



ANNUAL STATEMENT

For the Year Ended December 31, 2012
of the Condition and Affairs of the

MOUNTAIN LAUREL ASSURANCE COMPANY

NAIC Group Code.....155, 155 (Current Period) (Prior Period)	NAIC Company Code..... 44180	Employer's ID Number..... 23-259971
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Incorporated/Organized..... November 28, 1990	Commenced Business..... April 29, 1991	
Statutory Home Office	6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US..... 44143-2182 440-461-5000 <i>(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)</i>	
Mail Address	P.O. BOX 89490..... CLEVELAND OH US 44101-6490 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182 440-395-4460 <i>(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)</i>	
Internet Web Site Address	PROGRESSIVE.COM	
Statutory Statement Contact	MARY BETH ANDREANO <i>(Name)</i> FINANCIAL_REPORTING@PROGRESSIVE.COM <i>(E-Mail Address)</i>	440-395-4460 <i>(Area Code) (Telephone Number) (Extension)</i> 440-446-7168 <i>(Fax Number)</i>

POLICYHOLDER SERVICES AND CLAIMS REPORTING -- 1-800-PROGRESSIVE (1-800-776-4737)

OFFICERS

Name	Title	Name	Title
SCOTT WESLEY ZIEGLER	PRESIDENT	MICHAEL ROBERT UTH	SECRETARY
DANIEL JOSEPH WITALEC #	TREASURER		

OTHER

SCOTT EDWARD COLEMAN	(ASST. TREASURER)	JAMES RUSSELL HAAS	(VICE PRESIDENT)
KAREN ANN KOSUDA	(ASST. SECRETARY)	MARIANN WOJKUN MARSHALL	(VICE PRESIDENT)

DIRECTORS OR TRUSTEES

PATRICK KEVIN CALLAHAN	JAMES RUSSELL HAAS	SANJAY MAHESH VYAS	DANIEL JOSEPH WITALEC #
SCOTT WESLEY ZIEGLER			

State of..... OHIO
County of..... CUYAHOGA

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) SCOTT WESLEY ZIEGLER	_____ (Signature) KAREN ANN KOSUDA	_____ (Signature) SCOTT EDWARD COLEMAN
1. (Printed Name) PRESIDENT	2. (Printed Name) ASSISTANT SECRETARY	3. (Printed Name) ASSISTANT TREASURER
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me
This 14TH day of FEBRUARY, 2013

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 _____

MOUNTAIN LAUREL ASSURANCE COMPANY

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities.....	529,044	0.7	529,044		529,044	0.7
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies.....		0.0			0	0.0
1.22 Issued by U.S. government sponsored agencies.....		0.0			0	0.0
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities).....		0.0			0	0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations.....	50,205,339	64.6	50,205,339		50,205,339	64.6
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations.....		0.0			0	0.0
1.43 Revenue and assessment obligations.....	20,823,529	26.8	20,823,529		20,823,529	26.8
1.44 Industrial development and similar obligations.....		0.0			0	0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA.....		0.0			0	0.0
1.512 Issued or guaranteed by FNMA and FHLMC.....		0.0			0	0.0
1.513 All other.....		0.0			0	0.0
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA.....		0.0			0	0.0
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-based securities issued or guaranteed by agencies shown in Line 1.521.....		0.0			0	0.0
1.523 All other.....		0.0			0	0.0
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities).....		0.0			0	0.0
2.2 Unaffiliated non-U.S. securities (including Canada).....		0.0			0	0.0
2.3 Affiliated securities.....		0.0			0	0.0
3. Equity interests:						
3.1 Investments in mutual funds.....		0.0			0	0.0
3.2 Preferred stocks:						
3.21 Affiliated.....		0.0			0	0.0
3.22 Unaffiliated.....		0.0			0	0.0
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated.....		0.0			0	0.0
3.32 Unaffiliated.....		0.0			0	0.0
3.4 Other equity securities:						
3.41 Affiliated.....		0.0			0	0.0
3.42 Unaffiliated.....		0.0			0	0.0
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated.....		0.0			0	0.0
3.52 Unaffiliated.....		0.0			0	0.0
4. Mortgage loans:						
4.1 Construction and land development.....		0.0			0	0.0
4.2 Agricultural.....		0.0			0	0.0
4.3 Single family residential properties.....		0.0			0	0.0
4.4 Multifamily residential properties.....		0.0			0	0.0
4.5 Commercial loans.....		0.0			0	0.0
4.6 Mezzanine real estate loans.....		0.0			0	0.0
5. Real estate investments:						
5.1 Property occupied by company.....		0.0			0	0.0
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt).....		0.0			0	0.0
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt).....		0.0			0	0.0
6. Contract loans.....		0.0			0	0.0
7. Derivatives.....		0.0			0	0.0
8. Receivables for securities.....		0.0			0	0.0
9. Securities lending (Line 10, Asset Page reinvested collateral).....		0.0		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments.....	6,099,875	7.9	6,099,875		6,099,875	7.9
11. Other invested assets.....		0.0			0	0.0
12. Total invested assets.....	77,657,787	100.0	77,657,787	0	77,657,787	100.0

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year.....		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 6).....		
2.2	Additional investment made after acquisition (Part 2, Column 9).....		0
3.	Current year change in encumbrances:		
3.1	Totals, Part 1, Column 13.....		
3.2	Totals, Part 3, Column 11.....		0
4.	Total gain (loss) on disposals, Part 3, Column 18.....		
5.	Deduct amounts received on disposals, Part 3, Column 15.....		
6.	Total foreign exchange change in book/adjusted carrying value:	NONE	
6.1	Totals, Part 1, Column 15.....		
6.2	Totals, Part 3, Column 13.....		0
7.	Deduct current year's other than temporary impairment recognized:		
7.1	Totals, Part 1, Column 12.....		
7.2	Totals, Part 3, Column 10.....		0
8.	Deduct current year's depreciation:		
8.1	Totals, Part 1, Column 11.....		
8.2	Totals, Part 3, Column 9.....		0
9.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....		0
10.	Deduct total nonadmitted amounts.....		
11.	Statement value at end of current period (Line 9 minus Line 10).....		0

