

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2012
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>04/01/2012</u> and ending <u>03/31/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☒ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>RETIREMENT INCOME PLAN FOR EMPLOYEES OF GRANGE MUTUAL CASUALTY COMPANY</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>04/01/1958</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>GRANGE MUTUAL CASUALTY COMPANY</u> <u>C/O DAVID ACKERMANN</u> <u>671 SOUTH HIGH STREET</u> <u>COLUMBUS, OH 43206-1066</u>	2b Employer Identification Number (EIN) <u>31-4192970</u> 2c Sponsor's telephone number <u>614-445-2900</u> 2d Business code (see instructions) <u>524150</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>12/12/2013</u>	<u>DAVID ACKERMANN - MGR-CORP ACCTG</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 1762
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	856
b Retired or separated participants receiving benefits.....	6b	271
c Other retired or separated participants entitled to future benefits.....	6c	208
d Subtotal. Add lines 6a , 6b , and 6c	6d	1335
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	29
f Total. Add lines 6d and 6e	6f	1364
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	0
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1G		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 04/01/2012 and ending 03/31/2013

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>RETIREMENT INCOME PLAN FOR EMPLOYEES OF GRANGE MUTUAL CASUALTY COMPANY</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>GRANGE MUTUAL CASUALTY COMPANY</u>	D Employer Identification Number (EIN) <u>31-4192970</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>04</u> Day <u>01</u> Year <u>2012</u>	
2 Assets:	
a Market value	2a <u>122925660</u>
b Actuarial value	2b <u>121996004</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>266</u> <u>17645677</u>
b For terminated vested participants.....	3b <u>579</u> <u>18457499</u>
c For active participants:	
(1) Non-vested benefits.....	3c(1) <u>2547275</u>
(2) Vested benefits.....	3c(2) <u>64694987</u>
(3) Total active	3c(3) <u>917</u> <u>67242262</u>
d Total	3d <u>1762</u> <u>103345438</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>5.53</u> %
6 Target normal cost.....	6 <u>5540743</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>10/30/2013</u>
	Signature of actuary	Date
<u>MICHAEL C. WHELCHER</u>	Type or print name of actuary	<u>11-03510</u>
		Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC.</u>	Firm name	<u>216-937-4000</u>
<u>1001 LAKESIDE AVENUE, SUITE 1900</u> <u>CLEVELAND, OH 44114-1172</u>	Address of the firm	Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	11156409	9195902
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	2308811	0
9	Amount remaining (line 7 minus line 8)	8847598	9195902
10	Interest on line 9 using prior year's actual return of <u>4.75%</u>	420261	436805
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		18661737
b	Interest on (a) using prior year's effective interest rate of <u>5.90%</u> except as otherwise provided (see instructions)		1074492
c	Total available at beginning of current plan year to add to prefunding balance		19736229
d	Portion of (c) to be added to prefunding balance		19736229
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	9267859	29368936

Part III Funding Percentages			
14	Funding target attainment percentage	14	80.66 %
15	Adjusted funding target attainment percentage	15	118.04 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.72 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ►	18(b)	0
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 0
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 1.90%	2nd segment: 4.90%	3rd segment: 6.01%	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 0
22 Weighted average retirement age				22 64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	5540743	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment		0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	5540743	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	5540743	0	5540743
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning **04/01/2012** and ending **03/31/2013**

A Name of plan RETIREMENT INCOME PLAN FOR EMPLOYEES OF GRANGE MUTUAL CASUALTY COMPANY	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 GRANGE MUTUAL CASUALTY COMPANY	D Employer Identification Number (EIN) 31-4192970

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

STATE STREET GLOBAL ADVISORS

04-1867445

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
18 19 51 52 99	NONE	20579	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

BLACKROCK FINANCIAL MANAGEMENT INC.

13-3806691

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	0	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

J.P. MORGAN CHASE BANK, NA

13-4994650

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19 62	NONE	0	Yes ☒ No ☐	Yes ☒ No ☐	6101	Yes ☒ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
J.P. MORGAN CHASE BANK, NA	72	6101
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
J.P.MORGAN INVESTMENT MANAGEMENT 245 PARK AVENUE NEW YORK, NY 10167	REVENUE SHARE ON MUTUAL FUNDS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 04/01/2012 and ending 03/31/2013

A Name of plan <u>RETIREMENT INCOME PLAN FOR EMPLOYEES OF GRANGE MUTUAL CASUALTY COMPANY</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>GRANGE MUTUAL CASUALTY COMPANY</u>	D Employer Identification Number (EIN) <u>31-4192970</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: LONG U.S. CREDIT INDX SL FUND

b Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST

c EIN-PN <u>04-0025081-145</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>5179890</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: LONG U.S.GOV'T BOND INDX SL FUND

b Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST

c EIN-PN <u>04-0025081-141</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>5807410</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: U.S. AGGREGATE BOND INDX SL FUND

b Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST

c EIN-PN <u>04-0025071-069</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>10222481</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: U.S. TIPS INDX SL FUND

b Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST

c EIN-PN <u>04-0025071-103</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>5821533</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2012
		This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 04/01/2012 and ending 03/31/2013		
A Name of plan RETIREMENT INCOME PLAN FOR EMPLOYEES OF GRANGE MUTUAL CASUALTY COMPANY	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 GRANGE MUTUAL CASUALTY COMPANY	D Employer Identification Number (EIN) 31-4192970	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2821709	2953747
(2) U.S. Government securities.....	1c(2)	2436	2155
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	15740426	16488363
(5) Partnership/joint venture interests	1c(5)	4462267	4721258
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)	27516331	27031315
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	66736136	65979372
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	117279305	117176210

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	117279305	117176210
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	5694918	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		5694918
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1883	
(B) U.S. Government securities	2b(1)(B)	559	
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2442
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	391065	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1558209	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1949274
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	3176132	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		3176132

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		1764984
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		5987553
c Other income.....	2c		258991
d Total income. Add all income amounts in column (b) and enter total.....	2d		18834294

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	18937389	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		18937389
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		18937389

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-103095
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CLARK SCHAEFER HACKETT

(2) EIN: 31-0800053

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

	5b(2) EIN(s)	5b(3) PN(s)

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 04/01/2012 and ending 03/31/2013

A Name of plan <u>RETIREMENT INCOME PLAN FOR EMPLOYEES OF GRANGE MUTUAL CASUALTY COMPANY</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>GRANGE MUTUAL CASUALTY COMPANY</u>	D Employer Identification Number (EIN) <u>31-4192970</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-3795042</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>397</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☒ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 66% Investment-Grade Debt: 25% High-Yield Debt: 0% Real Estate: 0% Other: 9%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☒ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

MARCH 31, 2013 AND 2012

WITH INDEPENDENT AUDITORS' REPORT

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

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All other supplemental schedules and notes for which provision is made in the applicable rules and regulations of the Department of Labor are not required under the related instructions or are inapplicable and, therefore, have been omitted.

INDEPENDENT AUDITORS' REPORT

Investment Committee of the Board of Directors
Retirement Income Plan for Employees of Grange
Mutual Casualty Company
Columbus, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements (modified cash basis) of the Retirement Income Plan for Employees of Grange Mutual Casualty Company, which comprise the statements of net assets available for benefits – modified cash basis as of March 31, 2013 and 2012, and the related statements of changes in net assets available for benefits – modified cash basis for the years then ended, and the related notes to ^{the} financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting, as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by JPMorgan Chase Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended March 31, 2013 and 2012, that the information provided to the plan administrator by the trustee is complete and accurate

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www.cshco.com
p. 614.885.2208
f. 614.885.8159

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. These financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matter

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) – modified cash basis as of March 31, 2013, and the supplemental schedule H, Line 4j – Schedule of Reportable Transactions – modified cash basis for the year ended March 31, 2013 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
October 30, 2013

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2012</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information			
For calendar plan year 2012 or fiscal plan year beginning <u>04/01/2012</u> and ending <u>03/31/2013</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) _____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here. ▶ ☐			
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description) _____		

Part II Basic Plan Information —enter all requested information			
1a Name of plan <u>RETIREMENT INCOME PLAN FOR EMPLOYEES OF GRANGE MUTUAL CASUALTY COMPANY</u>	1b Three-digit plan number (PN) ▶	001	
	1c Effective date of plan	04/01/1958	
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>GRANGE MUTUAL CASUALTY COMPANY</u> <u>C/O DAVID ACKERMANN</u> <u>671 SOUTH HIGH STREET</u> <u>COLUMBUS</u>	2b Employer Identification Number (EIN) <u>31-4192970</u>	2c Sponsor's telephone number <u>(614) 445-2900</u>	2d Business code (see instructions) <u>524150</u>
OH 43206-1066			

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE		12/9/13	DAVID ACKERMANN - MGR-CORP ACCTG
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning <u>04/01/2012</u> and ending <u>03/31/2013</u>		

