



ANNUAL REPORT 2021



**Grange
Enterprise**

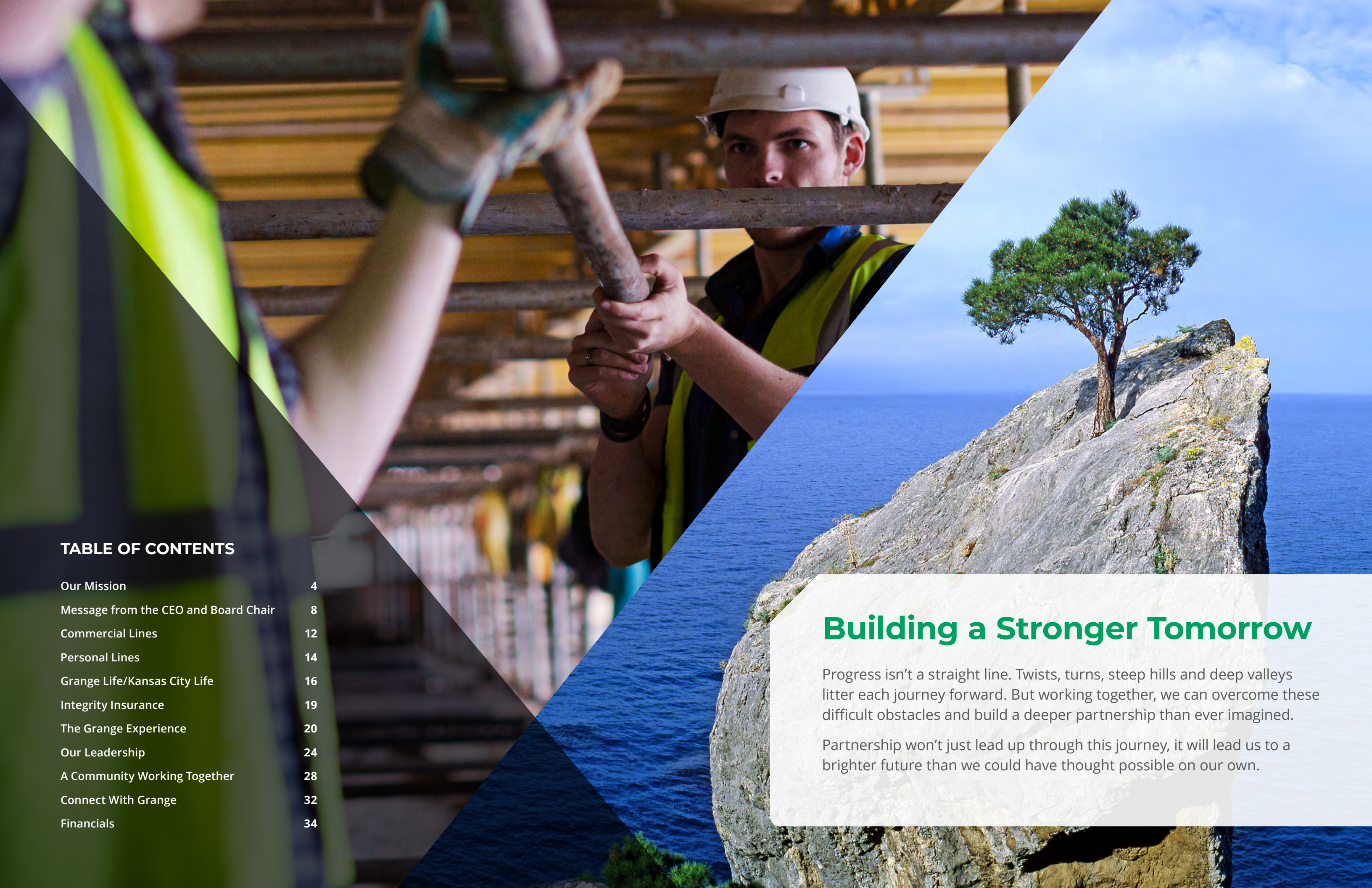


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Building a Stronger Tomorrow

Progress isn't a straight line. Twists, turns, steep hills and deep valleys litter each journey forward. But working together, we can overcome these difficult obstacles and build a deeper partnership than ever imagined.

Partnership won't just lead up through this journey, it will lead us to a brighter future than we could have thought possible on our own.

Providing peace of mind and protection during life's unexpected events.

Bringing security to our customers since 1935

For more than 85 years, Grange Enterprise 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 \$3.3 billion in assets, Grange Enterprise 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, we are connected to our agents.

WE ARE PARTNERS

Our 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.