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest, December 31 of prior year.....		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 7).....		
2.2	Additional investment made after acquisition (Part 2, Column 8).....		0
3.	Capitalized deferred interest and other:		
3.1	Totals, Part 1, Column 12.....		
3.2	Totals, Part 3, Column 11.....		0
4.	Accrual of discount.....		
5.	Unrealized valuation increase (decrease):		
5.1	Totals, Part 1, Column 9.....		
5.2	Totals, Part 3, Column 8.....	NONE	0
6.	Total gain (loss) on disposals, Part 3, Column 18.....		
7.	Deduct amounts received on disposals, Part 3, Column 15.....		
8.	Deduct amortization of premium and mortgage interest points and commitment fees.....		
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest:		
9.1	Totals, Part 1, Column 13.....		
9.2	Totals, Part 3, Column 13.....		0
10.	Deduct current year's other than temporary impairment recognized:		
10.1	Totals, Part 1, Column 11.....		
10.2	Totals, Part 3, Column 10.....		0
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....		0
12.	Total valuation allowance.....		
13.	Subtotal (Line 11 plus Line 12).....		0
14.	Deduct total nonadmitted amounts.....		
15.	Statement value at end of current period (Line 13 minus Line 14).....		0

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year.....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8).....		
2.2 Additional investment made after acquisition (Part 2, Column 9).....		0
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 16.....		
3.2 Totals, Part 3, Column 12.....		0
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13.....	NONE	
5.2 Totals, Part 3, Column 9.....		0
6. Total gain (loss) on disposals, Part 3, Column 19.....		
7. Deduct amounts received on disposals, Part 3, Column 16.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17.....		
9.2 Totals, Part 3, Column 14.....		0
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 15.....		
10.2 Totals, Part 3, Column 11.....		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....		0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....		0

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year.....		73,082,492
2. Cost of bonds and stocks acquired, Part 3, Column 7.....		25,291,861
3. Accrual of discount.....		10,030
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12.....		
4.2 Part 2, Section 1, Column 15.....		
4.3 Part 2, Section 2, Column 13.....		
4.4 Part 4, Column 11.....		0
5. Total gain (loss) on disposals, Part 4, Column 19.....		253,746
6. Deduct consideration for bonds and stocks disposed of, Part 4, Column 7.....		25,961,810
7. Deduct amortization of premium.....		1,118,407
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15.....		
8.2 Part 2, Section 1, Column 19.....		
8.3 Part 2, Section 2, Column 16.....		
8.4 Part 4, Column 15.....		0
9. Deduct current year's other than temporary impairment recognized:		
9.1 Part 1, Column 14.....		
9.2 Part 2, Section 1, Column 17.....		
9.3 Part 2, Section 2, Column 14.....		
9.4 Part 4, Column 13.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....		71,557,912
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....		71,557,912

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States.....	529,044	556,336	527,971	530,000
Governments (Including all obligations guaranteed by governments)	2. Canada.....				
	3. Other Countries.....				
	4. Totals.....	529,044	556,336	527,971	530,000
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals.....	50,205,339	52,192,837	53,301,853	47,285,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals.....				
U.S. Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions	7. Totals.....	20,823,529	20,894,259	21,111,024	19,830,000
Industrial and Miscellaneous and Hybrid Securities (Unaffiliated)	8. United States.....				
	9. Canada.....				
	10. Other Countries.....				
	11. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	12. Totals.....				
	13. Total Bonds.....	71,557,912	73,643,432	74,940,848	67,645,000
PREFERRED STOCKS	14. United States.....				
Industrial and Miscellaneous (Unaffiliated)	15. Canada.....				
	16. Other Countries.....				
	17. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	18. Totals.....				
	19. Total Preferred Stocks.....	0	0	0	0
COMMON STOCKS	20. United States.....				
Industrial and Miscellaneous (Unaffiliated)	21. Canada.....				
	22. Other Countries.....				
	23. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	24. Totals.....				
	25. Total Common Stocks.....	0	0	0	0
	26. Total Stocks.....	0	0	0	0
	27. Total Bonds and Stocks....	71,557,912	73,643,432	74,940,848	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

