



ANNUAL REPORT 2019



**Grange
Enterprise**



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GROWTH IN A HIGHER GEAR.

The path for every business is the same; as one mountain is traversed, a steeper, rockier mountain appears on the horizon. It quickly becomes clear that what got us here, won't get us there. How we tackle each new challenge – from quoting to servicing a claim – is what defines us to our agent partners and our policyholders.

As we move forward, each mountain is an opportunity to combine our 85 years of success and experience with exciting new technologies, working together to scale new heights.

PROVIDING PEACE OF MIND AND PROTECTION DURING LIFE'S UNEXPECTED EVENTS.

BRINGING SECURITY TO OUR CUSTOMERS SINCE 1935

For more than 80 years, Grange has been a source of protection, trust and stability for its customers. Today we offer customers business, auto, home and life insurance in 13 states. And because we believe that our customers deserve only the best counsel and partnership in making these decisions, we sell our products exclusively through Independent Agents.

WE ARE COMMITTED, CONNECTED, PARTNERS FOR OUR AGENTS.

WE ARE COMMITTED

With an "A" Excellent Rating from A.M. Best and with \$3 billion in assets, Grange is a stable, reliable partner that makes decisions based on doing what's right for our agents and customers.

WE ARE CONNECTED

And while we have the stability of a larger carrier, we're still small enough to know our agents and their individual business needs. Whether it's our easy-to-use online platforms, specialized claims representatives or dedicated underwriters, Grange is connected to its agents.

WE ARE PARTNERS

Grange Independent Agents get more than a carrier, they get a partnership. We respect the sacred relationship between agent and client, and that at each interaction, we represent our agents.



TRUSTED ADVISORS.

INDEPENDENT AGENTS ARE A VALUED SOURCE OF EXPERTISE AND EDUCATION

Grange understands and supports the relationship between an agent and their client, and believes this bond is an integral part of our strategy. That's why we build unique relationships that focus on the Ease of Doing Business® for our agents while remaining a stable, consistent partner.

With a long history of partnering with Independent Agents, Grange is big enough to offer the stability of a larger insurance carrier, but small enough to connect with our agents like a small business. We partner with only the best agencies and seek out their feedback to help us make important decisions.

In today's ever-changing economy, we know that partnering with Independent Agents is the way forward. Given the shift in risk caused by technology and consumer trends, the role of an agent as an experienced advisor is more important now than ever. Businesses and consumers are relying on their agents to help them navigate the sharing economy and the continuing internet of things to make sure they have the appropriate coverages.





A MESSAGE FROM THE CHAIRMAN OF THE BOARD

After nearly 30 years on the Grange Board of Directors and serving the last eight as Chair, now is the right time for me to retire. Our Grange Enterprise is strong, growing and profitable, and I have an incredibly talented successor in M. Marnette Perry, who will serve as our first female Chair.

As I reflect on my time on the board, I'm proud of our lasting strength and stability as well as our unwavering dedication to our agents and policyholders. I've had the honor of watching Grange transform and evolve into a high-performing, innovative and forward-thinking enterprise while still delivering consistent, profitable growth. In the last few years, we've seen an unprecedented increase in surplus which will fuel critical investments for our future.

One accomplishment that stands out during my tenure was transitioning our enterprise into a Mutual Holding Company. This was an exciting undertaking and one that not many mutual companies have done successfully. I am proud of the team and the hard work that went into making this a positive transition for our organization and our policyholders. This new structure extends mutuality rights to all policyholders, just as things were when Grange was formed more than 80 years ago. It also provides us greater opportunities to invest and grow.

Another highlight was our continuing commitment to the independent agency model. Over the years, Grange has worked tirelessly to cultivate outstanding relationships with our independent agents. We view our agents as partners and are committed to their success. As the industry continues to change rapidly, we are committed to changing with it and to developing a flexible distribution model that will meet the challenges and needs of our independent agents and their clients.

And lastly, but most importantly, I've been fortunate to work with remarkably talented, good people across the Grange Enterprise. Elevating John Ammendola into the role of CEO five years ago and nurturing him and his team has been a profound pleasure. I am very proud that under our combined leadership, our Senior Leadership Team and the Board of

“OVER THE YEARS, GRANGE HAS WORKED TIRELESSLY TO CULTIVATE OUTSTANDING RELATIONSHIPS WITH OUR INDEPENDENT AGENTS.”

Directors have become more diverse and accomplished than ever before. I am confident that together John and Marnette will lead Grange to an even higher level of success.

It has been a wonderfully rewarding experience to be a part of this great company, and I look forward to watching it continue to grow and flourish.

