

QUARTERLY STATEMENT
OF THE
RED MOUNTAIN CASUALTY
INSURANCE COMPANY, INC.

Of
BIRMINGHAM
in the state of AL

to the Insurance Department
of the State of Alabama

For the Period Ended
June 30, 2007

2007



QUARTERLY STATEMENT

As of June 30, 2007
of the Condition and Affairs of the

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC.

NAIC Group Code.....2698, 2698 (Current Period) (Prior Period)	NAIC Company Code..... 10179	Employer's ID Number..... 36-3990058
Organized under the Laws of AL	State of Domicile or Port of Entry AL	Country of Domicile US
Incorporated/Organized..... December 5, 1994	Commenced Business..... December 5, 1994	
Statutory Home Office	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <i>(Street and Number) (City or Town, State and Zip Code)</i>	205-445-2600 <i>(Area Code) (Telephone Number)</i>
Mail Address	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <i>(Street and Number) (City or Town, State and Zip Code)</i>	205-877-4400 <i>(Area Code) (Telephone Number)</i>
Internet Website Address	proassurance.com	
Statutory Statement Contact	PHILIP NEWTON LEWIS <i>(Name)</i> plewis@proassurance.com <i>(E-Mail Address)</i>	205-445-2665 <i>(Area Code) (Telephone Number) (Extension)</i> 205-868-4025 <i>(Fax Number)</i>
Policyowner Relations Contact	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <i>(Street and Number) (City or Town, State and Zip Code)</i>	205-445-2600 <i>(Area Code) (Telephone Number) (Extension)</i>

OFFICERS

Name	Title	Name	Title
1. HOWARD HARLEY FRIEDMAN	PRESIDENT	2. KATHRYN ANNE NEVILLE	SECRETARY
3. JAMES JOSEPH MORELLO	TREASURER	4. AUBREY DERRILL CROWE	CHAIRMAN

OTHER

VICTOR THOMAS ADAMO	VICE CHAIRMAN	HOWARD HARLEY FRIEDMAN	CHIEF UNDERWRITING OFFICER
DESMOND PATRICK O'DOHERTY	VICE PRESIDENT, MANAGING DIRECTOR	DARRYL KEITH THOMAS	CHIEF CLAIMS OFFICER
HAYES VANCE WHITESIDE	VICE PRESIDENT		

DIRECTORS OR TRUSTEES

VICTOR THOMAS ADAMO	PAUL RICHARD BUTRUS	AUBREY DERRILL CROWE	HOWARD HARLEY FRIEDMAN
EDWARD LEWIS RAND, JR.	DARRYL KEITH THOMAS		

State of..... ALABAMA
County of..... JEFFERSON

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

_____ (Signature) HOWARD HARLEY FRIEDMAN 1. (Printed Name) PRESIDENT (Title)	_____ (Signature) KATHRYN ANNE NEVILLE 2. (Printed Name) SECRETARY (Title)	_____ (Signature) JAMES JOSEPH MORELLO 3. (Printed Name) TREASURER (Title)
---------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------

Subscribed and sworn to before me This _____ day of _____	a. Is this an original filing? Yes [X] No []
	b. If no: 1. State the amendment number _____
	2. Date filed _____
	3. Number of pages attached _____

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	44,798,460		44,798,460	33,526,488
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(26,376)), cash equivalents (\$.....7,601,776) and short-term investments (\$.....1,986,659).....	9,562,059		9,562,059	20,138,040
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....			0	
8. Receivables for securities.....			0	
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	54,360,519	0	54,360,519	53,664,528
11. Title Plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	466,872		466,872	310,325
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	175,137	16,034	159,103	86,674
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	107,076		107,076	89,267
14.2 Funds held by or deposited with reinsured companies.....			0	
14.3 Other amounts receivable under reinsurance contracts.....			0	
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....			0	21,802
16.2 Net deferred tax asset.....	48,037	39,660	8,377	26,660
17. Guaranty funds receivable or on deposit.....			0	
18. Electronic data processing equipment and software.....			0	
19. Furniture and equipment, including health care delivery assets (\$.....0).....	298	298	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	735		735	10,000
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	186,111	28,055	158,056	276,135
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	55,344,785	84,047	55,260,738	54,485,391
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	55,344,785	84,047	55,260,738	54,485,391