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Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments											
1.1 Class 1.....		529,044				529,044	0.7	528,640	0.7	529,044	
1.2 Class 2.....						0	0.0		0.0		
1.3 Class 3.....						0	0.0		0.0		
1.4 Class 4.....						0	0.0		0.0		
1.5 Class 5.....						0	0.0		0.0		
1.6 Class 6.....						0	0.0		0.0		
1.7 Totals.....	0	529,044	0	0	0	529,044	0.7	528,640	0.7	529,044	0
2. All Other Governments											
2.1 Class 1.....						0	0.0		0.0		
2.2 Class 2.....						0	0.0		0.0		
2.3 Class 3.....						0	0.0		0.0		
2.4 Class 4.....						0	0.0		0.0		
2.5 Class 5.....						0	0.0		0.0		
2.6 Class 6.....						0	0.0		0.0		
2.7 Totals.....	0	0	0	0	0	0	0.0	0	0.0	0	0
3. U.S. States, Territories and Possessions, etc., Guaranteed											
3.1 Class 1.....	7,808,373	37,326,914	5,070,052			50,205,339	64.6	43,389,493	57.2	50,205,339	
3.2 Class 2.....						0	0.0		0.0		
3.3 Class 3.....						0	0.0		0.0		
3.4 Class 4.....						0	0.0		0.0		
3.5 Class 5.....						0	0.0		0.0		
3.6 Class 6.....						0	0.0		0.0		
3.7 Totals.....	7,808,373	37,326,914	5,070,052	0	0	50,205,339	64.6	43,389,493	57.2	50,205,339	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Class 1.....						0	0.0		0.0		
4.2 Class 2.....						0	0.0		0.0		
4.3 Class 3.....						0	0.0		0.0		
4.4 Class 4.....						0	0.0		0.0		
4.5 Class 5.....						0	0.0		0.0		
4.6 Class 6.....						0	0.0		0.0		
4.7 Totals.....	0	0	0	0	0	0	0.0	0	0.0	0	0
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Class 1.....	5,409,607	10,946,829	4,467,093			20,823,529	26.8	31,884,358	42.1	20,823,529	
5.2 Class 2.....						0	0.0		0.0		
5.3 Class 3.....						0	0.0		0.0		
5.4 Class 4.....						0	0.0		0.0		
5.5 Class 5.....						0	0.0		0.0		
5.6 Class 6.....						0	0.0		0.0		
5.7 Totals.....	5,409,607	10,946,829	4,467,093	0	0	20,823,529	26.8	31,884,358	42.1	20,823,529	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 Class 1.....	6,099,875					6,099,875	7.9		0.0	6,099,875	
6.2 Class 2.....						0	0.0		0.0		
6.3 Class 3.....						0	0.0		0.0		
6.4 Class 4.....						0	0.0		0.0		
6.5 Class 5.....						0	0.0		0.0		
6.6 Class 6.....						0	0.0		0.0		
6.7 Totals.....	6,099,875	0	0	0	0	6,099,875	7.9	0	0.0	6,099,875	0
7. Hybrid Securities											
7.1 Class 1.....						0	0.0		0.0		
7.2 Class 2.....						0	0.0		0.0		
7.3 Class 3.....						0	0.0		0.0		
7.4 Class 4.....						0	0.0		0.0		
7.5 Class 5.....						0	0.0		0.0		
7.6 Class 6.....						0	0.0		0.0		
7.7 Totals.....	0	0	0	0	0	0	0.0	0	0.0	0	0
8. Parent, Subsidiaries and Affiliates											
8.1 Class 1.....						0	0.0		0.0		
8.2 Class 2.....						0	0.0		0.0		
8.3 Class 3.....						0	0.0		0.0		
8.4 Class 4.....						0	0.0		0.0		
8.5 Class 5.....						0	0.0		0.0		
8.6 Class 6.....						0	0.0		0.0		
8.7 Totals.....	0	0	0	0	0	0	0.0	0	0.0	0	0

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SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. Total Bonds Current Year											
9.1 Class 1.....	(d).....19,317,855	.....48,802,787	.....9,537,145	.....0	.....0	.....77,657,787	.....100.0	.....XXX	.....XXX	.....77,657,787	.....0
9.2 Class 2.....	(d).....0	.....0	.....0	.....0	.....0	.....0	.....0.0	.....XXX	.....XXX	.....0	.....0
9.3 Class 3.....	(d).....0	.....0	.....0	.....0	.....0	.....0	.....0.0	.....XXX	.....XXX	.....0	.....0
9.4 Class 4.....	(d).....0	.....0	.....0	.....0	.....0	.....0	.....0.0	.....XXX	.....XXX	.....0	.....0
9.5 Class 5.....	(d).....0	.....0	.....0	.....0	.....0	(c).....0	.....0.0	.....XXX	.....XXX	.....0	.....0
9.6 Class 6.....	(d).....0	.....0	.....0	.....0	.....0	(c).....0	.....0.0	.....XXX	.....XXX	.....0	.....0
9.7 Totals.....	.....19,317,855	.....48,802,787	.....9,537,145	.....0	.....0	(b).....77,657,787	.....100.0	.....XXX	.....XXX	.....77,657,787	.....0
9.8 Line 9.7 as a % of Col. 6.....	.....24.9	.....62.8	.....12.3	.....0.0	.....0.0	.....100.0	.....XXX	.....XXX	.....XXX	.....100.0	.....0.0
10. Total Bonds Prior Year											
10.1 Class 1.....	.....15,573,225	.....53,245,256	.....6,832,465	.....151,545		.....XXX	.....XXX	.....75,802,491	.....100.0	.....75,802,491	
10.2 Class 2.....						.....XXX	.....XXX	.....0	.....0.0	.....0	
10.3 Class 3.....						.....XXX	.....XXX	.....0	.....0.0	.....0	
10.4 Class 4.....						.....XXX	.....XXX	.....0	.....0.0	.....0	
10.5 Class 5.....						.....XXX	.....XXX	(c).....0	.....0.0	.....0	
10.6 Class 6.....						.....XXX	.....XXX	(c).....0	.....0.0	.....0	
10.7 Totals.....	.....15,573,225	.....53,245,256	.....6,832,465	.....151,545	.....0	.....XXX	.....XXX	(b).....75,802,491	.....100.0	.....75,802,491	.....0
10.8 Line 10.7 as a % of Col. 8.....	.....20.5	.....70.2	.....9.0	.....0.2	.....0.0	.....XXX	.....XXX	.....100.0	.....XXX	.....100.0	.....0.0
11. Total Publicly Traded Bonds											
11.1 Class 1.....	.....19,317,855	.....48,802,787	.....9,537,145			.....77,657,787	.....100.0	.....75,802,491	.....100.0	.....77,657,787	.....XXX
11.2 Class 2.....						.....0	.....0.0	.....0	.....0.0	.....0	.....XXX
11.3 Class 3.....						.....0	.....0.0	.....0	.....0.0	.....0	.....XXX
11.4 Class 4.....						.....0	.....0.0	.....0	.....0.0	.....0	.....XXX
11.5 Class 5.....						.....0	.....0.0	.....0	.....0.0	.....0	.....XXX
11.6 Class 6.....						.....0	.....0.0	.....0	.....0.0	.....0	.....XXX
11.7 Totals.....	.....19,317,855	.....48,802,787	.....9,537,145	.....0	.....0	.....77,657,787	.....100.0	.....75,802,491	.....100.0	.....77,657,787	.....XXX
11.8 Line 11.7 as a % of Col. 6.....	.....24.9	.....62.8	.....12.3	.....0.0	.....0.0	.....100.0	.....XXX	.....XXX	.....XXX	.....100.0	.....XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9.....	.....24.9	.....62.8	.....12.3	.....0.0	.....0.0	.....100.0	.....XXX	.....XXX	.....XXX	.....100.0	.....XXX
12. Total Privately Placed Bonds											
12.1 Class 1.....						.....0	.....0.0	.....0	.....0.0	.....XXX	.....0
12.2 Class 2.....						.....0	.....0.0	.....0	.....0.0	.....XXX	.....0
12.3 Class 3.....						.....0	.....0.0	.....0	.....0.0	.....XXX	.....0
12.4 Class 4.....						.....0	.....0.0	.....0	.....0.0	.....XXX	.....0
12.5 Class 5.....						.....0	.....0.0	.....0	.....0.0	.....XXX	.....0
12.6 Class 6.....						.....0	.....0.0	.....0	.....0.0	.....XXX	.....0
12.7 Totals.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0.0	.....0	.....0.0	.....XXX	.....0
12.8 Line 12.7 as a % of Col. 6.....0.00.00.00.00.00.0XXXXXXXXXXXX0.0
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9.....0.00.00.00.00.00.0XXXXXXXXXXXX0.0

