

# Annual Report | 2023



**Grange  
Enterprise**



## A Message From the President & CEO

In 2023, the property and casualty industry continued to navigate strong headwinds from inflation, extreme weather, and reinsurance pressures. While experiencing some moderation of inflation, ongoing elevated prices coupled with higher interest rates maintained the disruption on an industry already reeling from an uncertain post-pandemic economic cycle. The impacts have been especially acute on the personal lines industry which continues to be plagued with a negative outlook.

Concurrently, extreme weather became the norm (especially in the Midwest) leading to significant increases in weather losses across the industry, including record-high severe convective storm losses. This unprecedented rise in both frequency and severity of catastrophic weather events severely impacted our customers and the landscape for property exposure in personal and commercial lines. We, along with the industry, faced these challenges with greater unplanned risk exposure due to substantial changes in the reinsurance marketplace at the start of 2023.

Despite these challenges and because we acted early, urgently, and aggressively on necessary product and underwriting adjustments, our Grange Enterprise remained resilient and financially strong. Most importantly, we were unwavering in our commitment to provide peace of mind and protection to our policyholders and agents during these truly challenging events.

Grange has survived and thrived for nearly 90 years, and 2023 was no different. Because of our actions to mitigate risk, we are poised to emerge from the challenging market conditions of the last several years in a strong and more stable position.

- In 2023, A.M. Best validated our continued financial strength and resiliency by recognizing Grange for “Standing the Test of Time,” a distinction given to P&C insurers that have maintained an “A” Excellent rating or higher for 50 years or more. Our financial outlook remained stable along with an innovation rating that was prominent.
- Our capital position remains very strong, with policyholder surplus growing ~\$70 million to ~\$1.3B last year. This outcome is differentiated against many peers who lost surplus in 2023 and positions us for a stable and thriving future.
- Even while activating the necessary actions to restrict our new business appetite due to unplanned risk exposure, we grew our overall P&C premiums by ~8%, reaching \$1.5B, an all-time high for our enterprise.
- Most notably, we achieved a profitable 98% combined ratio in personal auto (~40% of our total premium), outperforming the industry (forecasted at ~112%), which is not estimating a return to profit in this line of business until 2025.

- Due to our discipline and courage to act, we muted the ever-growing impact of unprecedented weather. Ultimately, weather losses were more than two times our operating plan in 2023, adding ~12 points to the combined ratio. Despite these challenges, we improved the overall enterprise combined ratio ~6 points versus the prior year.
- Finally, because of the negative impacts of weather, inflation and a lack of reinsurance, our overall P&C combined ratio remained stubbornly high at ~114%, generally in line with the industry forecast of >100%. Given our disciplined approach to the industry challenges, we are confident that we are now on a rapid path back to profitable growth.

While these overall results demonstrate our positive momentum, the experience we provide for our policyholders and agents is the most crucial barometer of our success. Last year, our policyholder and agent Net Promoter Scores (NPS) showed that our enterprise continues to provide overall high-quality service. In addition, our average customer star rating on our website’s reviews page was a strong 4.6 out of 5 stars, while our average customer star rating on third-party sites increased to 4 out of 5 stars. We know that in this modern day, our digital voice and star ratings are essential for business owners and consumer confidence, making it easy for independent agents to sell our trusted brand.

This past year, more than ever, demonstrated our commitment to our mission and our core value of doing the right thing, while not avoiding doing the hard things. As a mutual insurance company, Grange is laser focused on being there when our customers and agents need us most. That duty of care and compassion also extends to our associates who are truly the heart and soul of our enterprise. We could not have delivered on our mission without them. In 2023, we continued to provide our associates with a flexible and inclusive workplace and were honored to be recognized as one of the top workplaces in our headquarters city of Columbus, Ohio.

As always, in 2023 we remained committed to supporting the neighborhoods in which we live and work. We proudly provided nearly \$2 million in financial support to nonprofit organizations across our footprint. We could not have done this without our caring associates, who pledged nearly \$1 million of that total through our annual associate giving campaign, where our enterprise foundation matched their giving dollar-for-dollar. In recognition of our community support, we were honored to receive the Medical Mutual Pillar Award for community service and the Dale E. Heydlauff United Way Legacy Award for outstanding philanthropic leadership.