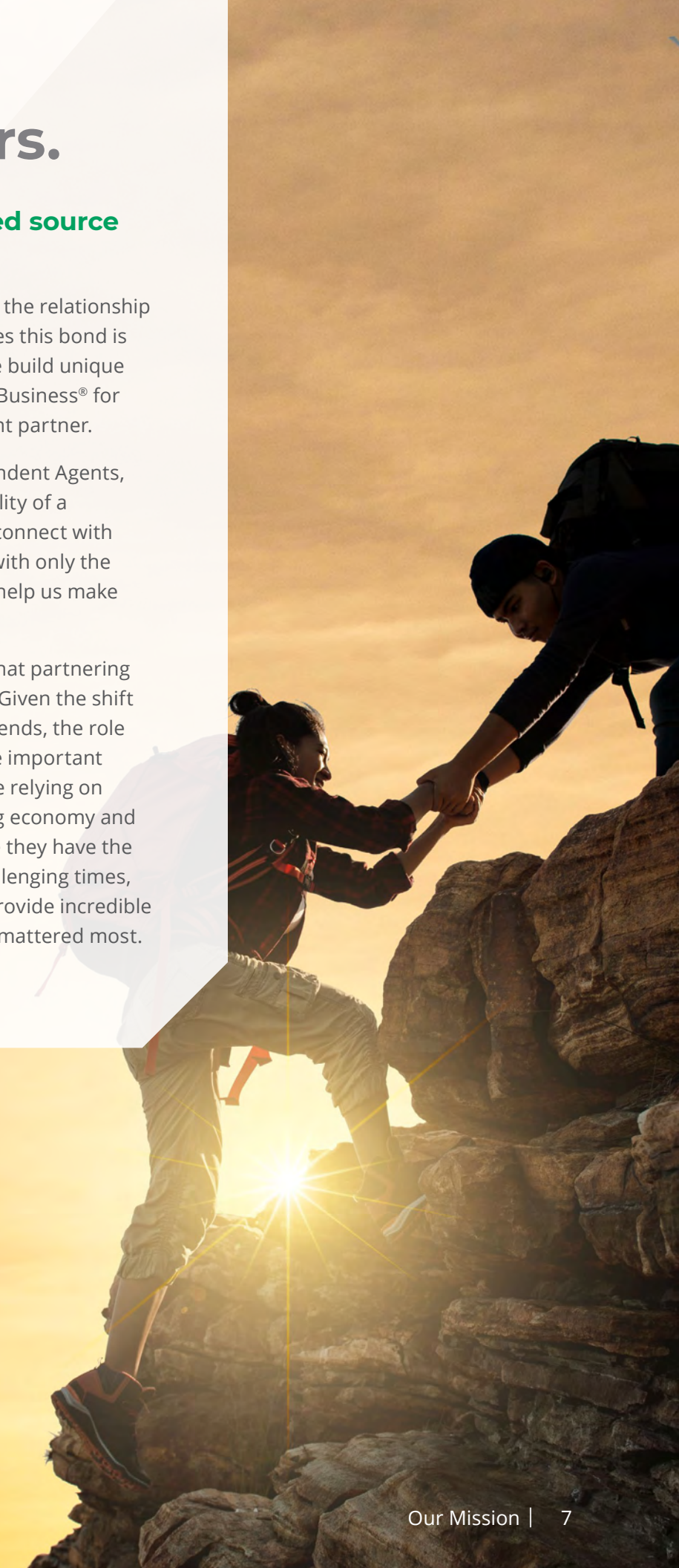
Trusted advisors.

Independent Agents are a valued source of expertise and education

Grange Enterprise 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, our enterprise 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. During the recent challenging times, our Independent Agents quickly adapted to provide incredible support and guidance to their clients when it mattered most.





A Message From the President & CEO

As we navigated another unique and uneven year, our enterprise remained resilient and in its strongest financial position in our 85-year history. Faced with the challenges brought on by the continuing pandemic, we stayed the course on our transformation journey that began back in 2016. To advance our capabilities even further, we moved forward with a carefully planned multi-year transformation of our core technology systems – work that is vital to our strategic plan and developing our digital platforms for the future. We launched the most significant and complex part of our transformation this year, modernizing our nearly 40-year-old billing systems. With the advanced age of these systems, it was a business imperative that we make this transition now, as waiting any longer created its own untenable risks. We simply could not build our company's future on a decades-old system. While certainly difficult at times, we recognized that this short-term disruption was necessary for the long-term gain of ensuring that we remain a certain, thriving survivor.

Despite undertaking this complex, significant, and vital transformation, we held fast to our strategic plan of becoming a balanced, bigger, and bolder company. We remained resolute and disciplined in executing our strategy, which allowed us to stay agile and flexible. Notwithstanding

the headwinds from the pandemic, an uneven economy, hyperinflation, and unprecedented tornadoes in December, we once again achieved strong profitable and growing operating results. We ended 2021 with a combined ratio of 99.7%, beating the industry forecast of 102.7%. We accomplished this while growing our policyholder base and outperforming on both customer and commercial account retention. We strategically grew the company by 3.5%, which was right on plan, with solid progress in both Commercial Lines and Personal Lines. This growth led to an all-time high of \$1.43 billion in premium and an incredibly strong policyholder surplus of \$1.61 billion.

Most importantly, our results were validated by our industry and customers alike. A.M. Best recognized our operational capability and financial strength by affirming an "A" (Excellent) rating and upgrading our outlook to "Positive," which is significant given only 4% of mutual insurance companies currently have a "Positive" outlook. Grange was also named to the coveted Ward's 50® List of top performing P&C insurance companies for the second year in a row based on our outstanding financial results. In addition, our policyholder NPS (Net Promoter Score) showed that our enterprise continues to provide overall excellent service despite some of the systems challenges. Our average customer star rating on our website's reviews page was a strong

4.7 out of 5 stars, while our average customer star rating on third-party sites held steady at 3.6 out of 5 stars. We know that in this ever-changing world, our digital voice and star ratings are essential for business owner and consumer confidence and to make it is easy for agents to sell our trusted brand.