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- (a) Includes \$.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
- (b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.
- (c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5* designations and \$.....0 current year, \$.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.
- (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1.	U.S. Governments											
1.1	Issuer Obligations.....		529,044				529,044	0.7	528,640	0.7	529,044	
1.2	Residential Mortgage-Backed Securities.....						0	0.0		0.0		
1.3	Commercial Mortgage-Backed Securities.....						0	0.0		0.0		
1.4	Other Loan-Backed and Structured Securities.....						0	0.0		0.0		
1.5	Totals.....	0	529,044	0	0	0	529,044	0.7	528,640	0.7	529,044	0
2.	All Other Governments											
2.1	Issuer Obligations.....						0	0.0		0.0		
2.2	Residential Mortgage-Backed Securities.....						0	0.0		0.0		
2.3	Commercial Mortgage-Backed Securities.....						0	0.0		0.0		
2.4	Other Loan-Backed and Structured Securities.....						0	0.0		0.0		
2.5	Totals.....	0	0	0	0	0	0	0.0	0	0.0	0	0
3.	U.S. States, Territories and Possessions, Guaranteed											
3.1	Issuer Obligations.....	7,808,373	37,326,914	5,070,052			50,205,339	64.6	43,389,493	57.2	50,205,339	
3.2	Residential Mortgage-Backed Securities.....						0	0.0		0.0		
3.3	Commercial Mortgage-Backed Securities.....						0	0.0		0.0		
3.4	Other Loan-Backed and Structured Securities.....						0	0.0		0.0		
3.5	Totals.....	7,808,373	37,326,914	5,070,052	0	0	50,205,339	64.6	43,389,493	57.2	50,205,339	0
4.	U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1	Issuer Obligations.....						0	0.0		0.0		
4.2	Residential Mortgage-Backed Securities.....						0	0.0		0.0		
4.3	Commercial Mortgage-Backed Securities.....						0	0.0		0.0		
4.4	Other Loan-Backed and Structured Securities.....						0	0.0		0.0		
4.5	Totals.....	0	0	0	0	0	0	0.0	0	0.0	0	0
5.	U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1	Issuer Obligations.....	5,409,607	10,946,829	4,467,093			20,823,529	26.8	31,884,358	42.1	20,823,529	
5.2	Residential Mortgage-Backed Securities.....						0	0.0		0.0		
5.3	Commercial Mortgage-Backed Securities.....						0	0.0		0.0		
5.4	Other Loan-Backed and Structured Securities.....						0	0.0		0.0		
5.5	Totals.....	5,409,607	10,946,829	4,467,093	0	0	20,823,529	26.8	31,884,358	42.1	20,823,529	0
6.	Industrial and Miscellaneous (unaffiliated)											
6.1	Issuer Obligations.....	6,099,875					6,099,875	7.9		0.0	6,099,875	
6.2	Residential Mortgage-Backed Securities.....						0	0.0		0.0		
6.3	Commercial Mortgage-Backed Securities.....						0	0.0		0.0		
6.4	Other Loan-Backed and Structured Securities.....						0	0.0		0.0		
6.5	Totals.....	6,099,875	0	0	0	0	6,099,875	7.9	0	0.0	6,099,875	0
7.	Hybrid Securities											
7.1	Issuer Obligations.....						0	0.0		0.0		
7.2	Residential Mortgage-Backed Securities.....						0	0.0		0.0		
7.3	Commercial Mortgage-Backed Securities.....						0	0.0		0.0		
7.4	Other Loan-Backed and Structured Securities.....						0	0.0		0.0		
7.5	Totals.....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.	Parent, Subsidiaries and Affiliates											
8.1	Issuer Obligations.....						0	0.0		0.0		
8.2	Residential Mortgage-Backed Securities.....						0	0.0		0.0		
8.3	Commercial Mortgage-Backed Securities.....						0	0.0		0.0		
8.4	Other Loan-Backed and Structured Securities.....						0	0.0		0.0		
8.5	Totals.....	0	0	0	0	0	0	0.0	0	0.0	0	0