As we dealt with the “great convergence” of economic, industry and weather impacts, we did so from a place of great strength and knowing that our actions were necessary to prime us for future success. We recognize that 2024 could still be an uneven year for the industry, but because of our courageous actions in 2023, we see positive signs that a brighter horizon is ahead for our enterprise. Our disciplined strategy continues to serve us well as we become a balanced, bigger, and bolder company now and in the future, and we remain committed to ensuring we are a certain, thriving survivor for our customers, agents, and associates.

We recognize that we did not travel the road of 2023 alone. To our dedicated agency partners, thank you for your fortitude and partnership. I am proud to be represented by such amazing independent agents who continue to provide exceptional counsel and service to our policyholders.

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



**Cheryl Lebens**  
President, Personal Lines

**Personal Lines** | Stable partnership for policyholders and agents

With the unprecedented weather events of 2023, we once again demonstrated our dedication to our mission of providing peace of mind and protection for our policyholders. For our agents, we took the necessary steps to reposition our business and remain a financially strong and stable company that will set us up for success in the future.

- Our aggressive actions to combat inflationary pressure allowed us to return our auto products to profitability in 2023, ahead of much of the industry.

- To meet customer needs and provide our agents the best tools, we continued investing in our products with new coverages and improved processes, such as the option to cover losses from slow or hidden water leaks and e-signature.

- Policyholder retention increased over 2022, helping us surpass \$1 billion in personal lines premium for the first time.

Through the challenges of 2023, we remained focused on taking the correct steps for 2024 and beyond. I'm excited about what the future will bring for us and our agents!



**John North**  
President, Commercial Lines

**Commercial Lines** | Partnership in Action — Preparing for a bright future

As the weather and marketplace challenges continued throughout 2023, we acted quickly to insulate our portfolio while still delivering on our mission for policyholders. These actions are helping us remain in a strong and stable position for our agents so we can continue to grow profitably together.

- Our Commercial Package Policy portfolio is now over 50% of our overall portfolio and continues to perform well, a testament to our long-term strategy to build a balanced, profitable book of business.

- We accelerated our operating model transformation to offer our agents the best support possible aligned with our long-term strategy. As part of our transformation, we successfully launched our new core system in three states, with the remaining eight states slated for 2024.

- Commercial lines exceeded premium growth expectations thanks to very strong retention results.

We continue to build an organization and take actions to remain a financially stable and strong partner for our agents. We look forward to an even brighter future together!



**Jill Wagner Kelly**  
Chief Distribution Officer

**Sales & Marketing** | Building relationships that make a difference

For the second straight year we met the combined challenges of severe weather events and a difficult marketplace head on, communicating with our Grange and Integrity agents with transparency and frequency. Our straightforward approach to sharing the necessary actions strengthened our relationships and let our agents know we were focused on remaining a long-term stable and reliable partner for their agency.

- We realigned our Sales team, creating more role clarity and focus, allowing them to better support our agent partners by building even deeper relationships. This new structure helped our team communicate the actions taken throughout 2023 and better positioned us to help our agents prepare for the next era of profitable growth on the horizon.

- A regular cadence of emails, Town Halls, and phone calls, along with in-person and virtual meetings, made sure each of our agents understood that the business decisions made last year helped us get out in front of a challenging market. They also helped us communicate that we remain strong, stable, and ready to hit the ground running when market conditions improve. Our Marketing team created tools that agents could use to share and explain the impact of any potential changes to their policyholders.

- Our top producing agents joined us for unique experiences as a reward for their continued level of excellence and partnership. Spending dedicated time together is an invaluable way to deepen our relationships with our high performers.

**Customer reviews**

BARB C. ★★★★★

**"I have had Grange insurance for over 49 years.** I recently had an auto accident. Grange representatives were with me the entire way from replacing my car, injury, and legal assistance. I am extremely grateful for their understanding and compassion. Thank you, Grange employees!"

TIM F. ★★★★★

**"Great Company to Work With.** We have been working with Integrity for a number of years and have always been pleased. Their service is always prompt, and communication is precise. They are there when we need them."

