



QUARTERLY STATEMENT

As of June 30, 2014
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..... 23-2599971
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 (Street and Number) (City or Town, State, Country and Zip Code)	
Main Administrative Office	6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182	440-461-5000 (Area Code) (Telephone Number)
Mail Address	P.O. BOX 89490..... CLEVELAND OH US 44101-6490 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182	440-395-4460 (Area Code) (Telephone Number)
Internet Web Site Address	PROGRESSIVE.COM	
Statutory Statement Contact	MARY BETH ANDREANO (Name) FINANCIAL_REPORTING@PROGRESSIVE.COM (E-Mail Address)	440-395-4460 (Area Code) (Telephone Number) (Extension) 440-446-7168 (Fax Number)

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

OFFICERS

Name SCOTT WESLEY ZIEGLER DANIEL JOSEPH WITALEC	Title PRESIDENT TREASURER	Name MICHAEL ROBERT UTH	Title SECRETARY
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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
the herein described assets were

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
1. (Printed Name)
PRESIDENT
(Title)

(Signature)
KAREN ANN KOSUDA
2. (Printed Name)
ASSISTANT SECRETARY
(Title)

(Signature)
SCOTT EDWARD COLEMAN
3. (Printed Name)
ASSISTANT TREASURER
(Title)

Subscribed and sworn to before me
This 11TH day of AUGUST, 2014

- a. Is this an original filing?
- b. If no:
 - 1. State the amendment number
 - 2. Date filed
 - 3. Number of pages attached

Yes [X] No []

Statement for June 30, 2014 of the **MOUNTAIN LAUREL ASSURANCE COMPANY**
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.....	.....81,233,026		.....81,233,026	.....83,856,634
2. Stocks:				
2.1 Preferred stocks.....			.....0	.....0
2.2 Common stocks.....			.....0	.....0
3. Mortgage loans on real estate:				
3.1 First liens.....			.....0	.....0
3.2 Other than first liens.....			.....0	.....0
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.....0	.....0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.....0	.....0
4.3 Properties held for sale (less \$.....0 encumbrances).....			.....0	.....0
5. Cash (\$.....0), cash equivalents (\$....7,899,986) and short-term investments (\$.....0).....	.....7,899,986		.....7,899,986	.....7,899,986
6. Contract loans (including \$.....0 premium notes).....			.....0	.....0
7. Derivatives.....			.....0	.....0
8. Other invested assets.....			.....0	.....0
9. Receivables for securities.....			.....0	.....0
10. Securities lending reinvested collateral assets.....			.....0	.....0
11. Aggregate write-ins for invested assets.....	.....0	.....0	.....0	.....0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.....89,133,012	.....0	.....89,133,012	.....83,856,634
13. Title plants less \$.....0 charged off (for Title insurers only).....			.....0	.....0
14. Investment income due and accrued.....	.....993,716		.....993,716	.....851,483
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	.....4,078,262	.....785,899	.....3,292,363	.....2,829,159
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	.....21,913,843		.....21,913,843	.....19,915,038
15.3 Accrued retrospective premiums.....			.....0	.....0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	.....(3,469)		.....(3,469)	.....(5,089)
16.2 Funds held by or deposited with reinsured companies.....			.....0	.....0
16.3 Other amounts receivable under reinsurance contracts.....			.....0	.....0
17. Amounts receivable relating to uninsured plans.....			.....0	.....0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.....0	.....0
18.2 Net deferred tax asset.....	.....3,462,494	.....29,774	.....3,432,720	.....3,237,199
19. Guaranty funds receivable or on deposit.....			.....0	.....0
20. Electronic data processing equipment and software.....			.....0	.....0
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.....0	.....0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.....0	.....0
23. Receivables from parent, subsidiaries and affiliates.....	.....5,397,677		.....5,397,677	.....1,612,386
24. Health care (\$.....0) and other amounts receivable.....			.....0	.....0
25. Aggregate write-ins for other than invested assets.....	.....48,063	.....48,063	.....0	.....0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.....125,023,598	.....863,736	.....124,159,862	.....112,296,810
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.....0	.....0
28. Total (Lines 26 and 27).....	.....125,023,598	.....863,736	.....124,159,862	.....112,296,810

