

**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  
June 30, 2005

**2005**





# QUARTERLY STATEMENT

As of June 30, 2005  
of the Condition and Affairs of the

## RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC.

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

### OFFICERS

Name	Title	Name	Title
1. 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
DESMOND PATRICK O'DOHERTY	VICE PRESIDENT, MANAGING DIRECTOR		

### DIRECTORS OR TRUSTEES

VICTOR THOMAS ADAMO	AUBREY DERRILL CROWE	HOWARD HARLEY FRIEDMAN
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State of..... ALABAMA  
County of..... JEFFERSON

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

_____ (Signature) 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 This _____ day of _____	a. Is this an original filing? Yes [ X ] No [ ]
	b. If no: 1. State the amendment number _____
	2. Date filed _____
	3. Number of pages attached _____

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	53,746,758		53,746,758	46,959,504
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 (\$....(2,110)), cash equivalents (\$....787,000) and short-term investments (\$....3,424,872).....	4,209,762		4,209,762	2,411,619
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....			0	
8. Receivables for securities.....			0	
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	57,956,520	0	57,956,520	49,371,123
11. Title Plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	512,184		512,184	429,991
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	277,046	677	276,369	14,524
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	217,881		217,881	21,339
14.2 Funds held by or deposited with reinsured companies.....			0	
14.3 Other amounts receivable under reinsurance contracts.....			0	
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....	122,545		122,545	
16.2 Net deferred tax asset.....	55,930	40,288	15,642	16,365
17. Guaranty funds receivable or on deposit.....			0	
18. Electronic data processing equipment and software.....			0	
19. Furniture and equipment, including health care delivery assets (\$.....0).....	1,348	1,348	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....			0	
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	590	590	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	59,144,044	42,903	59,101,141	49,853,342
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	59,144,044	42,903	59,101,141	49,853,342

**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.....	590	590	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).....	590	590	0	0

**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.....	1,521,774	927,387
4. Commissions payable, contingent commissions and other similar charges.....	87,801	118,410
5. Other expenses (excluding taxes, licenses and fees).....	426,677	429,242
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	15,819	
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		33,536
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 \$.....7,695,991 and including warranty reserves of \$.....0).....		
10. Advance premium.....	134,986	
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	3,829,029	3,603,226
13. Funds held by company under reinsurance treaties.....	30,461,444	23,520,000
14. Amounts withheld or retained by company for account of others.....	4,400,720	3,695,292
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.....	698,575	1,015,038
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).....	41,576,825	33,342,131
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	41,576,825	33,342,131
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).....	2,057,788	1,044,683
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).....	17,524,316	16,511,211
36. TOTALS.....	59,101,141	49,853,342

**DETAILS OF WRITE-INS**

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

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....9,368,949).....	10,749,000	9,928,766	22,434,953
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$.....9,368,949).....	10,749,000	9,928,766	22,434,953
1.4 Net..... (written \$.....0).....	0	0	0
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....0):			
2.1 Direct.....	3,869,640	4,204,838	10,520,144
2.2 Assumed.....			
2.3 Ceded.....	3,869,640	4,204,838	10,520,144
2.4 Net.....	0	0	0
3. Loss expenses incurred.....	644,940	595,726	232,253
4. Other underwriting expenses incurred.....	(400,830)	(333,117)	(652,327)
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	244,110	262,609	(420,074)
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(244,110)	(262,609)	420,074
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	914,703	473,779	1,122,732
10. Net realized capital gains (losses) less capital gains tax of \$.....0.....		14,359	14,359
11. Net investment gain (loss) (Lines 9 + 10).....	914,703	488,138	1,137,091
<b>OTHER INCOME</b>			
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.....	758,646	143,141	305,175
15. Total other income (Lines 12 through 14).....	758,646	143,141	305,175
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,429,239	368,670	1,862,340
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	1,429,239	368,670	1,862,340
19. Federal and foreign income taxes incurred.....	455,169	158,176	629,085
20. Net income (Line 18 minus Line 19) (to Line 22).....	974,070	210,494	1,233,255
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	16,511,211	16,784,915	16,784,915
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20).....	974,070	210,494	1,233,255
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....			
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	15,813	24,280	10,314
27. Change in nonadmitted assets.....	23,222	(5,179)	(17,273)
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....		(1,500,000)	(1,500,000)
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	1,013,105	(1,270,405)	(273,704)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	17,524,316	15,514,510	16,511,211
<b>DETAILS OF WRITE-INS</b>			
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.....	(7,622)	138,642	(3,386)
1402. Client Risk Survey Income.....	2,500	4,500	9,500
1403. Long Term Care fee income.....	763,768	(1)	299,061
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).....	758,646	143,141	305,175
3701. ....			
3702. ....			
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

## CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	131,826	1,433,804
2. Net investment income.....	1,036,956	1,134,500
3. Miscellaneous income.....	758,646	305,175
4. Total (Lines 1 through 3).....	1,927,428	2,873,479
5. Benefit and loss related payments.....	247,095	53,926
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	(383,475)	(102,964)
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....	611,250	623,015
10. Total (Lines 5 through 9).....	474,870	573,977
11. Net cash from operations (Line 4 minus Line 10).....	1,452,558	2,299,502
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	5,012,648	3,386,754
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).....	5,012,648	3,386,754
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	12,004,348	32,297,772
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).....	12,004,348	32,297,772
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(6,991,700)	(28,911,018)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		1,500,000
16.6 Other cash provided (applied).....	7,337,285	26,658,298
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	7,337,285	25,158,298
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	1,798,143	(1,453,218)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	2,411,619	3,864,837
19.2 End of period (Line 18 plus Line 19.1).....	4,209,762	2,411,619
<b>Note: Supplemental disclosures of cash flow information for non-cash transactions:</b>		
20.0001 .....		
20.9999 Totals.....	0	0

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## **NOTES TO FINANCIAL STATEMENTS**

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### **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**

No significant change.

### **Note 11 - Debt**

No significant change.

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

No significant change.

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

No significant change.

### **Note 14 - Contingencies**

No significant change.

### **Note 15 - Leases**

No significant change.

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## **NOTES TO FINANCIAL STATEMENTS**

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**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**

No significant change.

**Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination**

No significant change.

**Note 25 - Change in Incurred Losses and Loss Adjustment Expenses**

No significant change.

**Note 26 - Intercompany Pooling Arrangements**

No significant change.

**Note 27 - Structured Settlements**

No significant change.

**Note 28 - Health Care Receivables**

No significant change.

**Note 29 - Participating Policies**

No significant change.

**Note 30 - Premium Deficiency Reserves**

No significant change.

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## **NOTES TO FINANCIAL STATEMENTS**

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### **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 that 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 [ X ] No [ ]  
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

**FINANCIAL**

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [ X ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. ....

**INVESTMENT**

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

11.2 If yes, explain:.....

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

**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**

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

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

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

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

15.2 If yes, please complete the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18.2 If no, list exceptions:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

**PART 2**

**PROPERTY & CASUALTY INTERROGATORIES**

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

---

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

---

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

3.2 If yes, give full and complete information thereto:

---

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

4.2 If yes, complete the following schedule:

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

**RED MOUNTAIN CASUALTY INSURANCE COMPANY, INC.**  
**SCHEDULE A - VERIFICATION**

Real Estate

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

**NONE**

**SCHEDULE B - VERIFICATION**

Mortgage Loans

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

**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 assets at end of current period.....	0	0
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	0	0
12. Total nonadmitted amounts.....		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	0	0

**NONE**

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	46,959,504	18,341,225
2. Cost of bonds and stocks acquired.....	12,004,348	32,297,772
3. Accrual of discount.....	9,113	17,498
4. Increase (decrease) by adjustment.....		
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....		14,359
7. Consideration for bonds and stocks disposed of.....	5,012,648	3,386,754
8. Amortization of premium.....	213,559	324,596
9. Book/adjusted carrying value, current period.....	53,746,758	46,959,504
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	53,746,758	46,959,504
12. Total nonadmitted amounts.....		
13. Statement value.....	53,746,758	46,959,504

### 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
<b>BONDS</b>								
1. Class 1.....	51,936,100	31,132,269	25,795,876	(100,863)	51,936,100	57,171,629		48,691,323
2. Class 2.....								
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	51,936,100	31,132,269	25,795,876	(100,863)	51,936,100	57,171,629	0	48,691,323
<b>PREFERRED STOCK</b>								
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.....	51,936,100	31,132,269	25,795,876	(100,863)	51,936,100	57,171,629	0	48,691,323