DETAILS OF WRITE-INS

0901.....			0	
0902.....			0	
0903.....			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. Fee program receivables.....	158,056		158,056	276,135
2302. Employee Travel Advances.....	2,082	2,082	0	
2303. Prepaid Other Taxes and Fees.....	25,973	25,973	0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	186,111	28,055	158,056	276,135

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC.

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....0).....		
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	1,111,428	1,205,001
4. Commissions payable, contingent commissions and other similar charges.....	37,955	17,955
5. Other expenses (excluding taxes, licenses and fees).....	746,450	759,274
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	40,531	32,791
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	7,079	
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$...2,953,423 and including warranty reserves of \$.....0).....		
10. Advance premium.....		332,723
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	959,778	296,563
13. Funds held by company under reinsurance treaties.....	25,197,228	25,197,228
14. Amounts withheld or retained by company for account of others.....	3,747,801	4,427,887
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	434,000	434,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	239,859	314,973
20. Payable for securities.....		
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	32,522,109	33,018,395
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	32,522,109	33,018,395
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	3,000,000	3,000,000
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....	12,466,528	12,466,528
33. Unassigned funds (surplus).....	7,272,101	6,000,468
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34).....	22,738,629	21,466,996
36. TOTALS.....	55,260,738	54,485,391

DETAILS OF WRITE-INS

2301.		
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	0
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....3,529,517).....	4,389,731	6,401,984	12,488,799
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$.....3,529,517).....	4,389,731	6,401,984	12,488,799
1.4 Net..... (written \$.....0).....	0	0	0
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....0):			
2.1 Direct.....	658,334	2,337,623	2,713,696
2.2 Assumed.....			
2.3 Ceded.....	658,334	2,337,623	2,713,696
2.4 Net.....	0	0	0
3. Loss expenses incurred.....	263,384	384,119	637,001
4. Other underwriting expenses incurred.....	55,186	(874)	(360,592)
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	318,570	383,245	276,409
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(318,570)	(383,245)	(276,409)
INVESTMENT INCOME			
9. Net investment income earned.....	1,199,587	970,317	1,903,237
10. Net realized capital gains (losses) less capital gains tax of \$.....(32).....	(59)	(67,384)	(132,495)
11. Net investment gain (loss) (Lines 9 + 10).....	1,199,528	902,933	1,770,742
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0		
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	1,050,901	823,370	2,042,256
15. Total other income (Lines 12 through 14).....	1,050,901	823,370	2,042,256
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,931,859	1,343,058	3,536,589
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	1,931,859	1,343,058	3,536,589
19. Federal and foreign income taxes incurred.....	605,427	451,948	1,037,415
20. Net income (Line 18 minus Line 19) (to Line 22).....	1,326,432	891,110	2,499,174
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	21,466,996	19,384,280	19,384,280
22. Net income (from Line 20).....	1,326,432	891,110	2,499,174
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....			
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(17,330)	4,547	53,097
27. Change in nonadmitted assets.....	(37,469)	(3,120)	(35,555)
28. Change in provision for reinsurance.....			(434,000)
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	1,271,633	892,537	2,082,716
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	22,738,629	20,276,817	21,466,996
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Fee income.....	1,045,901	834,375	2,040,972
1402. Client Risk Survey Income.....	5,000	(3,000)	(3,000)
1403. Other.....		(8,005)	4,284
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	1,050,901	823,370	2,042,256
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	242,102	(4,625,299)
2. Net investment income.....	1,132,498	2,376,549
3. Miscellaneous income.....	1,050,901	2,042,256
4. Total (Lines 1 through 3).....	2,425,501	(206,494)
5. Benefit and loss related payments.....	374,766	(174,213)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	40,270	(401,324)
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	576,514	1,348,494
10. Total (Lines 5 through 9).....	991,550	772,957
11. Net cash from operations (Line 4 minus Line 10).....	1,433,951	(979,451)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	9,554,760	34,989,897
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(91)	
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	9,554,669	34,989,897
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	20,916,192	6,662,909
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	20,916,192	6,662,909
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(11,361,523)	28,326,988
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(648,409)	(8,750,316)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(648,409)	(8,750,316)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(10,575,981)	18,597,221
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	20,138,040	1,540,819
19.2 End of period (Line 18 plus Line 19.1).....	9,562,059	20,138,040