▶ Round off amounts to nearest dollar.
 ▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Retirement Income Plan for Employees of Grange Mutual Casualty Company	B Three-digit plan number (PN) <u>001</u> D Employer Identification Number (EIN) 31-4192970
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Grange Mutual Casualty Company	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information																																			
1 Enter the valuation date: Month <u>4</u> Day <u>1</u> Year <u>2012</u>																																			
2 Assets: <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">a Market value</td> <td style="width:10%; text-align: center;">2a</td> <td style="width:30%; text-align: right;">122,925,660</td> </tr> <tr> <td>b Actuarial value</td> <td style="text-align: center;">2b</td> <td style="text-align: right;">121,996,004</td> </tr> </table>				a Market value	2a	122,925,660	b Actuarial value	2b	121,996,004																										
a Market value	2a	122,925,660																																	
b Actuarial value	2b	121,996,004																																	
3 Funding target/participant count breakdown: <table style="width:100%; border-collapse: collapse;"> <tr> <th></th> <th style="width:10%;"></th> <th style="width:20%; text-align: center;">(1) Number of participants</th> <th style="width:20%; text-align: center;">(2) Funding Target</th> </tr> <tr> <td>a For retired participants and beneficiaries receiving payment</td> <td style="text-align: center;">3a</td> <td style="text-align: right;">266</td> <td style="text-align: right;">17,645,677</td> </tr> <tr> <td>b For terminated vested participants</td> <td style="text-align: center;">3b</td> <td style="text-align: right;">579</td> <td style="text-align: right;">18,457,499</td> </tr> <tr> <td>c For active participants:</td> <td></td> <td></td> <td></td> </tr> <tr> <td> (1) Non-vested benefits</td> <td style="text-align: center;">3c(1)</td> <td></td> <td style="text-align: right;">2,547,275</td> </tr> <tr> <td> (2) Vested benefits</td> <td style="text-align: center;">3c(2)</td> <td></td> <td style="text-align: right;">64,694,987</td> </tr> <tr> <td> (3) Total active</td> <td style="text-align: center;">3c(3)</td> <td style="text-align: right;">917</td> <td style="text-align: right;">67,242,262</td> </tr> <tr> <td>d Total</td> <td style="text-align: center;">3d</td> <td style="text-align: right;">1,762</td> <td style="text-align: right;">103,345,438</td> </tr> </table>						(1) Number of participants	(2) Funding Target	a For retired participants and beneficiaries receiving payment	3a	266	17,645,677	b For terminated vested participants	3b	579	18,457,499	c For active participants:				(1) Non-vested benefits	3c(1)		2,547,275	(2) Vested benefits	3c(2)		64,694,987	(3) Total active	3c(3)	917	67,242,262	d Total	3d	1,762	103,345,438
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4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐ <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">a Funding target disregarding prescribed at-risk assumptions</td> <td style="width:10%; text-align: center;">4a</td> <td style="width:30%;"></td> </tr> <tr> <td>b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor</td> <td style="text-align: center;">4b</td> <td></td> </tr> </table>				a Funding target disregarding prescribed at-risk assumptions	4a		b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b																											
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5 Effective interest rate 5.53																																			
6 Target normal cost 5,540,743																																			

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>Michael C. Whelchel</u> Signature of actuary	<u>30 October 2013</u> Date
	Michael C. Whelchel Type or print name of actuary	11-03510 Most recent enrollment number
	Towers Watson Delaware Inc. Firm name	(216) 937-4000 Telephone number (including area code)
	1001 Lakeside Avenue, Suite 1900 Cleveland OH 44114-1172 Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	11,156,409	9,195,902
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	2,308,811	0
9	Amount remaining (line 7 minus line 8)	8,847,598	9,195,902
10	Interest on line 9 using prior year's actual return of <u>4.75</u> %	420,261	436,805
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		18,661,737
	b Interest on (a) using prior year's effective interest rate of <u>5.90</u> % except as otherwise provided (see instructions)		1,074,492
	c Total available at beginning of current plan year to add to prefunding balance		19,736,229
	d Portion of (c) to be added to prefunding balance		19,736,229
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	9,267,859	29,368,936

Part III Funding Percentages			
14	Funding target attainment percentage	14	80.66 %
15	Adjusted funding target attainment percentage	15	118.04 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.72 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 1.90 %	2nd segment: 4.90 %	3rd segment: 6.01 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....	21b		0
22 Weighted average retirement age	22		64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	5,540,743	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment.....		0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	5,540,743	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	5,540,743	0	5,540,743
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Grange Mutual Casualty Company
EIN/PN	31-4192970/001
Plan Name	Retirement Income Plan for Employees of Grange Mutual Casualty Company
Valuation Date	April 1, 2012
Enrolled Actuary	Michael C. Wheelchel
Enrollment Number	11-03510

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

Plan Name:	Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN:	31-4192970 / 001
Plan Sponsor:	Grange Mutual Casualty Company
Valuation Date:	April 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of April 1, 2012

See Schedule SB, Part V for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

For the April 1, 2012 actuarial valuation, the average retirement age is 64 as shown below

x	q_x^r	l_x	${}_{x-50}P_{50} = l_x / l_{50}$	$q_x^r * l_x / l_{50}$	$x * q_x^r * l_x / l_{50}$
54	0.00	1,000,000	1.000000	0.000000	0.000000
55	0.01	1,000,000	1.000000	0.010000	0.550000
56	0.01	990,000	0.990000	0.009900	0.554400
57	0.02	980,100	0.980100	0.019602	1.117314
58	0.02	960,498	0.960498	0.019210	1.114178
59	0.02	941,288	0.941288	0.018826	1.110720
60	0.02	922,462	0.922462	0.018449	1.106955
61	0.02	904,013	0.904013	0.018080	1.102896
62	0.23	885,933	0.885933	0.203765	12.633401
63	0.10	682,168	0.682168	0.068217	4.297660
64	0.10	613,951	0.613951	0.061395	3.929289
65	0.75	552,556	0.552556	0.414417	26.937118
66	0.40	138,139	0.138139	0.055256	3.646871
67	0.40	82,883	0.082883	0.033153	2.221276
68	0.40	49,730	0.049730	0.019892	1.352658
69	0.40	29,838	0.029838	0.011935	0.823530
70	1.00	17,903	0.017903	0.017903	1.253198
Average age at retirement					63.751463

Plan Name: Retirement Income Plan for Employees of Grange Mutual Casualty Company
 EIN / PN: 31-4192970 / 001
 Plan Sponsor: Grange Mutual Casualty Company
 Valuation Date: April 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V- Line 23 Statement of Actuarial Assumptions/Methods

Plan Sponsor

Grange Mutual Casualty Company

Plan Name

Retirement Income Plan for Employees of Grange Mutual Casualty Company

EIN/PN

31-4192970/001

Discount Rates

Current plan year PPA effective interest rate: 5.53%

Prior plan year PPA effective interest rate: 5.90%

3-Segment Rates (without transition) and

Applicable month: April 2012

1st segment rate 1.90%

2nd segment rate 4.90%

3rd segment rate 6.01%

For determination of the funding target for the 2011 annual funding notice and the 2012 variable rate premium, the 3-segment rates (non-averaged) prescribed for April 2012 were used as shown below:

1st segment rate 1.57%

2nd segment rate 4.36%

3rd segment rate 5.18%

See "Form of Payment" for a description of the discount rate used for determining lump sum payments.

Plan Name:	Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN:	31-4192970 / 001
Plan Sponsor:	Grange Mutual Casualty Company
Valuation Date:	April 1, 2012

SCHEDULE SB ATTACHMENTS

Assumed cost of living adjustments

0.00%

Inclusion date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Administrative expenses

The amount included this year for plan-related expenses is \$0.

Mortality

For target liability, the prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code based on static tables with separate mortality rates for annuitants and non-annuitants has been used.

See "Form of Payment" for a description of the mortality table used for determining lump sum payments.

Retirement

It was assumed that participants will retire based on the following rates.

Attained Age	Percentage Retiring
55	1%
56	1%
57	2%
58	2%
59	2%
60	2%
61	2%
62	23%
63	10%
64	10%
65	75%
66	40%
67	40%
68	40%
69	40%
70 & Older	100%

Average Retirement Age 63.75 years old

Plan Name: Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN: 31-4192970 / 001
Plan Sponsor: Grange Mutual Casualty Company
Valuation Date: April 1, 2012

SCHEDULE SB ATTACHMENTS

Disability rates (per 1,000 employees)

The DP-1985 Disability Table, male and female rates. The rates at the following illustrative ages indicate the disability incidence assumptions used:

Rate per 1,000 Employees		
Age	Males	Females
20	.29	.30
25	.38	.47
30	.48	.80
40	1.17	2.11
50	3.58	5.33
55	7.22	9.52
60	12.56	11.59

Compensation increases

Future compensation is based on the following representative age-based table:

Age	Annual Increase
Under 25	8.0%
25-29	7.6%
30-34	6.6%
35-39	5.6%
40-44	4.8%
45-49	4.3%
50-54	4.0%
55-59	3.8%
Above 59	3.5%

Future increases in Social Security

For purposes of determining target normal cost and the additional funding target for maximum deductible contribution purposes, the national average wage index is assumed to increase by 3.50% per annum.