DETAILS OF WRITE-INS

1101. ....			.....0	
1102. ....			.....0	
1103. ....			.....0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.....0	.....0	.....0	.....0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.....0	.....0	.....0	.....0
2501. PREPAID EXPENSES.....	.....45,718	.....45,718	.....0	
2502. MISCELLANEOUS OTHER ASSETS.....	.....2,345	.....2,345	.....0	
2503. ....			.....0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....0	.....0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....48,063	.....48,063	.....0	.....0

MOUNTAIN LAUREL ASSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$....12,426,040).....	26,522,462	26,759,950
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	4,885,564	4,809,504
4. Commissions payable, contingent commissions and other similar charges.....	20,776	13,887
5. Other expenses (excluding taxes, licenses and fees).....	9,788	14,849
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	338,563	410,930
7.1 Current federal and foreign income taxes (including \$....(12,115) on realized capital gains (losses)).....	3,036,005	1,007,068
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 \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	36,809,859	33,434,349
10. Advance premium.....	726,193	442,487
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	2	(720)
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	4,557,175	4,308,951
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	279,309	282,348
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	77,185,696	71,483,603
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	77,185,696	71,483,603
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	2,350,000	2,350,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	21,150,000	21,150,000
35. Unassigned funds (surplus).....	23,474,166	17,313,207
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	46,974,166	40,813,207
38. Totals (Page 2, Line 28, Col. 3).....	124,159,862	112,296,810

DETAILS OF WRITE-INS

2501. STATE PLAN LIABILITY.....	237,329	236,499
2502. ESCHEATABLE PROPERTY.....	38,825	35,978
2503. PREMIUM REFUND LIABILITY.....	3,155	9,871
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	279,309	282,348
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

Statement for June 30, 2014 of the **MOUNTAIN LAUREL ASSURANCE COMPANY**
STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$....67,586,445)	64,210,935	58,432,624	118,729,438
1.2 Assumed..... (written \$.....0)			
1.3 Ceded..... (written \$.....0)			
1.4 Net..... (written \$....67,586,445)	64,210,935	58,432,624	118,729,438
DEDUCTIONS:			
2. Losses incurred (current accident year \$....36,658,934):			
2.1 Direct.....	35,968,914	41,354,977	77,446,459
2.2 Assumed.....			
2.3 Ceded.....	(12,265)	(32,311)	(43,394)
2.4 Net.....	35,981,179	41,387,288	77,489,853
3. Loss adjustment expenses incurred.....	5,690,411	6,151,606	11,965,512
4. Other underwriting expenses incurred.....	14,610,106	14,265,923	28,031,740
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	56,281,696	61,804,817	117,487,105
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	7,929,239	(3,372,193)	1,242,333
INVESTMENT INCOME			
9. Net investment income earned.....	964,306	890,393	1,785,689
10. Net realized capital gains (losses) less capital gains tax of \$....(12,115).....	12,115	(4)	9,591
11. Net investment gain (loss) (Lines 9 + 10).....	976,421	890,389	1,795,280
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$....61,693 amount charged off \$....958,558).....	(896,865)	(821,108)	(1,554,578)
13. Finance and service charges not included in premiums.....	961,629	806,892	1,653,720
14. Aggregate write-ins for miscellaneous income.....	720	2,887	4,023
15. Total other income (Lines 12 through 14).....	65,484	(11,329)	103,165
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	8,971,144	(2,493,133)	3,140,778
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).....	8,971,144	(2,493,133)	3,140,778
19. Federal and foreign income taxes incurred.....	3,048,120	(842,652)	706,040
20. Net income (Line 18 minus Line 19) (to Line 22).....	5,923,024	(1,650,481)	2,434,738
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	40,813,207	38,286,148	38,286,148
22. Net income (from Line 20).....	5,923,024	(1,650,481)	2,434,738
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.....	181,401	266,471	196,906
27. Change in nonadmitted assets.....	56,534	103,359	(104,585)
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.....			
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).....	6,160,959	(1,280,651)	2,527,059
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	46,974,166	37,005,497	40,813,207