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

Effective May 16, 2007, the Company's immediate parent, Professionals Group, Inc., was merged into PRA Professional Liability Group, Inc., a subsidiary of ProAssurance Corporation.

Note 11 - Debt

No significant change.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No significant change.

Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No significant change.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

No significant change.

C. No wash sales.

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

No significant change.

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No significant change.

Note 20 - September 11 Events

No significant change.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - High Deductibles

No significant change.

Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

No significant change.

Note 33 - Asbestos/Environmental Reserves

No significant change.

Note 34 - Subscriber Savings Accounts

No significant change.

Note 35 - Multiple Peril Crop Insurance

No significant change.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes No
- 1.2 If yes, has the report been filed with the domiciliary state? Yes No
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change:
- 3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes No
If yes, complete the Schedule Y-Part 1 - Organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes No N/A
If yes, attach an explanation.

PRA Professional Liability Group, Inc. has been added to the management and expense sharing agreements with the reporting entity.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2002.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 09/25/2003.....
- 6.4 By what department or departments?
Alabama Department of Insurance

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 7.2 If yes, give full information:

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes No
- 8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No
 - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.

- 9.11 If the response to 9.1 is No, please explain:

- 9.2 Has the code of ethics for senior managers been amended? Yes No
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....0

INVESTMENT

- 11.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]
- 11.2 If yes, explain:

- 12.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

12.2 If yes, give full and complete information relating thereto:

- 13. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.....0

- 14. Amount of real estate and mortgages held in short-term investments: \$.....0

- 15.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

15.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
15.21 Bonds.....	\$.....0	\$.....0
15.22 Preferred Stock.....	\$.....0	\$.....0
15.23 Common Stock.....	\$.....0	\$.....0
15.24 Short-Term Investments.....	\$.....0	\$.....0
15.25 Mortgages, Loans or Real Estate.....	\$.....0	\$.....0
15.26 All Other.....	\$.....0	\$.....0
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26).....	\$.....0	\$.....0
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above	\$.....0	\$.....0

- 16.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

- 16.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
If no, attach a description with this statement.

- 17. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address
US Bank	Birmingham, AL

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
None		

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]

17.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address
None		

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

18.2 If no, list exceptions:

**RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC.
GENERAL INTERROGATORIES (continued)**

**PART 2
PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] N/A [X]
If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
	.....XXX..	.....XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
Total.....	.....XXX..	.....XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC.

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Increase (decrease) by adjustment.....		
3. Cost of acquired.....		
4. Cost of additions to and permanent improvements.....		
5. Total profit (loss) on sales.....		
6. Increase (decrease) by foreign exchange adjustment.....		
7. Amount received on sales.....		
8. Book/adjusted carrying value at end of current period.....	0	0
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	0	0
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year.....	0	
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		
3. Accrual of discount and mortgage interest points and commitment fees.....		
4. Increase (decrease) by adjustment.....		
5. Total profit (loss) on sale.....		
6. Amounts paid on account or in full during the period.....		
7. Amortization of premium.....		
8. Increase (decrease) by foreign exchange adjustment.....		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	0	0
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	0	0
12. Total nonadmitted amounts.....		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column).....	0	0