While we continued to gain balance in our lines of business and grow responsibly and profitably, we also sustained our investments in innovation and enhancing our digital capabilities. As more businesses and consumers continue to expect digital self-service capabilities, we enhanced online access to proof of insurance cards, registration for online accounts, and management of security features and communication preferences. We further invested in a conversational intelligence platform that allows us to better "listen" to all customer interactions and provide even more effective claims and customer services. Additionally, through G-Force Innovations, we continued to accelerate partnerships with InsurTech companies to test, learn, and build modern insurance solutions. As a result of these efforts, we were again recognized by A.M. Best as a "Prominent" innovator in the industry, placing our enterprise within the top 6% of P&C insurance companies rated.

As always, in 2021 we were guided by our mission to provide peace of mind and protection during life's unexpected events and proudly delivered on that promise for our policyholders, agents, associates, and communities when it mattered most. This year, we provided our communities with nearly \$2 million in financial support to approximately 100 nonprofit organizations that are committed to advancing racial equality and supporting health and human service initiatives. We could not have done this without our caring associates, who pledged \$1 million in support through our annual associate giving campaign, where our enterprise matched their giving dollar-for-dollar. In recognition of our community support, we were honored to receive the Medical Mutual SHARE Award, the top honor presented by *Smart Business* as part of their annual Pillar Awards

for Community Service, as well as the Corporate Citizenship Award from *Columbus Business First* recognizing the most generous local companies in terms of philanthropic efforts.

I am immensely proud of our associates and their continued dedication to our mission and our core value of doing the right thing – even when the going gets tough. As I've stated repeatedly, they are the heart and soul of our enterprise. Our associates continue to rise to meet the challenges of this ongoing pandemic and all its impacts, and they are the reason we were there for our agents, customers, and communities in their time of need. In fact, we were named a top workplace by *Columbus CEO Magazine* thanks to our phenomenal associates.

To our dedicated and committed agency partners, thank you! I am proud to be represented by such amazing independent agents who yet again did an excellent job adapting and managing their businesses and clients' needs in the face of change and external pressures. We especially appreciated their fortitude and partnership this year as we navigated our necessary core systems transformation.

We know that nothing worth doing is ever easy. We also know that with short-term pain comes long-term gain. We are boldly transforming our company from a position of great strength to ensure we are a certain, thriving survivor for our customers, agents, and associates. We are dedicated to changing with purpose to truly become a balanced, bigger, and bolder company now and in the future. The best is yet to be.

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



A Message From the Board Chair

As I reflect on the past year, I am extremely proud that our Grange Enterprise remained passionately focused on our mission to bring peace of mind and protection to our policyholders, agents, and the communities we serve. In the face of challenges, Grange ended 2021 profitable, growing, and strong. These are amazing accomplishments given the complexity of our core systems transformation, the continued disruption of the pandemic, and the devastating impact of extreme weather events on our policyholders. Grange's success doesn't "just happen." It's the result of the incredible efforts, dedication, and knowledge of our talented associates who deliver on our mission when it matters most.

Working together this past year, our associates have shown truly remarkable resilience and innovation, ensuring that we could deliver on our promise and live our core value to "Do the Right Thing" for all of those who depend on us. As we transformed our decades-old legacy billing system, our associates worked hard to make it as seamless as possible. When we hit those inevitable "bumps in the road," Grange associates jumped into action to resolve problems and get back to our high standards of customer care. When the devastating tornadoes hit in December, our associates were immediately on the ground to provide support to our policyholders, agents, and neighbors when

they needed it most. On behalf of the entire Grange Board of Directors, I would like to express our deepest gratitude to every associate for their amazing efforts in 2021. You make Grange great.

While 2021 had its challenges, it was also a year of exciting accomplishments. Grange was named to the coveted Ward's 50[®] List of top performing P&C insurance companies for the second year in a row and A.M. Best affirmed our "A" (Excellent) rating and upgraded our outlook to "Positive." We again donated nearly \$2 million to local non-profit organizations and were recognized for our outstanding community efforts with the Medical Mutual Pillar Award from *Smart Business* and the Corporate Citizenship Award from *Columbus Business First*. And, we were also named a top workplace by *Columbus CEO Magazine*.

In addition, our enterprise continued to make great strides in our corporate sustainability efforts through environmental, social, and governance (ESG) initiatives. Our Board of Directors and senior leaders are committed to the highest standards of professionalism, practices, and performance. Last year, we continued our focus on understanding and reducing our environmental risks, serving our customers responsibly, enabling our associates to succeed professionally, and helping communities thrive across our footprint. I am particularly proud



of several efforts: our commitment to diversity, equity, and inclusion within both our workforce and agency force; our dedication to giving back and enriching our communities; and our work to reduce our environmental impact, including our LEED Gold certified headquarters as well as our paperless and climate strategies.

