

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

For the Period Ended

March 31, 2004

2004

3. Number of pages attached

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC

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.....	30,970,783		30,970,783	18,341,225
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 (\$.....(9,474)), cash equivalents (\$.....4,074,000) and short-term investments (\$.....881,988).....	4,946,514		4,946,514	3,864,837
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....			0	
8. Receivable for securities.....			0	
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	35,917,297	0	35,917,297	22,206,062
11. Investment income due and accrued.....	331,008		331,008	134,661
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in course of collection.....	134,437	20,572	113,865	1,336,018
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
12.3 Accrued retrospective premiums.....			0	
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers.....	37,767		37,767	11,413
13.2 Funds held by or deposited with reinsured companies.....			0	
13.3 Other amounts receivable under reinsurance contracts.....			0	
14. Amounts receivable relating to uninsured plans.....			0	
15.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
15.2 Net deferred tax asset.....	45,805	30,215	15,590	8,391
16. Guaranty funds receivable or on deposit.....			0	
17. Electronic data processing equipment and software.....	9,507		9,507	10,561
18. Furniture and equipment, including health care delivery assets (\$.....0).....	10,315	10,315	0	
19. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....			0	10,986,000
21. Health care (\$.....0) and other amounts receivable.....			0	
22. Other assets nonadmitted.....			0	
23. Aggregate write-ins for other than invested assets.....	0	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	36,486,136	61,102	36,425,034	34,693,106
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	36,486,136	61,102	36,425,034	34,693,106

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. Other Assets.....			0	
2302.....			0	
2303.....			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).....	0	0	0	0

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.....	1,001,133	739,134
4. Commissions payable, contingent commissions and other similar charges.....	78,899	223,403
5. Other expenses (excluding taxes, licenses and fees).....	12,854	873,612
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....		
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	43,225	27,466
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 \$.....10,149,029 and including warranty reserves of \$.....0).....		
10. Advance premium.....	67,608	
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	4,694,005	3,473,158
13. Funds held by company under reinsurance treaties.....	11,726,000	11,726,000
14. Amounts withheld or retained by company for account of others.....	1,618,090	26,629
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	352,144	818,789
20. Payable for securities.....		
21. Liability for amounts held under uninsured accident and health plans.....		
22. Capital notes \$.....0 and interest thereon \$.....		
23. Aggregate write-ins for liabilities.....	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	19,593,958	17,908,191
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	19,593,958	17,908,191
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).....	1,364,548	1,318,387
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).....	16,831,076	16,784,915
36. TOTALS.....	36,425,034	34,693,106

