

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
September 30, 2004

2004



QUARTERLY STATEMENT

As of September 30, 2004
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..... 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. VICTOR THOMAS ADAMO	PRESIDENT	2. KATHRYN ANNE NEVILLE	SECRETARY
3. JAMES JOSEPH MORELLO	TREASURER	4.	
OTHER			
HOWARD HARLEY FRIEDMAN #	VICE PRESIDENT	DARRYL KEITH THOMAS	VICE PRESIDENT

DIRECTORS OR TRUSTEES

VICTOR THOMAS ADAMO AUBREY DERRILL CROWE HOWARD HARLEY FRIEDMAN

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, which 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) VICTOR THOMAS ADAMO _____ 1. (Printed Name) PRESIDENT _____ (Title)	_____ (Signature) KATHRYN ANNE NEVILLE _____ 2. (Printed Name) SECRETARY _____ (Title)	_____ (Signature) JAMES JOSEPH MORELLO _____ 3. (Printed Name) TREASURER _____ (Title)
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Subscribed and sworn to before me a. Is this an original filing? Yes [X] No []

This day of 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.....	37,084,083		37,084,083	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 (\$.....4,194,169), cash equivalents (\$.....0) and short-term investments (\$.....4,595,090).....	8,789,259		8,789,259	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).....	45,873,342	0	45,873,342	22,206,062
11. Investment income due and accrued.....	394,910		394,910	134,661
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in course of collection.....	98,471		98,471	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.....	11,541		11,541	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.....	291,617		291,617	
15.2 Net deferred tax asset.....	61,051	55,409	5,642	8,391
16. Guaranty funds receivable or on deposit.....			0	
17. Electronic data processing equipment and software.....	14,736		14,736	10,561
18. Furniture and equipment, including health care delivery assets (\$.....0).....	9,314	9,314	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).....	46,754,982	64,723	46,690,259	34,693,106
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	46,754,982	64,723	46,690,259	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.....	1,649,396	739,134
4. Commissions payable, contingent commissions and other similar charges.....	84,592	223,403
5. Other expenses (excluding taxes, licenses and fees).....	69,533	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)).....		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 \$.....10,706,815 and including warranty reserves of \$.....0).....		
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	4,824,699	3,473,158
13. Funds held by company under reinsurance treaties.....	20,638,319	11,726,000
14. Amounts withheld or retained by company for account of others.....	2,958,048	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.....	838,075	818,789
20. Payable for securities.....		
21. Liability for amounts held under uninsured accident and health 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).....	31,062,662	17,908,191
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	31,062,662	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).....	161,069	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).....	15,627,597	16,784,915
36. TOTALS.....	46,690,259	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

