



ANNUAL REPORT 2020



Grange
Enterprise



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OVERCOMING OBSTACLES TOGETHER

There is no greater power than partnership. As new obstacles arise, the help of an outstretched hand and a firm grip can be the difference between failure and success. The past year has taught all of us that we don't know what the future holds, no matter how sure it may seem. With our promise to policyholders at the forefront, we'll continue partnering with independent agents to make a difference. Whether it's the latest technological breakthrough or just a friendly phone call, we'll work to face each new challenge — together.

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

BRINGING SECURITY TO OUR CUSTOMERS SINCE 1935

For 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 \$3.1 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. And in last year's challenging times, Independent Agents quickly adapted to provide incredible support and guidance to their clients when it mattered most.





A MESSAGE FROM THE PRESIDENT & CEO

Looking back on 2020, no one could have ever predicted what a unique, dynamic, and challenging year it would be. Our enterprise started the year in a position of great financial strength and capability that allowed us to pivot and stay resilient during an unprecedented pandemic, a significant derecho weather event, and civil unrest and riots. Through it all, 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.

At the onset of the pandemic, our enterprise immediately began activating and delivering on critical coverages and services to our agents and policyholders. We accelerated our digital capabilities to continue to provide uninterrupted, high-level service even as we rapidly moved nearly all of our associates to working from home. During lockdowns, we provided personal auto customers a 25% payback and businessowner customers a 20% payback for the hardest-hit months of April and May. We also adjusted our coverage to help our restaurant policyholders and their employees, and businesses forced to vacate their location. In addition, we partnered with Cyberscout to offer identity theft and fraud remediation services to eligible policyholders and their extended family members.

As urgent demand grew in our communities for critical basic services like food and shelter, we quickly expanded our support by donating \$1 million to local non-profits for COVID-19 relief. When it came time for our annual associate giving campaign, through our dollar-for-dollar match, our associates added nearly \$1 million more to these relief efforts. Additionally, in the fall of 2020, Grange sponsored the United Way of Central Ohio's Rally for Recovery which helped raise \$2.1 million for those disproportionately impacted by the pandemic. In recognition of our community support, Grange was 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.

It would have been easy during all of this change and uncertainty to veer off course from our strategic plan of becoming a balanced, bigger, and bolder enterprise. However, our enterprise was steadfast and disciplined in executing our strategy, which provided us the runway to stay agile and flexible in a tumultuous year. Despite facing headwinds from the pandemic and an uneven economy, we achieved phenomenal, top-performing results. We ended 2020 profitable and growing with a combined ratio of 90.4% and an all-time high policyholder surplus of \$1.6 billion. We strategically and profitably grew nearly 5%, with solid progress in both Personal Lines and Commercial Lines leading to an all-time high of \$1.37 billion in premium.

“OUR ENTERPRISE WAS STEADFAST AND DISCIPLINED IN EXECUTING OUR STRATEGY, WHICH PROVIDED US THE RUNWAY TO STAY AGILE AND FLEXIBLE IN A TUMULTUOUS YEAR.”

These exceptional results were validated by our industry, agents, and customers. In the midst of the pandemic, A.M. Best recognized our operational capability and financial strength by affirming an “A” (Excellent) rating with a stable outlook. In A.M. Best's newly added rating component for innovation capabilities, Grange prominently scored in the top decile versus peer companies reviewed. Grange was also named to the coveted Ward's 50 list of top performing P&C insurance companies for 2020 on the basis of our outstanding financial results for the past five years. In addition, our agent and customer NPS (Net Promoter Score) continued to rise to levels deemed “excellent” in service and experiences, while our J.D. Power auto claims satisfaction scores rose for the third year in a row.

While the pandemic no doubt accelerated the push for consumers to further leverage online tools, we already understood the critical importance of our digital voice. We have continued to work hard to ensure that our brand and reputation stand out when compared to our peers. Our overall average customer star rating on third-party sites improved to 3.8 out of 5 stars, which kept us in the top spot when compared to peer competitors. We know these ratings matter even more these days and make it easier for our agents to sell Grange and Integrity products and services.