David C. Wetmore



A MESSAGE FROM THE PRESIDENT & CEO

The insurance industry continues its rapid transformation led by the evolution of risk, increased business owner and customer expectations, and the introduction of market accelerators and disruptors. In this dynamic landscape, we know that the only thing constant is change. As renowned continuous improvement expert W. Edwards Deming said: “It is not necessary to change; survival is not mandatory.” The trick is to find the balance between embracing change and not losing sight of the fundamentals. To be a high-performing, thriving and successful company now and in the future, a disciplined and thoughtful approach to change is necessary. At Grange, we are grounded in our core purpose of providing peace of mind and protection for our policyholders while building a flexible, scalable and innovative enterprise that will not merely survive, but thrive.

Last year, as with prior years, we faced an increasingly competitive marketplace from a position of great strength. We strategically and profitably grew 7.5% to an all-time high of \$1.3 billion in premium at a very respectable 93.9% combined ratio. Thanks to our agency partners, our new business was up an incredible 31.9% with stable retention. We also achieved an all-time high in our policyholder surplus reaching \$1.5 billion, further reinforcing our financial stability. A.M. Best recognized our operational capability and financial strength by affirming an “A” (Excellent) rating with a stable outlook. These results illustrate our commitment to staying the course on our transformational journey of becoming a balanced, bigger and bolder enterprise. I'm extremely proud of these achievements, particularly since they were accomplished in such a competitive marketplace while working to transform and modernize our business.

In 2019, we continued to innovate and stand out in how we create digital experiences for our agents and customers. We launched G-Force Innovations with leading investor startup studio Rev1 Ventures connecting promising new companies and entrepreneurs with insurance industry experts. Through G-Force Innovations, we continue to identify, develop, and adopt emerging technologies that drive new insurance products and capabilities for our agents and customers. At the same time, we focused on bringing emerging technologies into our internal processes, including Robotic Process Automation (RPA), Natural Language Processing and Object/Image Recognition, among others. In 2019, we had an eight-fold increase in the number of RPAs deployed into production allowing our associates to focus on value-added agent and customer experiences.

We continued to make great strides on the commitment to deliver digital solutions to our agents and customers. Our focus last year was about improving digital experiences in claims and billing. With our new enhanced claims system, agents can now receive real-time status updates on their clients' claims and report directly online. In billing, we rolled out paperless billing options in both personal and commercial lines, and built a new, flexible payment platform that will allow for options like ApplePay and Venmo in the coming year. The measurable indicators of our continued progress showed up nicely in our customer and agency Net Promoter Score (NPS) surveys. Since launching our strategy, agency and policyholder NPS scores significantly increased reaching all-time highs.

While we drive forward to evolve our enterprise, our core DNA will always stay the same. We are committed to our mission of providing our policyholders with peace of mind and protection during life's unexpected events. We're equally committed to being a diverse company that cares about people and invests in the communities where we live and work. I'm proud to share that last year our community giving campaign exceeded our goals and broke a record for associate participation. In addition, for the second year in a row, our associates reached more than 10,000 volunteer hours in communities across our footprint.

Lastly, I'd like to give my personal thanks to Dave Wetmore, our retiring board Chair, for his nearly three decades of board service. Dave has been instrumental in stewarding the board's governance and oversight that has allowed this company to flourish. Dave will be missed but his influence and impact will be felt for years to come. I'd also like to congratulate M. Marnette Perry as our new board Chair. I look forward to working together with her and the board on our continued journey of transformation.

We're shifting into a higher gear here at Grange, and I'm excited about what the future holds. On behalf of myself and the Board of Directors, thank you to our policyholders, agent partners and associates for being a part of our journey.

John Ammendola



AN UPWARDS TRAJECTORY.

CONTINUED GROWTH HIGHLIGHTS 2019

Building on the success and foundational work from previous years, in 2019 Grange Commercial Lines continued on the path of significant growth. This was our fourth consecutive year of positive growth, a credit to the hard work of our agents and associates!

New business once again led our top-line performance, with both package and BOP performing better than the prior year. Standard lines was our top performer, up 17% over last year. As we grew at three times the market, we finished with a combined ratio of 102%. From a bottom-line perspective, this result, given our significant growth over the last few years, is within our expectations and our underlying metrics remain solid. Since launching our strategy, we have grown

approximately 9% annually while holding steadily around a 99% combined ratio.

With our differentiating products in place, we focused on providing our agents with the tools to make it easier than ever to place business with Grange. We offered agents the power of more flexible pricing, enhanced our risk management programs and re-aligned internally to improve efficiency, turnaround time, pass-through rates and hit ratio.