MARK M. ★★★★★

**"Excellent Customer Service.** The claim process was both seamless and prompt. Customer Service was knowledgeable and helpful explaining the process. The adjusting agent was also prompt and easy to work with."





**Tim Cunningham**  
Chief Information Officer

**Technology & Modernization** | Meeting the challenges of rapid change

As our industry faced numerous challenges, Grange Technology Services remained focused on enabling technologies and products to support our policyholders, agents, and internal clients. Simultaneously, we're continuously building out our capabilities and investing in resources that can quickly adapt to the changing insurance marketplace.

- Our relentless pursuit of operational excellence took a significant leap forward with the expansion of our multi-year strategic partnership with a global service provider. This collaboration allows us to reallocate our internal resources and better position our internal team on strategic initiatives

and activities that drive business differentiation and innovation.

- To stay at the forefront of technological innovation, we established a cross-functional Artificial Intelligence (AI) Working Group. This initiative is a cornerstone of our strategy to ensure effective governance, enhance AI literacy, and facilitate the responsible adoption of AI/ Large Language Model (LLM) based solutions.
- In preparation for a return to the office in early 2024, we proactively upgraded our office environment. We constructed numerous Zoom-enabled collaboration spaces and state-of-the-art conference rooms, ensuring seamless technology connectivity and collaboration as we operate in a hybrid model.



**Linda Roubinek**  
Chief Strategy & Transformation Officer

**Strategy & Transformation** | Transformation, innovation lead into the future

As our strategic journey towards becoming a balanced, bigger, and bolder company continues, great advancements are being made to execute our strategic imperatives and ultimately transform our business. Key highlights of progress made in 2023 were:

- We matured the implementation of our new billing and policy systems, as well as our agent portal, in our pilot state and continued the rollout to additional states for Commercial Lines. We are preparing for the final phase of state rollout for Commercial Lines in 2024.
- We continue to leverage our Commercial Lines and Personal Lines strategies and invest in key

capabilities such as e-signature, new billing alerts, and the continued roll out of our updated agent-facing quoting and policy servicing system GAINWeb 2.0. These capabilities provide intentional experiences for our customers and agents across all interactions and drive peace of mind and protection.

- The enterprise maintained our position within the top 10% of property and casualty carriers with recognition once again from A.M. Best as a "Prominent" innovator for the fourth year in a row. As our capabilities continue to mature, we have formalized our practice into two studios — Core Studio (internal innovation) and Venture Studio (external innovation). Together, our two studios continue to make great strides to meet the needs of customers and future-proof the business model.



**Doreen DeLaney Crawley**  
Chief Operations Officer

**Customer Care & Associates** | A culture-defining year

Culture defines the Grange Enterprise — externally and internally. Whether it's our interactions with policyholders filing a claim or how we listen to and invest in our associates, our culture is at the forefront of all that we do. Here's how we supported that great culture in 2023:

- Facing unprecedented weather events in 2023, our Claims team adjusted over 25,000 weather claims. The Claims team scored 8.7 out of 10 from voice of the customer feedback, while 95% of our agents believe our performance was equal to or better than other carriers.
- Our Customer Care and Billing departments implemented several service and digital improvements to enhance our customer experience, such as Billing Live Chat and updating our Interactive Voice Response system.

- We launched multiple initiatives throughout the year to invest in our associates' development and engagement. Our sixth annual 'Elevate' conference provided professional development opportunities and learning experiences for all associates. Others include the launch of a newly designed associate orientation program, the expansion of our coaching platform and the delivery of the enterprise's second annual all-associates 'Connections' event. We continued developing our most valuable asset — our people — with our Emerging Leaders program and recognized high performers with our Annual Accolades and Volunteer of the Year awards. Enterprise change management continues to be a focus with 20% of our associates involved in our Change Network.

**Leadership & philanthropic highlights**

**No. 1 ranking out of 92 companies**  
in large organization category of Top Workplaces Columbus

**John Ammendola received special recognition**  
in the leadership category of Top Workplaces Columbus

**Dale E. Heydlauff United Way Legacy Award**  
for Outstanding Philanthropic Leadership

**Medical Mutual Pillar Award**  
for Community Service

**Giving highlights**

Almost **\$2 Million**  
in donations to our non-profit partners

**9,000+**  
hours volunteered by associates through nearly 500 non-profit organizations

**75%**  
of officers serving on non-profit boards

**74%**  
of associates participated in our annual giving campaign, setting a new record

# Agent Advisory Board

We thank this select group for working with our leaders to strengthen all agent relationships so together we can provide better experiences to our policyholders.