SCHEDULE BA - VERIFICATION

Other Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	0	
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		
3. Accrual of discount.....		
4. Increase (decrease) by adjustment.....		
5. Total profit (loss) on sale.....		
6. Amounts paid on account or in full during the period.....		
7. Amortization of premium.....		
8. Increase (decrease) by foreign exchange adjustment.....		
9. Book adjusted/carrying value of long-term invested assets at end of current period.....	0	0
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	0	0
12. Total nonadmitted amounts.....		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	0	0

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	33,526,488	62,289,016
2. Cost of bonds and stocks acquired.....	20,916,192	6,662,909
3. Accrual of discount.....	2,895	19,748
4. Increase (decrease) by adjustment.....		
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....		(203,838)
7. Consideration for bonds and stocks disposed of.....	9,554,760	34,989,897
8. Amortization of premium.....	92,355	251,450
9. Book/adjusted carrying value, current period.....	44,798,460	33,526,488
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	44,798,460	33,526,488
12. Total nonadmitted amounts.....		
13. Statement value.....	44,798,460	33,526,488

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1.....	53,419,137	73,275,164	73,399,481	(226,706)	53,419,137	53,068,114		52,712,605
2. Class 2.....	1,017,376			301,406	1,017,376	1,318,781		1,017,932
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	54,436,513	73,275,164	73,399,481	74,700	54,436,513	54,386,895	0	53,730,537
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	54,436,513	73,275,164	73,399,481	74,700	54,436,513	54,386,895	0	53,730,537

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals.....	1,986,659	XXX	1,986,659		

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	2,185,890	642,030
2. Cost of short-term investments acquired.....	14,988,043	30,098,482
3. Increase (decrease) by adjustment.....		756
4. Increase (decrease) by foreign exchange adjustment.....		
5. Total profit (loss) on disposal of short-term investments.....		
6. Consideration received on disposal of short-term investments.....	15,187,274	28,555,378
7. Book/adjusted carrying value, current period.....	1,986,659	2,185,890
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	1,986,659	2,185,890
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	1,986,659	2,185,890
12. Income collected during period.....	77,489	117,941
13. Income earned during period.....	75,148	121,503

**Sch. DB-Part F-Section 1
NONE**

**Sch. DB-Part F-Section 2
NONE**

**Sch. F
NONE**

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC.

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	YES						
2. Alaska.....AK	NO						
3. Arizona.....AZ	NO	391,580	106,949	48,077		519,846	438,770
4. Arkansas.....AR	NO	355,943	437,350			892,919	526,299
5. California.....CA	NO						
6. Colorado.....CO	NO		8,470			2,541	1,619
7. Connecticut.....CT	NO						
8. Delaware.....DE	NO	91,217				54,025	31,601
9. District of Columbia.....DC	NO					42,809	40,583
10. Florida.....FL	NO	(76,499)	633,138			1,893,356	1,457,732
11. Georgia.....GA	NO	646,741	1,619,849			2,312,016	2,439,805
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	NO	131,582	214,800			457,527	400,650
15. Indiana.....IN	NO						
16. Iowa.....IA	NO		26,818			89,400	58,807
17. Kansas.....KS	NO						
18. Kentucky.....KY	NO	591,103	600,209			1,594,710	1,382,610
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	NO	3,289	217,910			387,947	157,864
22. Massachusetts.....MA	NO						
23. Michigan.....MI	NO	118,720	261,689			511,170	606,290
24. Minnesota.....MN	NO						
25. Mississippi.....MS	NO	25,992	29,656			12,938	9,967
26. Missouri.....MO	NO		(25,739)		150,000	862,997	864,103
27. Montana.....MT	NO						
28. Nebraska.....NE	NO						
29. Nevada.....NV	NO	25,460				2,250	
30. New Hampshire.....NH	NO						
31. New Jersey.....NJ	NO	26,078	10,431			50,931	65,207
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO	35,923	292,041			670,824	455,938
35. North Dakota.....ND	NO						
36. Ohio.....OH	NO	338,542	546,098			2,474,279	3,013,393
37. Oklahoma.....OK	NO	167,250	193,527	325		432,100	483,661
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	NO						3,441
40. Rhode Island.....RI	NO						
41. South Carolina.....SC	NO						
42. South Dakota.....SD	NO						
43. Tennessee.....TN	NO	296,476	173,680			1,026,533	839,859
44. Texas.....TX	NO	(206)	7,065			197,864	258,284
45. Utah.....UT	NO					9,722	
46. Vermont.....VT	NO						
47. Virginia.....VA	NO	298,312	200,697			610,024	647,330
48. Washington.....WA	NO	62,014	82,308			90,831	30,455
49. West Virginia.....WV	NO						
50. Wisconsin.....WI	NO						
51. Wyoming.....WY	NO						
52. American Samoa.....AS	NO						
53. Guam.....GU	NO						
54. Puerto Rico.....PR	NO						
55. US Virgin Islands.....VI	NO						
56. Northern Mariana Islands.....MP	NO						
57. Canada.....CN	NO						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....	(a) 1	3,529,517	5,636,946	48,402	150,000	15,199,559	14,214,268