As we grew, we continued to add talented, knowledgeable staff to support our agents, policyholders and build bench strength for the future. For areas outside our expertise, we partnered with the best commercial vendors to provide agents the expertise they need. It was a great year and another step in our journey to a prosperous, bright future.



15.5%
INCREASE IN NEW BUSINESS



MIKE WINNER,
COMMERCIAL LINES PRESIDENT

“We focused on offering our agents a new level of ease to quote and place business with Grange. With our associates and agents aligned, we continued to see substantial growth in new business and continued our positive trajectory.”

grangeinsurance.com/insurance/business



COMMERCIAL LINES

What's new in 2020: In 2020, we'll double down on our efforts to make it as simple as possible for our agents to sell our unique commercial product offerings. We'll launch our Commercial Service Center so agents can focus on growing their business. We'll continue to optimize our greatest asset – our associates – to provide the most efficient service possible. And while we're working on long-term Policy & Billing enhancements, we'll remain committed partners who will do everything we can to help our partner agents succeed.

HOME AND AUTO COVERAGE CUSTOMIZABLE FOR YOUR NEEDS.

GREAT PRODUCTS, GREAT RESULTS

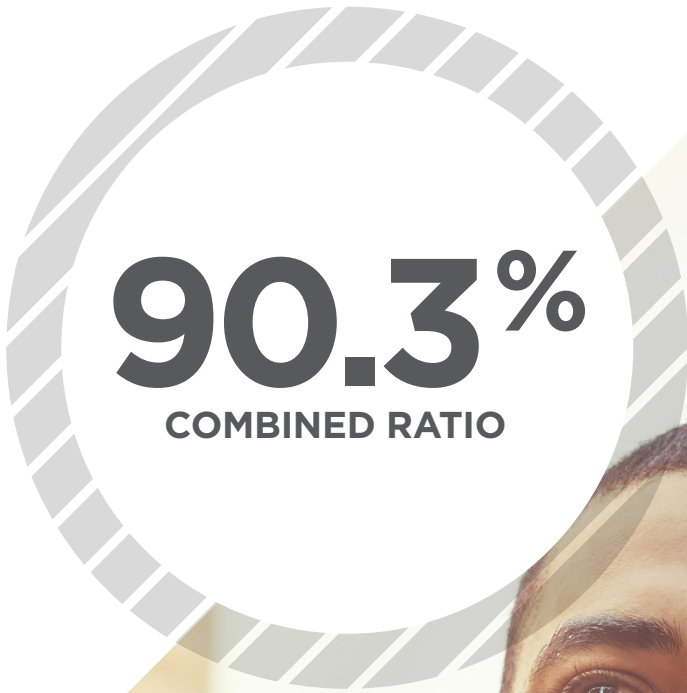
Led by our customizable products built on the feedback of our agents, 2019 was a terrific year for Grange Personal Lines.

Results were positive across the board. We grew 4.8% in preferred auto and homeowners. We saw a significant increase in new business, combined with our best retention rate in six years, which led to an increase in policies-in-force of 3.8%.

While we were able to post these strong growth and retention metrics, we also remained profitable with an overall combined ratio of 90.3%. This included an auto result of 92.7%, performing ahead of the market.

We continued to roll out product enhancements and digital capabilities based on the feedback of our agents and policyholders. Our Do It Yourself (DIY) Home Inspection tool allows policyholders to receive a discount by providing photos of their home through our app. OnTrack, our telematics-based app, allows insureds to monitor their driving habits and earn a discounted rate based on multiple safety factors.

For our agents, we've upgraded our claims and underwriting processes to make it easier than ever to do business with Grange. Our streamlined underwriting referral process has improved pass-through rates, while our new Claims Notes gives agents more transparency into what's happening with their clients' claims.



**JOHN NORTH,
PERSONAL LINES PRESIDENT**

“Thanks to the efforts of our agents and our associates, 2019 was a great year for Grange Personal Lines. Combining customizable products with a strong competitive position led us to the kind of result we’re always looking for – positive growth and profitable results.”

grangeinsurance.com/insurance/home
grangeinsurance.com/insurance/auto

PERSONAL LINES

What's new in 2020: We'll be focused on product and pricing updates as we continue our core system transformation. That includes driving more policyholder adoption of our new product enhancements and digital capabilities such as Roadside Assistance, OnTrack and DIY Inspection. We'll also continue to give policyholders greater control over their insurance through their MyGrange account, where they can manage policies and claims or choose to go paperless!