While we continued to gain balance in our lines of business and grow responsibly and profitably, we also continued to be bolder, accelerating our innovation and digital efforts. When the pandemic hit, we were able to rapidly transition almost all of our associates to working remotely thanks to prior investments in newer collaboration tools and advanced networking and virtual desktop capabilities. This quick transition allowed us to maintain our focus on developing a new policy and billing system, which will modernize and improve digital solutions to our agents and customers. We also added enhancements such as electronic claims payments, text alerts, online chat, and improved enrollment processes for the mobile app and our websites to improve our customers' experience. We embraced emerging technologies by developing a Robotic Process Automation Center of Excellence and piloting several artificial intelligence and machine learning solutions. Additionally, through G-Force Innovations, we accelerated our partnerships with InsurTech companies to test, learn and build modern insurance solutions.

This past year, more than ever, demonstrated our commitment to our mission and our core value of doing the right thing. We could not have delivered peace of mind and protection to our agents and customers without our dedicated associates – they are the heart and soul of our enterprise. I am exceptionally proud of how our associates worked together to meet the challenges of 2020, ensuring that we were there for our customers, agents, and communities in their time of need. In addition, I am equally proud to be represented by our outstanding independent agency

partners who did an excellent job of quickly adapting and managing their businesses and clients' needs in the face of many challenges.

Lastly, I'd like to extend my personal congratulations to our new Board Chair, M. Marnette Perry. With our Board of Directors for 14 years, Marnette played a vital role in maintaining strong governance and oversight during a year shrouded with multiple crises. Her outstanding leadership allowed us to navigate 2020 successfully and will no doubt assist us in continuing to adapt and evolve. I look forward to working together with her and the Board of Directors on our continued journey of transformation.

As we celebrated our 85th anniversary in 2020, we honored the strength of our history with our eyes firmly planted on the future. Our enterprise has come a long way since 1935, and we know we are on the precipice of reinvention once again. We will continue to change with purpose, to ensure we are a thriving company now and in the future.

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

Over the past 14 years on the Grange Board of Directors, I have had the privilege of watching our Grange Enterprise transform into a high-performing, innovative, and forward-thinking company while still delivering on our mission and providing consistent, profitable growth. In the last decade, our enterprise has found the balance between embracing change and staying focused on the fundamentals. As 2020 began, our Grange enterprise was financially strong, growing, and poised for continued evolution.

Stepping into my new role as Board Chair, I was excited to accelerate our transformation even further, but I could not have imagined the pace of change 2020 would bring. As the pandemic unfolded, it became clear that our industry was facing heightened scrutiny and unprecedented challenges, and that it would be imperative for us to act quickly and lead by example. Our financial strength and foundation for change allowed us to move swiftly to do the right thing for our agents, policyholders, associates, and communities.

Within a week, we had fully launched our digital capabilities and our operations were successfully running in a virtual environment. We developed tools and resources to help our independent agency partners transition to doing business digitally, too. Additionally, we were quick to adjust coverages and provide much-needed paybacks to personal auto and small business customers, and to distribute nearly \$2 million in added support to local non-profits for COVID-19 relief. These actions alone would have been noteworthy. Yet, even with this backdrop of enormous and rapid change, Grange delivered fantastic, top-performing results, ending the year profitable and growing.

I am extremely proud of these achievements; however, they would not have been possible without a sound, yet flexible strategic plan. Over six years ago, our enterprise developed a strategic plan that positioned us to become a more balanced, bigger, and bolder enterprise. While our strategy identified clear goals, it also emphasized the need to continuously adapt and pivot to reach these goals. This critically important work of implementing the strategic plan set the stage for us to meet 2020's challenges head on and, ultimately, deliver an even better experience for our agents and policyholders.

But a strategy is just a strategy without the right people to bring it to life. Working together, our associates showed truly remarkable resilience, adaptability, and discipline to ensure we delivered on our mission of providing peace of mind and protection to our agents and policyholders. I am deeply proud of our associates and honored to be a part of this exceptional organization. I would also like to extend my gratitude to our outstanding agency partners, whose partnership is vital to our success.

“WORKING TOGETHER, OUR ASSOCIATES SHOWED TRULY REMARKABLE RESILIENCE, ADAPTABILITY, AND DISCIPLINE TO ENSURE WE DELIVERED ON OUR MISSION OF PROVIDING PEACE OF MIND AND PROTECTION TO OUR AGENTS AND POLICYHOLDERS.”

While we know the challenges of 2020 will continue into 2021, our enterprise has proven that we are capable and ready for whatever comes next. I am confident that we will continue to navigate these uncharted waters together with our independent agents, ensuring our enterprise continues to flourish into the future.