DETAILS OF WRITE-INS

0501.....			
0502.....			
0503.....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. INTEREST INCOME ON INTERCOMPANY BALANCES.....	1,631	2,822	4,410
1402. MISCELLANEOUS OTHER INCOME (EXPENSE).....	(911)	65	(387)
1403.....			
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).....	720	2,887	4,023
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

Statement for June 30, 2014 of the **MOUNTAIN LAUREL ASSURANCE COMPANY**
CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	65,455,685	59,894,540	119,189,905
2. Net investment income.....	1,512,192	1,541,847	3,143,625
3. Miscellaneous income.....	94,110	48,923	196,575
4. Total (Lines 1 through 3).....	67,061,987	61,485,310	122,530,105
5. Benefit and loss related payments.....	36,220,287	40,100,464	76,702,030
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	20,294,996	20,391,488	39,602,809
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$....5,174 tax on capital gains (losses).....	1,007,068	802,501	506,653
10. Total (Lines 5 through 9).....	57,522,351	61,294,453	116,811,492
11. Net cash from operations (Line 4 minus Line 10).....	9,539,636	190,857	5,718,613
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	10,810,000	9,325,000	17,139,012
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).....	10,810,000	9,325,000	17,139,012
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	8,876,509	14,633,430	30,838,111
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).....	8,876,509	14,633,430	30,838,111
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	1,933,491	(5,308,430)	(13,699,099)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	(3,573,141)	6,317,535	1,880,611
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(3,573,141)	6,317,535	1,880,611
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	7,899,986	1,199,962	(6,099,875)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	(0)	6,099,875	6,099,875
19.2 End of period (Line 18 plus Line 19.1).....	7,899,986	7,299,837	(0)

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

20,0001
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NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of Mountain Laurel Assurance Company (the "Company") were prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance ("DOI").

The Ohio DOI requires insurance companies domiciled in the state of Ohio to prepare their statutory-basis financial statements in accordance with the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Ohio DOI. No deviations from NAIC statutory accounting practices ("NAIC SAP") were used in preparing these statutory-basis financial statements as illustrated in the table below:

Description	State of Domicile	June 30, 2014	December 31, 2013
Net income			
(1) Net income, state basis	OH	\$ 5,923,024	\$ 2,434,738
(2) Effect of state prescribed practices		--	--
(3) Effect of state permitted practices		--	--
(4) Net income, NAIC SAP basis (1-2-3=4)	OH	\$ 5,923,024	\$ 2,434,738
Surplus			
(5) Policyholders' surplus, state basis	OH	\$ 46,974,166	\$ 40,813,207
(6) Effect of state prescribed practices		--	--
(7) Effect of state permitted practices		--	--
(8) Policyholders' surplus, NAIC SAP basis(5-6-7=8)	OH	\$ 46,974,166	\$ 40,813,207

2. Accounting Changes and Corrections of Errors

No significant change

3. Business Combinations and Goodwill

No significant change

4. Discontinued Operations

No significant change

5. Investments

D. Loan-Backed Securities

The Company does not own any loan-backed or structured debt securities.

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable

I. Working Capital Finance Investments

Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant change

7. Investment Income

No significant change

8. Derivative Instruments

No significant change

9. Income Taxes

No significant change

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

No significant change

11. Debt

B. Federal Home Loan Bank Agreements

Not applicable

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

A. Defined Benefit Plan

Not applicable

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

No significant change

14. Contingencies

F. All Other Contingencies

The Company is named as defendant in various lawsuits arising out of its insurance operations. All legal actions relating to claims made under insurance policies are considered by the Company in establishing its loss and loss adjustment expense ("LAE") reserves. The Company also has potential exposure relating to lawsuits due to its participation in a management agreement for which it is allocated litigation expenses.