NEW AND IMPROVED PRODUCTS AND SERVICES IN 2019.

We started 2019 with a strong product lineup from Kansas City Life Insurance Company and delivered more product solutions for our agents and their clients throughout the year. This momentum will continue in 2020 as we expand our Kansas City Life offerings and improve the digital experience as we drive cross-sell through our strategic partnership with Grange Insurance.

Our dedicated sales force focused on field education and training to give our agents the tools for success. Back by popular demand, the Life Summit offered agent attendees the opportunity to learn from industry experts, network with peers and learn more about all that Kansas City Life

has to offer. Look for more education and training in the year ahead.

Knowing that ease of doing business is important to our agents, we made steady progress on integrating our systems in the move from Grange Insurance to Kansas City Life. Our team in Columbus is working diligently to help our agents through this process and give them the personalized service they deserve and expect.

Partnership with our agents drives our success. We're excited to see where this partnership and growth can take us in 2020!



THERESA MASON,
GRANGE LIFE INSURANCE
COMPANY PRESIDENT

Kansas City Life Insurance Company

“Thanks to a number of new and improved products from our strategic relationship with Kansas City Life Insurance Company, we were able to help our agents build momentum throughout the year. As we continue this integration, we’ll be able to support our agents and their policyholders with an exciting new level of service.”

grangeinsurance.com/insurance/life



KANSAS CITY LIFE INSURANCE COMPANY

Kansas City Life has a long history of customer protection and financial strength. In business for more than 123 years, they have maintained an “A” rating from A.M. Best continuously for more than 50 years. Based in Kansas City, Mo., Kansas City Life provides financial protection through the sale of life insurance and annuities in 48 states and the District of Columbia.





A MESSAGE FROM THE INTEGRITY PRESIDENT

Integrity continued our journey forward in 2019, posting a double-digit increase in growth for the sixth consecutive year. Thanks to our close personal relationships with our agents, we grew 14.4% over last year in Commercial Lines, including \$34.2 million in new business and increases in Specialty Lines.

In Personal Lines, we grew more than 10%, with an almost 50% increase in new business. We launched our PinPoint Homeowners® product in Minnesota, which increased our ability to write new policyholders within our target market. We also launched several product enhancements such as OnTrack and DIY Home Inspection. These improvements position us well for future growth in Minnesota.

Our culture remains a point of pride at Integrity, where we were awarded the New North Workplace Excellence Award and named one of the Top 15 Most Generous Workplaces by United Way Fox Cities.

WHAT'S NEW IN 2020

We're excited to see what Integrity can achieve this year. While maintaining my President's role for Integrity and transitioning into a new role as Chief Distribution and Affiliate Officer for Grange Enterprise, we've created an operating model that better aligns and maximizes both Integrity and Grange.

Jill Wagner Kelly
President
Integrity Insurance



12.8%
OVERALL GROWTH



BRAD S., ★★★★★
"WHY I RECOMMEND INTEGRITY INSURANCE"

I am a professional builder with 22 years full time experience and have only had positive experiences with Integrity Insurance. They are responsive, fair and very professional in their handling of anywhere from claims to billing. They are spot on. It is comforting and reassuring to know you have the backing of such a company. Thanks to Brenda R. for helping us through a difficult time.

DOCTOR, ★★★★★
"GREAT CUSTOMER SERVICE"

Customer service is friendly and cares about resolving any issues I have. This company also has the best rates on my home insurance. I have never yet found another company to beat them.



TRANSFORMATION AND MODERNIZATION.



“Across our enterprise, 2019 was another year of transformation. We continued on our path of modernization while remaining focused on providing policyholders and agents a seamless, secure experience.”

TIM CUNNINGHAM,
CHIEF INFORMATION OFFICER



TECHNOLOGY & INNOVATION

2018 Columbus Startup Weekend

FORGING NEW WAYS TO DO BUSINESS

Springboarding off of previous foundational work, we continued to transform and modernize while still delivering incremental value to the business. Much of our focus centered on transforming the way we do business with our agents and policyholders, modernizing our core systems and processes, and solving creatively for the future. We also continued to invest in hardening our cyber technology risk and control position.

We made material investments to uplift our Agency Interface, Digital Content Management and Customer Relationship Management systems, enabling new capabilities for agents and policyholders. We worked with the business to deliver DIY Home Inspection, text alert notifications and new paperless options. We accelerated our implementation of Robotic Process Automation, allowing

manual processes to be automated, freeing up valuable time for our associates to better serve agents and policyholders. We improved internal software delivery practices allowing us to deliver business capabilities to market faster.