My sincere thanks to our agent partners, policyholders, associates, senior leaders, and Board of Directors for their continued commitment to our Grange Enterprise.

M. Marnette Perry



STRONGER TOGETHER.

GRANGE ENTERPRISE COMMERCIAL LINES ON THE RIGHT PATH

Facing the difficult and unique challenges of 2020, Grange Commercial Lines teamed with our agents to not only meet but exceed the expectations of our policyholders while continuing our trajectory of responsible growth.

As the pandemic spread early in 2020, our team quickly adjusted to a new work-from-home environment, while focused on helping our agents adjust as well. We were able to offer financial assistance to many of our small business policyholders with a 20% payback in April and May. We also temporarily suspended non-payment cancellations and temporarily adjusted coverage for our restaurant policyholders as they adjusted to offer more delivery options.

Despite the pandemic and damage from unexpected severe weather events and civil unrest, our results were still positive — a true testament to the partnership with our agents. Direct written premium grew by 10% and our renewal premium was up 14.4% over last year. Despite the severe losses from weather and civil unrest, our combined ratio of 101.1% was a point better than plan.

Throughout the year we provided our agents new or improved tools, including the launch of our Commercial Lines Service Center, improved Risk Control services, as well as several new digital offerings that streamline interactions with our agents and policyholders.

In 2021, we'll remain focused on making it easier than ever for our agents to offer our products and top-notch service to their clients. As part of our internal core system transformation and modernization, we'll launch an enhanced agent-facing quoting platform for small business.

+10%
DIRECT WRITTEN PREMIUM



MIKE WINNER,
COMMERCIAL LINES PRESIDENT

“Partnering with a dedicated group of agents helped us continue our positive momentum through a challenging year. I’m excited to see what we can achieve together in 2021.”

grangeinsurance.com/insurance/business

COMMERCIAL LINES

PEACE OF MIND AND PROTECTION FOR OUR AGENTS AND CUSTOMERS.

RESILIENCY DURING ADVERSITY

As the pandemic spread rapidly across the country in 2020, our first focus was on keeping our associates safe and offering as much support as possible to our agents and policyholders during this difficult time. Grange's strong foundation allowed us to provide that support.

To help those in need, we provided financial assistance to our auto policyholders with a 25% auto payback for April and May. We also provided support by temporarily suspending non-payment cancellations and providing some additional coverages to help our agents and customers navigate the uncertainty.

Thanks to our focus on balance and consistency, results were better than expected in 2020. We grew customers and returned a profit, outperforming the market in the process.

New business direct written premium increased over last year, our best result in many years. Retention also improved as well. Despite some unexpected weather events, profitability was strong with our overall combined ratio finishing under 90%.

To help meet the needs of our policyholders, we accelerated the development and enhancements of several digital capabilities, giving our policyholders more control of their insurance than ever before. For example, we made it easier to sign up for a MyGrange account where policyholders have access to their account online and continued the rollout of OnTrack, our telematics-based auto product, across our footprint.

In 2021, we'll again be focused on our customers by updating our digital capabilities to continue to improve our policyholder experience. For our agents, we will remain focused on keeping our products and pricing competitive and relevant as we continue our core system transformation.

+4.6%

GROWTH IN PREFERRED AUTO AND HOME PRODUCTS



**JOHN NORTH,
PERSONAL LINES PRESIDENT**

“Despite the difficult circumstances of 2020, it was a successful year for us thanks to the flexibility and persistence of our agents and associates. I’m extremely proud of what we accomplished together and look forward to a successful 2021.”

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

PERSONAL LINES

2020 — SETTING THE STAGE FOR NEW OPPORTUNITIES.

For Grange Life Insurance Company, 2020 saw the culmination of our efforts to transition – digitally and operationally – to Kansas City Life Insurance Company, the implementation of a variety of new tools and processes that promote ease of doing business, and learning new ways to conduct business. All these activities yielded benefits in 2020 — and have positioned us for greater success well into the future.

As part of Kansas City Life, we enjoy a strong foundation of financial stability and extensive life insurance experience. This year the company celebrated its 125th anniversary and has been rated “A” (Excellent) or higher by A.M. Best continually since 1952.*

In 2020, the last old Grange Life product was phased out, making way for exciting new offerings. We introduced an all-new whole life lineup, including a suite of final expense

products from Old American Insurance Company. We also introduced new tools and processes such as expanded eligibility for our Express Underwriting program and online applications for all products. These tools further demonstrate our commitment to ease of doing business. We will continue to pursue new ways to improve the agent experience, reduce policy issue time and offer personalized service to our partner agents and policyholders.