**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.....	3,424,872	XXX	3,424,872		

**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.....	1,731,819	1,514,064
2. Cost of short-term investments acquired.....	32,801,486	30,281,255
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.....	31,108,433	30,063,500
7. Book/adjusted carrying value, current period.....	3,424,872	1,731,819
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	3,424,872	1,731,819
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	3,424,872	1,731,819
12. Income collected during period.....	50,244	33,422
13. Income earned during period.....	56,592	35,402

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

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

**Sch. F  
NONE**

**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	628,449				94,724	
4. Arkansas.....AR	NO	555,066	320,510			338,505	129,266
5. California.....CA	NO						
6. Colorado.....CO	NO						
7. Connecticut.....CT	NO						
8. Delaware.....DE	NO		30,853			12,034	1,110
9. District of Columbia.....DC	NO						
10. Florida.....FL	NO	358,041	360,727			781,698	344,550
11. Georgia.....GA	NO	2,678,327	3,270,136	100,000		3,035,446	1,944,176
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	NO	134,831	998,852			699,669	828,159
15. Indiana.....IN	NO						
16. Iowa.....IA	NO					19,715	
17. Kansas.....KS	NO						
18. Kentucky.....KY	NO	1,256,986	1,133,756			1,357,849	894,580
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	NO	149,598				19,154	
22. Massachusetts.....MA	NO						
23. Michigan.....MI	NO	544,957	549,980			466,704	159,120
24. Minnesota.....MN	NO						
25. Mississippi.....MS	NO						2,798
26. Missouri.....MO	NO	160,595	(38,813)			428,076	525,004
27. Montana.....MT	NO						
28. Nebraska.....NE	NO						
29. Nevada.....NV	NO						
30. New Hampshire.....NH	NO						
31. New Jersey.....NJ	NO	54,793				42,733	
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO	345,535	374,020			380,331	143,315
35. North Dakota.....ND	NO						
36. Ohio.....OH	NO	1,338,108	3,978,283	55,000		4,486,470	2,168,018
37. Oklahoma.....OK	NO	109,065				444,754	
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	NO		23,767			12,568	7,530
40. Rhode Island.....RI	NO						
41. South Carolina.....SC	NO						
42. South Dakota.....SD	NO						
43. Tennessee.....TN	NO	477,482	489,211			591,492	421,016
44. Texas.....TX	NO	12,654	100,301			109,022	60,834
45. Utah.....UT	NO						
46. Vermont.....VT	NO						
47. Virginia.....VA	NO	564,462	1,140,905			913,842	520,123
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		9,368,949	12,732,488	155,000	0	14,234,786	8,149,599