Plan Name: Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN: 31-4192970 / 001
Plan Sponsor: Grange Mutual Casualty Company
Valuation Date: April 1, 2012

SCHEDULE SB ATTACHMENTS

Future increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC Section 415. Plan compensation is limited to the maximum presently allowed under IRC Section 401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Representative termination rates (per 100 employees) not due to disability, retirement or mortality

Attained Service	Rate per 100 Employees
0	16.3
1	14.4
5	8.4
10	3.9
15	2.9
20	2.1
25	1.4
30	0.7
35 and over	0.0

Form of payment

75% of participants reaching retirement are assumed to elect a lump sum payment; with the assumed interest rate in effect at distribution equal to 5.75% (ASC960) or valuation rate (funding target and target normal cost) and the "applicable mortality" under IRC Section 417(e)(3). All remaining participants are assumed to elect the normal form.

Lump sums were valued using the substitution of annuity form under Proposed IRC §1.430(d)-1(f)(4) without application of generational mortality and without recognition of the phase-in of IRC §417(e)(3) assumptions. The rates used for actual lump sum disbursements during the current plan year are:

1st segment rate 1.84%
2nd segment rate 4.36%
3rd segment rate 5.19%.

Marriage

For purposes of valuing the pre-retirement surviving spouse's benefit, 85% of male and 50% of female participants are assumed to be married and male spouses are assumed to be three years older than female spouses.

Plan Name: Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN: 31-4192970 / 001
Plan Sponsor: Grange Mutual Casualty Company
Valuation Date: April 1, 2012

SCHEDULE SB ATTACHMENTS

Employees

It was assumed that there will be no new or rehired employees.

Plan compensation

Compensation assumed paid in the current year beginning on the valuation date is the current annual rate of pay.

Asset method

Under this method, the valuation assets are equal to the average of three values (all determined without regard to receivable contributions), the result increased by the discounted present value of contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate. This amount is then subject to a 10% corridor around the market value of assets (including the discounted present value of receivable contributions) as of the valuation date. The three values used to develop the average value are: the market value of assets as of the current valuation date, the adjusted market value of assets as of the prior valuation date and the adjusted market value of assets as of the second prior valuation date. The adjusted market value as of a relevant valuation date is equal to the market value of assets as of the prior valuation date increased by actual plan contributions and assumed return on plan assets and decreased by actual plan disbursements after that date until the current valuation date. The assumed rate of return on plan assets for the prior plan year (pursuant to IRS Notice 2009-22) was 6.38%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 8.00%, and the applicable limitation for the plan year, equal to 6.38%. The assumed rate of return on plan assets for the second prior plan year (pursuant to IRS Notice 2009-22) was 6.72%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 8.00%, and the applicable limitation for the plan year, equal to 6.72%. Because expected investment returns under this method are limited under WRERA, over time it is more likely to produce an actuarial value that is expected to be less than the market value of assets.

Participant data

Employee data was supplied by Grange as of the census date via a secure transfer system. Data on persons receiving benefits was supplied by Grange via a secure transfer system.

Tax policy

The actuarial valuation performed for the plan year ending March 31, 2013 is used to determine the maximum deductible contribution for the tax year ending December 31, 2012.

Benefits not included in valuation

We believe that we have reflected all significant Plan provisions in this valuation.

Plan Name:	Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN:	31-4192970 / 001
Plan Sponsor:	Grange Mutual Casualty Company
Valuation Date:	April 1, 2012

SCHEDULE SB ATTACHMENTS

Significant Events

To the best of our knowledge, no significant events took place during the plan year.

Nature of actuarial calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations. Certain percentages determined in this report, such as the Funding Target Attainment Percentage, are truncated to be consistent with the instructions for Schedule SB of the Form 5500.

The assumptions selected for this valuation other than those prescribed by law, generally reflect long-term average expectations. If overall future plan experience is less favourable than assumed, the relative level of plan costs or contribution requirements determined in this valuation will likely increase in future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. It is beyond the scope of this actuarial valuation to analyze the potential range of future pension contributions, but we can do so upon request.

Plan Name:	Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN:	31-4192970 / 001
Plan Sponsor:	Grange Mutual Casualty Company
Valuation Date:	April 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Sponsor

Grange Mutual Casualty Company

Plan Name

Retirement Income Plan for Employees of Grange Mutual Casualty Company

EIN/PN

31-4192970/001

Effective Date and Most Recent Amendment

The effective date is April 1, 1958 and has been as amended and restated effective April 1, 2011, as executed November 18, 2010. The Plan was amended to apply the pay and benefit limit provisions from EGTRRA retroactively. Effective January 1, 2007 the Plan was closed to new participants hired on or after January 1, 2007.

Plan Year

The twelve-month period ending March 31, 2013.

Coverage and Participation

Each employee who has reached age 21 with one year of service shall become a participant on the following April 1 or October 1. Effective January 1, 2007 the Plan was closed to new participants hired on or after January 1, 2007. Employees hired before January 1, 2007 may participate upon meeting the Plan's eligibility requirements. In addition, a participant who is re-employed on or after January 1, 2007 shall not resume active participation in the Plan.

Benefit Service

For a full time employee, Benefit Service is credited based on elapsed time of continuous employment to years and completed months.

Plan Name:	Retirement Income Plan for Employees of Grange Mutual Casualty Company
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SCHEDULE SB ATTACHMENTS

For a part-time or temporary employee, one year of Benefit Service is credit for each Benefit Computation Period in which the employee completed 1,000 hours of service.

Vesting Service

One year of Vesting Service is credited for each Vesting Computation Period in which the employee completes 1,000 hours of service.

Final Average Compensation/Salary

"Final average pay" equals the average of regular monthly salary during the 60 consecutive months within the participant's last 120 months of employment which produce the highest average. The maximum compensation considered for any year is subject to qualified plan limits.

Normal Retirement Benefit

Eligibility:

Eligible at age 65 with five years of Plan participation. (Normal Retirement Date is the first of the month following this date.)

Benefit:

The pension benefit available at normal retirement is based on the following formula:

	1.375% of final average pay plus 0.625% of final average pay over Social Security Covered Compensation	times	Benefit Service up to 20 years
plus	0.5% of final average pay plus 0.5% of final average pay over Social Security Covered Compensation	times	Benefit Service from 20 to 35 years
plus	0.5% of final average pay	times	Benefit Service from 35 to 40 years

The benefit produced by the above formula will be held to a minimum of the benefit accrued as of March 31, 1989 determined in accordance with the provisions of the prior plan.

The benefit for a participant who retires or terminates on or after April 1, 1994 will not be less than his accrued benefit determined as of March 31, 1994 (subject to the pre-1994 compensation limitation of \$235,840) plus accruals on or after April 1, 1994 based on compensation subject to current qualified plan limits.

Plan Name: Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN: 31-4192970 / 001
Plan Sponsor: Grange Mutual Casualty Company
Valuation Date: April 1, 2012

SCHEDULE SB ATTACHMENTS

Employees formerly covered under the Ohio State Grange Plan receive the greater of: (1) benefits calculated under the Grange Mutual Plan with service beginning at January 1, 1993; or (2) benefits calculated under the Grange Mutual formula using both Ohio State Grange and Grange Mutual service (with a guarantee of the accrued Ohio State Grange benefits as of December 31, 1992), less the benefits paid under the terminated Ohio State Grange Plan.

Deferred Retirement

Eligibility:

Eligible if employment continues after the Normal Retirement Date.

Benefit:

The deferred retirement benefit is the greater of the accrued benefit as of the Normal Retirement Date, actuarially increased for each full calendar month of employment after such date, payable at actual retirement, or the accrued benefit at actual retirement.

Accrued Benefits

The benefit determined under "Normal Retirement" based on Benefit Service and Average Compensation at the given date as though employment terminated on such date and payable as a single life annuity commencing at normal retirement age.

Early Retirement Benefit

Eligibility:

Eligible at age 55 with five years of vesting service.

Benefit:

The early retirement benefit is the accrued normal retirement benefit, based on benefit service at early retirement, reduced by 1/180 per month for the first 60 months and 1/360 per month for the next 60 months that commencement precedes Normal Retirement Date.

Plan Name:	Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN:	31-4192970 / 001
Plan Sponsor:	Grange Mutual Casualty Company
Valuation Date:	April 1, 2012

SCHEDULE SB ATTACHMENTS

Disability Benefit

Eligibility:

Eligible after ten years of vesting service.

Benefit Before Normal Retirement:

The participant continues to accrue Benefit Service while receiving payments from the company's long term disability insurance plan.

Benefit After Normal Retirement:

The disability retirement benefit is computed in the same fashion as the vested termination benefit.

Death of Disabled Participant Prior to Normal Retirement:

Treated the same as a death benefit for participants in active service.

Vested Benefits Upon Termination of Service

Eligibility:

Eligible after five years of vesting service.