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SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
9. Total Bonds Current Year											
9.1 Issuer Obligations.....	19,317,855	48,802,787	9,537,145	0	0	77,657,787	100.0	XXX	XXX	77,657,787	0
9.2 Residential Mortgage-Backed Securities.....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.3 Commercial Mortgage-Backed Securities.....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.4 Other Loan-Backed and Structured Securities.....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.5 Totals.....	19,317,855	48,802,787	9,537,145	0	0	77,657,787	100.0	XXX	XXX	77,657,787	0
9.6 Line 9.5 as a % of Col. 6.....	24.9	62.8	12.3	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
10. Total Bonds Prior Year											
10.1 Issuer Obligations.....	15,573,225	53,245,256	6,832,465	151,545	0	XXX	XXX	75,802,491	100.0	75,802,491	0
10.2 Residential Mortgage-Backed Securities.....	0	0	0	0	0	XXX	XXX	0	0.0	0	0
10.3 Commercial Mortgage-Backed Securities.....	0	0	0	0	0	XXX	XXX	0	0.0	0	0
10.4 Other Loan-Backed and Structured Securities.....	0	0	0	0	0	XXX	XXX	0	0.0	0	0
10.5 Totals.....	15,573,225	53,245,256	6,832,465	151,545	0	XXX	XXX	75,802,491	100.0	75,802,491	0
10.6 Line 10.5 as a % of Col. 8.....	20.5	70.2	9.0	0.2	0.0	XXX	XXX	100.0	XXX	100.0	0.0
11. Total Publicly Traded Bonds											
11.1 Issuer Obligations.....	19,317,855	48,802,787	9,537,145	0	0	77,657,787	100.0	75,802,491	100.0	77,657,787	XXX
11.2 Residential Mortgage-Backed Securities.....	0	0	0	0	0	0	0.0	0	0.0	0	XXX
11.3 Commercial Mortgage-Backed Securities.....	0	0	0	0	0	0	0.0	0	0.0	0	XXX
11.4 Other Loan-Backed and Structured Securities.....	0	0	0	0	0	0	0.0	0	0.0	0	XXX
11.5 Totals.....	19,317,855	48,802,787	9,537,145	0	0	77,657,787	100.0	75,802,491	100.0	77,657,787	XXX
11.6 Line 11.5 as a % of Col. 6.....	24.9	62.8	12.3	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9.....	24.9	62.8	12.3	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12. Total Privately Placed Bonds											
12.1 Issuer Obligations.....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.2 Residential Mortgage-Backed Securities.....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.3 Commercial Mortgage-Backed Securities.....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.4 Other Loan-Backed and Structured Securities.....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.5 Totals.....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.6 Line 12.5 as a % of Col. 6.....	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9.....	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

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SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year.....	2,720,000	2,720,000			
2. Cost of short-term investments acquired.....	0				
3. Accrual of discount.....	0				
4. Unrealized valuation increase (decrease).....	0				
5. Total gain (loss) on disposals.....	0				
6. Deduct consideration received on disposals.....	2,720,000	2,720,000			
7. Deduct amortization of premium.....	0				
8. Total foreign exchange change in book/adjusted carrying value.....	0				
9. Deduct current year's other than temporary impairment recognized.....	0				
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	0	0	0	0
11. Deduct total nonadmitted amounts.....	0				
12. Statement value at end of current period (Line 10 minus Line 11).....	0	0	0	0	0

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(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:.....

Sch. DB-Pt. A-Verification
NONE

Sch. DB-Pt. B-Verification
NONE

Sch. DB-Pt. C-Sn. 1
NONE

Sch. DB-Pt. C-Sn. 2
NONE

Sch. DB-Verification
NONE

SCHEDULE E - VERIFICATION BETWEEN YEARS

Cash Equivalents

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year.....	0		
2. Cost of cash equivalents acquired.....	20,198,688	20,198,688	
3. Accrual of discount.....	1,187	1,187	
4. Unrealized valuation increase (decrease).....	0		
5. Total gain (loss) on disposals.....	0		
6. Deduct consideration received on disposals.....	14,100,000	14,100,000	
7. Deduct amortization of premium.....	0		
8. Total foreign exchange change in book/adjusted carrying value.....	0		
9. Deduct current year's other than temporary impairment recognized.....	0		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	6,099,875	6,099,875	0
11. Deduct total nonadmitted amounts.....	0		
12. Statement value at end of current period (Line 10 minus Line 11).....	6,099,875	6,099,875	0

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:.....