**BOARD CHAIR**

**Rob Strachan**  
Strachan Novak Insurance, OH



**Stu Allen**  
GAD Insurance, OH



**Christina Bernard**  
Cobos Insurance Center, OH



**Michele Bicknell**  
Keystone Insurers Group, National



**Phil Carson**  
Carson Agency, Inc., IN



**PL CHAIR**

**Susan DeGiovanni**  
Pennsylvania Insurance Alliance, PA



**Scott Hairston**  
Assured Partners of Minnesota, MN



**Bo Hart**  
Doherty, Duggan, Hart & Tiernan Insurors, GA



**IMMEDIATE PAST CHAIR**

**Jay Harvill**  
Lipscomb & Pitts Insurance, TN



**Craig Hassinger**  
SeibertKeck Insurance Partners, OH



**PL VICE CHAIR**

**Jack Hertvik**  
Hertvik Insurance Group, OH



**Matt Hunter**  
The Hilb Group, VA



**CJ Hutspiller**  
Hutspiller Insurance Service, TN



**Kurt Keller**  
Iroquois Mid-Atlantic, PA



**Zachery Kephart**  
Bankers Insurance, VA



**Erin Keys**  
Hays Companies/Brown & Brown, MN



**Dan Lau**  
Robertson Ryan & Associates, WI



**Tracy Lomax**  
Southpoint Risk, TN



**David Lucas**  
Peoples Insurance Agency, KY



**Heidi Nienow**  
Ansay & Associates, WI



**CL CHAIR**

**Erin Osier**  
Holmes Murphy & Associates, IA



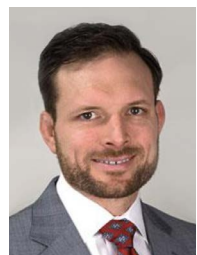
**Karen Reifert**  
Long & Foster Insurance Agency, VA



**Dan Scroggins**  
ACA Club Insurance Agency, OH



**Cathy Shepherd**  
Homesale Insurance Services, PA



**Justin Staebler**  
Risk Strategies, WI



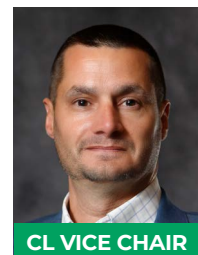
**Dan Stapp**  
Alliance Group, IN



**Diane Wagner**  
First Choice Agents Alliance, National



**Heather Wardrip**  
AHA Insurance Network, KY



**CL VICE CHAIR**

**Todd Whiteman**  
Enscoe Long Insurance Group, PA



**Trey Wood**  
Turner, Wood & Smith Agency, Inc., GA

# Board of Directors & Leadership Team

Visit [grangeinsurance.com](http://grangeinsurance.com) for bios.



**BOARD CHAIR**

**M. Marnette Perry**

## A Message From Board Chair, M. Marnette Perry

Reflecting on an unprecedented 2023, it is appropriate to express how proud my Board of Directors colleagues and I are of Grange Enterprise. Our talented team of professionals across the enterprise acted decisively and aggressively in response to market conditions and weather volatility. In doing so, Grange rose to meet the challenges, differentiating ourselves from our competitors and securing viable paths forward for our policyholders, agents and associates. When challenges intensify, Grange leadership and associates are grounded with our mission of service to provide peace of mind and protection no matter the challenges we face.

With the Grange Board of Directors, I would like to express our deepest gratitude to every Grange associate for their amazing efforts in 2023. Likewise, we are grateful to our outstanding agents who worked tirelessly to deliver the promise to Grange policyholders in 2023. And, lastly, our sincere thanks to the policyholders who put their trust in Grange and Integrity to be there for their families and businesses when it matters most.

The Grange Board of Directors and I look forward to working with the Senior Leadership Team to continue our journey of transformation that builds on our strong foundation to deliver a bright future.