In 2021 we’re looking forward to the introduction of a full line of competitive group products, including life, disability, dental and vision. Kansas City Life has an established group benefits organization that can do the heavy lifting on issuance and administration, ideal for commercial agents to expand their offerings in a way that complements their existing product lineup.

With the expanded digital tools and robust product lineup we now have in place, as well as the additional enhancements coming in the new year, Grange Life is in an excellent position to build momentum in the new year.

*Best’s Review, July 2018 edition; the current “A” rating is as of September 2020. There are 13 financial strength ratings assigned by A.M. Best, ranging from A++ (Superior) to D (Poor).



**THERESA MASON,
GRANGE LIFE INSURANCE
COMPANY PRESIDENT**

Kansas City Life Insurance Company

“There’s never been a better time to buy life insurance — and, with all we accomplished in 2020, we’ve never been in a better position to meet the needs of our clients and the agents who partner with us. I’m proud to be in the business of protecting families.”

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.



PARTNERSHIP THAT TRULY MAKES A DIFFERENCE.

Faced with a unique set of challenges in early 2020, our Sales & Marketing teams responded quickly — adapting, overcoming and helping our agents and policyholders navigate an uncertain marketplace in 2020.

Our Marketing team outfitted agents and policyholders with the information and tools they needed during a critical time, including our COVID-19 response and the details of our premium payback for personal auto and small commercial customers. We worked with agents to find ways they could quickly adjust to running their agency remotely and still best serve their customers.

Our Sales team found innovative ways to connect with our agents, replacing in-person visits with more videos, phone calls and emails to inform them how we were available to best support them, such as the launch of our Commercial

Lines Service Center. Through our Emerging Distribution and Technology team we introduced new tech that would help agencies be more efficient such as our partnership with a new commercial rating platform.

Together, we persisted through a challenging year, continuing to connect our leadership team to our agents with virtual Town Halls and staying constantly connected with our trusted partners. This collaboration was crucial to help all of us not only survive but thrive. That connection between the Grange Enterprise, our agents and our policyholders, helped us succeed in the most difficult circumstances.

In 2021 we'll continue to deepen our relationship with our agents, providing them even more modern and convenient tools to help them grow their business and serve our policyholders.

INTEGRITY INSURANCE.

When a powerful derecho struck Iowa in August, it became the single-largest loss event in the history of Integrity Insurance and the entire Grange Enterprise. But it also became a terrific example of how the combined power of Integrity and Grange is the best of both worlds for our agents and policyholders — the personal touch of our Integrity associates backed by the power of the Grange Enterprise.

After the derecho hit, our enterprise CAT team was on site and working with impacted policyholders within hours. Being able to provide this kind of service to the people and

businesses that matter most — our policyholders — sets Integrity apart from the competition.

A perfect example of our “Be One Team” core value, our collaboration helped Integrity offer improved technologies such as our mobile app, and OnTrack, our telematics-based auto insurance app. For our agents we offered improved agency-enablement tools to help them find success despite the obstacles the pandemic created. We'll stay on this path in 2021 as we continue the transformation and modernization of our core systems to offer our agents only the best, up-to-date experience.



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

“I’m proud of the way our associates and agents rose to the occasion in 2020, coming together to remain true to our mission: providing peace of mind and protection for our policyholders. Working together we turned lemons into lemonade — making a difficult situation a success.”



TRANSFORMATION AND MODERNIZATION.



“I’m very proud of the way our team supported one another, policyholders, and agents during this turbulent year. We were fortunate to have a strong crisis management process and a team of highly dedicated associates that rose to every challenge.”

**TIM CUNNINGHAM,
CHIEF INFORMATION OFFICER**



TECHNOLOGY & INNOVATION

THE AGILITY TO MEET ANY CHALLENGE

As the pandemic spread quickly in the spring of 2020, Grange Enterprise responded rapidly, transitioning our operations from our corporate locations to almost every single associate working remotely. Thanks to the hard work of our team and our prior investments in newer collaboration tools, advanced networking capabilities, Virtual Desktop Infrastructure, and advanced cyber controls, the entire transition went exceptionally smoothly.