**Sch. A-Pt. 1
NONE**

**Sch. A-Pt. 2
NONE**

**Sch. A-Pt. 3
NONE**

**Sch. B-Pt. 1
NONE**

**Sch. B-Pt. 2
NONE**

**Sch. B-Pt. 3
NONE**

**Sch. BA-Pt. 1
NONE**

**Sch. BA-Pt. 2
NONE**

**Sch. BA-Pt. 3
NONE**

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F o r e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
U.S. Government - Issuer Obligations																					
912828 MW 7	US TREASURY NOTE	SD			1	527,971	104.969	556,336	530,000	529,044		404			2.500	2.582	MS	3,385	13,250	04/01/2010	03/31/2015
0199999	U.S. Government - Issuer Obligations					527,971	XXX	556,336	530,000	529,044	0	404	0	0	XXX	XXX	XXX	3,385	13,250	XXX	XXX
0599999	Total - U.S. Government					527,971	XXX	556,336	530,000	529,044	0	404	0	0	XXX	XXX	XXX	3,385	13,250	XXX	XXX
U.S. States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
499512 G7 0	KNOX CNTY TENN					5,790,326	101.316	5,374,814	5,305,000	5,327,009		(88,500)			5.500	3.773	AO	72,944	291,775	06/01/2007	04/01/2013
605579 4K 4	MISSISSIPPI ST					4,678,696	109.700	4,574,490	4,170,000	4,307,821		(68,230)			5.500	3.696	JD	19,113	229,350	03/01/2007	12/01/2014
605579 4L 2	MISSISSIPPI ST					3,569,760	114.187	3,425,610	3,000,000	3,279,910		(91,986)			5.500	2.180	JD	13,750	165,000	10/06/2009	12/01/2015
605579 4N 8	MISSISSIPPI ST					1,188,890	121.701	1,217,010	1,000,000	1,129,065		(24,251)			5.500	2.680	JD	4,583	55,000	06/22/2010	12/01/2017
605579 7E 5	MISSISSIPPI ST					1,219,944	102.570	1,128,270	1,100,000	1,113,212		(25,853)			5.375	2.938	JJ	29,563	59,125	09/01/2008	07/01/2013
605579 7G 0	MISSISSIPPI ST					2,285,400	107.651	2,153,020	2,000,000	2,055,008		(35,070)			5.500	3.600	JJ	55,000	110,000	08/26/2005	07/01/2014
605580 7S 2	MISSISSIPPI ST					1,536,164	110.499	1,546,986	1,400,000	1,525,746		(10,418)			3.000	1.370	AO	10,500	21,000	07/02/2012	10/01/2018
605580 DD 8	MISSISSIPPI ST					7,915,056	120.220	7,760,201	6,455,000	7,801,507		(113,550)			5.250	0.837	MN	56,481	169,444	08/01/2012	11/01/2017
605580 NU 9	MISSISSIPPI ST					1,439,213	104.368	1,414,186	1,355,000	1,368,152		(13,873)			5.000	3.908	JD	5,646	67,750	06/01/2007	12/01/2013
605580 NW 5	MISSISSIPPI ST					5,688,771	112.806	5,894,114	5,225,000	5,382,372		(50,061)			5.000	3.896	JD	21,771	261,250	03/01/2006	12/01/2015
821686 C3 4	SHELBY CNTY TENN					10,720,393	105.885	10,461,438	9,880,000	10,013,518		(102,749)			5.000	3.877	AO	123,500	494,000	02/16/2005	04/01/2014
821686 ZW 5	SHELBY CNTY TENN					130,207	105.866	127,039	120,000	121,622		(1,248)			5.000	3.877	AO	1,500	6,000	02/16/2005	04/01/2014
880541 FN 2	TENNESSEE ST					3,494,580	111.195	3,335,850	3,000,000	3,236,091		(98,247)			5.250	1.790	MN	26,250	157,500	04/27/2010	05/01/2015
880541 NZ 6	TENNESSEE ST				1	3,644,453	115.414	3,779,809	3,275,000	3,544,306		(46,880)			4.000	2.350	MN	21,833	131,000	10/28/2010	05/01/2019
1199999	U.S. States, Territories & Possessions - Issuer Obligations					53,301,853	XXX	52,192,837	47,285,000	50,205,339	0	(770,916)	0	0	XXX	XXX	XXX	462,434	2,218,194	XXX	XXX
1799999	Total - U.S. States, Territories & Possessions (Direct and Guaranteed)					53,301,853	XXX	52,192,837	47,285,000	50,205,339	0	(770,916)	0	0	XXX	XXX	XXX	462,434	2,218,194	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Issuer Obligations																					
60534P 6X 6	MISSISSIPPI DEV BK OBLIG					1,464,818	100.000	1,370,000	1,370,000	1,370,000		(15,035)			5.000	3.871	JJ	34,250	68,500	12/09/2005	01/01/2013
60535G AX 0	MISSISSIPPI HOME CORP				1	2,753,498	106.794	2,728,587	2,555,000	2,697,600		(20,988)			4.500	2.775	JD	9,581	114,975	11/05/2010	12/01/2031
60535M A4 1	MISSISSIPPI HOME CORP				1	499,991	104.076	483,953	465,000	472,275		(4,128)			5.500	3.766	JD	2,131	25,575	09/01/2005	06/01/2036
60535M YY 9	MISSISSIPPI HOME CORP				1	762,865	103.876	789,458	760,000	760,763		(408)			4.750	4.630	JD	3,008	36,100	06/01/2007	12/01/2034
880459 3L 4	TENNESSEE HSG DEV				1	3,656,154	103.822	3,628,579	3,495,000	3,632,456		(16,204)			5.000	2.411	JJ	87,375	174,750	09/28/2011	01/01/2036
880459 V6 6	TENNESSEE HSG DEV				1	1,496,093	102.463	1,449,851	1,415,000	1,461,597		(32,779)			5.250	0.135	JJ	37,144	74,288	09/28/2011	07/01/2034
880459 X2 3	TENNESSEE HSG DEV				1	2,235,179	103.411	2,223,337	2,150,000	2,212,012		(16,899)			5.125	2.281	JJ	55,094	110,188	09/28/2011	07/01/2034
88045R WH 1	TENNESSEE HSG DEV				1	2,490,223	105.113	2,517,456	2,395,000	2,480,868		(7,890)			4.500	3.524	JJ	53,888	62,869	12/07/2011	07/01/2031
88045R YE 6	TENNESSEE HSG DEV				1	1,352,523	109.270	1,338,558	1,225,000	1,346,218		(6,305)			4.500	2.199	JJ	24,806		10/01/2012	07/01/2037
88045R ZG 0	TENNESSEE HSG DEV				1	4,399,680	109.112	4,364,480	4,000,000	4,389,740		(9,940)			4.000	1.875	JJ	20,444		10/17/2012	07/01/2038
2599999	U.S. Special Revenue & Assessment Obligations - Issuer Obligations					21,111,024	XXX	20,894,259	19,830,000	20,823,529	0	(130,576)	0	0	XXX	XXX	XXX	327,721	667,245	XXX	XXX
3199999	Total - U.S. Special Revenue & Special Assessment Obligations					21,111,024	XXX	20,894,259	19,830,000	20,823,529	0	(130,576)	0	0	XXX	XXX	XXX	327,721	667,245	XXX	XXX
Totals																					
7799999	Total - Issuer Obligations					74,940,848	XXX	73,643,432	67,645,000	71,557,912	0	(901,088)	0	0	XXX	XXX	XXX	793,540	2,898,689	XXX	XXX
8399999	Grand Total - Bonds					74,940,848	XXX	73,643,432	67,645,000	71,557,912	0	(901,088)	0	0	XXX	XXX	XXX	793,540	2,898,689	XXX	XXX