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

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC

STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....6,056,782).....	4,466,648	1,319,387	12,028,937
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$.....6,056,782).....	4,466,648	1,319,387	12,028,937
1.4 Net..... (written \$.....0).....	0	0	0
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....0):			
2.1 Direct.....	1,913,596	580,530	3,817,185
2.2 Assumed.....			
2.3 Ceded.....	1,913,596	580,530	3,817,185
2.4 Net.....	0	0	0
3. Loss expenses incurred.....	267,999	79,163	721,736
4. Other underwriting expenses incurred.....	(103,887)	(380,637)	(1,757,282)
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	164,112	(301,474)	(1,035,546)
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(164,112)	301,474	1,035,546
INVESTMENT INCOME			
9. Net investment income earned.....	203,424	154,510	641,623
10. Net realized capital gains (losses).....			4,441
11. Net investment gain (loss) (Lines 9 + 10).....	203,424	154,510	646,064
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....			
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	46,323	(1)	39,074
15. Total other income (Lines 12 through 14).....	46,323	(1)	39,074
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	85,635	455,983	1,720,684
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus 17).....	85,635	455,983	1,720,684
19. Federal and foreign income taxes incurred.....	43,225	(185,065)	757,383
20. Net income (Line 18 minus Line 19) (to Line 22).....	42,410	641,048	963,301
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	16,784,915	15,829,405	15,829,405
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20).....	42,410	641,048	963,301
23. Change in net unrealized capital gains or losses.....			
24. Change in net unrealized foreign exchange capital gain (loss).....			
25. Change in net deferred income taxes.....	16,002		29,803
26. Change in nonadmitted assets.....	(12,251)	(1,520)	(37,594)
27. Change in provision for reinsurance.....			
28. Change in surplus notes.....			
29. Surplus (contributed to) withdrawn from protected cells.....			
30. Cumulative effect of changes in accounting principles.....			
31. Capital changes:			
31.1 Paid in.....			
31.2 Transferred from surplus (Stock Dividend).....			
31.3 Transferred to surplus.....			
32. Surplus adjustments:			
32.1 Paid in.....			
32.2 Transferred to capital (Stock Dividend).....			
32.3 Transferred from capital.....			
33. Net remittances from or (to) Home Office.....			
34. Dividends to stockholders.....			
35. Change in treasury stock.....			
36. Aggregate write-ins for gains and losses in surplus.....	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36).....	46,161	639,528	955,510
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37).....	16,831,076	16,468,933	16,784,915
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. Miscellaneous Other Income.....		(1)	3,296
1402. Client Risk Survey.....			1,250
1403. Nursing home fee income.....	46,323		34,528
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).....	46,323	(1)	39,074
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page.....	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 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.....	2,505,837	601,966
2. Net investment income.....	65,920	798,232
3. Miscellaneous income.....	46,323	39,074
4. Total (Lines 1 through 3).....	2,618,080	1,439,272
5. Benefit and loss related payments.....	32,354	11,413
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	901,375	(2,809,665)
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....	27,466	814,397
10. Total (Lines 5 through 9).....	961,195	(1,983,855)
11. Net cash from operations (Line 4 minus Line 10).....	1,656,885	3,423,127
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	130,692	4,264,329
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.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	130,692	4,264,329
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	12,819,093	10,520,003
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).....	12,819,093	10,520,003
14. Net increase (decrease) in policy loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 and 14).....	(12,688,401)	(6,255,674)
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 received.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	12,113,193	1,523,576
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	12,113,193	1,523,576
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17).....	1,081,677	(1,308,971)
19. Cash and short-term investments:		
19.1 Beginning of year.....	3,864,837	5,173,808
19.2 End of period (Line 18 plus Line 19.1).....	4,946,514	3,864,837

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

20.001		
20.999	Totals.....	0

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

- A. The components of the deferred tax asset (DTA) or liability (DTL) at March 31, 2004 and December 31, 2003 are as follows:

	<u>2004</u>	<u>2003</u>
(1) Total of all DTAs (admitted and nonadmitted)	\$ 60,429	\$ 42,743
(2) Total of all DTLs	14,624	12,940
(3) Total DTAs nonadmitted in accordance with SSAP No. 10 – Income Taxes	30,214	21,412
(4) The Total of all DTAs admitted [(1)-(2)-(3)]	15,591	8,391
(5) The net change during the year in the total DTAs nonadmitted	\$ 8,802	\$ 21,412

- C. The change in DTAs and DTLs for the first quarter is as follows:
Net deferred tax assets increased \$16,002 since December 31, 2003.
- D. There was no significant difference between the consolidated federal tax rate and the actual effective tax rate for the quarter ended March 31, 2004.
- F. The Company is included in the consolidated federal tax return of ProAssurance Corporation (see 2003 Annual Statement for companies included in the return). Taxes of the members of the group are determined based upon individual company computations.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

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

NOTES TO FINANCIAL STATEMENTS

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.

Note 16 - Information about Financial Instruments with Off-Balance Sheet Risk and with Financial Instruments with Concentrations of Credit Risk

No significant change.

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

C. There were no wash sales during the first quarter of 2004.

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

The Company declared a \$1,500,000 dividend to its parent, ProNational Insurance Company, on April 7, 2004. The dividend was paid on April 19, 2004.

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.

NOTES TO FINANCIAL STATEMENTS

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

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.

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC

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 implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [] No [X]

1.2 If yes, explain:.....

2.1 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 [X]

2.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

3.1 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 [X]

3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y-Part 1 - Organizational chart.

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

5.2 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	2	3
Name of Entity	NAIC Company Code	State of Domicile

6. 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 [X]
If yes, attach an explanation.

.....
.....

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2002.....

7.2 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.....

7.3 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.....