With the Board of Directors, I also want to express gratitude to the talented and dedicated Senior Leadership Team and the many enterprise leaders and teams across the organization, that make up the Grange Enterprise. Navigating the tough challenges of 2021, they worked hard to deliver the highest standards of service to our policyholders and agents while strengthening our culture and values in a largely virtual environment and never losing focus on innovating for the future.

We also acknowledge our equally important and outstanding agency partners, who have continued to be vital to our success.

Lastly, let me express our sincere thanks to the policyholders who put their trust in Grange "to bring peace of mind and protection" for their families and businesses.

M. Marnette Perry

Partnership in Action.

Building for the future

As we faced the continuing challenge of the pandemic and a volatile marketplace, our Commercial Lines team was focused on giving our agents the best chance at growth and success – in the present and the future.

We launched our initial pilot state, Virginia, on our new agent portal and policy administration platform for Commercial Lines, bringing new products and capabilities to agents and policyholders. As we continue the roll-out of this new platform to our remaining states, we'll have far greater flexibility for new products and capabilities in the future. We also started the launch of our new and expanded Farm product that targets a new class of agritainment business such as hayrides, wine tastings and cornfield mazes. This rollout will continue in 2022.

Our results continued to be positive as we grew Direct Written Premium by 7.8% over last year, ahead of plan. Through November, we were

performing steadily at a 98% combined ratio. Due to the unprecedented and severe tornadoes our clients experienced in December, we finished the year just slightly above our plan at 104% combined ratio.

We continued to focus on making it easier than ever for our agents to place their small commercial business with us through the creation of a Small Business Service team to provide fast and accurate support to our agents. Our new digital appetite guide, powered by Ask Kodiak, gives agents a quick answer on the classes we prefer to write and we're also live on Tarmika, a single-entry small commercial rating platform that offers a seamless quoting experience.

Finally, I'm excited to announce that after seven years at the helm of Commercial Lines, I began my planned retirement at the end of 2021. I'm proud of all the great work the team accomplished. John North will take over as President of Commercial Lines in 2022. John did excellent work as President of Personal Lines for Grange Enterprise and will continue that work with the commercial team. In addition, John has broad industry experience and has been very involved in all aspects of our enterprise strategic vision.

+7.8%

DIRECT WRITTEN PREMIUM



**MIKE WINNER,
COMMERCIAL LINES PRESIDENT**

"Despite the challenges of 2021, we were able to work together to take exciting steps forward for the future of Commercial Lines in the Grange Enterprise. We continued to make steady progress with the help of our dedicated partners – our agents."

grangeinsurance.com/insurance/business

Commercial Lines

Overcoming Challenges.

Continued investment in our business

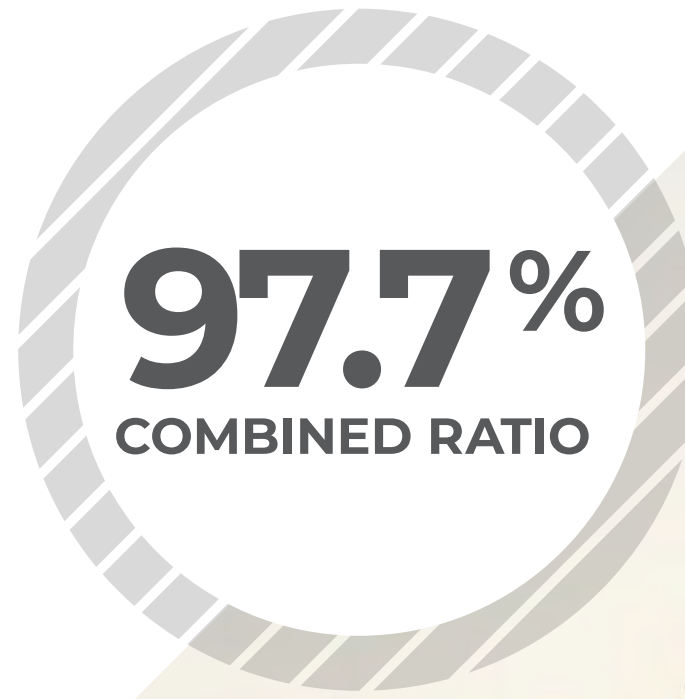
Personal Lines' focus on existing customers and underwriting discipline helped us meet our top-line plan and produce a profit in a year where new business opportunity was hampered by a challenging marketplace. We grew Direct Written Premium 1.5% over last year, which was above plan, and were profitable for the fifth straight year in our preferred auto and home products. Despite the impacts of hyperinflation and the unprecedented tornadoes in December, we ended the year at a 97.7% combined ratio.

We also continued our journey of continuous improvement by creating operating efficiencies across our ecosystem. The benefits of these efforts are being invested back into our business to help us compete in 2022 and into the future.

For our policyholders we continued to emphasize digital tools that offer them more control over their

insurance. Our MyGrange and MyIntegrity online accounts give policyholders simple access to their account and provide choice when it comes to policy delivery, billing options and claims processing. Our OnTrack telematics program has continued to evolve as well. We continue to focus our efforts on education to spread the word about rewarding safe driving habits to drive adoption.