Despite this “new abnormal” we maintained our focus in developing a new policy and billing system for the future. This may be the most complex program and investment in company history. The commitment and progress achieved by our team and our integration and consulting partners has been truly remarkable.

Our Robotic Process Automation Center of Excellence is fully operational along with a team of Six Sigma experts that are implementing efficiencies across the enterprise. The Emerging Technology team piloted several artificial intelligence and machine learning solutions, deploying one solution that eliminates several manual underwriting steps. We have improved our data analytics and business intelligence capabilities and have migrated our data warehouse to a cloud-based platform.

To improve our customers’ experiences, we added enhancements such as electronic claims payments, text alerts, online chat and improved enrollment processes for the mobile app and our websites. To meet the demands driven by the accelerating pace of change, we continued to invest in newer processes, cloud tools, and more modern delivery approaches. We conducted comprehensive associate training and adjusted our internal team reporting structures to become more agile.

G-FORCE INNOVATIONS: MOVING FORWARD

The tremendous challenges we faced this year could have easily caused us to pause our innovation efforts and stall the formation of new partnerships with InsurTech companies. Instead, we accelerated efforts within our innovation company, G-Force Innovations.

We formed over a dozen new relationships with young companies looking to test, learn and build modern insurance solutions, deliver superior customer experiences, next-level analytics and automation, as well as empower our independent agency partners. We also discovered new tools to engage our associates virtually, tapping into their creativity to help us navigate the pandemic and come out even stronger on the other side.

We further refined our areas of strategic focus, as our associate intrapreneurs worked hand-in-hand with InsurTech

entrepreneurs. We’ve enabled commercial lines quote APIs (Application Programming Interfaces), launched a new commercial lines telematics program and introduced a robust fleet management dashboard tool. We also joined BrokerTech Ventures, an agent-centric startup accelerator program, as a key sponsor and mentor to the next generation of agency-enabling companies.

Last, but certainly not least, we were very proud to learn A.M. Best validated our innovative culture, investments and results, ranking Grange Enterprise as a “Prominent” innovator in the industry in the release of their first-ever Innovation Score.

We will continue to invest thoughtfully in being a learning company and continuously deliver innovative products, services, and processes to our policyholders, independent agents, and associates.

COMMITTED TO PROVIDING THE BEST EXPERIENCE.



“The unique circumstances of 2020 accelerated the needs and expectations of our policyholders and agents. We responded with updated tools and more digital self-service options that provided the same simple, straightforward experience that is our goal during every policyholder and agent interaction.”

**LINDA ROUBINEK,
CHIEF CUSTOMER INTERACTIONS OFFICER**

MEETING THE DEMANDS OF A NEW ERA

As we all transitioned to the “new abnormal” brought on by the COVID-19 pandemic, our commitment to providing the best experience to our policyholders and agents became more important than ever. Quickly transitioning to a work-from-home environment, our associates continued to deliver meaningful interactions with our policyholders as they assisted them with their insurance needs, in whatever way they chose to connect. To better meet increased demand for online access, we accelerated our investment in digital capabilities giving policyholders more options for self-service. We made it easier for policyholders to register and navigate their MyGrange account, while streamlining and enhancing our email communication and web accessibility. We began offering electronic claims payments for faster claims resolution and payment, and launched two-way texting to enable our adjusters to connect with our policyholders within multiple modes of communication.

In 2020, we continued leading our business transformation journey as we advanced our core systems modernization efforts. This massive undertaking requires significant focus from the entire enterprise. We will start implementation with Commercial Lines in Virginia, our pilot state, and billing

by mid-year 2021. At the request of our agents, we built and launched our Commercial Lines Service Center, letting them focus on growing their business.

We merged our Grange and Integrity Claims teams to form a combined Enterprise Team, increasing efficiencies and consistency in a single organization and offering our policyholders a seamless claims experience. Our claims teams earned glowing policyholder and agent reviews for their response to multiple weather events and social unrest claims throughout our footprint.

Even with so much internal and external disruption impacting our organization, we continued to elevate the customer experience, setting all-time high scores in customer satisfaction and Net Promoter Score. The entire Customer Interactions team remained focused on improving soft skills via our ePledge program, which sets expectations and measures results around the experience offered by associates as they interact with policyholders and agents. In 2021, we will be focused on the execution and quality of our core systems transformation and modernization efforts. We will continue to streamline processes and use workflow automation and robotic process automation to increase efficiency across the organization.