7.4 By what department or departments?

ALABAMA DEPARTMENT OF INSURANCE

8.1 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? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]

8.2 If yes, give full information:
.....

9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

9.2 If response to 9.1 is yes, please identify the name of the bank holding company.
.....

9.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

9.4 If the response to 9.3 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	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

INVESTMENT

10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]

10.2 If yes, explain:.....

11.1 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]

11.2 If yes, give full and complete information relating thereto:
.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC 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

13. Amount of real estate and mortgages held in short-term investments:

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

14.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
14.21 Bonds.....		
14.22 Preferred Stock.....		
14.23 Common Stock.....		
14.24 Short-Term Investments.....		
14.25 Mortgages, Loans or Real Estate.....		
14.26 All Other.....		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$.0	\$.0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above		
14.29 Receivable from Parent not included in Lines 14.21 to 14.26 above.....		

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

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

16. 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 []

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

1 Name of Custodian(s)	2 Custodian Address
SOUTHTRUST BANK	BIRMINGHAM, AL

16.2 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 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
NONE			

16.5 Identify all investment advisors, brokers/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 Central Registration Depository	2 Name(s)	3 Address
NONE		

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

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

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
.....	.....	.....	.....	.....	.....	.....0	.....	.....	.....	.....0
Total.....	.....XXX...	.....XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC
SCHEDULE A - VERIFICATION

	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

NONE

SCHEDULE B - VERIFICATION

	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

NONE

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	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 asset 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

NONE

SCHEDULE D - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	18,341,226	12,221,373
2. Cost of bonds and stocks acquired.....	12,819,093	10,520,003
3. Accrual of discount.....	4,803	17,946
4. Increase (decrease) by adjustment.....		0
5. Increase (decrease) by foreign exchange adjustment.....		4,441
6. Total profit (loss) on disposal.....		4,441
7. Consideration for bonds and stocks disposed of.....	130,691	4,264,329
8. Amortization of premium.....	63,648	158,209
9. Book/adjusted carrying value, current period.....	30,970,783	18,341,226
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	30,970,783	18,341,226
12. Total nonadmitted amounts.....		
13. Statement value.....	30,970,783	18,341,226

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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1.....	19,605,445	20,637,995	8,581,669	(58,921)	31,602,850			19,605,445
2. Class 2.....	249,844			77	249,922			249,844
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	19,855,289	20,637,995	8,581,669	(58,844)	31,852,772	0	0	19,855,289
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.....	19,855,289	20,637,995	8,581,669	(58,844)	31,852,772	0	0	19,855,289

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.....	881,988	XXX	881,988	7,822	

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.....	1,514,064	5,162,902
2. Cost of short-term investments acquired.....	7,818,902	21,545,030
3. Increase (decrease) by adjustment.....		
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.....	8,450,978	25,193,868
7. Book/adjusted carrying value, current period.....	881,988	1,514,064
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	881,988	1,514,064
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	881,988	1,514,064
12. Income collected during period.....	7,822	23,685
13. Income earned during period.....	10,039	25,103

**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						
4. Arkansas.....AR	NO	346,623				48,574	
5. California.....CA	NO						
6. Colorado.....CO	NO						
7. Connecticut.....CT	NO						
8. Delaware.....DE	NO						
9. District of Columbia.....DC	NO						
10. Florida.....FL	NO	130,575				256,395	
11. Georgia.....GA	NO	1,022,108	691,684			1,475,111	282,721
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	NO	764,971	489,512			613,208	176,741
15. Indiana.....IN	NO						
16. Iowa.....IA	NO						
17. Kansas.....KS	NO						
18. Kentucky.....KY	NO	618,057	540,242			626,711	61,865
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	NO						
22. Massachusetts.....MA	NO						
23. Michigan.....MI	NO	278,349	139,076			94,559	8,290
24. Minnesota.....MN	NO						
25. Mississippi.....MS	NO					2,798	
26. Missouri.....MO	NO	(38,813)	408,153			428,952	13,248
27. Montana.....MT	NO						
28. Nebraska.....NE	NO						
29. Nevada.....NV	NO						
30. New Hampshire.....NH	NO						
31. New Jersey.....NJ	NO						
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO	177,414				92,112	
35. North Dakota.....ND	NO						
36. Ohio.....OH	NO	1,774,445	1,227,051			1,475,285	80,734
37. Oklahoma.....OK	NO						
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	NO					5,410	
40. Rhode Island.....RI	NO						
41. South Carolina.....SC	NO						
42. South Dakota.....SD	NO						
43. Tennessee.....TN	NO	289,328	174,675			338,627	76,266
44. Texas.....TX	NO			(6,463)		56,815	
45. Utah.....UT	NO						
46. Vermont.....VT	NO						
47. Virginia.....VA	NO	693,725	228,654			350,269	8,247
48. Washington.....WA	NO						
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. Canada.....CN	NO						
57. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
58. Totals.....	(a) 1	6,056,782	3,899,047	(6,463)	0	5,864,826	708,112