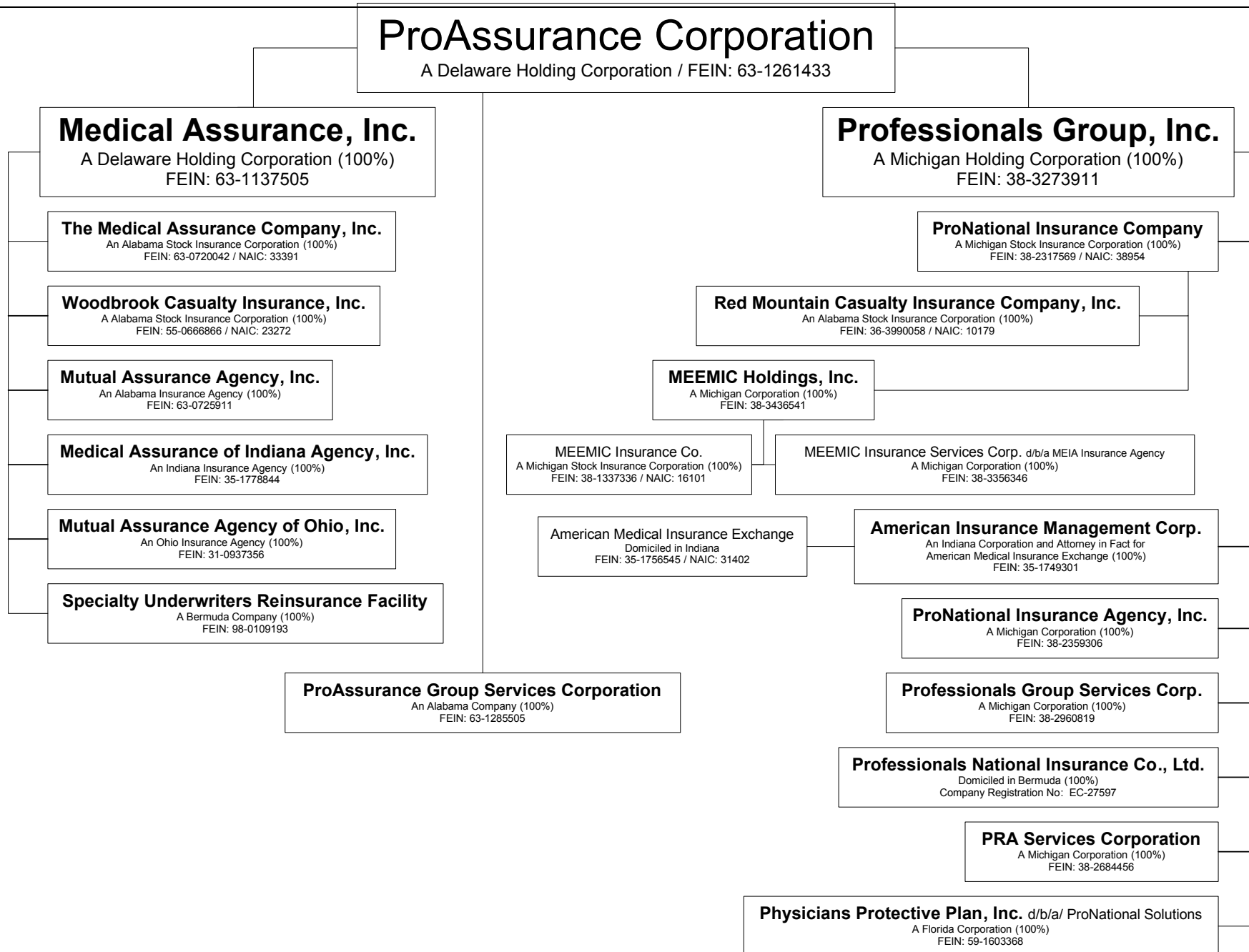
**DETAILS OF WRITE-INS**

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.....	367,197	132,191	36.0	
11.2. Medical malpractice-claims made.....	10,381,803	3,737,449	36.0	42.4
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.....	10,749,000	3,869,640	36.0	42.4

**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.....	367,197	367,197	
11.2. Medical malpractice-claims made.....	4,638,069	9,001,752	12,732,488
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.....	5,005,266	9,368,949	12,732,488

**DETAILS OF WRITE-INS**

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

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2005 Loss and LAE Payments on Claims Reported as of Prior Year-End	2005 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2005 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2002 + Prior			.0			.0				.0	.0	.0	.0
2. 2003		.128	.128		.12	.12			.116	.116	.0	.0	.0
3. Subtotals 2003 + Prior	.0	.128	.128	.0	.12	.12	.0	.0	.116	.116	.0	.0	.0
4. 2004		.800	.800		.7	.7			.793	.793	.0	.0	.0
5. Subtotals 2004 + Prior	.0	.928	.928	.0	.19	.19	.0	.0	.909	.909	.0	.0	.0
6. 2005	.XXX	.XXX	.XXX	.XXX	.32	.32	.XXX		.613	.613	.XXX	.XXX	.XXX
7. Totals	.0	.928	.928	.0	.51	.51	.0	.0	1,522	1,522	.0	.0	.0
8. Prior Year-End's Surplus As Regards Policyholders	16,511										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....0.0 %	2. ....0.0 %	3. ....0.0 %
													Col. 13, Line 7 Line 8
													4. ....0.0 %

**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

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

**Response**

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?

NO

2. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?