Effective Jan. 1 of this year I assumed the role of President of Commercial Lines. I am very proud of what the Personal Lines team has accomplished. Our success would not have been possible without the great partnerships we have with our agents. Effective the same date, Cheryl Lebens moved into her new role as the new President of Personal Lines. In her prior role as Chief Risk and Strategy Officer, Cheryl was instrumental in developing our strategy and very connected with the Personal Lines team through our recent journey. She is an outstanding leader, and her broad industry experience will help continue the team's success.



JOHN NORTH,
PERSONAL LINES PRESIDENT

“Despite difficult economic circumstances, the ongoing pandemic and some unexpected weather events at the end of the year, 2021 was again a very successful year. I’m proud of all we accomplished together – our associates and our agents.”

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

Personal Lines

A Tradition of Value, Access and Support

The Kansas City Life Group of Companies has delivered a stronger product lineup and greater industry expertise to our Grange partner agents, while allowing us to continue offering superior access and sales support.

On the product front in 2021, Kansas City Life's group products were introduced to the Grange agents as was a suite of fixed annuity products. Both offer agents expanded cross-sell opportunities to strengthen relationships with both individual and commercial clients.

On the technology front, we introduced a robust, intuitive system to manage pending cases that allows users to easily sort data, view needed actions and track cases from submission through issuance.

Also, we launched a streamlined electronic application for final expense products, making these products even faster to write.

Looking forward to 2022, we're excited about the upcoming launch of a truly unique extended term life product that will offer coverage up to age 80 or 85 (depending on issue age), cash values and strong non-forfeiture options. This product will be an outstanding tool for our Grange agent partners.

We believe these advancements, along with our existing strong products and outstanding sales support, promise new opportunities for the upcoming year, and we look forward to recognizing that promise in 2022 and beyond.



THERESA MASON,
GRANGE LIFE INSURANCE
COMPANY PRESIDENT

Kansas City Life Insurance Company

"Our focus is not only to deliver Security Assured for clients, but also to deliver on our tradition of continuous improvement to better support and empower our agents. I'm excited about our plans to expand on both fronts in 2022."

grangeinsurance.com/insurance/life

Kansas City Life Insurance Company

A relationship that makes sense. Grange Life Insurance Company became a member of the Kansas City Life Group of Companies on Oct. 1, 2018. This relationship provides the opportunity to offer a broader range of quality financial products, along with the same superior customer service. Kansas City Life is a financially secure insurer that celebrated its 125th anniversary in 2020. You can count on our promise of Security Assured now and in the future.



Relationships that Matter

Facing the unique challenges 2021 presented, our Sales & Marketing team once again stepped to the forefront, providing our agents and policyholders the information and support needed to navigate a changing marketplace.

For agents, our Marketing team increased our communications efforts in frequency and transparency to keep them in the loop, including orchestrating online and in-person Town Halls with our leadership team for agents to ask questions directly about our systems transformation.

Our Sales team focused on deepening and strengthening relationships with our agent partners, providing them the best support and assistance possible. We continued to use innovative ways to

reach our agents. While we were able to return to some in-person visits, we also continued using video, phone calls, email and online meetings.

Our Emerging Distribution and Technology team combined with our Sales team to continue to focus on helping our agents with the digital tools they could use to make writing and retaining business with Grange and Integrity easier than ever before. For our Commercial agents, this included tools such as our digital appetite guide powered by Ask Kodiak. For Personal Lines agents, we promoted the use of OnTrack, our usage-based auto app as well as the ease of signing up for an online account and going paperless.

Integrity Insurance

Integrity continued to fully leverage our relationship with the Grange Enterprise, improving our product offerings, technology, and claims support to match the full enterprise. This relationship gives our policyholders and agents the best of both worlds, the personal touch of our Integrity brand backed by the power of the Grange Enterprise.

Integrity agents are now fully integrated into the Grange Enterprise Agency Benefits program, including eligibility for multiple partnership levels and access to additional marketing tools and materials to help grow their agency. Policyholders benefit from our improved claims processing and Risk Control services for our commercial customers.

With our “Be One Team” core value, Integrity associates have more professional learning and development opportunities than ever before.

Integrity remains an important community member in our hometown, Appleton, Wis. We were proud to make a special donation of \$100,000 to the Greater Fox Cities Area Habitat for Humanity in 2021. We’ve worked closely with Habitat for Humanity since 2017 and are happy to support such a wonderful cause as well as the community where we live.



JILL WAGNER KELLY,
CHIEF DISTRIBUTION AND AFFILIATE OFFICER
PRESIDENT, INTEGRITY INSURANCE

“The partnership with our agents has never been more important – or stronger. I’m proud of how the lines of communication were kept open in 2021, as we worked together to address challenges and have another successful year together.”



Transformation and Modernization



“In the face of significant challenges, our resilient team adapted quickly and focused on providing terrific services to our associates, agents, and policyholders. I’m proud of how we rose to the challenges and look forward to what we can accomplish together in 2022.”

TIM CUNNINGHAM,
CHIEF INFORMATION OFFICER

Technology & Innovation

Agile, adaptive and productive

The technology organization demonstrated tremendous adaptability and resiliency during a very dynamic year. Launching our systems transformation, we took a large leap forward in the modernization of our aging billing system. Despite the difficulty of such a challenging undertaking, it was necessary to keep pace with the rapid change of technology throughout our industry. Once fully implemented these changes will give our agents modern tools their clients expect and the ability to stay competitive in the marketplace.