Benefit:

The vested termination benefit is the accrued normal retirement benefit based on benefit service at termination and payable at Normal Retirement Date; or if elected, payable as early as age 55 reduced by 1/180 per month for the first 60 months and 1/360 per month for the next 60 months that commencement precedes Normal Retirement Date.

Plan Name:	Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN:	31-4192970 / 001
Plan Sponsor:	Grange Mutual Casualty Company
Valuation Date:	April 1, 2012

SCHEDULE SB ATTACHMENTS

Death Benefits for Participants in Active Service

Eligibility: Eligible at any age with five years of vesting service.

Benefit: The pre-retirement death benefit is paid to the spouse, who receives a monthly lifetime pension equal to 50% of the reduced amount the participant would have received if he had retired as of the date of his death with the 50% joint and survivor form of annuity in effect, except that if the participant dies prior to age 55, the benefit will be payable commencing on the first day of the month following the date upon which the participant would have attained age 55.

Optional Forms of Retirement Income in Lieu of Normal Form

The normal form is a straight-life annuity; however, a married participant will receive his benefit in the form of a 50% joint and survivor annuity (actuarially reduced from the straight-life amount) unless he elects otherwise.

In lieu of the normal form, a participant may elect to receive a reduced amount of benefit payable during the lifetime of the participant, and following his death a percentage (not to exceed 100%) will be payable to his surviving joint annuitant for life. In addition, a reduced straight life annuity with a 10 year guarantee is available.

Also, a lump sum payment option is available to a participant retiring under the normal retirement, deferred retirement, or early retirement provisions.

1994 Voluntary Early Retirement Program

Employees who retired under the 1994 window program received a monthly supplement of \$400 payable until age 65 and early retirement benefits payable in full at the current age, plus a special pension service bonus.

Actuarial Equivalence

Actuarial Equivalent shall be determined using the Mortality table specified in Revenue Ruling 2001-62 and an interest rate of seven percent (7%) per annum, compounded annually. Notwithstanding the foregoing, with respect to benefits other than a lump sum value, the benefit shall not be less than the benefit determined on September 30, 2004 using the UP-1984 Mortality Table (set back three years for beneficiaries) with an interest rate of seven percent (7%) per annum, compounded annually.

With respect to the determination of a lump sum value, present value shall be determined by using the "applicable mortality table" under Code Section 417(e)(3)(B) and the "applicable interest rate" under Code Section 417(e)(3)(C) for the month of January immediately preceding the beginning of the Plan Year in which the determination date occurs. The stability period shall be the Plan Year.

Plan Name: Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN: 31-4192970 / 001
Plan Sponsor: Grange Mutual Casualty Company
Valuation Date: April 1, 2012

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS –
MODIFIED CASH BASIS**

March 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Investments, at fair value (Notes 4 and 5):		
Registered investment companies	\$ 65,979,372	\$ 66,736,136
Common stocks	16,488,363	15,740,426
Bonds:		
U.S. Treasury securities and obligations of		
U.S. government agencies	2,155	2,436
Collective marketable bond funds	27,031,315	27,516,331
Limited partnership	4,721,258	4,462,267
Cash and cash equivalents	2,953,747	2,821,709
Net assets available for benefits	\$ <u>117,176,210</u>	\$ <u>117,279,305</u>

The accompanying notes are an integral part of these financial statements.

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS -
MODIFIED CASH BASIS**

Years Ended March 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Additions:		
Investment activity:		
Net appreciation in fair value of investments (Notes 4 and 5)	\$ 11,187,660	\$ 3,406,810
Interest	2,442	155,212
Dividends	1,949,274	1,304,041
Total investment activity	13,139,376	4,866,063
Employer contributions	5,694,918	21,784,899
Total additions	18,834,294	26,650,962
Deductions:		
Benefits paid directly to participants or beneficiaries (Note 11)	(18,937,389)	(4,453,893)
Net (decrease) increase	(103,095)	22,197,069
Net assets available for benefits:		
Beginning of year	117,279,305	95,082,236
End of year	\$ <u>117,176,210</u>	\$ <u>117,279,305</u>

The accompanying notes are an integral part of these financial statements.

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of the Plan

The following brief description of the Retirement Income Plan for Employees of Grange Mutual Casualty Company (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

- A. General - The Plan is a defined benefit plan and covers substantially all employees of Grange Mutual Casualty Company (the Company) that were hired on or before December 31, 2006. Employees of the Company hired on or after January 1, 2007 are not eligible to participate in the Plan. Employees hired on or after January 1, 2007 participate in an additional benefit under the Company's defined contribution plan, referred to as Retirement Accumulation Accounts (RA Accounts), which utilize a combination of the employee's age and years of credited service to determine the annual contribution made by the Company. Existing employees of the Company as of December 31, 2006 continue their participation in the Plan and are not eligible to participate in the RA Accounts.

Employees hired on or before December 31, 2006 became participants in the Plan on the first April 1 or October 1 after reaching the age of 21 and completion of one year of credited service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

- B. Benefits - Under the terms of the Plan, participants are eligible to receive normal retirement benefits upon reaching age 65 and completing 5 years of credited service. A participant may elect an early retirement date at a reduced benefit upon reaching age 55 and completing 5 years of credited service. The normal form of benefits is a life annuity for single participants and a 50% joint and survivor pension for married participants. Optional forms of benefit payments are available at the election of the participant. Under the provisions of the Plan, benefits are determined by applying factors specified in the Plan to a participant's defined average monthly compensation. The terms of the amended and restated Plan provide that participants who were covered under a prior Plan shall receive a benefit at least equal to that determined under the former agreement. A participant is vested in the Plan after completion of 5 years of credited service. If a vested participant in the Plan dies, a death benefit equal to the value of the participant's accumulated pension benefit is paid to the participant's beneficiary. The method of distribution of the death benefit varies in accordance with Plan specifications.

Note 2. Summary of Significant Accounting Policies

- A. Basis of Presentation - The accompanying financial statements have been prepared on a modified cash basis of accounting and present the net assets available for benefits and the changes in net assets available for benefits. These practices differ from U.S. generally accepted accounting principles as additions to net assets are recognized when received rather than when earned and benefits are recognized when the related check is cashed by the participant.

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (Continued)

- B. Use of Estimates - In preparing the financial statements on a modified cash basis of accounting, the plan administrator is required to make certain estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, the disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits as of the date of the financial statements. Actual results could differ from those estimates and assumptions.

- C. Investment Valuation and Income Recognition - Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurement and Disclosures*, addresses issues relating to the definition of fair value, the methods used to measure fair value and expanded disclosures about fair value measurements. The definition of fair value in FASB ASC 820 focuses on the price that would be received to sell an asset or paid to transfer a liability, not the price that would be paid to acquire an asset or received to assume a liability. The methods used to measure fair value should be based on the assumptions that market participants would use in pricing an asset or a liability. Fair value disclosures required by FASB ASC 820 are disclosed in Note 5.

Under the terms of the trust agreement between JPMorgan Chase Bank, N.A. (the Trustee) and the Plan, the Trustee holds all fund assets on behalf of the Plan, including cash and cash equivalents. The Plan's assets are invested in registered investment companies, common stocks, bonds, collective marketable bond funds, and a limited partnership and all are reported at fair value.

Interest and dividend income earned by the Plan's assets is recognized when credited by the Trustee. Unrealized appreciation or depreciation of investments and realized gains and losses are recognized as components of net appreciation or depreciation in fair value of investments.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses are determined using the specific identification method.

- D. Cash and Cash Equivalents - Cash and cash equivalents consist of money market funds managed by JPMorgan Chase Bank, N.A. These money market funds are carried at cost (which approximates fair value) and are considered to be a party-in-interest asset.
- E. Contributions - Contributions from the Company are recognized when received.
- F. Benefits - Benefits are recognized when the related checks are cashed by participants.
- G. Administrative Expenses - Administrative expenses are borne by the Company and are excluded from these financial statements.

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (Continued)

- H. Risks and Uncertainties - The Plan invests in various types of investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the fair values of such securities will occur in the near-term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits - modified cash basis.

Plan contributions are made and the actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term could be material to the financial statements.

- I. Subsequent Events - The Plan was evaluated for subsequent events through October 30, 2013, which is the date financial statements were available to be issued. There were no subsequent events that require adjustment to or disclosure in the financial statements.

Note 3. Obligation for Pension Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the services employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances – retirement, death, disability and termination of employment – are included, to the extent that they are deemed attributable to employee service rendered to the valuation date. Contributions to the Plan are made by the Company in such amounts as have been actuarially determined to fund current costs. Funding for the Plan was calculated using the projected unit credit cost method. Minimum funding requirements as set forth in ERISA have been met.

The actuarial present value of accumulated plan benefits as of and for the plan years beginning April 1, 2012 and 2011 is determined by Towers Watson and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability for payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant assumptions underlying the actuarial present value of accumulated plan benefits at April 1, 2012 and 2011 included: (a) assumed rate of return of 8.0% on plan investments; (b) assumed mortality rates based upon the RP-2000 Combined Health Mortality Tables with a 12 year projection of mortality improvement using Scale AA (RP-2000 Combined Healthy Mortality Tables with white collar adjustments for males and females at April 1, 2011); and (c) assumed retirement using stratified rates from age 55 to 70. The foregoing actuarial assumptions are based on the presumption that the Plan will continue.

