized cost)	292,463,937
Common Stocks (at equity)	9,965,251
Policy Loans	11,049,922
Securities Lending Reinvested Collateral Assets	6,702,589
Accrued Investment Income	2,608,663
Premiums Due and Uncollected	37,748,479
Amounts Due from Reinsurers	4,947,813
Net Deferred Tax Asset	4,721,102
Other Miscellaneous Assets	381,838
Total Assets	\$393,225,897

Liabilities, Capital and Surplus

Policy Reserves	\$300,676,214
Policy Claims Payable	3,527,398
General Expense Payable	4,578,758
Interest Maintenance Reserve	1,075,189
Securities Valuation Reserve	2,693,373
Payable for Securities Lending	6,702,589
Payable to parent, subsidiaries and affiliates	10,573,350
Funds held under coinsurance	17,743,371
Other Liabilities	3,200,580
Total Liabilities	350,770,822
Total Capital and Surplus	42,455,075
Total Liabilities, Capital and Surplus	\$393,225,897

Statement of Income and Capital and Surplus 2015

Premium Income	\$56,690,553
Net Investment Income	13,345,347
Benefits Paid to Policyholders	58,240,314
Operating Expenses	13,052,400
Loss Before Federal Income Taxes	(1,256,814)
Federal Income Taxes Incurred	105,625
Net from Operations after Dividends to Policyholders & Federal Income Taxes	(1,362,439)
Net Realized Capital Loss	(200,558)
Net Loss	(1,562,997)
Other Surplus Changes	(12,112,183)
Net Change in Capital and Surplus	(13,675,180)
Capital and Surplus - January 1	56,130,255
Capital and Surplus - December 31	\$42,455,075

* Balance Sheet — December 31, 2015

A photograph of a modern, multi-story glass skyscraper, the Grange Insurance Corporate Headquarters, set against a clear blue sky. The building's glass facade reflects the sky and surrounding environment. A large, curved yellow graphic element is positioned in the upper right corner of the image. A large green graphic element, shaped like a stylized 'G', occupies the lower left portion of the page, serving as a background for the text.

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