*M. Marnette Perry*

## Board of Directors



**John Ammendola**  
President & CEO



**Kathie Andrade**



**Jim Benson**



**Mark L. Boxer**



**Terri Brown**  
Chief Financial Officer



**Michael D. Fraizer**



**Robert E. Hoyt**

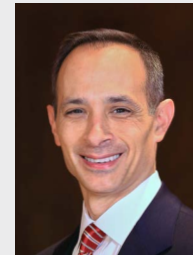


**Thomas S. Stewart**



**Christianna Wood**

## Leadership Team



**John Ammendola**  
President & CEO



**Terri Brown**  
Chief Financial Officer



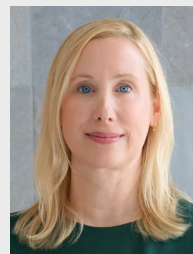
**Tim Cunningham**  
Chief Information Officer



**Doreen DeLaney Crawley**  
Chief Operations Officer



**Cheryl Lebens**  
President, Personal Lines



**Beth Murphy**  
Chief Legal Officer



**John North**  
President, Commercial Lines



**Linda Roubinek**  
Chief Strategy & Transformation Officer



**Jill Wagner Kelly**  
Chief Distribution Officer

# P&C Insurance Operations Financial Report

Balance Sheet as of December 31, 2023

## ASSETS

Cash and Cash Equivalents	\$	137,257,467
Bonds (at amortized cost)		1,869,932,655
Stocks (at market value)		522,756,614
Real Estate (net of accumulated depreciation)		81,903,191
Floating Rate Bank Loans		94,429,779
Other Invested Assets		74,557,803
Securities Lending Reinvested Collateral Assets		15,263,932
Accrued Investment Income		13,887,607
Premiums in Course of Collection		342,667,448
Federal Income Tax Receivable		50,678,590
Net Deferred Tax Asset		38,199,997
Other Miscellaneous Assets		5,290,536
<b>Total Assets</b>	<b>\$</b>	<b>3,246,825,619</b>

## LIABILITIES AND POLICYHOLDERS' SURPLUS

Unearned Premiums	\$	694,027,444
Reserve for Losses		811,918,713
Reserve for Loss Adjustment Expenses		143,181,158
General Expenses Payable		59,061,901
Borrowed Money		200,335,000
Payable for Securities Lending		15,263,932
Other Miscellaneous Liabilities		26,403,258
<b>Total Liabilities</b>		<b>1,950,191,406</b>
<b>Policyholders' Surplus</b>		<b>1,296,634,213</b>
<b>Total Liabilities and Policyholders' Surplus</b>	<b>\$</b>	<b>3,246,825,619</b>

## STATEMENT OF INCOME AND SURPLUS

Premiums Earned	\$	1,485,990,427
Losses and Loss Adjustment Expenses Incurred		1,291,333,879
Other Underwriting Expenses Incurred		434,728,265
Net Underwriting Loss		(240,071,717)
Net Investment Gain		129,579,920
Other Income/(Loss), Net		19,532,698
Dividends to Policyholders		6,967,971
Loss Before Federal Income Taxes		(97,927,070)
Federal Income Taxes Incurred		0
<b>Net Loss</b>		<b>(97,927,070)</b>
Additional Paid in Capital by Parent (Grange Holdings, Inc.)		150,000,000
Other Surplus Changes		17,380,890
Change in Policyholders' Surplus		69,453,820
Policyholders' Surplus — January 1		1,227,180,393
<b>Policyholders' Surplus — December 31</b>	<b>\$</b>	<b>1,296,634,213</b>

## Our Mission

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

### BRINGING SECURITY TO OUR CUSTOMERS SINCE 1935

For more than 85 years, Grange Insurance has been a source of protection, trust and stability for its customers. In 2001, Grange partnered with Integrity Insurance to create the Grange Enterprise, allowing us to bring better products and experiences to our agents and customers. Today we offer customers business, auto and home 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 \$3.2 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.

**100% committed  
TO THE INDEPENDENT AGENT CHANNEL**

[grangeinsurance.com](http://grangeinsurance.com)  
[integrityinsurance.com](http://integrityinsurance.com)

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

24-017 (2-2024)



---

Grange Enterprise Companies