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

NOTES TO FINANCIAL STATEMENTS

Note 3. Obligation for Pension Benefits (Continued)

If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuarial present value of accumulated plan benefits as of April 1, 2012 and 2011 is as follows:

	<u>2012</u>	<u>2011</u>
Actuarial present value of accumulated plan benefits		
Vested benefits:		
Participants currently receiving payments	\$ 13,668,396	\$ 12,186,690
Other participants	<u>52,150,506</u>	<u>47,596,084</u>
	65,818,902	59,782,774
Nonvested benefits	<u>259,301</u>	<u>957,199</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 66,078,203</u>	<u>\$ 60,739,973</u>

The net increase in the actuarial present value of accumulated plan benefits for the years ended April 1, 2012 and 2011 resulted from:

	<u>2012</u>	<u>2011</u>
Actuarial present value of accumulated plan benefits at the beginning of the plan year	\$ <u>60,739,973</u>	\$ <u>62,698,153</u>
Increase (decrease) during the year attributed to:		
Benefits accumulated	3,437,911	3,977,734
Actuarial losses (gains)	1,239,964	(3,119,805)
Increase for interest due to decreases in discount period	4,956,074	5,020,603
Benefits paid	(4,453,893)	(7,836,712)
Assumption changes	<u>158,174</u>	<u>-</u>
Net increase (decrease)	<u>5,338,230</u>	<u>(1,958,180)</u>
Actuarial present value of accumulated plan benefits at the end of the plan year	<u>\$ 66,078,203</u>	<u>\$ 60,739,973</u>

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

NOTES TO FINANCIAL STATEMENTS

Note 4. Investments

The following investments represented 5% or more of net assets available for benefits as of March 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Vanguard Institutional Equity Index Fund	\$ 43,115,852	\$ 44,009,733
GMO International Opportunity Equity III Fund	17,664,160	17,309,443
State Street Global Advantage Bond Fund	10,222,481	10,321,678
Long U.S. Credit Bond Fund	N/A	6,779,314

N/A – Investment did not exceed the 5% reporting threshold at March 31, 2013.

During the plan years ended March 31, 2013 and 2012, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in fair value as follows:

	<u>2013</u>	<u>2012</u>
Registered investment companies	\$ 5,987,553	\$ 1,457,436
Common stocks	3,176,093	46,655
Bonds	39	765,494
Collective marketable bond funds	1,764,984	1,105,705
Limited partnership	258,991	31,520
	<u>\$ 11,187,660</u>	<u>\$ 3,406,810</u>

Note 5. Fair Value

FASB ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

NOTES TO FINANCIAL STATEMENTS

Note 5. Fair Value (Continued)

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at March 31, 2013 and 2012.

- Registered investment companies: Valued at the net asset value (NAV) of shares held by the plan at the end of the year.
- Common stocks: Valued at observable market quotations for identical assets and are priced on a daily basis.
- Bonds: Valued at closing price reported in the active market in which the individual security is traded.
- Collective marketable bond funds: Valued based on the fair value of the underlying investments within each account, which represents the NAV of the units held by the Plan at year end. The account manager's objective is to approximate the performance of the Barclays Capital U.S. Aggregate Bond Index, Barclays Capital U.S. Long Credit Bond Index, Barclays Capital U.S. Treasury Inflation Protected Securities, and Barclays Capital U.S. Long Government Bond Index over the long-term.
- Limited partnership: Based on values provided to the trustee by the investment manager. The limited partnership fair value has been determined using the NAV per share of the investment. Inputs are unobservable and result in disclosure at Level 3. The investment manager's objective is to provide capital appreciation by investing primarily in equity securities. In determining the reasonableness of the fair value methodology, the Investment Committee evaluates a variety of factors including review of existing contracts, economic conditions and industry and market developments.
- Cash and cash equivalents: Value of money market mutual fund where cost approximates fair value.

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

NOTES TO FINANCIAL STATEMENTS

Note 5. Fair Value (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of March 31, 2013 and 2012:

	March 31, 2013	Fair Value Measurements at March 31, 2013 using:		
		Level 1	Level 2	Level 3
Common stocks:				
Capital equipment	\$ 3,810,250	\$ 3,810,250	\$ -	\$ -
Consumer goods	1,081,773	1,081,773	-	-
Energy	1,206,189	1,206,189	-	-
Finance	1,101,849	1,101,849	-	-
Materials	896,646	896,646	-	-
Services	2,441,830	2,441,830	-	-
Real estate	253,504	253,504	-	-
Miscellaneous	<u>5,696,322</u>	<u>5,696,322</u>	-	-
	<u>16,488,363</u>	<u>16,488,363</u>	-	-
Registered investment companies:				
Commodities	5,199,360	5,199,360	-	-
International	17,664,160	17,664,160	-	-
Institutional	<u>43,115,852</u>	<u>43,115,852</u>	-	-
	<u>65,979,372</u>	<u>65,979,372</u>	-	-
Bonds:				
U.S. government agencies	<u>2,155</u>	<u>2,155</u>	-	-
Collective marketable bond funds	<u>27,031,315</u>	-	<u>27,031,315</u>	-
Limited partnership	<u>4,721,258</u>	-	-	<u>4,721,258</u>
Cash and cash equivalents	<u>2,953,747</u>	<u>2,953,747</u>	-	-
	<u>\$117,176,210</u>	<u>\$ 85,423,637</u>	<u>\$ 27,031,315</u>	<u>\$ 4,721,258</u>

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

NOTES TO FINANCIAL STATEMENTS

Note 5. Fair Value (Continued)

	March 31, 2012	Fair Value Measurements at March 31, 2012 using:		
		Level 1	Level 2	Level 3
Common stocks:				
Capital equipment	\$ 3,939,161	\$ 3,939,161	\$ -	\$ -
Consumer goods	975,103	975,103	-	-
Energy	1,566,720	1,566,720	-	-
Finance	732,480	732,480	-	-
Materials	452,030	452,030	-	-
Services	1,979,132	1,979,132	-	-
Real estate	307,017	307,017	-	-
Miscellaneous	<u>5,788,783</u>	<u>5,788,783</u>	-	-
	<u>15,740,426</u>	<u>15,740,426</u>	-	-
Registered investment companies:				
Commodities	5,416,960	5,416,960	-	-
International	17,309,443	17,309,443	-	-
Institutional	<u>44,009,733</u>	<u>44,009,733</u>	-	-
	<u>66,736,136</u>	<u>66,736,136</u>	-	-
Bonds:				
U.S. government agencies	<u>2,436</u>	<u>2,436</u>	-	-
Collective marketable bond funds	<u>27,516,331</u>	-	<u>27,516,331</u>	-
Limited partnership	<u>4,462,267</u>	-	-	<u>4,462,267</u>
Cash and cash equivalents	<u>2,821,709</u>	<u>2,821,709</u>	-	-
	<u>\$117,279,305</u>	<u>\$ 85,300,707</u>	<u>\$ 27,516,331</u>	<u>\$ 4,462,267</u>

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended March 31, 2013 and 2012:

	Limited Partnership	
	2013	2012
Balance, beginning of year	\$ 4,462,267	\$ 4,428,118
Acquisitions	3,964,402	858,440
Sales	3,964,402	855,811
Unrealized gains relating to units still held at the reporting date	<u>258,991</u>	<u>31,520</u>
Balance, end of year	<u>\$ 4,721,258</u>	<u>\$ 4,462,267</u>

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

NOTES TO FINANCIAL STATEMENTS

Note 5. Fair Value (Continued)

The following table presents quantitative information on significant internally priced Level 3 assets for which the investment risks associated with the market value changes are borne by the Company.

	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Unobservable Input</u>
Assets			
Limited Partnership	\$4,721,258	Net Asset Value	Fund Statements

The following table summarizes investments measured at fair value based on NAV per share as of March 31, 2013 and 2012, respectively.

<u>March 31, 2013</u>				
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Collective marketable bond funds	\$ 27,031,315	None	See (a)	See (a)
Limited partnership	\$ 4,721,258	None	See (b)	See (b)
<u>March 31, 2012</u>				
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Collective marketable bond funds	\$ 27,516,331	None	See (a)	See (a)
Limited partnership	\$ 4,462,267	None	See (b)	See (b)

(a) *Collective marketable bond fund.* The per unit NAV of the fund is determined each business day. Redemption of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.

(b) *Limited partnership.* The limited partnership includes standard and committed shares. Standard shares may be redeemed up to 50% as of the end of any fiscal quarter with at least 95 days written notice to the fund of the limited partnership or may be redeemed in excess of 50% with at least 370 days written notice. Committed shares may be redeemed on the third anniversary of the end of the fiscal quarter in which the purchase of the relevant shares was made, with at least 370 days written notice. On each 3 year anniversary, committed shares will automatically be re-committed for an additional 3 year lock-up period. In the event the fund of the limited partnership permits redemption prior to the lapse of 3 years, an early withdrawal fee may be assessed. As of March 31, 2013 and 2012, the committed shares represented 75% of total market value.