A GREAT EXPERIENCE



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

TOP ROW (from left to right)
 Steve Albinger, Couri Associates, WI; Patrick Baggett, Full Service Insurance Agency, TN; Bud Bonner, Knight Insurance Group, OH; David Carpenter, Main Street Insurance Group, KY; Phil Carson, Carson Agency, Inc., IN; Nathan Chapman, David Chapman Agency, MI; Thomas Crosby, The Insurance Exchange, IL; Sam Crudo, CIA Insurance & Risk Management, MI; Susan Degiovanni, Pennsylvania Insurance Alliance, PA; Richard Divers, Beskin Divers Insurance, VA; Mitchell Goff, Capitol Street Financial, GA; Jay Harvill, Lipscomb & Pitts Insurance, TN; Jack Hertvik, Hertvik Insurance Group, OH; Mark Lawrence, John Dawson Associates, OH.

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BOTTOM ROW (from left to right)
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LINES

BOARD OF DIRECTORS

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LEADERSHIP TEAM

Visit grangeinsurance.com for leadership bios.

RESILIENCE EMBEDDED IN OUR CULTURE.

To thrive in this challenging year, it was essential that we supported and invested in our greatest asset – our associates. Due to the COVID-19 pandemic, in March we pivoted quickly to provide flexible work-from-home options, making every effort to ensure the safety of our associates while keeping them empowered and engaged. We adopted the motto “Be kind and show grace” to help create an empathetic culture of support for our associates during these difficult circumstances.

A major effort to invest in our associates, our annual Elevate conference offered nearly 100 virtual, professional development courses. We also hosted our Emerging Leaders program, which allowed high-potential associates to hone their skills through various enterprise projects. In addition, we continued to evolve our highly successful Change Champions program, which is designed to create a network of associates who can help influence and affect change initiatives throughout the enterprise.



**DOREEN DELANEY CRAWLEY,
CHIEF OPERATIONS OFFICER**

“I am consistently amazed by the resilience of our associates. In a challenging year, they have championed every engagement opportunity, promoted a diverse and inclusive culture and seamlessly transitioned to a virtual environment. Our associates are the key to our high-functioning business.”

This year also highlighted the urgent need for our nation to address the ills of systemic racism. As a company, we reaffirmed our commitment to fighting racial injustice and inequality. In 2020, we strengthened our efforts to increase diversity amongst our workforce. Over 50% of officer and manager new hires were diverse. Additionally, we held crucial conversations focused on race with our senior leadership and management teams, devoted a page on our intranet to promote diversity and inclusion resources, introduced “Conversations of Understanding” training, and conducted mandatory unconscious bias training.

Our Pride Partnership and Allies, Women’s Group and Young Professionals Associate Resource Groups (ARGs) celebrated their diversity while leveraging their unique perspectives to improve the business. In addition to providing professional development opportunities for ARG members, the groups influenced our new Hate Crime Deductible Waiver for Personal Lines, as well as our decision to begin offering Domestic Partner benefits in 2022.

Through all we endured in 2020, our associates were incredibly resilient, and our engagement efforts were tremendously successful. Overall engagement of our associates continued to increase to excellent levels, marking an optimistic end to a trying year.



**A GREAT PLACE
TO WORK**



OVER **\$17,000** in charitable printing services



>50% of officers serving on non-profit boards in 2020



6,000+ hours volunteered by associates



NEARLY **\$2 MILLION** in non-profit donations



MEDICAL MUTUAL SHARE AWARD WINNER Pillar Awards for 2020 Community Service.



PHILANTHROPIC HIGHLIGHTS 2020

Ranked in the top quartile of organizations for in-kind contributions (Columbus Business First)

Ranked in the top decile of organizations as a Most-Generous Central Ohio Company (Columbus Business First)

SUPPORTING OUR COMMUNITIES THROUGH A TRYING YEAR

Grange has been fortunate to have fantastic communities supporting our business. With the challenging events of 2020, it was our privilege and responsibility to give back to those communities. We donated nearly \$2 million (double our 2019 contributions) to organizations helping our communities through circumstances surrounding the COVID-19 pandemic, as well as nonprofits working to combat racial injustice and inequality.