We launched our largest single initiative to date, the replacement of our policy and billing systems, while also converting the remaining open claims into a new claims platform. When the policy and billing system replacement is complete, we will be operating on a modern technology platform across all three core functions. This multi-year effort will provide digital capabilities that are currently out of reach with our technology limitations.

We accelerated our investments in cyber security protections enabling us to adhere to new cyber security laws adopted by the National Association of Insurance Commissioners. We significantly increased our system recovery testing activities demonstrating our abilities to maintain normal operations during an unexpected event.

What's new in 2020: Our Robotic Process Automation lab will help our associates develop and implement even more automation capabilities. We continue to invest in our associates to learn new skills and technologies that will allow us to compete as the pace of change advances at an accelerated rate.

ACCELERATING THE INSURANCE EVOLUTION

We know our industry is constantly changing and are committed to being on the forefront of that change to better serve our customers and agents.

In April, we launched G-Force Innovations, in partnership with Rev1 Ventures. G-Force provides dedicated resources and a disciplined process to identify, test and deploy new insurance solutions. It can be challenging for InsurTech providers to have their innovations accepted into corporate environments. G-Force Innovations improves the pathway for InsurTech solutions and accelerates the speed to market

for launching new capabilities into the Grange ecosystem. We also made a direct investment in an InsurTech startup, TNEDICCA®, which is on the leading edge of improving drivers' safety through the use of new data and advanced analytics.

As part of our internal innovation incubator, we are simultaneously focused on building, testing, and deploying automation solutions internally. The solutions are based on Robotic Process Automation, Natural Language Processing, and Object/Image Recognition with a focus on improving customer experience and Ease of Doing Business®.

What's new in 2020: We will continue to advance a culture of innovation and harness an intrapreneurial mindset by engaging our associates' and agents' creativity. Innovation is a participation sport and we conducted over 25 different collaborative innovation events last year and will host more in 2020.

COMMITTED TO PROVIDING THE BEST EXPERIENCE.



“We’re committed to providing our customers the best experience possible – a simple, straightforward interaction that provides clarity, whether it’s online, on the phone or in person. We know a great experience for our agents and policyholders is crucial to Grange’s success.”

LINDA ROUBINEK,
CHIEF CUSTOMER INTERACTIONS OFFICER



A GREAT EXPERIENCE

MAKING THINGS SIMPLE FOR OUR CUSTOMERS AND AGENTS

At Grange, the customer experience – for customers and agents – is at the forefront of our day-to-day and long-term goals. We remain committed to providing simple, straightforward, meaningful experiences for our customers in each interaction.

In 2019, we advanced our Digital Roadmap by providing our customers enhanced intuitive interactions and self-service options to allow them to take control of their insurance experience. We upgraded the Grange Mobile app and MyGrange portal to make it easier for customers to access their policies and claims. We developed and launched our OnTrack app, a telematics-based tool that allows insureds to earn a discounted rate by tracking their driving habits. Our DIY Home Inspection tool allows customers to earn a discount by taking their own home inspection photos.

We upgraded our payment platform, which enables customers and agents to make one-time payments by ACH or credit card, with an improved user interface. We implemented a chatbot in our Customer Care Center enabling associates to retrieve and send blank forms securely and efficiently to customers. We implemented customer email campaigns, enabling us to communicate directly to increase customer awareness of the digital service options we offer.

We upgraded our Customer Relationship Management tool and rolled it out across the enterprise to allow us to better know and serve our customers and agents. With the use of Robotic Process Automation, we streamlined several manual processes to improve our efficiency, customer availability, and overall customer experience. We also introduced voice authorization, transitioning from written to verbal authorization for customer transactions and ensuring an effortless customer experience.

Our Claims team continued providing peace of mind and protection for customers, while simultaneously transforming the way we work. New technology also allowed our Property Team to use drones to help assess roof claims. With the use of drones, we can drive accuracy, efficiency, customer service, and adjuster safety.

Our transformation has not been limited to the digital space. In 2019, we focused on improving soft skills by living our Customer Experience ePledge. Our associates were trained on call quality to drive consistency and empathy on each call. Our Claims Teddy Bear Program was introduced for children who have been in a serious auto accident or large property

loss. They receive a Grange-branded teddy bear, along with a message encouraging them to be brave.

To help our agents, we continued our quarterly Agency Outreach Program. Through this program, we provide agents more transparency into our claims processes while creating a direct line of communication for questions and feedback.

Our transformational efforts were noticed by our agents who during our annual survey noted their improved satisfaction with our efforts in Claims, Billing, Customer Care and related technology improvements!