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

NOTES TO FINANCIAL STATEMENTS

Note 6. Tax Status

The Internal Revenue Service has determined and informed the Company by letter dated January 13, 2012 that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC) and, therefore, is exempt from federal income taxes. Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

FASB ASC 740 requires plan management to evaluate tax positions taken to determine if there are any uncertain positions that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that, as of March 31, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2009.

Note 7. Plan Termination

While the Company has not expressed any intent to terminate the Plan or to discontinue contributions, it has the right to take such actions, subject to the provisions set forth in ERISA. Should the Plan be terminated at some future time, all participants become 100% vested in benefits earned as of the termination date. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits (as described in the Plan) and the level of benefits guaranteed by and the financial condition of the Pension Benefit Guaranty Corporation (PBGC) at that time. Some benefits may be fully or partially provided for by the then existing assets of the Plan and the PBGC guaranty, while other benefits may not be provided for at all.

If the termination is the result of the bankruptcy or near bankruptcy of the Company and the Plan's assets are not adequate to pay all benefits vested prior to the termination, the PBGC will take over the Plan and will pay those benefits that it guarantees. In this case, some participants may receive a smaller benefit than if the Plan had continued.

If, however, the Plan is terminated for any reason other than the bankruptcy or near bankruptcy of the Company and the Plan has insufficient assets, the Company will be required to pay to the Plan an amount which, together with Plan assets, will satisfy all benefits accumulated to the date of the Plan termination.

Note 8. Information Certified by Plan's Trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the plan administrator has received certifications from JPMorgan Chase Bank, N.A., the Plan's Trustee, that the following data included in

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

NOTES TO FINANCIAL STATEMENTS

Note 8. Information Certified by Plan's Trustee (Continued)

the accompanying financial statements and supplemental schedules are complete and accurate:

- Investments, as shown in the Statements of Net Assets Available for Benefits – Modified Cash Basis and Note 4 as of March 31, 2013 and 2012, except for \$2,341,085 and \$1,831,967 of cash and cash equivalents as of March 31, 2013 and 2012, respectively.
- Investment activity, as shown in the Statements of Changes in Net Assets Available for Benefits – Modified Cash Basis and Note 4 for the years ended March 31, 2013 and 2012 except for \$1,589 and \$779 in interest income, respectively.
- Schedule H, Line 4i – Schedule of Assets (Held at End of Year) – Modified Cash Basis as of March 31, 2013, except for \$2,341,085 of cash and cash equivalents.
- Schedule H, Line 4j – Schedule of Reportable Transactions – Modified Cash Basis for the year ended March 31, 2013, except for \$21,836,707 of purchases and \$21,327,589 of sales and all individual transactions reported in the schedule.

As permitted by the election noted above, the Plan's independent certified public accountants did not perform auditing procedures with respect to this information, except for comparing such information with the related information included in the financial statements and supplemental schedules.

Note 9. Related Party Transactions

The Plan holds cash and cash equivalents with JPMorgan Chase Bank, N.A., the trustee of the Plan. Therefore, these transactions qualify as party-in-interest transactions.

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

NOTES TO FINANCIAL STATEMENTS

Note 10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of contributions per the financial statements to the Form 5500:

	Years ended March 31,	
	<u>2013</u>	<u>2012</u>
Contributions per the financial statements	\$ 5,694,918	\$ 21,784,899
Plus: Contributions for the plan year ended March 31, 2012 that were paid in July 2012	-	5,694,918
Less: Contributions for the plan years ended March 31, 2012 and 2011 that were paid in July 2012 and August 2011, respectively	<u>(5,694,918)</u>	<u>(4,784,899)</u>
Contributions per the Form 5500	\$ <u>-</u>	\$ <u>22,694,918</u>

Reconciliations between the financial statements and Schedule SB of the Form 5500 are needed because the financial statements are prepared on the modified cash basis of accounting, whereas Schedule SB of the Form 5500 reports the contributions on the accrual basis of accounting.

Note 11. Plan Amendment for Terminated Vested Lump Sums

The Plan was amended during 2012 by adding a one-time election option that allowed lump sum payments to be made to participants that had a vested benefit in the Plan, but who are no longer employed by the Company. These participants were offered a one-time, voluntary opportunity to receive their vested benefit in-full in the form of a lump sum. Approximately 315 participants elected to receive a lump sum in the fourth quarter of 2012, resulting in payments of approximately \$7,300,000.

In the first quarter of 2013, the Company completed a second round of lump sum payments to vested Plan participants who are no longer employed by the Company. The participants were offered a one-time, voluntary opportunity to receive their vested benefit in-full in the form of a lump sum. There were 63 participants who elected to receive a lump sum in the first quarter of 2013, resulting in payments of approximately \$6,250,000.

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

Plan number: 001
EIN number: 31-4192970
Schedule H, Line 4j – Schedule of Reportable Transactions – Modified Cash Basis
Year Ended March 31, 2013

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of party involved	Description of asset (including interest rate and maturity in case of loan)	Purchase price	Selling price	Lease rental	Expense incurred with transaction	Cost of asset	Current value of asset on transaction date	Net gain or (loss)
Category (iii)								
Series of transactions in excess of 5% of the net plan assets								
JPMorgan Prime Money Market Fund	Cash and Cash Equivalents 176 transactions, 43,619,446 shares	\$ 43,619,446	\$ -	\$ -	-	\$ 43,619,446	\$ 43,619,446	\$ -
JPMorgan Prime Money Market Fund	Cash and Cash Equivalents 154 transactions, 43,487,407 shares	-	43,487,407	-	-	43,487,407	43,487,407	-
Vanguard Institutional Equity Index Fund	Registered Investment Companies 4 transactions, 7,268 shares	952,903	-	-	-	952,903	952,903	-
Vanguard Institutional Equity Index Fund	Registered Investment Companies 3 transactions, 48,525 shares	-	6,550,000	-	-	5,733,069	6,550,000	816,931
QIP, LTD	Limited Partnership 3 transactions, 3,964 shares	3,964,402	-	-	-	3,964,402	3,964,402	-
QIP, LTD	Limited Partnership 5 transactions, 3,889 shares	-	3,964,402	-	-	3,886,707	3,964,402	77,695
Individual transactions in excess of 5% of the Plan's assets								
JPMorgan Prime Money Market Fund	Cash and Cash Equivalents	6,250,000	-	-	-	6,250,000	6,250,000	-
JPMorgan Prime Money Market Fund	Cash and Cash Equivalents	-	6,260,564	-	-	6,260,564	6,260,564	-
JPMorgan Prime Money Market Fund	Cash and Cash Equivalents	-	7,288,991	-	-	7,288,991	7,288,991	-
JPMorgan Prime Money Market Fund	Cash and Cash Equivalents	-	6,250,000	-	-	6,250,000	6,250,000	-

The above data is based on information which has been certified as complete and accurate by the plan trustee, JPMorgan Chase Bank, except for \$21,836,707 of purchases and \$21,327,589 of sales of the JPMorgan Prime Money Market Fund in the series of transactions and all individual transactions listed above.

There were no category (ii) or (iv) transactions during the year ended March 31, 2013.

See accompanying independent auditors' report.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Sponsor

Grange Mutual Casualty Company

Plan Name

Retirement Income Plan for Employees of Grange Mutual Casualty Company

EIN/PN

31-4192970/001

Effective Date and Most Recent Amendment

The effective date is April 1, 1958 and has been as amended and restated effective April 1, 2011, as executed November 18, 2010. The Plan was amended to apply the pay and benefit limit provisions from EGTRRA retroactively. Effective January 1, 2007 the Plan was closed to new participants hired on or after January 1, 2007.

Plan Year

The twelve-month period ending March 31, 2013.

Coverage and Participation

Each employee who has reached age 21 with one year of service shall become a participant on the following April 1 or October 1. Effective January 1, 2007 the Plan was closed to new participants hired on or after January 1, 2007. Employees hired before January 1, 2007 may participate upon meeting the Plan's eligibility requirements. In addition, a participant who is re-employed on or after January 1, 2007 shall not resume active participation in the Plan.

Benefit Service

For a full time employee, Benefit Service is credited based on elapsed time of continuous employment to years and completed months.

Plan Name:	Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN:	31-4192970 / 001
Plan Sponsor:	Grange Mutual Casualty Company
Valuation Date:	April 1, 2012

SCHEDULE SB ATTACHMENTS

For a part-time or temporary employee, one year of Benefit Service is credit for each Benefit Computation Period in which the employee completed 1,000 hours of service.

Vesting Service

One year of Vesting Service is credited for each Vesting Computation Period in which the employee completes 1,000 hours of service.