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Sch. D-Pt. 2-Sn. 1
NONE

Sch. D-Pt. 2-Sn. 2
NONE

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

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
Bonds - U.S. States, Territories and Possessions								
605580 7S 2	MISSISSIPPI ST 3.000% 10/01/18.....		07/02/2012	Progressive Casualty Ins Co.....		1,536,164	1,400,000	10,617
605580 DD 8	MISSISSIPPI ST 5.250% 11/01/17.....		08/01/2012	Progressive Gulf Ins Co.....		7,915,056	6,455,000	84,722
1799999.	Total - Bonds - U.S. States, Territories & Possessions.....					9,451,220	7,855,000	95,339
Bonds - U.S. Special Revenue and Special Assessment								
88045R YE 6	TENNESSEE HSG DEV 4.500% 07/01/37.....		10/01/2012	Progressive Casualty Ins Co.....		1,352,523	1,225,000	11,025
88045R ZG 0	TENNESSEE HSG DEV 4.000% 07/01/38.....		10/17/2012	Raymond James & Associates.....		4,399,680	4,000,000	
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments.....					5,752,203	5,225,000	11,025
8399997.	Total - Bonds - Part 3.....					15,203,423	13,080,000	106,364
8399998.	Total - Bonds - Summary Item from Part 5.....					10,088,438	10,200,000	3,638
8399999.	Total - Bonds.....					25,291,861	23,280,000	110,002
9999999.	Total - Bonds, Preferred and Common Stocks.....					25,291,861	XXX	110,002

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

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 Stated Contractual Maturity Date
										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. States, Territories and Possessions																				
605580 JN 0	MISSISSIPPI ST 5.000% 11/01/12		11/01/2012	Maturity		1,850,000	1,850,000	1,950,511	1,864,459		(14,459)		(14,459)		1,850,000			0	92,500	11/01/2012
1799999	Total - Bonds - U.S. States, Territories & Possessions					1,850,000	1,850,000	1,950,511	1,864,459	0	(14,459)	0	(14,459)	0	1,850,000	0	0	0	92,500	XXX
Bonds - U.S. Special Revenue and Special Assessment																				
592098 VM 6	MET GOVT CNTY TN WTR & SWR REV 7.700% 01/01/12		01/01/2012	Maturity		1,870,000	1,870,000	2,008,829	1,870,000				0	1,870,000			0	71,995	01/01/2012	
60534P 6C 2	MISSISSIPPI DEV BK OBLI 5.000% 01/01/12		01/01/2012	Maturity		2,500,000	2,500,000	2,665,175	2,500,000				0	2,500,000			0	62,500	01/01/2012	
60534P 6W 8	MISSISSIPPI DEV BK OBLI 5.000% 01/01/12		01/01/2012	Maturity		1,305,000	1,305,000	1,391,221	1,305,000				0	1,305,000			0	32,625	01/01/2012	
60535G AX 0	MISSISSIPPI HOME CORP 4.500% 12/01/31		12/01/2012	Call 100.0000		325,000	325,000	350,249	345,809		(20,809)		(20,809)	325,000			0	9,431	12/01/2031	
60535M A4 1	MISSISSIPPI HOME CORP 5.500% 06/01/36		12/01/2012	Call 100.0000		255,000	255,000	274,189	261,254		(6,254)		(6,254)	255,000			0	9,648	06/01/2036	
60535M YY 9	MISSISSIPPI HOME CORP 4.750% 12/01/34		12/01/2012	Call 100.0000		580,000	580,000	582,481	580,976		(976)		(976)	580,000			0	15,893	12/01/2034	
880459 3L 4	TENNESSEE HSG DEV 5.000% 01/01/36		10/01/2012	Various		2,065,000	2,065,000	2,148,694	2,098,210		(33,210)		(33,210)	2,065,000			0	95,813	01/01/2036	
880459 B3 5	TENNESSEE HSG DEV 4.250% 01/01/34		10/01/2012	Call 100.0000		1,150,000	1,150,000	1,158,752	1,156,824		(6,824)		(6,824)	1,150,000			0	41,172	01/01/2034	
880459 H6 2	TENNESSEE HSG DEV 5.000% 07/01/34		01/01/2012	Call 100.0000		200,000	200,000	206,880	240,593		(40,593)		(40,593)	200,000			0	5,000	07/01/2034	
880459 V6 6	TENNESSEE HSG DEV 5.250% 07/01/34		10/01/2012	Call 100.0000		1,280,000	1,280,000	1,344,486	1,298,318		(18,318)		(18,318)	1,280,000			0	64,313	07/01/2034	
880459 X2 3	TENNESSEE HSG DEV 5.125% 07/01/34		10/01/2012	Call 100.0000		1,875,000	1,875,000	1,947,619	1,937,842		(62,842)		(62,842)	1,875,000			0	85,331	07/01/2034	
88045R WH 1	TENNESSEE HSG DEV 4.500% 07/01/31		10/01/2012	Call 100.0000		355,000	355,000	367,862	367,632		(12,632)		(12,632)	355,000			0	10,163	07/01/2031	
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments					13,760,000	13,760,000	14,446,437	13,962,458	0	(202,458)	0	(202,458)	13,760,000	0	0	0	503,884	XXX	
8399997	Total - Bonds - Part 4					15,610,000	15,610,000	16,396,948	15,826,917	0	(216,917)	0	(216,917)	15,610,000	0	0	0	596,384	XXX	
8399998	Total - Bonds - Summary Item from Part 5					10,351,810	10,200,000	10,088,438			9,626		9,626	10,098,063		253,746	253,746	42,831	XXX	
8399999	Total - Bonds					25,961,810	25,810,000	26,485,386	15,826,917	0	(207,291)	0	(207,291)	25,708,063	0	253,746	253,746	639,215	XXX	
9999999	Total - Bonds, Preferred and Common Stocks					25,961,810	XXX	26,485,386	15,826,917	0	(207,291)	0	(207,291)	25,708,063	0	253,746	253,746	639,215	XXX	