YES

**Explanation:**

**Bar Code:**



**Overflow Page  
NONE**

**Sch. A-Part 2  
NONE**

**Sch. A-Part 3  
NONE**

**Sch. B-Part 1  
NONE**

**Sch. B-Part 2  
NONE**

**Sch. BA-Part 1  
NONE**

**Sch. BA-Part 2  
NONE**

**SCHEDULE D - PART 3**

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

1	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)
<b>Bonds - U.S. Government</b>									
3128X3 5R 0	FREDDIE MAC 03/01/2010 4.375		06/22/2005	MORGAN STANLEY DEAN WITTER		1,998,160	2,000,000	27,222	1
912827 7F 3	US TREASURY N/B 11/15/2006 3.500		04/05/2005	LEHMAN BROTHERS		99,777	100,000	1,373	1
0399999	Total - Bonds - U.S. Government					2,097,937	2,100,000	28,595	XXX
<b>Bonds - Political Subdivisions of States</b>									
478700 A9 8	JOHNSON USD #229-RF-B 10/01/2017 5.000		04/27/2005	RAYMOND JAMES		764,729	700,000	1,069	1FE
546415 TK 6	LA ST-REF-A 08/01/2011 5.000		04/14/2005	FIRST ALBANY CORP		816,008	750,000	8,646	1FE
684575 E9 0	ORANGE CNTY REF-SER A 07/15/2017 5.000		04/29/2005	ADVEST INC		773,871	700,000		1FE
592013 6U 5	MET GOVT NASHVILLE-A 01/01/2017 5.000		04/20/2005	LEHMAN BROTHERS		767,449	705,000		1FE
2499999	Total - Bonds - Political Subdivision					3,122,057	2,855,000	9,715	XXX
<b>Bonds - Special Revenue and Special Assessment</b>									
59334D AM 6	MIAMI-DADE WTR-REF 10/01/2011 5.000		04/15/2005	RAYMOND JAMES		820,298	750,000	1,979	1FE
594700 BF 2	MI TRUNK LINE REF 11/01/2018 5.500		04/21/2005	MERRILL LYNCH		808,549	700,000		1FE
31406W US 1	FN 822393 04/01/2035 5.500		04/27/2005	MERRILL LYNCH		1,010,156	1,000,000	4,278	1
3199999	Total - Bonds - Special Revenue & Special Assessments					2,639,003	2,450,000	6,257	XXX
<b>Bonds - Industrial and Miscellaneous</b>									
07383F 7W 2	BSCMS 2005-PWR8 A4 06/01/2015 4.674		06/10/2005	BEAR STEARNS & CO		997,539	1,000,000	2,597	1FE
161571 AL 8	CHAIT 2005-A4 A4 05/15/2010 3.900		06/10/2005	CREDIT SUISSE FIRST BOSTON		1,002,266	1,000,000		1FE
14041N CC 3	COMET 2005-A3 A3 05/15/2010 4.050		06/09/2005	J.P. MORGAN		996,250	1,000,000	450	1FE
52108H E4 2	LBUBS 2004-C4 A4 06/11/2014 5.306		06/13/2005	MERRILL LYNCH		1,049,296	1,000,000	713	1FE
4599999	Total - Bonds - Industrial & Miscellaneous					4,045,351	4,000,000	3,760	XXX
6099997	Total - Bonds - Part 3					11,904,348	11,405,000	48,327	XXX
6099999	Total - Bonds					11,904,348	11,405,000	48,327	XXX
7499999	Total - Bonds, Preferred and Common Stocks					11,904,348	XXX	48,327	XXX