What's new in 2020: We'll continue to use consumer email campaigns to increase adoption of important digital services such as Paperless Billing and the MyGrange portal. We'll be focused on developing the Commercial Lines Service Center to help our agents focus on what matters – growing their business. We will continue creating a more effortless experience for our customers and agents with enhanced online tools and options. Features such as Claims text and electronic payments will complement these enhancements and allow us to seamlessly handle claims to meet our customers' preferences. We are excited for what we can achieve in 2020!



Thank you to the select group of Independent Agents who collaborate with our leaders to strengthen all agent relationships.

We're truly grateful to be your partners.

AGENT ADVISORY BOARD

NOT PICTURED ABOVE (from left to right)

Angela Bassett, Brown & Brown Ins Agency of VA, VA; Bo Bradley, Bradley Insurance Services, VA; Tom Butera, Midland Insurance Agency Inc, IL; Thomas Crosby, The Insurance Exchange, IL; Doug Erwin, Advanced Insurance Solutions, PA; Doug Halpin, Elite Insurance Coverage, OH; Diana Hunt, Mountain Valley Insurance, KY; Tina Hutsenpiller, Hutsenpiller Insurance Agency, TN; Mark Lawrence, John Dawson Associates, OH; Steve Maloof, Tanner, Ballew & Maloof Inc, GA; Jesse Schatz, JPS Insurance Services, MI; Mike Stansbury, Elite Insurance Solutions, TN.



FRONT ROW (from left to right)

Kevin Panter, Panter Insurance, GA; David Carpenter, Main Street Insurance Group, KY; Jay Harvill, Lipscomb & Pitts Insurance, TN; Sam Crudo, CIA Insurance & Risk Management, MI; Ryan Atkinson, Atkinson Insurance, VA; Mike Rice, American Heritage Insurance Group, OH; Phil Carson, Carson Agency, IN; Bud Bonner, Knight Insurance Group, OH; Brent Soller, Soller Insurance Agency Inc, OH; Ryan Murphy, Steelkey Insurance, PA; Todd Whiteman, Enscoe Long Insurance Group, PA.

BACK ROW (from left to right)

Mitchell Goff, Capitol Street Financial, GA; Steve Hopkins, United Group Alliance, OH; Patrick Baggett, Full Service Insurance Agency, TN; Rob Strachan, Strachan Novak Insurance, OH; Ryan Messer, Meridian Insurance, OH; Kevin Wheeler, Cardinal WalkerHughes Insurance, IN; Bill Wethington, Wethington Insurance, KY; Kyle Turner, Turner Insurance Agency, IN; Mark Wenclewicz, Wenclewicz Insurance, IN; Hank Randall, Worley-Schilling & Randall Inc, GA; Gary Rowland, Rowland Insurance Agency Inc, KY; Larry VonDrasek, V Financial, IL; Nathan Chapman, David Chapman Agency, MI; Bruce Braselton, Winder Insurance Center, GA.



JOHN AMMENDOLA,
PRESIDENT & CEO

DAVID C. WETMORE,
CHAIRMAN OF THE BOARD

MARK L. BOXER

DOUGLAS P. BUTH



TERRI DALENTA
CHIEF FINANCIAL OFFICER

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SUZAN KEREERE



M. MARNETTE PERRY

THOMAS S. STEWART

CHRISTIANNA WOOD



JOHN AMMENDOLA,
PRESIDENT & CEO

LAVAWN COLEMAN,
SECRETARY & GENERAL
COUNSEL

TIM CUNNINGHAM,
CHIEF INFORMATION OFFICER

TERRI DALENTA,
CHIEF FINANCIAL OFFICER



DOREEN DELANEY CRAWLEY,
CHIEF OPERATIONS OFFICER

CHERYL LEBENS,
CHIEF RISK & STRATEGY
OFFICER

JOHN NORTH,
PRESIDENT OF PERSONAL LINES

LINDA ROUBINEK,
CHIEF CUSTOMER
INTERACTIONS OFFICER



JILL WAGNER KELLY,
CHIEF DISTRIBUTION &
AFFILIATE OFFICER

MIKE WINNER,
PRESIDENT OF COMMERCIAL
LINES

BOARD OF DIRECTORS

Visit grangeinsurance.com for director bios.

LEADERSHIP TEAM

Visit grangeinsurance.com for leadership bios.

CULTURE OF EXCELLENCE.

At Grange, we know that creating a great place to work propels a high-performing company. To ensure our associates are empowered and engaged, we emphasize developing talent and building a workplace where they feel valued and celebrated.