DETAILS OF WRITE-INS

5701.	XXX						
5702.	XXX						
5703.	XXX						
5798. Summary of remaining write-ins for Line 57 from overflow page....	XXX	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 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

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC

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.....			0.0	
11.2. Medical malpractice-claims made.....	4,466,648	1,913,596	42.8	44.0
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.....	4,466,648	1,913,596	42.8	44.0
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.....			
11.2. Medical malpractice-claims made.....	6,056,782	6,056,782	3,899,047
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.....	6,056,782	6,056,782	3,899,047
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

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC

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 (a)	2004 Loss and LAE Payments on Claims Reported as of Prior Year-End	2004 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2004 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 (b)	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 Reserves Developed (Savings)/Deficiency (c)
1. 2001 + Prior			.0			.0				.0	.0	.0	.0
2. 2002		.9	.9			.0			.9	.9	.0	.0	.0
3. Subtotals 2002 + Prior	.0	.9	.9	.0	.0	.0	.0	.0	.9	.9	.0	.0	.0
4. 2003		.730	.730		.4	.4			.726	.726	.0	.0	.0
5. Subtotals 2003 + Prior	.0	.739	.739	.0	.4	.4	.0	.0	.735	.735	.0	.0	.0
6. 2004	.XXX	.XXX	.XXX	.XXX	.2	.2	.XXX		.266	.266	.XXX	.XXX	.XXX
7. Totals	.0	.739	.739	.0	.6	.6	.0	.0	1,001	1,001	.0	.0	.0
8. Prior Year-End's Surplus As Regards Policyholders	16,785										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 %		

18

(a) Should equal prior year-end Annual Statement; Page 3, Col. 1, Lines 1 + 3.
 (b) Should equal Q.S. Page 3, Col.1, Lines 1 and 3.
 (c) Should also equal Cols. 6 + 10 less Col. 3 for Lines 1 through 5 only.

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC 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 SVO Compliance Certification be filed with this statement?	<u>YES</u>
2. Will the Trusteed Surplus Statement be filed with the State of Domicile and the NAIC with this statement?	<u>NO</u>
3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?	<u>SEE EXPLANATION</u>

Explanations:

Not required

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**

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - Special Revenue and Special Assessment									
United States									
927790 BF 1	VIRGINIA COMWLTH TRANS 10/01/2009 5.000		03/02/2004	FIRST ALBANY CORP		566,415	500,000	10,694	1FE
	U.S.					566,415	500,000	10,694	XXX
3199999	Total - Bonds - Special Revenue & Special Assessments					566,415	500,000	10,694	XXX
Bonds - Industrial and Miscellaneous									
United States									
013817 AF 8	ALCOA INC 01/15/2012 6.000		02/20/2004	MERRILL LYNCH		1,103,100	1,000,000	6,667	1FE
060505 BH 6	BANK OF AMERICA CORP 02/17/2009 3.375		02/20/2004	BANK AMERICA		993,440	1,000,000	2,438	1FE
06423R BB 1	BOIT 2003-A7 A7 07/15/2008 3.350		03/05/2004	J.P. MORGAN		1,016,016	1,000,000	2,326	1FE
17305E BV 6	CCCIT 2003-A8 A8 08/15/2008 3.500		03/05/2004	J.P. MORGAN		1,019,219	1,000,000	2,431	1FE
191219 BJ 2	COCA-COLA ENTERPRISES 08/15/2011 6.125		02/20/2004	HSBC SECURITIES LIMITED		1,117,390	1,000,000	1,701	1FE
14041N AW 1	COMET 2003-A4 A4 09/15/2008 3.650		03/05/2004	BANK AMERICA		1,026,328	1,000,000	2,535	1FE
244199 BB 0	DEERE & CO 04/25/2014 6.950		02/20/2004	DEUTSCHE BANK		1,179,050	1,000,000	23,167	1FE
349631 AK 7	FORTUNE BRANDS INC 12/01/2013 4.875		02/20/2004	J.P. MORGAN		1,023,810	1,000,000	12,865	1FE
38141G DQ 4	GOLDMAN SACHS GROUP IN 10/15/2013 5.250		02/20/2004	GOLDMAN SACHS & CO		1,020,480	1,000,000	19,104	1FE
438516 AK 2	HONEYWELL INTERNATIONA 03/01/2010 7.500		02/19/2004	DEUTSCHE BANK		1,190,120	1,000,000	36,042	1FE
637432 CV 5	NATIONAL RURAL UTILITI 08/28/2009 5.750		02/12/2004	PARIBAS		548,055	500,000	13,576	1FE
	U.S.					11,237,008	10,500,000	122,852	XXX
Foreign									
780097 AL 5	ROYAL BK OF SCOT GRP P 10/01/2014 5.000	F	02/20/2004	BANK AMERICA		1,015,670	1,000,000	20,000	1FE
	Foreign					1,015,670	1,000,000	20,000	XXX
4599999	Total - Bonds - Industrial & Miscellaneous					12,252,678	11,500,000	142,852	XXX
6099997	Total - Bonds - Part 3					12,819,093	12,000,000	153,546	XXX
6099999	Total - Bonds					12,819,093	12,000,000	153,546	XXX
7499999	Total - Bonds, Preferred and Common Stocks					12,819,093	XXX	153,546	XXX

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

EO4

RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC

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 Design- ation 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		03/01/2004	MBS PAYDOWN		44,233	44,233	45,421	45,162		(930)		(930)		44,233			0	400	01/01/2031	1
0399999	Total - Bonds - U.S. Government					44,233	44,233	45,421	45,162	0	(930)	0	(930)	0	44,233	0	0	0	400	XXX	XXX
Bonds - Industrial and Miscellaneous																					
United States																					
23383V AG 5	DCAT 2000-B A4		03/08/2004	MBS PAYDOWN		32,798	32,798	33,151	32,830		(32)		(32)		32,798			0	411	03/08/2004	1FE
36828Q AA 4	GECMC 2003-C1 A1		03/01/2004	MBS PAYDOWN		53,661	53,661	53,794	53,769		(108)		(108)		53,661			0	289	03/01/2008	1FE
	U.S.					86,459	86,459	86,945	86,599	0	(140)	0	(140)	0	86,459	0	0	0	700	XXX	XXX
4599999	Total - Bonds - Industrial & Miscellaneous					86,459	86,459	86,945	86,599	0	(140)	0	(140)	0	86,459	0	0	0	700	XXX	XXX
6099997	Total - Bonds - Part 4					130,692	130,692	132,366	131,761	0	(1,070)	0	(1,070)	0	130,692	0	0	0	1,100	XXX	XXX
6099999	Total - Bonds					130,692	130,692	132,366	131,761	0	(1,070)	0	(1,070)	0	130,692	0	0	0	1,100	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks					130,692	XXX	132,366	131,761	0	(1,070)	0	(1,070)	0	130,692	0	0	0	1,100	XXX	XXX

(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								
SOUTHTRUST BANK/ LOCKBOX ACCT.... BIRMINGHAM, AL.....					17,428	52,127	966	XXX
SOUTHTRUST BANK/ AP DISB ACCT..... BIRMINGHAM, AL.....					(73,957)	(69,333)	(10,441)	XXX
SOUTHTRUST BANK/ TRUST CASH..... BIRMINGHAM, AL.....					251	1	1	XXX
SOUTHTRUST BANK/ OVERNIGHT REPO BIRMINGHAM, AL.....					297,000	1,885,000	4,074,000	XXX
0199999. Total Open Depositories.....	XXX	XXX	0	0	240,722	1,867,795	4,064,526	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	0	0	240,722	1,867,795	4,064,526	XXX
0599999. Total Cash.....	XXX	XXX	0	0	240,722	1,867,795	4,064,526	XXX