NOTES TO FINANCIAL STATEMENTS

The Company's exposure to the following case arose from business written by the Company while participating in a 100% pooling reinsurance agreement with seven of its property-casualty affiliates (the "Direct Pool"). Effective November 5, 2005, the Company elected to terminate its participation in the Direct Pool and therefore has no net exposure with regard to this case.

As of June 30, 2014, there was a certified class action lawsuit seeking interest on personal injury protection payments that allegedly were late. The Company does consider a loss from this case to be probable but is unable to estimate a range of loss at this time.

15. **Leases**

No significant change

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

No significant change

17. **Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities**B. **Transfer and Servicing of Financial Assets**

Not applicable

C. **Wash Sales**

The Company had no wash sales of securities with a NAIC rating of 3 or below during the reporting period.

18. **Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

No significant change

19. **Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators**

No significant change

20. **Fair Value Measurements**A. **Inputs Used for Assets and Liabilities Measured at Fair Value in the Company's Financial Statements**1. **Fair Value Measurements by Levels 1, 2 and 3**

The Company categorizes its financial instruments, based on the degree of subjectivity inherent in the method by which they are valued, into a fair value hierarchy of three levels, as follows:

Level 1 - Inputs are unadjusted, quoted prices in active markets for identical instruments at the measurement date (e.g., active exchange-traded equity securities).

Level 2 - Inputs (other than quoted prices included within Level 1) that are observable for the instrument either directly or indirectly. This includes: (i) quoted prices for similar instruments in active markets, (ii) quoted prices for identical or similar instruments in markets that are not active, (iii) inputs other than quoted prices that are observable for the instruments, and (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs that are unobservable. Unobservable inputs reflect the Company's subjective evaluation about the assumptions market participants would use in pricing the financial instrument.

The Company's management evaluated whether the market was distressed or inactive in determining the fair value of the Company's securities and reviewed certain market level inputs to evaluate whether sufficient activity, volume, and new issuances existed to create an active market. Based on this evaluation, management concluded that there was sufficient activity in determining the fair market value of the Company's securities.

As of June 30, 2014, the Company did not measure and report any securities at fair value on the balance sheet. All bonds were carried at amortized cost.

2. **Roll forward of Level 3 Items**

Not applicable

3. **Policy on Transfers Into and Out of Level 3**

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3.

4. **Inputs and Techniques Used for Level 2 and Level 3 Fair Values**

See Note 20A above.

5. **Derivative Fair Values**

Not applicable

B. **Other Fair Value Disclosures**

Not applicable

NOTES TO FINANCIAL STATEMENTS

C. Fair Values for all Financial Instruments by Levels 1, 2, and 3

The table below represents the fair value of all financial instruments at June 30, 2014, however, not all financial instruments are reported at fair value in the Company's financial statements.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	\$ 82,765,648	\$ 81,233,026	\$ 539,545	\$ 82,226,103	\$ --	\$ --
Cash equivalents	7,899,986	7,899,986	7,899,986	--	--	--
Total	\$ 90,665,634	\$ 89,133,012	\$ 8,439,531	\$ 82,226,103	\$ --	\$ --

D. Financial Instruments for Which it is Not Practicable to Estimate Fair Values

Not applicable

21. Other Items

G. Offsetting and Netting of Assets and Liabilities

Not applicable

I. Risk Sharing Provisions of the Affordable Care Act

Not applicable

22. Events Subsequent

Subsequent events have been considered through August 8, 2014 for the statutory statement that was available for issuance by August 15, 2014. There were no subsequent events to report.

23. Reinsurance

No significant change

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No significant change

25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and LAE attributable to insured events of prior accident years decreased by \$892,000 in 2014, which is 2.8% of the total prior year net unpaid losses and LAE of \$31,569,454. The favorable development is primarily due to private passenger auto liability originally anticipated severity decreasing for accident years 2012 and 2011 and prior by 1.3% and 0.2%, respectively, while accident year 2013 increased by 1.0%. LAE reserves developed favorably with private passenger auto liability defense and cost containment reserves and adjusting and other expense reserves developing favorably.