While the entire organization operated primarily remotely, the Grange Technology Services team researched, tested, and deployed new tools and capabilities for the benefit of our associates and agents. We deployed new visual collaboration boards including facial recognition cameras in select conference rooms to better support collaboration through video.

To help our associates turn their full attention to assisting our agents and policyholders, we successfully completed a strategic, long-term managed-services arrangement with a global service provider. They became accountable for day-to-day technology support and maintenance activities

across multiple platforms. We also transitioned our technology help desk to provide broader tech support coverage and increased staffing levels, allowing us to pass on improved service levels to our agents and customers.

We advanced our agile development practices while also accelerating the pace of applications migrating onto an automated software management framework. This framework provides a more efficient method of advancing tested software, ensuring higher levels of security and overall quality. We continue to advance automated solutions across business units that increase service quality and efficiency for policyholders and agents, enabling associates to work on higher value activities.

We continue to have a strong focus on cyber security to protect the private information of our agents and policyholders with multiple forums for identifying and remediating vulnerabilities, training programs for associates, and a culture focused on identifying and avoiding issues as early as possible. We made additional investments in our security operations, engineering, architecture, and re-formulated the IT governance, risk, and compliance functions.

G-Force Innovations: Delivering new value to a bolder enterprise

G-Force Innovations was again recognized by A.M. Best as a “Prominent” innovator in the industry, placing the Grange Enterprise within the top 6% of property and casualty carriers. This is a direct result of leadership’s dedicated investment in innovation, differentiating Grange as an innovator and learning company.

As we continue to identify new strategically-aligned InsurTech companies and advance existing partnerships, we engaged 20 early-stage companies during 2021 to conduct proofs-of-concept and pilots of new insurance solutions. We are also fully leveraging our diverse network of innovation partners, including the sponsorship of BrokerTech Ventures, an agent-centric startup accelerator program. Enterprise leaders engaged these companies to collaborate and share thought leadership with the next generation of agency-focused entrepreneurs.

As G-Force Innovations matures and grows, we continue to place a significant emphasis on accountability for productionizing and scaling new solutions that deliver measurable value

to the business and our stakeholders. We are delivering new value in the form of superior customer experiences, next generation analytics and automation, and solutions that empower our independent agency partners and policyholders. During 2021, we placed several new InsurTech Solutions into production, including an aerial imagery and analytics solution being used to improve commercial underwriting efficiency and quality as well as a self-inspection application that enables risk control and underwriting to expedite small commercial accounts inspections for a fraction of the cost.

All of our innovation efforts are in support of becoming a Balanced, Bigger, and Bolder enterprise. As we continue to grow and mature our enterprise Innovation Practice, we will do so in a disciplined and thoughtful manner, while continuing to push boundaries and explore new horizons with our portfolio of innovation initiatives.

Providing the Best for our Customers



“The past two years have changed the world around all of us. Understanding the rapidly evolving needs and expectations of our customers and agents and delivering experiences that meet those needs and expectations is our number one priority.”

**LINDA ROUBINEK,
CHIEF CUSTOMER INTERACTIONS OFFICER**

Transforming for the future

In 2021, our teams were focused on launching and supporting the transformation of our core technology systems. This work is critically necessary for developing our future digital platforms that will make it easier for our agents and customers to do business with us. Last year, we began the difficult, but necessary work of modernizing our nearly 40-year-old billing systems. Even when we hit bumps in the road, our associates worked quickly to identify and resolve problems while striving to provide the best service experience possible.

In our Customer Care Center, we implemented auto call back technology, providing customers and agents with the option to be called back once a representative is available. And, with more and more customers gaining greater comfort with digital self-service through the pandemic, we focused on making it easier for customers to access their proof of insurance card, register for a MyAccount, and manage security features and marketing communication preferences.

We also invested in a conversational intelligence platform that enables us to “listen” to all interactions with customers in our Claims and Customer Care Center. This new capability enables us to gain a deeper understanding of the needs of our customers

and leveraging these insights will enable us to design and deliver improved experiences.

In Claims, we increased efforts to ensure customers are aware they can receive their claim payment electronically which minimizes effort and ensures faster payment. We also gave more customers the option to interact with adjusters via two-way text to simplify communications regarding their claim, and offered Claims Status Notifications for customers who experience a claim. These proactive notifications enable customers to receive their claim number via text or email and receive a notification when an adjuster has been assigned.

Additionally, we created What to Expect videos for customers involved in an auto accident and litigation to provide additional peace of mind during what can be a complicated claims process. For our larger commercial customers, we continued our commitment to increasing the reach of our Account Stewardship program which provides customized claims service to meet the ever-increasing needs businesses face today. Additionally, we engaged in strategic partnerships that enable us to handle claims more efficiently, maximize adjuster time and focus on meeting the needs of their customers.

A large background image of a smiling man in a light blue suit and dark tie, standing on a construction site with rebar visible. The image is partially obscured by a green banner at the bottom right.

A Great Experience



Agent Advisory Board

We thank this select group for working with our leaders to strengthen all agent relationships.