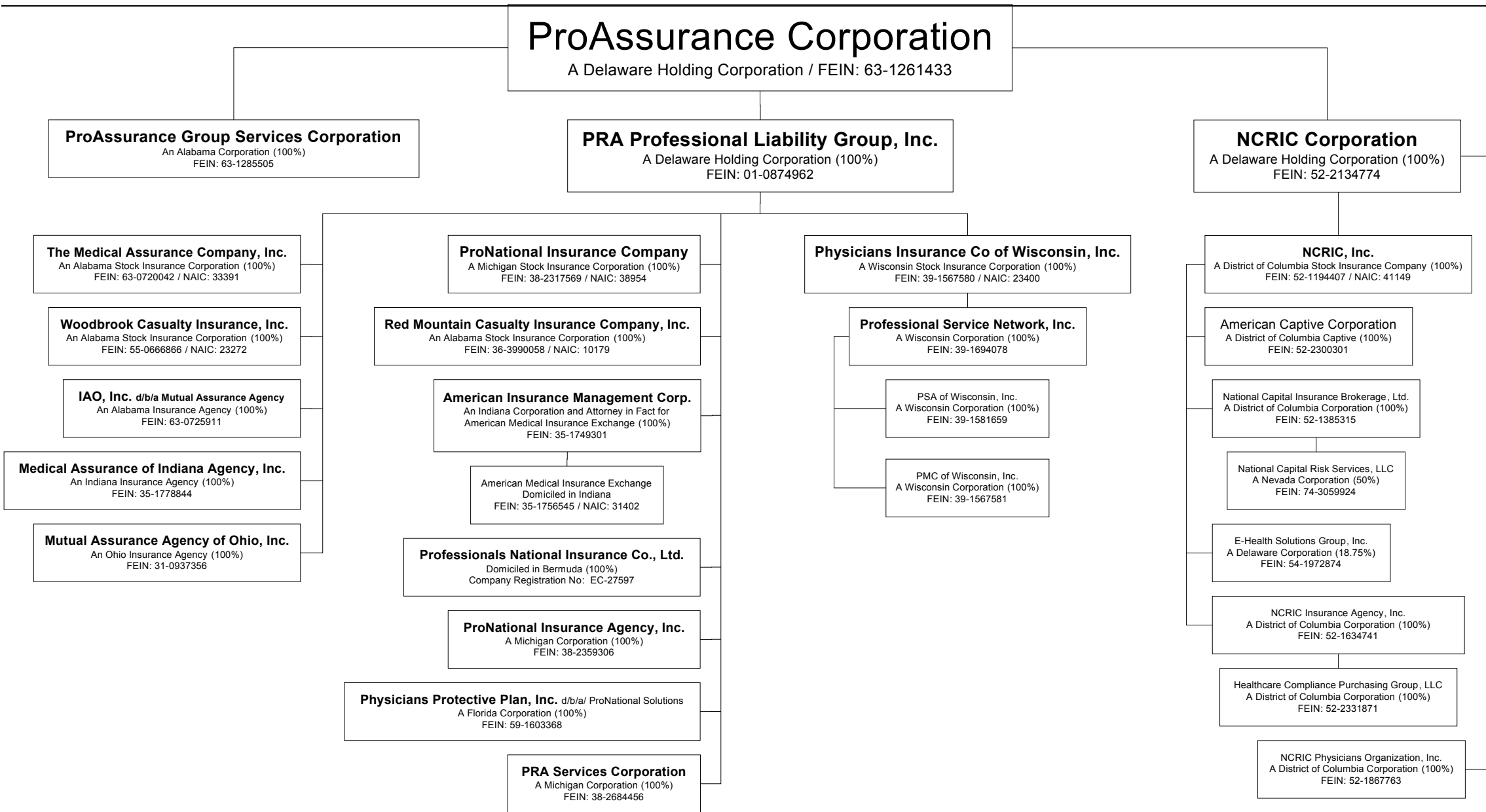
DETAILS OF WRITE-INS

5801.....	XXX						
5802.....	XXX						
5803.....	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page.....	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above).....	XXX	0	0	0	0	0	0

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....			0.0	
10. Financial guaranty.....			0.0	
11.1. Medical malpractice-occurrence.....	84,281	12,640	15.0	36.5
11.2. Medical malpractice-claims made.....	4,305,450	645,694	15.0	36.5
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1. Other liability-occurrence.....			0.0	
17.2. Other liability-claims made.....			0.0	
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....			0.0	
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0.0	
34. Totals.....	4,389,731	658,334	15.0	36.5

DETAILS OF WRITE-INS

3301.			0.0	
3302.			0.0	
3303.			0.0	
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0.0	XXX
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....		84,281	255,426
11.2. Medical malpractice-claims made.....	1,407,423	3,445,236	5,381,520
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1. Other liability-occurrence.....			
17.2. Other liability-claims made.....			
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1, 19.2 Private passenger auto liability.....			
19.3, 19.4 Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0
34. Totals.....	1,407,423	3,529,517	5,636,946

DETAILS OF WRITE-INS

3301.			
3302.			
3303.			
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2007 Loss and LAE Payments on Claims Reported as of Prior Year-End	2007 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2007 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2004 + Prior		154	154		38	38			116	116	0	0	0
2. 2005		568	568		138	138			430	430	0	0	0
3. Subtotals 2005 + Prior	0	722	722	0	176	176	0	0	546	546	0	0	0
4. 2006		482	482		117	117			365	365	0	0	0
5. Subtotals 2006 + Prior	0	1,204	1,204	0	293	293	0	0	911	911	0	0	0
6. 2007	XXX	XXX	XXX	XXX	64	64	XXX		200	200	XXX	XXX	XXX
7. Totals	0	1,204	1,204	0	357	357	0	0	1,111	1,111	0	0	0
8. Prior Year-End's Surplus As Regards Policyholders	21,467										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....0.0 %	2. ....0.0 %	3. ....0.0 %
													Col. 13, Line 7 Line 8
													4. ....0.0 %

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO _____
2. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?	YES _____
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO _____

Explanation:

Bar Code:



**Overflow Page
NONE**

**Sch. A-Part 2
NONE**

**Sch. A-Part 3
NONE**

**Sch. B-Part 1
NONE**

**Sch. B-Part 2
NONE**

**Sch. BA-Part 1
NONE**

**Sch. BA-Part 2
NONE**

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
912827 5G 3	US TREASURY N/B 05/15/2009 5.500		05/03/2007	MERRILL LYNCH		101,563	100,000	2,583	1
912828 FP 0	US TREASURY N/B 08/15/2009 4.875		04/24/2007	MERRILL LYNCH		1,620,881	1,610,000	14,960	1
0399999	Total - Bonds - U.S. Government					1,722,444	1,710,000	17,543	XXX
Bonds - Political Subdivisions of States									
161681 QR 5	CHASKA ISD #112-SER A 02/01/2017 5.000		04/17/2007	RAYMOND JAMES		1,086,130	1,000,000	9,028	1FE
2499999	Total - Bonds - Political Subdivision					1,086,130	1,000,000	9,028	XXX
Bonds - Special Revenue and Special Assessment									
13033K C4 9	CA HFA VAR-MFH-SER C 02/01/2037 3.560		04/27/2007	LEHMAN BROTHERS		500,000	500,000	4,250	1FE
167723 BF 1	CHICAGO TRAN-5307-B 06/01/2016 5.250		04/11/2007	LEHMAN BROTHERS		1,096,330	1,000,000	19,688	1FE
341507 RU 7	FL BOE LOTTERY SER A 07/01/2015 5.000		04/12/2007	RAYMOND JAMES		1,077,280	1,000,000	14,722	1FE
365418 CR 1	GARDEN ST PRES-REF-C 11/01/2017 5.125		04/19/2007	DAIN RAUSCHER		1,103,910	1,000,000	24,913	1FE
810489 JL 9	SCOTTSDALE PPTY-REF 07/01/2020 5.000		04/17/2007	RAYMOND JAMES		1,097,390	1,000,000	19,583	1FE
95667Q AW 6	W VA SCH BLDG REF-A 07/01/2020 5.000		04/13/2007	RAYMOND JAMES		1,071,770	1,000,000	2,083	1FE
3199999	Total - Bonds - Special Revenue & Special Assessments					5,946,680	5,500,000	85,239	XXX
6099997	Total - Bonds - Part 3					8,755,254	8,210,000	111,810	XXX
6099999	Total - Bonds					8,755,254	8,210,000	111,810	XXX
7499999	Total - Bonds, Preferred and Common Stocks					8,755,254	XXX	111,810	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designation or Market Indicator (a)														
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.																					
Bonds - U.S. Government																																			
36213H M7 1	GN 554882		.06/01/2007	MBS PAYDOWN		3,510	3,510	3,604	3,583		(73)		(73)		3,510			0	77	07/01/2030	1														
912828 AC 4	US TREASURY N/B		.05/15/2007	MATURITY		100,000	100,000	99,969	99,992		8		8		100,000			0	2,188	05/15/2007	1														
0399999	Total - Bonds - U.S. Government																			103,510	103,510	103,573	103,575	0	(65)	0	(65)	0	103,510	0	0	0	2,265	XXX	XXX
Bonds - Special Revenue and Special Assessment																																			
31297F J5 3	FG A27484		.06/01/2007	MBS PAYDOWN		17,889	17,889	18,490	18,370		(482)		(482)		17,889			0	501	05/01/2034	1														
31297H KB 4	FG A29290		.06/01/2007	MBS PAYDOWN		15,737	15,737	15,628	15,642		95		95		15,737			0	377	03/01/2034	1														
31297S ZP 3	FG A37050		.06/01/2007	MBS PAYDOWN		14,125	14,125	13,953	13,968		157		157		14,125			0	288	06/01/2035	1														
31404Q ZZ 5	FN 775760		.06/01/2007	MBS PAYDOWN		29,677	29,677	30,173	30,110		(434)		(434)		29,677			0	561	08/01/2033	1														
31405M CG 0	FN 793071		.06/01/2007	MBS PAYDOWN		30,620	30,620	31,821	31,560		(940)		(940)		30,620			0	834	04/01/2034	1														
31406W US 1	FN 822393		.06/01/2007	MBS PAYDOWN		3,801	3,801	3,839	3,834		(34)		(34)		3,801			0	88	12/01/2034	1														
3199999	Total - Bonds - Special Revenue & Assessment																			111,849	111,849	113,904	113,484	0	(1,638)	0	(1,638)	0	111,849	0	0	0	2,649	XXX	XXX
Bonds - Industrial and Miscellaneous																																			
20033T AF 2	COMED 1998-1 A6		.06/26/2007	MBS PAYDOWN		26,857	26,857	29,652	27,208		(352)		(352)		26,857			0	756	06/25/2007	1FE														
36828Q AA 4	GECMC 2003-C1 A1		.06/01/2007	MBS PAYDOWN		67,233	67,233	67,400	67,274		(41)		(41)		67,233			0	935	03/01/2008	1FE														
40430G AJ 9	HFCMC 2005-3 M1		.06/20/2007	MBS PAYDOWN		42,851	42,851	42,851	42,851		0		0		42,851			0	1,012	12/20/2010	1FE														
4599999	Total - Bonds - Industrial & Miscellaneous																			136,941	136,941	139,903	137,333	0	(393)	0	(393)	0	136,941	0	0	0	2,703	XXX	XXX
6099997	Total - Bonds - Part 4																			352,300	352,300	357,380	354,392	0	(2,096)	0	(2,096)	0	352,300	0	0	0	7,617	XXX	XXX
6099999	Total - Bonds																			352,300	352,300	357,380	354,392	0	(2,096)	0	(2,096)	0	352,300	0	0	0	7,617	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks																			352,300	XXX	357,380	354,392	0	(2,096)	0	(2,096)	0	352,300	0	0	0	7,617	XXX	XXX