In 2019, we enhanced development opportunities at all levels of the organization – from our intern program to new associate onboarding to training for senior leaders. Our second Elevate week, an in-house development conference exclusively for Grange Enterprise associates, was a major initiative. This year, we added a new track to provide customized learning opportunities for people leaders.

To cultivate the development and leverage the talents of high-potential associates, we host Emerging Leaders and LeaderView programs where participants execute enterprise projects. Additionally, our Change Champions program selects associates to complete change management training and provide ideas to leadership.

While it's essential to develop current talent, it's equally as important to foster understanding and celebrate the unique identities of our associates. Through our Diversity & Inclusion strategy, we required training for all new hires and expanded our all-associate learnings to cover unconscious biases. We also created new events including a Veteran's Day luncheon, Diwali festivities and our Day of Understanding, a fun, in-house Diversity & Inclusion learning opportunity. Our Associate Resource Groups promote engagement while providing opportunities for contributing ideas to the business, community outreach, professional development and networking.

Our 2019 efforts paid off! We increased our associate engagement index and associate net promoter score, continued to have higher rates of diverse promotions at all levels and were recognized by Columbus Young Professionals as a Wonderful Workplace for Young Professionals for the third consecutive year.



DOREEN DELANEY CRAWLEY,
CHIEF OPERATIONS OFFICER

“The growth of our people drives the growth of our business. By developing talent and bolstering a sense of belonging, we’re fostering an environment for our associates — and enterprise — to thrive.”



**MAKING GRANGE A
GREAT COMPANY**



PHILANTHROPIC HIGHLIGHTS 2019

Named Outstanding Corporate Partner by New Directions Career Center

Sixth in volunteer hours among 152 Central Ohio businesses according to Columbus Business First



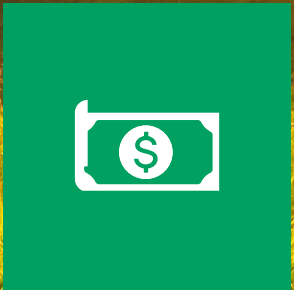
OVER **\$100,000** in charitable printing services



>50% of officers serving on non-profit boards in 2019



10,000+ hours volunteered by associates



NEARLY **\$750,000** in non-profit donations

A RECORD-BREAKING YEAR

Grange's community giving efforts highlighted an unprecedented year in 2019. We always strive to support local non-profit organizations that transform lives, provide comfort and enrich the communities where we do business. This year, associates went above and beyond with their generosity.

Participation in our Grange Gives campaign increased to 72%, with associates donating more than \$340,000. We also surpassed our goal for volunteer hours, with a 2,664 hour (32.5%) increase from 2018. We're excited to continue this momentum and plan to make an equally great impact in 2020.

SERVING OUR COMMUNITIES

JUST ASK OUR CUSTOMERS.

JJL9, ★★★★★
“OUTSTANDING CUSTOMER SERVICE”

Words cannot express the experience I had with Customer experience. The person handling my claim went above and beyond and made sure I was well informed every step of the way. This person truly knows their customer and how to navigate thru an incident. It is rare that you get to talk to a Human these days and the fact that this person went way beyond to exceed customer expectations is unbelievable. Thanks for a pleasant experience even the outcome of my claim.

MAURGEE, ★★★★★
“GREAT SERVICE”

You never know how good your insurance is, until you have to use it. We did have to file a claim this year, and I can only say good things about Grange Insurance.

SALLEN0507M, ★★★★★
“BEST INSURANCE COMPANY HANDS DOWN!”

Grange is the best insurance company hands down. I recently had to file a claim on my boat. The whole process was a breeze. The Claims adjuster was friendly and efficient and such a pleasure to work with. Unlike most insurance companies they are very personable and go through everything to help you understand. I would highly recommend them to anyone and everyone!

WABASHGRAD75, ★★★★★
“QUICK RESPONSE AND SETTLEMENT”

I was not the insured, but the one filing the claim. The claims people were straight-forward, professional, and caring. They clearly communicated what was needed to settle the claim, what pictures to take. The review and claim offer were completed seamlessly and quickly. Thank you for the concern and competence in a challenging time for me!