26. Intercompany Pooling Arrangements

No significant change

27. Structured Settlements

No significant change

28. Health Care Receivables

No significant change

29. Participating Accident and Health Policies

No significant change

30. Premium Deficiency Reserves

No significant change

31. High Deductibles

No significant change

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

No significant change

33. Asbestos and Environmental Reserves

No significant change

34. Subscriber Savings Accounts

No significant change

35. Multiple Peril Crop Insurance

No significant change

36. Financial Guaranty Insurance

B. Schedule of Insured Financial Obligations at the End of the Period

Not applicable

MOUNTAIN LAUREL ASSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

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

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1 and 1A. Yes [X] No []

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

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

4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? If yes, attach an explanation.

5.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2012.....

5.2 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.12/31/2012.....

5.3 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).8/6/2013.....

6.4 By what department or departments?
OHIO

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

7.2 If yes, give full information:

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

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

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

8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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 FDIC	6 SEC

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

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

9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

MOUNTAIN LAUREL ASSURANCE COMPANY
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

PART 1 - FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [] No []

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

\$.....0

PART 1 - INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [] No []

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

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

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

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [] No []

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds.....	\$0	\$0
14.22 Preferred Stock.....	\$0	\$0
14.23 Common Stock.....	\$0	\$0
14.24 Short-Term Investments.....	\$0	\$0
14.25 Mortgage Loans on Real Estate.....	\$0	\$0
14.26 All Other.....	\$0	\$0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$0	\$0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$0	\$0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes [] No []

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$.....0

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$.....0

16.3 Total payable for securities lending reported on the liability page: \$.....0

17. Excluding items in Schedule E-Part 3-Special Deposits, 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 Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [] 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
CITIBANK, N.A.	338 GREENWICH STREET NEW YORK, NY 10013

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 []

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

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

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		

PART 1 - INVESTMENT

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [] No []

18.2 If no, list exceptions:

MOUNTAIN LAUREL ASSURANCE COMPANY

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?

If yes, attach an explanation.

Yes [] No [X] N/A []

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?

If yes, attach an explanation.

Yes [] No [X]

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 tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero?

Yes [] No [X]

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1 A&H loss percent 0.0 %

5.2 A&H cost containment percent 0.0 %

5.3 A&H expense percent excluding cost containment expenses 0.0 %

6.1 Do you act as a custodian for health savings accounts?

Yes [] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date.

0

6.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]

6.4 If yes, please provide the amount of funds administered as of the reporting date.

0

MOUNTAIN LAUREL ASSURANCE COMPANY
SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
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NONE

MOUNTAIN LAUREL ASSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	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	N.....					
2. Alaska.....	AK	N.....					
3. Arizona.....	.AZ	N.....					
4. Arkansas.....	AR	N.....					
5. California.....	CA	N.....					
6. Colorado.....	CO	N.....					
7. Connecticut.....	.CT	N.....					
8. Delaware.....	DE	N.....					
9. District of Columbia.....	DC	N.....					
10. Florida.....	.FL	N.....					
11. Georgia.....	.GA	N.....					
12. Hawaii.....	.HI	N.....					
13. Idaho.....	.ID	N.....					
14. Illinois.....	.IL	N.....					
15. Indiana.....	.IN	N.....					
16. Iowa.....	.IA	N.....					
17. Kansas.....	KS	N.....					
18. Kentucky.....	.KY	N.....					
19. Louisiana.....	.LA	N.....					
20. Maine.....	.ME	N.....					
21. Maryland.....	MD	N.....					
22. Massachusetts.....	MA	N.....					
23. Michigan.....	.MI	N.....					
24. Minnesota.....	.MN	N.....					
25. Mississippi.....	MS	L.....	22,189,439	21,526,918	13,557,439	19,691,754	9,976,949
26. Missouri.....	.MO	N.....					
27. Montana.....	MT	N.....					
28. Nebraska.....	NE	N.....					
29. Nevada.....	NV	N.....					
30. New Hampshire.....	NH	N.....					
31. New Jersey.....	NJ	N.....					
32. New Mexico.....	NM	N.....					
33. New York.....	NY	N.....					
34. North Carolina.....	NC	N.....					
35. North Dakota.....	ND	N.....					
36. Ohio.....	.OH	L.....					
37. Oklahoma.....	OK	N.....					
38. Oregon.....	OR	N.....					
39. Pennsylvania.....	PA	L.....	1,311,568	1,568,687	575,248	.887,629	973,296
40. Rhode Island.....	.RI	N.....					
41. South Carolina.....	SC	N.....					
42. South Dakota.....	SD	N.....					
43. Tennessee.....	TN	L.....	44,085,438	38,854,180	22,073,715	19,506,520	15,572,217
44. Texas.....	TX	N.....					
45. Utah.....	UT	N.....					
46. Vermont.....	VT	N.....					
47. Virginia.....	.VA	N.....					
48. Washington.....	WA	N.....					
49. West Virginia.....	WV	N.....					
50. Wisconsin.....	.WI	N.....					
51. Wyoming.....	WY	N.....					
52. American Samoa.....	AS	N.....					
53. Guam.....	GU	N.....					
54. Puerto Rico.....	.PR	N.....					
55. US Virgin Islands.....	.VI	N.....					
56. Northern Mariana Islands.....	MP	N.....					
57. Canada.....	CAN	N.....					
58. Aggregate Other Alien.....	OT	XXX.....	0	0	0	0	0
59. Totals.....	(a)	4	67,586,445	61,949,784	36,206,402	40,085,902	26,522,462
							27,361,650