TOP ROW (from left to right)

Steve Albinger, Couri Associates, WI; Stu Allen, Gardiner Allen DeRoberts Insurance, OH; Patrick Baggett, Branch Insurance Partners, TN; Christina Bernard, Cobos Insurance, OH; David Carpenter, Main Street Insurance Group, KY; Phil Carson, Carson Agency, Inc., IN; Nathan Chapman, David Chapman Agency, MI; Susan DeGiovanni, Pennsylvania Insurance Alliance, PA; Richard Divers, Beskin Divers Insurance, VA; Bo Hart, Doherty, Duggan, Hart and Tiernan Insurors, GA.

MIDDLE ROW (from left to right)

Jay Harvill, Lipscomb & Pitts Insurance, TN; Craig Hassinger, Seibertkeck Insurance Partners, OH; Jack Hertvik, Hertvik Insurance Group, OH; Zachery Kephart, Bankers Insurance, VA; David Lucas, Peoples Insurance Agency, KY; Karen Maine, THR Insurance Agency, PA; Lori Malavsky, Winona Agency, MN; Ryan Murphy, SteelKey Insurance, PA; Erin Osier, Holmes Murphy & Associates, IA; Mike Rice, American Heritage Insurance Group, OH.

BOTTOM ROW (from left to right)

Mike Stansbury, Elite Insurance Solutions, TN; Rob Strachan, Strachan Novak Insurance, OH; Bart Straka, Tricor Insurance, WI; Joanne Szymaszek, Johnson Insurance Services, WI; Geoff Usher, Usher Insurance LLC, VA; Larry Vondrasek, V Financial Insurance Group, IL; Heather Wardrip, AHA Insurance Network, KY; Mark Wenclewicz, Wenclewicz Insurance, IN; Todd Whiteman, Enscoe Long Insurance Group, PA; Trey Wood, Turner, Wood & Smith Agency, GA.



JOHN AMMENDOLA,
PRESIDENT & CEO

M. MARNETTE PERRY,
CHAIR OF THE BOARD

KATHIE ANDRADE

JIM BENSON

JOHN AMMENDOLA,
PRESIDENT & CEO

TERRI BROWN,
CHIEF FINANCIAL OFFICER

LAVAWN COLEMAN,
SECRETARY & GENERAL
COUNSEL

TIM CUNNINGHAM,
CHIEF INFORMATION OFFICER

MARK L. BOXER

TERRI BROWN
CHIEF FINANCIAL OFFICER

MICHAEL D. FRAIZER

ROBERT E. HOYT

DOREEN DELANEY CRAWLEY,
CHIEF OPERATIONS OFFICER

CHERYL LEBENS,
CHIEF RISK & STRATEGY
OFFICER

JOHN NORTH,
PRESIDENT OF PERSONAL LINES

LINDA ROUBINEK,
CHIEF CUSTOMER
INTERACTIONS OFFICER

SUZAN KEREERE

THOMAS S. STEWART

CHRISTIANNA WOOD

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.

Evolving to Meet the Needs of our Associates

As part of our listening strategy, we engaged our Change Champions. This group of over 200 associates promote change in our organization and participated in feedback sessions with leadership, providing key insights for supporting our workforce. Additionally, our 2021 Emerging Leaders, a select group of high-potential associates, advised on how we can empower agents, policyholders and associates through the current virtual environment. Another element of our listening strategy was our engagement survey, in which 87% of our associates responded and shared their feedback.

As a result of this feedback, we implemented new health and wellness tools, introduced new guiding principles and increased communications. We also remained flexible in our return-to-office strategy and implemented new technology to embrace hybrid work.

Our development offerings were also flexible. Our annual internal Elevate conference prepares our

workforce for the future and upskills our current talent. In 2021, the conference was held virtually, with 98% associate participation. Additionally, we provided our associates access to LinkedIn Learning, which hosts more than 16,000 on-demand courses online.

To get the best insights, it's essential to listen to diverse perspectives. In 2021, we began to assess and refresh our Diversity, Equity & Inclusion strategy, while promoting training for our associates. All leaders completed intrinsic inclusion training, and associates completed a virtual course focused on bias. We also promoted the strategic value of diverse markets and increased business with diverse suppliers. Additionally, over 60% of our new hires were women and/or people of color.

Our Associate Resource Groups (ARGs) also support our diverse workforce and promote professional development, with more than one-third of our associates participating in at least one group. Our Women's Group, Young Professionals and PRIDE Partnership & Allies ARGs have coffee chats with senior leaders, influence business decisions, and host virtual panel events and guest speakers.

We couldn't have predicted the challenges we've faced over the past two years. But by listening to, and investing in, our associates, we can ensure a strong culture and thriving enterprise.



**DOREEN DELANEY CRAWLEY,
CHIEF OPERATIONS OFFICER**

"Our associates are the key to maintaining our excellent culture. This year, it was more important than ever to listen, act and adapt, letting our incredible workforce lead the way as we evolve and improve our enterprise."