To read more customer reviews, visit grangeinsurance.com/customer-reviews



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YouTube.....grangeinsurance
Facebook.....@grangeinsurancemarketing
Linkedin.....company/grange-insurance
Instagram.....@grange_insurance

CONNECT WITH US

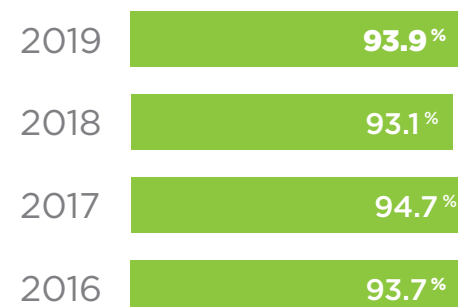
FIND MORE INFORMATION, TIPS & OTHER RESOURCES AT GRANGEINSURANCE.COM

Grange does more than offer Peace of Mind and Protection to our policyholders, we also provide you with the tools to protect yourself. Learn more about how to keep your business, home, auto and yourself safe with our Tips & Resources available on our website.

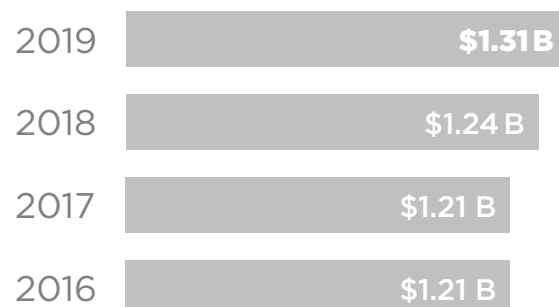
Stay in touch with Grange by following our social media channels!

FINANCIAL OVERVIEW

Net Combined Ratio: 2016-2019



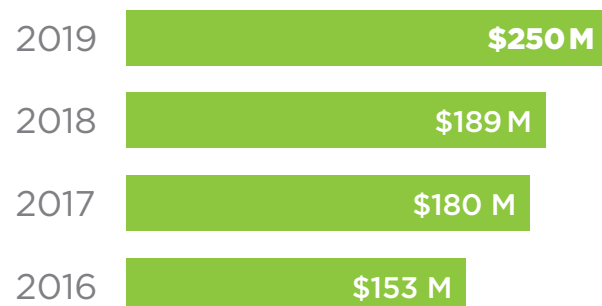
Direct Written Premium: 2016-2019



Combined Surplus: 2016-2019



New Business: 2016-2019



Consolidated Assets: 2016-2019



2019 FINANCIAL REPORT

GRANGE P&C INSURANCE OPERATIONS FINANCIAL REPORT*

Assets

Cash and Cash Equivalents	\$ 93,277,773
Bonds (at amortized cost)	1,700,335,968
Stocks (at market value)	586,965,854
Real Estate (at cost less accumulated depreciation)	94,354,721
Floating Rate Bank Loans	77,595,558
Other Invested Assets	36,657,365
Securities Lending Reinvested Collateral Assets	19,138,547
Accrued Investment Income	13,237,299
Premiums in Course of Collection	291,251,256
Net Deferred Tax Asset	5,410,604
Other Miscellaneous Assets	10,135,415
Total Assets	\$ 2,928,360,360

Liabilities and Policyholders' Surplus

Unearned Premiums	\$ 548,795,258
Reserve for Losses	519,899,588
Reserve for Loss Adjustment Expenses	152,441,546
General Expenses Payable	77,925,670
Borrowed Money	60,115,000
Payable for Securities Lending	19,138,547
Federal Income Tax Payable	5,622,353
Other Liabilities	33,709,608
Total Liabilities	1,417,647,570
Policyholders' Surplus	1,510,712,790
Total Liabilities and Policyholders' Surplus	\$ 2,928,360,360

Statement of Income and Surplus 2019

Premiums Earned	\$ 1,222,285,735
Losses and Loss Adjustment Expenses Incurred	786,981,993
Other Underwriting Expenses Incurred	382,043,771
Net Underwriting Gain	53,259,971
Net Investment Gain	75,171,293
Other Income Less Other Expense	11,623,499
Dividends to Policyholders	(5,282,208)
Income Before Federal Income Taxes	134,772,555
Federal Income Taxes Incurred	27,369,054
Net Income	107,403,501
Other Surplus Changes	28,377,808
Change in Policyholders' Surplus	135,781,309
Policyholders' Surplus — January 1	1,374,931,481
Policyholders' Surplus—December 31	\$ 1,510,712,790



**PROVIDING PEACE OF MIND
AND PROTECTION DURING
LIFE'S UNEXPECTED EVENTS**



IT'S NOT JUST INSURANCE

IT'S INSURANCE BACKED BY GRANGE ENTERPRISE.

With humble beginnings insuring farming communities, today we serve policyholders across 13 states: Georgia, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia and Wisconsin. With an "A" Excellent rating from A.M. Best and with \$3 billion in assets, our enterprise has the strength and stability of a large insurance carrier, but with the local, personalized service of a small company. Get the most from your insurance.

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