DETAILS OF WRITE-INS

58001.....	XXX.....						
58002.....	XXX.....						
58003.....	XXX.....						
58998. Summary of remaining write-ins for Line 58 from overflow page.....	XXX.....	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above).....	XXX.....	0	0	0	0	0	0

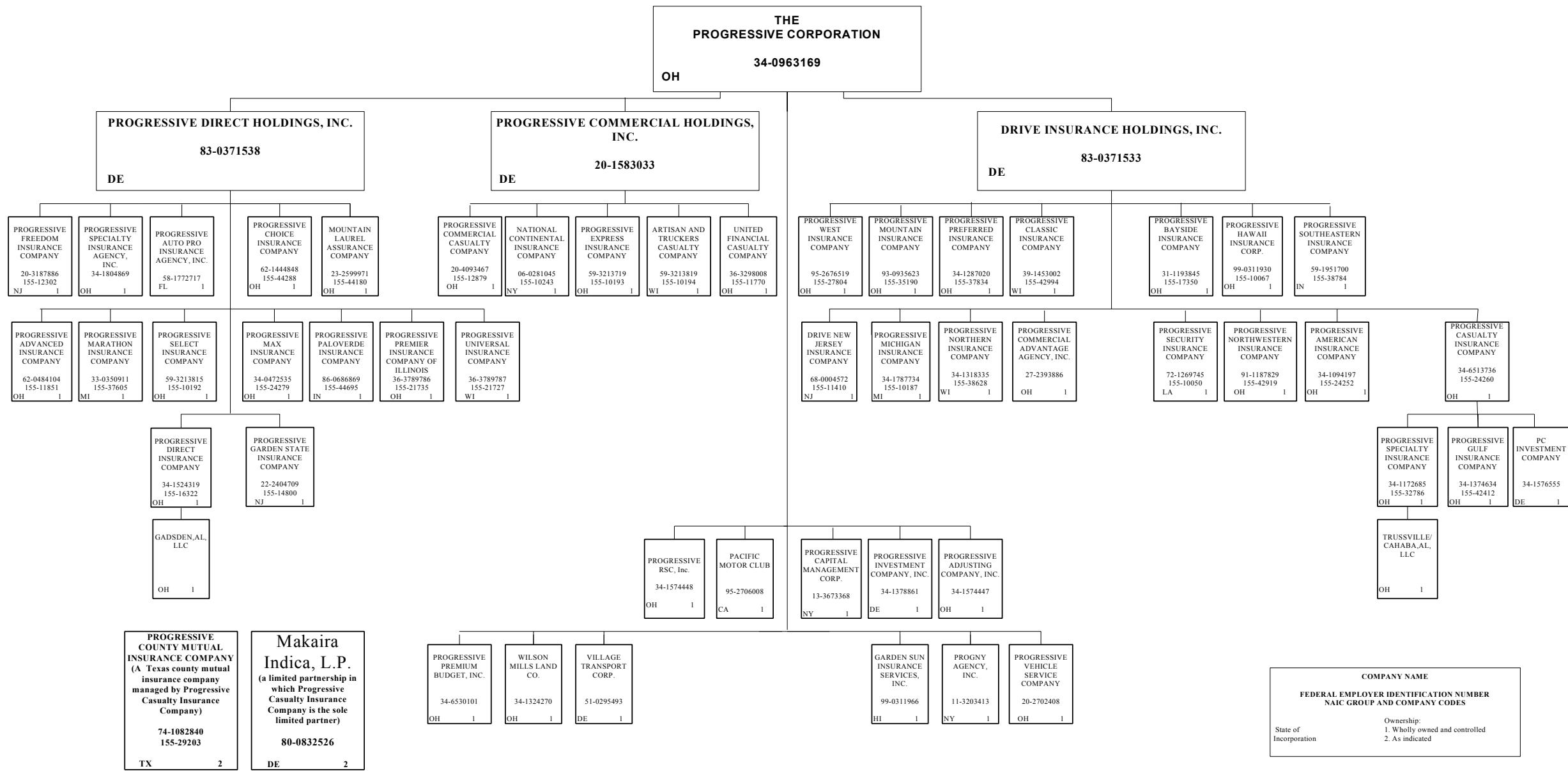
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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

PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
Members														
0155.....	The Progressive Insurance Group...	00000.....	34-0963169	.....	0000080661	New York Stock Exchange..	The Progressive Corporation.....	OH.....	UIP.....	Board, Management.....	Board.....	.....	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	83-0371533	.....	.....	Drive Insurance Holdings, Inc.....	Drive Insurance Holdings, Inc.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	11410.....	68-0004572	.....	.....	Drive New Jersey Insurance Company.....	Drive New Jersey Insurance Company.....	NJ.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24252.....	34-1094197	.....	.....	Progressive American Insurance Company.....	Progressive American Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	17350.....	31-1193845	.....	.....	Progressive Bayside Insurance Company.....	Progressive Bayside Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24260.....	34-6513736	.....	.....	Progressive Casualty Insurance Company.....	Progressive Casualty Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1576555	.....	.....	PC Investment Company.....	PC Investment Company.....	DE.....	NIA.....	Progressive Casualty Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	29203.....	74-1082840	.....	.....	Progressive County Mutual Insurance Company.....	Progressive County Mutual Insurance Company.....	TX.....	IA.....	Progressive Casualty Insurance Company.....	Management.....	.....	The Progressive Corporation.	2, 3.....
0155.....	The Progressive Insurance Group...	42412.....	34-1374634	.....	.....	Progressive Gulf Insurance Company.....	Progressive Gulf Insurance Company.....	OH.....	IA.....	Progressive Casualty Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	32786.....	34-1172685	.....	.....	Progressive Specialty Insurance Company.....	Progressive Specialty Insurance Company.....	OH.....	IA.....	Progressive Casualty Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	20-5716113	.....	.....	Trussville/Cahaba, AL , LLC.....	Trussville/Cahaba, AL , LLC.....	OH.....	NIA.....	Progressive Specialty Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	42994.....	39-1453002	.....	.....	Progressive Classic Insurance Company.....	Progressive Classic Insurance Company.....	WI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10067.....	99-0311930	.....	.....	Progressive Hawaii Insurance Corp.....	Progressive Hawaii Insurance Corp.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10187.....	34-1787734	.....	.....	Progressive Michigan Insurance Company.....	Progressive Michigan Insurance Company.....	MI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	35190.....	93-0935623	.....	.....	Progressive Mountain Insurance Company.....	Progressive Mountain Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	38628.....	34-1318335	.....	.....	Progressive Northern insurance Company.....	Progressive Northern insurance Company.....	WI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	42919.....	91-1187829	.....	.....	Progressive Northwestern Insurance Company.....	Progressive Northwestern Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	37834.....	34-1287020	.....	.....	Progressive Preferred Insurance Company.....	Progressive Preferred Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10050.....	72-1269745	.....	.....	Progressive Security Insurance Company.....	Progressive Security Insurance Company.....	LA.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	38784.....	59-1951700	.....	.....	Progressive Southeastern Insurance Company.....	Progressive Southeastern Insurance Company.....	IN.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	27804.....	95-2676519	.....	.....	Progressive West Insurance Company.....	Progressive West Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	27-2393886	.....	.....	Progressive Commercial Advantage Agency, Inc.....	Progressive Commercial Advantage Agency, Inc.....	OH.....	NIA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	20-1583033	.....	.....	Progressive Commercial Holdings, Inc.....	Progressive Commercial Holdings, Inc.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10194.....	59-3213819	.....	.....	Artisan and Truckers Casualty Company.....	Artisan and Truckers Casualty Company.....	WI.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10243.....	06-0281045	.....	.....	National Continental Insurance Company.....	National Continental Insurance Company.....	NY.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	12879.....	20-4093467	.....	.....	Progressive Commercial Casualty Company.....	Progressive Commercial Casualty Company.....	OH.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10193.....	59-3213719	.....	.....	Progressive Express Insurance Company.....	Progressive Express Insurance Company.....	OH.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	11770.....	36-3298008	.....	.....	United Financial Casualty Company.....	United Financial Casualty Company.....	OH.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	83-0371538	.....	.....	Progressive Direct Holdings, Inc.....	Progressive Direct Holdings, Inc.....	DE.....	UDP.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	44180.....	23-2599971	.....	.....	Mountain Laurel Assurance Company.....	Mountain Laurel Assurance Company.....	OH.....	RE.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	11851.....	62-0484104	.....	.....	Progressive Advanced Insurance Company.....	Progressive Advanced Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	58-1772717	.....	.....	Progressive Auto Pro Insurance Agency, Inc.....	Progressive Auto Pro Insurance Agency, Inc.....	FL.....	NIA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	44288.....	62-1444848	.....	.....	Progressive Choice Insurance Company.....	Progressive Choice Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	16322.....	34-1524319	.....	.....	Progressive Direct Insurance Company.....	Progressive Direct Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	20-5716047	.....	.....	Gadsden, AL, LLC.....	Gadsden, AL, LLC.....	OH.....	NIA.....	Progressive Direct Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	12302.....	20-3187886	.....	.....	Progressive Freedom Insurance Company.....	Progressive Freedom Insurance Company.....	NJ.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....