E14

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stock)	9 Actual Cost	10 Consideration	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B./A.C.V. (12+13-14)	16 Total Foreign Exchange Change in B./A.C.V.					
Bonds - U.S. Government																				
912828 SJ 0	US TREASURY NOTE 0.875% 02/28/17.....	...	03/14/2012	CSFBdirect.....	11/05/2012	Barclays Capital.....	2,350,000	2,324,297	2,379,742	2,327,553										
912828 SJ 0	US TREASURY NOTE 0.875% 02/28/17.....	...	03/14/2012	CSFBdirect.....	08/01/2012	Progressive Gulf Ins Co.....	7,850,000	7,764,141	7,972,068	7,770,510										
0599999	Total - Bonds - U.S. Government.....						10,200,000	10,088,438	10,351,810	10,098,063	0	9,626	0	9,626	0	0	253,746	253,746	42,831	3,638
8399998	Total - Bonds.....						10,200,000	10,088,438	10,351,810	10,098,063	0	9,626	0	9,626	0	0	253,746	253,746	42,831	3,638
9999999	Total - Bonds, Preferred and Common Stocks.....							10,088,438	10,351,810	10,098,063	0	9,626	0	9,626	0	0	253,746	253,746	42,831	3,638

**Sch. D-Pt. 6-Sn. 1
NONE**

**Sch. D-Pt. 6-Sn. 2
NONE**

**Sch. DA-Pt. 1
NONE**

**Sch. DB-Pt. A-Sn. 1
NONE**

**Sch. DB-Pt. A-Sn. 2
NONE**

**Sch. DB-Pt. B-Sn. 1
NONE**

**Sch. DB-Pt. B-Sn 1B-Broker List
NONE**

**Sch. DB-Pt. B-Sn. 2
NONE**

**Sch. DB-Pt. B-Sn 2B-Broker List
NONE**

**Sch. DB-Pt. D
NONE**

**Sch. DL-Pt. 1
NONE**

**Sch. DL-Pt. 2
NONE**

Annual Statement for the year 2012 of the **MOUNTAIN LAUREL ASSURANCE COMPANY**
SCHEDULE E - PART 1 - CASH

1	2	3	4	5	6	7
Depository	Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
Open Depositories						
CITIBANK..... NEW YORK, NY.....						XXX
0199999. Total - Open Depositories.....	.XXX..	.XXX.....	0	0	0	XXX..
0399999. Total Cash on Deposit.....	.XXX..	.XXX.....	0	0	0	XXX..
0599999. Total Cash.....	.XXX..	.XXX.....	0	0	0	XXX..

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January.....	4. April.....	7. July.....	10. October.....
2. February.....	5. May.....	8. August.....	11. November.....
3. March.....	6. June.....	9. September.....	12. December.....

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
GENERAL ELEC CAP CORP.....		12/27/2012	0.030	01/04/2013	1,199,997		5
SUMITOMO TRUST.....		12/27/2012	0.100	01/10/2013	4,899,878		68
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					6,099,875	0	73
3899999. Total - Industrial and Miscellaneous (Unaffiliated).....					6,099,875	0	73
Total Bonds							
7799999. Subtotals - Issuer Obligations.....					6,099,875	0	73
8399999. Subtotals - Bonds.....					6,099,875	0	73
8699999. Total - Cash Equivalents.....					6,099,875	0	73

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits for the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama.....AL						
2. Alaska.....AK						
3. Arizona.....AZ						
4. Arkansas.....AR						
5. California.....CA						
6. Colorado.....CO						
7. Connecticut.....CT						
8. Delaware.....DE						
9. District of Columbia.....DC						
10. Florida.....FL						
11. Georgia.....GA						
12. Hawaii.....HI						
13. Idaho.....ID						
14. Illinois.....IL						
15. Indiana.....IN						
16. Iowa.....IA						
17. Kansas.....KS						
18. Kentucky.....KY						
19. Louisiana.....LA						
20. Maine.....ME						
21. Maryland.....MD						
22. Massachusetts.....MA						
23. Michigan.....MI						
24. Minnesota.....MN						
25. Mississippi.....MS						
26. Missouri.....MO						
27. Montana.....MT						
28. Nebraska.....NE						
29. Nevada.....NV						
30. New Hampshire.....NH						
31. New Jersey.....NJ						
32. New Mexico.....NM						
33. New York.....NY						
34. North Carolina.....NC						
35. North Dakota.....ND						
36. Ohio.....OH	B...	Collateral for Insurance Underwriting.....	529,044	556,336		
37. Oklahoma.....OK						
38. Oregon.....OR						
39. Pennsylvania.....PA						
40. Rhode Island.....RI						
41. South Carolina.....SC						
42. South Dakota.....SD						
43. Tennessee.....TN						
44. Texas.....TX						
45. Utah.....UT						
46. Vermont.....VT						
47. Virginia.....VA						
48. Washington.....WA						
49. West Virginia.....WV						
50. Wisconsin.....WI						
51. Wyoming.....WY						
52. American Samoa.....AS						
53. Guam.....GU						
54. Puerto Rico.....PR						
55. US Virgin Islands.....VI						
56. Northern Mariana Islands.....MP						
57. Canada.....CAN						
58. Aggregate Alien and Other.....OT	...XXX	...XXX	0	0	0	0
59. Total.....	...XXX	...XXX	529,044	556,336	0	0

DETAILS OF WRITE-INS

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

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