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 \$.....17,785,627).....	15,637,707	7,794,650	12,028,937
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$.....17,785,627).....	15,637,707	7,794,650	12,028,937
1.4 Net..... (written \$.....0).....	0	0	0
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....0):			
2.1 Direct.....	6,603,569	3,429,646	3,817,185
2.2 Assumed.....			
2.3 Ceded.....	6,603,569	3,429,646	3,817,185
2.4 Net.....	0	0	0
3. Loss expenses incurred.....	938,262	467,679	721,736
4. Other underwriting expenses incurred.....	(533,568)	(1,277,610)	(1,757,282)
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	404,694	(809,931)	(1,035,546)
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(404,694)	809,931	1,035,546
INVESTMENT INCOME			
9. Net investment income earned.....	761,693	493,358	641,623
10. Net realized capital gains (losses).....	14,359	4,441	4,441
11. Net investment gain (loss) (Lines 9 + 10).....	776,052	497,799	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.....	164,451	3,864	39,074
15. Total other income (Lines 12 through 14).....	164,451	3,864	39,074
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	535,809	1,311,594	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).....	535,809	1,311,594	1,720,684
19. Federal and foreign income taxes incurred.....	208,503	362,523	757,383
20. Net income (Line 18 minus Line 19) (to Line 22).....	327,306	949,071	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).....	327,306	949,071	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.....	31,248	64,679	29,803
26. Change in nonadmitted assets.....	(15,872)	(144,687)	(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).....			2,000,000
31.3 Transferred to surplus.....			
32. Surplus adjustments:			
32.1 Paid in.....			
32.2 Transferred to capital (Stock Dividend).....			(2,000,000)
32.3 Transferred from capital.....			
33. Net remittances from or (to) Home Office.....			
34. Dividends to stockholders.....	(1,500,000)		
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).....	(1,157,318)	869,063	955,510
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37).....	15,627,597	16,698,468	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.....		3,864	37,824
1402. Client Risk Survey.....	7,000		1,250
1403. Fee income.....	157,451		
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).....	164,451	3,864	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.....	2,604,889	601,966
2. Net investment income.....	706,613	798,232
3. Miscellaneous income.....	164,451	39,074
4. Total (Lines 1 through 3).....	3,475,953	1,439,272
5. Benefit and loss related payments.....	28,128	11,413
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	409,322	(2,809,665)
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....	527,586	814,397
10. Total (Lines 5 through 9).....	965,036	(1,983,855)
11. Net cash from operations (Line 4 minus Line 10).....	2,510,917	3,423,127
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	2,761,623	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).....	2,761,623	4,264,329
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	21,695,290	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).....	21,695,290	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).....	(18,933,667)	(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.....	1,500,000	
16.6 Other cash provided (applied).....	22,847,172	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).....	21,347,172	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).....	4,924,422	(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).....	8,789,259	3,864,837

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

20.0001		
20.9999	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

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

The Company paid a cash dividend of \$1,500,000 to its Parent in April 2004.

Effective in July 2004, the Expense Allocation Agreement was amended to include Medical Assurance of West Virginia, Inc., an affiliated insurance company.

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.

NOTES TO FINANCIAL STATEMENTS

Note 15 - Leases

No significant change.

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.

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

Effective September 1, 2004 the reinsurance agreement between ProNational Insurance Company (parent) and Red Mountain Casualty Insurance Company, Inc. (subsidiary) was revised to implement administrative changes. Form D's were filed with the insurance departments of Michigan and Alabama.

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 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 [X] No []

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

3.2 If yes, date of change: 07/01/2004.....
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 Name of Entity	2 NAIC Company Code	3 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 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: None.....

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: None.....

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)
NONE		

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

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

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	.....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.....	21,695,289	10,520,003
3. Accrual of discount.....	13,319	17,946
4. Increase (decrease) by adjustment.....		
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	14,359	4,441
7. Consideration for bonds and stocks disposed of.....	2,761,623	4,264,329
8. Amortization of premium.....	218,487	158,209
9. Book/adjusted carrying value, current period.....	37,084,083	18,341,226
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	37,084,083	18,341,226
12. Total nonadmitted amounts.....		
13. Statement value.....	37,084,083	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.....	30,427,526	21,681,399	10,356,295	(73,457)	31,602,850	30,427,526	41,679,173	19,605,445
2. Class 2.....	249,999		250,000	1	249,922	249,999		249,844
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	30,677,525	21,681,399	10,606,295	(73,456)	31,852,772	30,677,525	41,679,173	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.....	30,677,525	21,681,399	10,606,295	(73,456)	31,852,772	30,677,525	41,679,173	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.....	4,595,090	XXX	4,595,090	15,691	