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

E04

**SCHEDULE D - PART 4**

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
<b>Bonds - U.S. Government</b>																					
3134A4 PQ 1	FREDDIE MAC		06/15/2005	MATURITY		1,000,000	1,000,000	1,044,360	1,012,104		(12,104)		(12,104)		1,000,000			0	21,250	06/15/2005	1
36213H M7 1	GN 554882		06/01/2005	MBS PAYDOWN		14,374	14,374	14,760	14,675		(301)		(301)		14,374			0	424	01/01/2031	1
0399999	Total - Bonds - U.S. Government					1,014,374	1,014,374	1,059,120	1,026,779	0	(12,405)	0	(12,405)	0	1,014,374	0	0	0	21,674	XXX	XXX
<b>Bonds - Special Revenue and Special Assessment</b>																					
59259R LT 9	METRO TRANSN-REF-G1		04/15/2005	MERRILL LYNCH		1,250,000	1,250,000	1,250,000	1,250,000				0	1,250,000			0	8,697	11/01/2026	1FE	
31297F J5 3	FG A27484		06/01/2005	MBS PAYDOWN		54,914	54,914	56,759	56,755		(1,841)		(1,841)		54,914			0	1,343	08/01/2034	1
31297H KB 4	FG A29290		06/01/2005	MBS PAYDOWN		3,869	3,869	3,842	3,842		27		27		3,869			0	81	10/01/2034	1
31404Q ZZ 5	FN 775760		06/01/2005	MBS PAYDOWN		142,818	142,818	145,206	145,123		(2,305)		(2,305)		142,818			0	3,388	12/01/2033	1
31405M CG 0	FN 793071		06/01/2005	MBS PAYDOWN		87,754	87,754	91,195	91,079		(3,325)		(3,325)		87,754			0	2,296	07/01/2034	1
31406W US 1	FN 822393		06/01/2005	MBS PAYDOWN		20,102	20,102	20,306	20,306		(204)		(204)		20,102			0	179	04/01/2035	1
3199999	Total - Bonds - Special Revenue & Assessment					1,559,457	1,559,457	1,567,308	1,567,105	0	(7,648)	0	(7,648)	0	1,559,457	0	0	0	15,984	XXX	XXX
<b>Bonds - Industrial and Miscellaneous</b>																					
046003 FF 1	ASSOCIATES CORP NA		06/15/2005	MATURITY		250,000	250,000	265,523	252,460		(2,460)		(2,460)		250,000			0	8,281	06/15/2005	1FE
20033T AF 2	COMED 1998-1 A6		06/25/2005	MBS PAYDOWN		26,753	26,753	29,538	28,131		(1,378)		(1,378)		26,753			0	753	06/25/2007	1FE
36828Q AA 4	GECMC 2003-C1 A1		06/01/2005	MBS PAYDOWN		55,398	55,398	55,536	55,485		(87)		(87)		55,398			0	714	03/01/2008	1FE
441812 GL 2	HSBC FINANCE CORP		05/09/2005	MATURITY		250,000	250,000	263,638	251,643		(1,643)		(1,643)		250,000			0	10,000	05/09/2005	1FE
4599999	Total - Bonds - Industrial & Miscellaneous					582,151	582,151	614,235	587,719	0	(5,568)	0	(5,568)	0	582,151	0	0	0	19,748	XXX	XXX
6099997	Total - Bonds - Part 4					3,155,982	3,155,982	3,240,663	3,181,603	0	(25,621)	0	(25,621)	0	3,155,982	0	0	0	57,406	XXX	XXX
6099999	Total - Bonds					3,155,982	3,155,982	3,240,663	3,181,603	0	(25,621)	0	(25,621)	0	3,155,982	0	0	0	57,406	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks					3,155,982	3,155,982	3,240,663	3,181,603	0	(25,621)	0	(25,621)	0	3,155,982	0	0	0	57,406	XXX	XXX

E05

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

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

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

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

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

**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	
<b>Open Depositories</b>								
WACHOVIA BANK/ CASH CONTROL.....	BIRMINGHAM, AL.....	.....	.....	.....	.....342,367	.....52,638	.....31,797	XXX
WACHOVIA BANK/AP TRADE ACCT.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(13,137)	.....(50)	.....(5,817)	XXX
WACHOVIA BANK/AP CLAIMS ACCT.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(102,400)	.....(98)	.....(6,841)	XXX
WACHOVIA BANK/ TRUST CASH.....	BIRMINGHAM, AL.....	.....	.....	.....	.....4,219	.....	.....(21,250)	XXX
0199999. Total Open Depositories.....	...XXX...	...XXX...	.....0	.....0	.....231,049	.....52,490	.....(2,110)	XXX
0399999. Total Cash on Deposit.....	...XXX...	...XXX...	.....0	.....0	.....231,049	.....52,490	.....(2,110)	XXX
0599999. Total Cash.....	...XXX...	...XXX...	.....0	.....0	.....231,049	.....52,490	.....(2,110)	XXX

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned at End of Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Gross Investment Income
<b>Cash Equivalents</b>								
31403R LK 2	FNMA CL 30 YR PL # 725705 - REPOS.....	RA...	.....06/30/2005	.....3.050	.....07/01/2005	.....787,000	.....	.....4,420
0199999.	Totals.....					.....787,000	.....0	.....4,420