E05

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

**Sch. DB-Part A-Section 1
NONE**

**Sch. DB-Part B-Section 1
NONE**

**Sch. DB-Part C-Section 1
NONE**

**Sch. DB-Part D-Section 1
NONE**

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC.

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
WACHOVIA BANK/ CASH CONTROL.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(4,813)	.....(4,703)	.....41,070	XXX
WACHOVIA BANK/AP TRADE ACCT.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(4,433)	.....(4,433)	.....(4,433)	XXX
WACHOVIA BANK/AP CLAIMS ACCT.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(190)	.....(190)	.....(190)	XXX
US BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(287,168)	.....(93,437)	.....(81,202)	XXX
US BANK/ TRUST CASH.....	BIRMINGHAM, AL.....	.....	.....	.....	.....	.....50,000	.....(10,000)	XXX
BANK OF AMERICA.....	ATLANTA, GA.....	.....	.....	.....	.....968	.....119,115	.....28,378	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....(295,636)	.....66,352	.....(26,376)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	.....(295,636)	.....66,352	.....(26,376)	XXX
0599999. Total Cash.....	XXX.....	XXX.....	.....0	.....0	.....(295,636)	.....66,352	.....(26,376)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Gross Investment Income
AMSTERDAM FUNDING CORP.....		06/20/2007	5.308	07/20/2007	997,211		1,615
COLONIAL PIPE CO DISC NOTE.....		06/27/2007	5.341	07/11/2007	998,519		592
FALCON ASSET SEC CO LLC.....		06/18/2007	5.298	07/12/2007	998,387		1,907
JOHN DEERE BK SA.....		06/22/2007	5.290	07/19/2007	1,196,838		1,581
NEW JERSEY NAT GAS.....		06/26/2007	5.295	07/03/2007	2,412,291		1,773
THREE RIVERS FUNDING CRP.....		06/13/2007	5.311	07/11/2007	998,530		2,645
0199999. Total Cash Equivalents.....					7,601,776	0	10,113