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.....	29,100,108	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.....	26,019,082	25,193,868
7. Book/adjusted carrying value, current period.....	4,595,090	1,514,064
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	4,595,090	1,514,064
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	4,595,090	1,514,064
12. Income collected during period.....	15,691	23,685
13. Income earned during period.....	22,940	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	410,601	185,557			193,554	28,541
5. California.....CA	NO						
6. Colorado.....CO	NO						
7. Connecticut.....CT	NO						
8. Delaware.....DE	NO	30,853				4,391	
9. District of Columbia.....DC	NO						
10. Florida.....FL	NO	1,245,224	728,465			468,116	138,699
11. Georgia.....GA	NO	3,946,732	2,561,213			2,471,103	1,016,434
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	NO	848,423	870,610			940,546	518,732
15. Indiana.....IN	NO						
16. Iowa.....IA	NO						
17. Kansas.....KS	NO						
18. Kentucky.....KY	NO	1,448,077	1,590,370			1,129,720	385,941
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	NO						
22. Massachusetts.....MA	NO						
23. Michigan.....MI	NO	871,445	287,150			247,036	54,626
24. Minnesota.....MN	NO						
25. Mississippi.....MS	NO		8,903			2,798	3,917
26. Missouri.....MO	NO	(38,813)	1,236,321			590,767	253,495
27. Montana.....MT	NO						
28. Nebraska.....NE	NO						
29. Nevada.....NV	NO						
30. New Hampshire.....NH	NO						
31. New Jersey.....NJ	NO	89,385				1,655	
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO	474,724	197,158			212,606	20,281
35. North Dakota.....ND	NO						
36. Ohio.....OH	NO	5,469,907	4,122,096			2,895,310	738,362
37. Oklahoma.....OK	NO	349,328				108,195	
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	NO	23,767	18,638			10,048	2,734
40. Rhode Island.....RI	NO						
41. South Carolina.....SC	NO						
42. South Dakota.....SD	NO						
43. Tennessee.....TN	NO	887,267	325,332			519,466	237,228
44. Texas.....TX	NO	47,870	88,573			70,431	19,486
45. Utah.....UT	NO						
46. Vermont.....VT	NO						
47. Virginia.....VA	NO	1,680,837	980,942			682,595	138,753
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	17,785,627	13,201,328	0	0	10,548,337	3,557,229

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.....	15,637,707	6,603,569	42.2	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.....	15,637,707	6,603,569	42.2	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.....			76,837
11.2. Medical malpractice-claims made.....	5,053,139	17,785,627	13,124,491
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.....	5,053,139	17,785,627	13,201,328
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 (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 Reserve 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		.14	.14			.716	.716	.0	.0	.0
5. Subtotals 2003 + Prior	.0	.739	.739	.0	.14	.14	.0	.0	.725	.725	.0	.0	.0
6. 2004	.XXX	.XXX	.XXX	.XXX	.14	.14	.XXX		.924	.924	.XXX	.XXX	.XXX
7. Totals	.0	.739	.739	.0	.28	.28	.0	.0	1,649	1,649	.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.

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>

Explanation:

Quarterly filing not required by state of domicile.

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 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 - Political Subdivisions of States									
United States									
373383 YW 2	GEORGIA ST REF-SER C		07/01/2015	5.500	MERRILL LYNCH	863,228	750,000	6,188	1FE
442565 QT 7	HOWARD-REF-IMPT-A		08/15/2013	5.000	RAYMOND JAMES	564,915	500,000	3,125	1FE
	U.S.					1,428,143	1,250,000	9,313	XXX
2499999	Total - Bonds - Political Subdivision					1,428,143	1,250,000	9,313	XXX
Bonds - Special Revenue and Special Assessment									
United States									
59455T AX 0	MICHIGAN MUN BD WTR		10/01/2013	5.000	LEHMAN BROTHERS	561,690	500,000	10,625	1FE
751100 CJ 5	RALEIGH COMB ENT		03/01/2014	5.000	RAYMOND JAMES	564,005	500,000	2,014	1FE
67755C KK 4	OH BLDG-REF-B-HWY SAF		10/01/2011	5.000	LEHMAN BROTHERS	558,840	500,000	12,569	1FE
95667N AU 7	WV SCH BLDG CAP IMPT		01/01/2012	5.250	MERRILL LYNCH	567,930	500,000	6,490	1FE
31404Q ZZ 5	FN 775760		03/01/2034	5.500	NOMURA SECURITIES INTERNATIONAL, INC.	2,002,383	1,969,456	4,212	1
31405M CG 0	FN 793071		08/01/2034	6.000	GREENWICH CAPITAL	2,076,465	1,998,102	4,662	1
	U.S.					6,331,313	5,967,558	40,572	XXX
3199999	Total - Bonds - Special Revenue & Special Assessments					6,331,313	5,967,558	40,572	XXX
Bonds - Industrial and Miscellaneous									
United States									
073902 CE 6	BEAR STEARNS CO INC		10/28/2010	4.500	BEAR STEARNS & CO.	752,768	750,000	10,781	1FE
	U.S.					752,768	750,000	10,781	XXX
4599999	Total - Bonds - Industrial & Miscellaneous					752,768	750,000	10,781	XXX
6099997	Total - Bonds - Part 3					8,512,224	7,967,558	60,666	XXX
6099999	Total - Bonds					8,512,224	7,967,558	60,666	XXX
7499999	Total - Bonds, Preferred and Common Stocks					8,512,224	XXX	60,666	XXX