Our associates also stepped up to help those in need. Our annual Grange Enterprise Gives Campaign beat both our financial and participation goals. Additionally, associates found new, creative ways to volunteer while following stay-at-home orders and still managed to reach 50% of our original volunteer goal.

SERVING OUR COMMUNITIES

JUST ASK OUR CUSTOMERS.

MICHELLEV, ★★★★★
 "GREAT COMPANY, GREAT COVERAGE"

Grange has been a wonderful company to work with. Anytime we have had a claim, they have responded quickly and after the initial info is provided have had to have little to no need for follow up. They have handled claims and before we know it, it's all done and we are back to normal.

ANGELIA, ★★★★★
 "25% COVID-19 PAYBACK"

Thank you for your act of kindness. My check will help buy groceries.

GRANDMA B, ★★★★★
 "GREAT COVERAGE!"

Never had a claim as a customer but I was hit by a Grange-insured car. The claim was handled quickly and fairly and we were so impressed we switched to Grange from our previous insurer for both home and auto.

BECCA H, ★★★★★
 "EXCELLENT CUSTOMER SERVICE"

Every interaction that I have had with Grange Insurance has been excellent and I highly recommend them! They're very humble, friendly and have been a blessing to me. My condo flooding was a nightmare but they made it easy every step of the way. We had an issue almost 2 years later and they were quick to resolve the claim with just an email. I give them an A++++!

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



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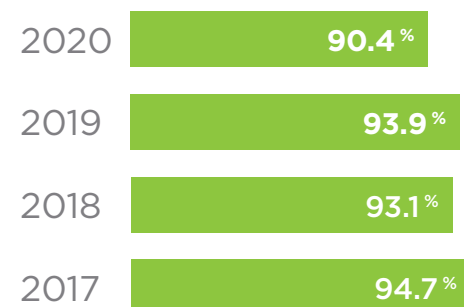
FIND MORE INFORMATION, TIPS & OTHER RESOURCES AT GRANGEINSURANCE.COM AND INTEGRITYINSURANCE.COM

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!

FINANCIAL OVERVIEW

Net Combined Ratio: 2017-2020



Direct Written Premium: 2017-2020



Combined Surplus: 2017-2020



New Business: 2017-2020



Consolidated Assets: 2017-2020



2020 FINANCIAL REPORT

P&C INSURANCE OPERATIONS FINANCIAL REPORT*

Assets

Cash and Cash Equivalents	\$ 154,881,548
Bonds (at amortized cost)	1,775,813,041
Stocks (at market value)	611,725,539
Real Estate (at cost less accumulated depreciation)	90,996,974
Floating Rate Bank Loans	96,799,830
Other Invested Assets	38,310,252
Securities Lending Reinvested Collateral Assets	8,620,124
Accrued Investment Income	14,593,592
Premiums in Course of Collection	299,042,079
Net Deferred Tax Asset	4,974,125
Other Miscellaneous Assets	24,972,354
Total Assets	\$ 3,120,729,458

Liabilities and Policyholders' Surplus

Unearned Premiums	\$ 582,815,407
Reserve for Losses	463,906,276
Reserve for Loss Adjustment Expenses	154,015,133
General Expenses Payable	91,259,641
Borrowed Money	200,335,000
Payable for Securities Lending	8,620,124
Federal Income Taxes Payable	17,578,018
Other Liabilities	31,706,179
Total Liabilities	1,550,235,778
Policyholders' Surplus	1,570,493,680
Total Liabilities and Policyholders' Surplus	\$ 3,120,729,458

Statement of Income and Surplus

Premiums Earned	\$ 1,290,074,725
Losses and Loss Adjustment Expenses Incurred	751,286,926
Other Underwriting Expenses Incurred	429,341,508
Net Underwriting Gain	109,446,291
Net Investment Gain	71,555,150
Other Income Less Other Expense	9,653,094
Dividends to Policyholders	(5,803,910)
Income Before Federal Income Taxes	184,850,625
Federal Income Taxes Incurred	36,996,486
Net Income	147,854,139
Dividends to parent (Grange Holdings, Inc.)	(112,000,000)
Other Surplus Changes	23,926,751
Change in Policyholders' Surplus	59,780,890
Policyholders' Surplus — January 1	1,510,712,790
Policyholders' Surplus—December 31	\$ 1,570,493,680



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 \$3.1 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

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