Final Average Compensation/Salary

"Final average pay" equals the average of regular monthly salary during the 60 consecutive months within the participant's last 120 months of employment which produce the highest average. The maximum compensation considered for any year is subject to qualified plan limits.

Normal Retirement Benefit

Eligibility:

Eligible at age 65 with five years of Plan participation. (Normal Retirement Date is the first of the month following this date.)

Benefit:

The pension benefit available at normal retirement is based on the following formula:

	1.375% of final average pay plus 0.625% of final average pay over Social Security Covered Compensation	times	Benefit Service up to 20 years
plus	0.5% of final average pay plus 0.5% of final average pay over Social Security Covered Compensation	times	Benefit Service from 20 to 35 years
plus	0.5% of final average pay	times	Benefit Service from 35 to 40 years

The benefit produced by the above formula will be held to a minimum of the benefit accrued as of March 31, 1989 determined in accordance with the provisions of the prior plan.

The benefit for a participant who retires or terminates on or after April 1, 1994 will not be less than his accrued benefit determined as of March 31, 1994 (subject to the pre-1994 compensation limitation of \$235,840) plus accruals on or after April 1, 1994 based on compensation subject to current qualified plan limits.

Plan Name: Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN: 31-4192970 / 001
Plan Sponsor: Grange Mutual Casualty Company
Valuation Date: April 1, 2012

SCHEDULE SB ATTACHMENTS

Employees formerly covered under the Ohio State Grange Plan receive the greater of: (1) benefits calculated under the Grange Mutual Plan with service beginning at January 1, 1993; or (2) benefits calculated under the Grange Mutual formula using both Ohio State Grange and Grange Mutual service (with a guarantee of the accrued Ohio State Grange benefits as of December 31, 1992), less the benefits paid under the terminated Ohio State Grange Plan.

Deferred Retirement

Eligibility:

Eligible if employment continues after the Normal Retirement Date.

Benefit:

The deferred retirement benefit is the greater of the accrued benefit as of the Normal Retirement Date, actuarially increased for each full calendar month of employment after such date, payable at actual retirement, or the accrued benefit at actual retirement.

Accrued Benefits

The benefit determined under "Normal Retirement" based on Benefit Service and Average Compensation at the given date as though employment terminated on such date and payable as a single life annuity commencing at normal retirement age.

Early Retirement Benefit

Eligibility:

Eligible at age 55 with five years of vesting service.

Benefit:

The early retirement benefit is the accrued normal retirement benefit, based on benefit service at early retirement, reduced by 1/180 per month for the first 60 months and 1/360 per month for the next 60 months that commencement precedes Normal Retirement Date.

Plan Name:	Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN:	31-4192970 / 001
Plan Sponsor:	Grange Mutual Casualty Company
Valuation Date:	April 1, 2012

SCHEDULE SB ATTACHMENTS

Disability Benefit

Eligibility:

Eligible after ten years of vesting service.

Benefit Before Normal Retirement:

The participant continues to accrue Benefit Service while receiving payments from the company's long term disability insurance plan.

Benefit After Normal Retirement:

The disability retirement benefit is computed in the same fashion as the vested termination benefit.

Death of Disabled Participant Prior to Normal Retirement:

Treated the same as a death benefit for participants in active service.

Vested Benefits Upon Termination of Service

Eligibility:

Eligible after five years of vesting service.

Benefit:

The vested termination benefit is the accrued normal retirement benefit based on benefit service at termination and payable at Normal Retirement Date; or if elected, payable as early as age 55 reduced by 1/180 per month for the first 60 months and 1/360 per month for the next 60 months that commencement precedes Normal Retirement Date.

Plan Name:	Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN:	31-4192970 / 001
Plan Sponsor:	Grange Mutual Casualty Company
Valuation Date:	April 1, 2012

SCHEDULE SB ATTACHMENTS

Death Benefits for Participants in Active Service

Eligibility: Eligible at any age with five years of vesting service.

Benefit: The pre-retirement death benefit is paid to the spouse, who receives a monthly lifetime pension equal to 50% of the reduced amount the participant would have received if he had retired as of the date of his death with the 50% joint and survivor form of annuity in effect, except that if the participant dies prior to age 55, the benefit will be payable commencing on the first day of the month following the date upon which the participant would have attained age 55.

Optional Forms of Retirement Income in Lieu of Normal Form

The normal form is a straight-life annuity; however, a married participant will receive his benefit in the form of a 50% joint and survivor annuity (actuarially reduced from the straight-life amount) unless he elects otherwise.

In lieu of the normal form, a participant may elect to receive a reduced amount of benefit payable during the lifetime of the participant, and following his death a percentage (not to exceed 100%) will be payable to his surviving joint annuitant for life. In addition, a reduced straight life annuity with a 10 year guarantee is available.

Also, a lump sum payment option is available to a participant retiring under the normal retirement, deferred retirement, or early retirement provisions.

1994 Voluntary Early Retirement Program

Employees who retired under the 1994 window program received a monthly supplement of \$400 payable until age 65 and early retirement benefits payable in full at the current age, plus a special pension service bonus.

Actuarial Equivalence

Actuarial Equivalent shall be determined using the Mortality table specified in Revenue Ruling 2001-62 and an interest rate of seven percent (7%) per annum, compounded annually. Notwithstanding the foregoing, with respect to benefits other than a lump sum value, the benefit shall not be less than the benefit determined on September 30, 2004 using the UP-1984 Mortality Table (set back three years for beneficiaries) with an interest rate of seven percent (7%) per annum, compounded annually.

With respect to the determination of a lump sum value, present value shall be determined by using the "applicable mortality table" under Code Section 417(e)(3)(B) and the "applicable interest rate" under Code Section 417(e)(3)(C) for the month of January immediately preceding the beginning of the Plan Year in which the determination date occurs. The stability period shall be the Plan Year.

Plan Name: Retirement Income Plan for Employees of Grange Mutual Casualty Company
EIN / PN: 31-4192970 / 001
Plan Sponsor: Grange Mutual Casualty Company
Valuation Date: April 1, 2012

SUPPLEMENTAL SCHEDULES

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

Plan number: 001

EIN number: 31-4192970

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) – Modified Cash Basis

March 31, 2013

(a)	(b)	(c)		(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value		Cost	Current value
	FEDERAL NATIONAL MORTGAGE ASSOC.	BOND	2,036 PAR, 3/01,2021,VARIABLE	\$ 2,096	\$ 2,155
			TOTAL BONDS	2,096	2,155
	ACORDA THERAPEUTICS INC	COMMON STOCK	5,400 SHARES	153,841	172,962
	AERCAP HOLDINGS	COMMON STOCK	5,200 SHARES	65,182	80,340
	ALLIANT ENERGY CORP	COMMON STOCK	7,600 SHARES	294,122	381,368
	AMDOCS ORD	COMMON STOCK	4,400 SHARES	127,404	159,500
	ASCENA RETAIL GROUP INC	COMMON STOCK	8,700 SHARES	160,101	161,385
	ASPEN INSURANCE HLDGS	COMMON STOCK	6,800 SHARES	199,234	262,344
	ASSURED GUARANTY LTD	COMMON STOCK	7,400 SHARES	131,711	152,514
	BARNES & NOBLE INC	COMMON STOCK	10,200 SHARES	146,914	167,790
	BLOCK(H & R) INC	COMMON STOCK	4,500 SHARES	67,388	132,390
	BRINK'S COMPANY BRINKS GROUP	COMMON STOCK	4,700 SHARES	125,627	132,822
	CABLEVISION SYSTEMS CORP NY GROUP	COMMON STOCK	16,100 SHARES	227,655	240,856
	CASH AMERICA INTERNATIONAL	COMMON STOCK	4,000 SHARES	162,297	209,880
	CENTERPOINT ENERGY INC	COMMON STOCK	9,100 SHARES	174,518	218,036
	CHEMED CORP	COMMON STOCK	1,200 SHARES	73,153	95,976
	CHURCHILL DOWNS INC	COMMON STOCK	1,800 SHARES	105,005	126,072
	CMS ENERGY CORP	COMMON STOCK	10,800 SHARES	210,513	301,752
	COINSTAR INC	COMMON STOCK	3,200 SHARES	151,774	186,944
	COOPER TIRE & RUBBER CO	COMMON STOCK	4,800 SHARES	94,463	123,168
	CROWN HOLDINGS INC	COMMON STOCK	7,200 SHARES	216,183	299,592
	DIGITALGLOBE INC	COMMON STOCK	3,100 SHARES	63,751	89,621
	DOLBY LABORATORIES INC	COMMON STOCK	7,600 SHARES	276,192	255,056
	DOMTAR CORPORATION	COMMON STOCK	1,500 SHARES	124,995	116,430
	DUN & BRADSTREET CORP(DELAWARE)	COMMON STOCK	3,400 SHARES	261,448	284,410
	EBIX. COM INC	COMMON STOCK	6,600 SHARES	106,153	107,052
	ECHOSTAR CORP	COMMON STOCK	5,300 SHARES	133,494	206,541
	EMULEX CORP COM STK	COMMON STOCK	21,300 SHARES	178,638	139,089
	ENDO HEALTH SOLUTIONS INC	COMMON STOCK	9,100 SHARES	271,644	279,916
	ENERGY XXI(BERMUDA)	COMMON STOCK	6,600 SHARES	192,338	179,652
	ENTROPIC COMMUNICATIONS INC	COMMON STOCK	43,100 SHARES	219,600	175,417
	EVEREST RE GROUP COM STK	COMMON STOCK	2,000 SHARES	195,925	259,720
	FIDELITY NATIONAL FINANCIAL INC CLASS 'A'	COMMON STOCK	9,200 SHARES	201,593	232,116
	FIRST REPUBLIC BANK SAN FRANCISCO	COMMON STOCK	7,100 SHARES	212,490	274,202
	FTI CONSULTING INC	COMMON STOCK	5,800 SHARES	199,063	218,428
	GAMESTOP CORPORATION NEW CLASS 'A'	COMMON STOCK	5,400 SHARES	108,297	151,038
	GLOBAL CASH ACCESS HOLD INC	COMMON STOCK	21,900 SHARES	90,911	154,395
	GLOBAL PAYMENTS INC	COMMON STOCK	5,100 SHARES	234,798	253,266
	GT ADVANCED TECHNOLOGIES INC	COMMON STOCK	34,500 SHARES	200,098	113,505
	HANOVER INSURANCE GROUP INC	COMMON STOCK	7,000 SHARES	268,584	347,760
	HARRIS TEETER SUPERMARKETS INC	COMMON STOCK	3,500 SHARES	138,539	149,485
	HCC INSURANCE HLDG	COMMON STOCK	7,300 SHARES	221,981	306,819
	HELIX ENERGY SOLUTIONS GROUP INC	COMMON STOCK	7,400 SHARES	138,990	169,312
	ICONIX BRAND GROUP INC	COMMON STOCK	5,800 SHARES	98,927	150,046
	IDACORP INC COM STK	COMMON STOCK	6,500 SHARES	254,928	313,755