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

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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 Desig- nation 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		.09/01/2004	MBS PAYDOWN		8,945	8,945	9,185	9,133		(188)		(188)		8,945			0	364	02/01/2031	1
0399999	Total - Bonds - U.S. Government					8,945	8,945	9,185	9,133	0	(188)	0	(188)	0	8,945	0	0	0	364	XXX	XXX
Bonds - Industrial and Miscellaneous																					
United States																					
36828Q AA 4	GECMC 2003-C1 A1		.09/01/2004	MBS PAYDOWN		52,863	52,863	52,994	52,970		(107)		(107)		52,863			0	1,084	03/01/2008	1FE
55262T CN 1	MBNAM 1997-I A		.09/14/2004	VARIOUS		250,000	250,000	262,783	252,659		(2,659)		(2,659)		250,000			0	10,917	08/15/2004	1FE
55262T EN 9	MBNAM 1999-G A		.07/15/2004	MBS PAYDOWN		250,000	250,000	261,768	252,196		(2,196)		(2,196)		250,000			0	9,260	07/15/2004	1FE
616880 AW 0	MORGAN JP & CO INC		.09/15/2004	MATURITY		250,000	250,000	267,813	254,267		(4,267)		(4,267)		250,000			0	19,063	09/15/2004	1FE
25468P BT 2	WALT DISNEY COMPANY		.07/02/2004	MATURITY		250,000	250,000	249,140	249,844		156		156		250,000			0	12,188	07/02/2004	2
	U.S.					1,052,863	1,052,863	1,094,498	1,061,936	0	(9,073)	0	(9,073)	0	1,052,863	0	0	0	52,512	XXX	XXX
4599999	Total - Bonds - Industrial & Miscellaneous					1,052,863	1,052,863	1,094,498	1,061,936	0	(9,073)	0	(9,073)	0	1,052,863	0	0	0	52,512	XXX	XXX
6099997	Total - Bonds - Part 4					1,061,808	1,061,808	1,103,683	1,071,069	0	(9,261)	0	(9,261)	0	1,061,808	0	0	0	52,876	XXX	XXX
6099999	Total - Bonds					1,061,808	1,061,808	1,103,683	1,071,069	0	(9,261)	0	(9,261)	0	1,061,808	0	0	0	52,876	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks					1,061,808	XXX	1,103,683	1,071,069	0	(9,261)	0	(9,261)	0	1,061,808	0	0	0	52,876	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..... BIRMINGHAM, AL.....					358,322	2,190,855	4,094,169	XXX
BANK ONE..... BATON ROUGE, LA.....		2.810	239	406	100,000	100,000	100,000	XXX
0199999 Total Open Depositories.....	XXX	XXX	239	406	358,322	2,290,855	4,194,169	XXX
0399999 Total Cash on Deposit.....	XXX	XXX	239	406	358,322	2,290,855	4,194,169	XXX
0599999 Total Cash.....	XXX	XXX	239	406	358,322	2,290,855	4,194,169	XXX