**A Great Place
to Work**



APPROXIMATELY
\$2 MILLION in non-profit donations



66% of officers serving on non-profit boards in 2021



5,250 hours volunteered by associates



PROVIDED CHARITABLE PRINTING SERVICES for local nonprofits

PHILANTHROPIC HIGHLIGHTS 2021

Columbus Business First Corporate Citizenship Honoree, Extra-Large Company

Medical Mutual Pillar Award for Community Service Winner

Listed as one of United Way Fox Cities Top 15 Most Generous Workplaces

Named a top workplace by Columbus CEO Magazine

UNWAVERING SUPPORT FOR OUR COMMUNITIES

As the Covid-19 pandemic continued through 2021, it was especially important for Grange to continue to give back to the communities that support our business. We provided nearly \$2 million in financial support to approximately 100 nonprofits this year.

Additionally, our associates beat both participation and financial goals in our annual Grange Enterprise Gives campaign, raising \$1M with the company's dollar-for-dollar match for local nonprofits. Along with financial donations, associates engaged in virtual volunteer opportunities within their local communities.

JUST ASK OUR CUSTOMERS

JOE 22, ★★★★★
"GREAT SERVICE"

I have found Grange Insurance to be very responsive and customer oriented. When I had a roof claim due to weather damage they had an adjuster there very quickly, he was efficient and courteous, and they found that I indeed needed a new roof. They let me find a preferred roofer, the job was completed and inspected, and payment was made quickly. Every interaction that I have had with Grange personnel has been very positive and professional. A great company in my opinion.

DDOC, ★★★★★
"GREAT COVERAGE"

Yes, very easy and quick to complete claim. Was a very pleasant lady with a get it done attitude.

MUDDYMUDHEN, ★★★★★
"REASONABLE AUTO RATES"

For multiple vehicles, Grange auto car insurance rates are reasonable for our state when you also have their home coverage. It's also nice to know that you can talk to a real person when you need to. Much better than several other companies that spend all their money on advertisements instead of decent rates.

RONJ0007, ★★★★★
"AWESOME TO WORK WITH"

I gave them what info they needed and they took care of everything. They even got my deductible back that I had paid. I did not have to do anything, they took care of it all.

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



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Twitter.....@grangeinsurance • @IntegrityInsco
Instagram.....@grange_insurance • @integrityinsuranceco
YouTube.....grangeinsurance • integrityinsurance

Find more information, tips & other resources at GrangeInsurance.com and IntegrityInsurance.com

We do 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 websites.

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

Connect with us

Financial Overview

Net Combined Ratio: 2018-2021

2021	99.7%
2020	90.4%
2019	93.9%
2018	93.1%

Direct Written Premium: 2018-2021

2021	\$1.43 B
2020	\$1.37 B
2019	\$1.31 B
2018	\$1.24 B

Combined Surplus: 2018-2021

2021	\$1.61 B
2020	\$1.57 B
2019	\$1.51 B
2018	\$1.38 B

Consolidated Assets: 2018-2021

2021	\$3.3 B
2020	\$3.1 B
2019	\$3.0 B
2018	\$2.8 B

2021 Financial Report

P&C Insurance Operations Financial Report*

Assets

Cash and Cash Equivalents	\$ 112,660,544
Bonds (at amortized cost)	1,714,840,726
Stocks (at market value)	823,419,025
Real Estate (at cost less accumulated depreciation)	86,273,741
Floating Rate Bank Loans	128,091,563
Other Invested Assets	27,803,892
Securities Lending Reinvested Collateral Assets	29,080,750
Accrued Investment Income	13,588,141
Premiums in Course of Collection	327,191,535
Federal Income Taxes Receivable	2,996,286
Other Miscellaneous Assets	17,592,779
Total Assets	\$ 3,283,538,982

Liabilities and Policyholders' Surplus

Unearned Premiums	\$ 615,533,049
Reserve for Losses	575,308,339
Reserve for Loss Adjustment Expenses	142,510,534
General Expenses Payable	80,221,486
Borrowed Money	200,335,000
Payable for Securities Lending	29,080,750
Net Deferred Tax Liability	2,636,019
Other Liabilities	29,494,532
Total Liabilities	1,675,119,709
Policyholders' Surplus	1,608,419,273
Total Liabilities and Policyholders' Surplus	\$ 3,283,538,982

Statement of Income and Surplus

Premiums Earned	\$ 1,341,442,724
Losses and Loss Adjustment Expenses Incurred	923,896,108
Other Underwriting Expenses Incurred	415,506,189
Net Underwriting Gain	2,040,427
Net Investment Gain	133,102,442
Other Income/(Loss), Net	(2,451,752)
Dividends to Policyholders	5,967,435
Income Before Federal Income Taxes	126,723,682
Federal Income Taxes Incurred	9,853,810
Net Income	116,869,872
Dividends to parent (Grange Holdings, Inc.)	(98,500,000)
Other Surplus Changes	19,555,721
Change in Policyholders' Surplus	37,925,593
Policyholders' Surplus — January 1	1,570,493,680
Policyholders' Surplus—December 31	\$ 1,608,419,273

* Balance Sheet — December 31, 2021



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 \$3.3 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.

Grange and Integrity — providing peace of mind and protection during life's unexpected events.

grangeinsurance.com

Grange Corporate Headquarters:
671 S. High Street, Columbus, OH 43206



**Grange
Enterprise**