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

Plan number: 001

EIN number: 31-4192970

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) – Modified Cash Basis

March 31, 2013

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value	
INTERPUBLIC GROUP COMPANIES INC	COMMON STOCK 14,300 SHARES	148,777	186,329	
JACK IN THE BOX INC	COMMON STOCK 3,800 SHARES	99,100	131,442	
KEMET CORP	COMMON STOCK 16,500 SHARES	150,300	103,125	
KULICKE & SOFFA INDUSTRIES INC	COMMON STOCK 12,800 SHARES	133,547	147,968	
LAM RESEARCH CORP	COMMON STOCK 6,100 SHARES	237,991	252,906	
LEAP WIRELESS INTERNATIONAL INC	COMMON STOCK 24,900 SHARES	140,375	146,661	
LEAR CORP COM NEW WI	COMMON STOCK 3,000 SHARES	133,180	164,610	
LEXMARK INTERNATIONAL INC CLASS'A'	COMMON STOCK 7,600 SHARES	202,519	200,640	
LIVE NATION ENTERTAINMENT INC	COMMON STOCK 11,600 SHARES	105,771	143,492	
MARKEL CORP	COMMON STOCK 500 SHARES	170,734	251,750	
MEDNAX INC	COMMON STOCK 2,100 SHARES	140,353	188,223	
MFA FINANCIAL INC	COMMON STOCK 27,200 SHARES	205,164	253,504	
MKS INSTRUMENTS INC	COMMON STOCK 9,000 SHARES	251,390	244,800	
NETGEAR INC	COMMON STOCK 2,800 SHARES	94,351	93,828	
NEUSTAR INC	COMMON STOCK 4,300 SHARES	148,363	200,079	
PAPA JOHNS INTERNATIONAL INC	COMMON STOCK 1,500 SHARES	57,373	92,730	
PITNEY BOWES INC	COMMON STOCK 9,200 SHARES	120,818	136,712	
POWER-ONE INC	COMMON STOCK 21,000 SHARES	109,836	87,150	
QUESTCOR PHARMACEUTICAL INC	COMMON STOCK 3,700 SHARES	82,619	120,398	
RENT-A-CENTER INC	COMMON STOCK 3,200 SHARES	110,381	118,208	
RUE21 INC	COMMON STOCK 7,500 SHARES	217,652	220,425	
SALIX PHARMACEUTICALS LTD	COMMON STOCK 6,100 SHARES	275,865	312,198	
SCHOLASTIC CORP	COMMON STOCK 4,700 SHARES	154,101	125,255	
SEALED AIR CORP	COMMON STOCK 5,400 SHARES	89,249	130,194	
SILICON IMAGE INC COM	COMMON STOCK 32,000 SHARES	185,864	155,520	
SPIRIT AIRLINES INC	COMMON STOCK 7,900 SHARES	146,481	200,344	
SYNNEX CORP	COMMON STOCK 6,200 SHARES	224,188	229,400	
TELLABS INC	COMMON STOCK 67,900 SHARES	271,612	141,911	
TERADYNE INC	COMMON STOCK 11,100 SHARES	187,065	180,042	
TIVO INC	COMMON STOCK 7,600 SHARES	76,027	94,164	
TOTAL SYSTEM SERVICES INC	COMMON STOCK 13,600 SHARES	278,324	337,008	
UNITED THERAPEUTICS CORP	COMMON STOCK 4,000 SHARES	207,316	243,480	
URS CORP	COMMON STOCK 4,800 SHARES	196,795	227,568	
VALASSIS COMMUNICATIONS INC	COMMON STOCK 5,000 SHARES	122,171	149,350	
VONAGE HOLDINGS CORP	COMMON STOCK 45,800 SHARES	121,178	132,362	
WASHINGTON POST CO	COMMON STOCK 700 SHARES	249,311	312,900	
WESTAR ENERGY INC	COMMON STOCK 10,300 SHARES	261,002	341,754	
WESTERN REFINING INC	COMMON STOCK 3,600 SHARES	81,233	127,476	
WHITE MOUNTAINS INSURANCE GROUP	COMMON STOCK 500 SHARES	192,716	283,560	
WILEY(JOHN)& SONS INC CLASS'A'	COMMON STOCK 4,500 SHARES	182,519	175,320	
WILLIS GROUP HLDGS PLC	COMMON STOCK 9,000 SHARES	305,741	355,410	
WINDSTREAM CORP COM	COMMON STOCK 27,100 SHARES	232,035	215,445	
TOTAL COMMON STOCKS		14,381,849	16,488,363	

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF
GRANGE MUTUAL CASUALTY COMPANY**

Plan number: 001

EIN number: 31-4192970

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) – Modified Cash Basis

March 31, 2013

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
	GMO INTERNATIONAL OPPORTUNITY EQUITY III FUND	REGISTERED INVESTMENT COMPANIES 1,169,038 SHARES	12,952,152	17,664,160
	VANGUARD INSTITUTIONAL EQUITY INDEX FUND	REGISTERED INVESTMENT COMPANIES 300,062 SHARES	35,498,682	43,115,852
	BARCLAYS AIG COMMODITIES INDEX FUND	REGISTERED INVESTMENT COMPANIES 128,000 SHARES	6,003,003	5,199,360
		TOTAL REGISTERED INVESTMENT COMPANIES	54,453,837	65,979,372
	LONG U.S. CREDIT BOND FUND	COLLECTIVE MARKETABLE BOND FUNDS 152,090 SHARES	4,559,920	5,179,890
	LONG U.S. GOVT BOND	COLLECTIVE MARKETABLE BOND FUNDS 165,340 SHARES	5,542,833	5,807,410
	STATE STREET GLOBAL ADVANTAGE BOND FUND	COLLECTIVE MARKETABLE BOND FUNDS 376,880 SHARES	7,160,115	10,222,481
	U.S TIPS BOND FUND	COLLECTIVE MARKETABLE BOND FUNDS 231,188 SHARES	5,528,055	5,821,534
		TOTAL COLLECTIVE MARKETABLE BOND FUNDS	22,790,923	27,031,315
	QIP, LIMITED - 2013 SERIES	LIMITED PARTNERSHIP 3,446 CLASS COMMITTED SHARES	3,446,248	3,541,937
	QIP, LIMITED - 2013 SERIES	LIMITED PARTNERSHIP 259 CLASS STANDARD SHARES	259,077	265,937
	QIP, LIMITED - 2011 SERIES	LIMITED PARTNERSHIP 856 CLASS STANDARD SHARES	855,811	913,384
		TOTAL LIMITED PARTNERSHIP	4,561,136	4,721,258
*	JPMORGAN PRIME MONEY MARKET FUCASH AND CASH EQUIVALENTS		2,953,747	2,953,747
		TOTAL INVESTMENTS	\$ 99,143,588	\$ 117,176,210

* Denotes party-in-interest

The above data is based on information which has been certified as complete and accurate by the plan trustee, JPMorgan Chase Bank, except for \$2,341,085 in cash and cash equivalents.

See accompanying independent auditors' report.