SCHEDULE Y**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *	
0155.....	The Progressive Insurance Group...	14800.....	22-2404709				Progressive Garden State Insurance Company.....	NJ.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	37605.....	33-0350911				Progressive Marathon Insurance Company.....	MI.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	24279.....	34-0472535				Progressive Max Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	44695.....	86-0686869				Progressive Paloverde Insurance Company.....	IN.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	21735.....	36-3789786				Progressive Premier Insurance Company of Illinois.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	10192.....	59-3213815				Progressive Select Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	00000.....	34-1804869				Progressive Specialty Insurance Agency, Inc.....	OH.....	NIA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	21727.....	36-3789787				Progressive Universal Insurance Company.....	WI.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	00000.....	99-0311966				Garden Sun Insurance Services, ilc.....	HI.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	00000.....	95-2706008				Pacific Motor Club.....	CA.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	00000.....	11-3203413				PROGNY Agency, Inc.....	NY.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	00000.....	34-1574447				Progressive Adjusting Company, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	00000.....	13-3673368				Progressive Capital Management Corp.....	NY.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	00000.....	34-1378861				Progressive Investment Company, Inc.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	00000.....	34-6530101				Progressive Premium Budget, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	00000.....	34-1574448				Progressive RSC, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	00000.....	20-2702408				Progressive Vehicle Service Company.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	00000.....	51-0295493				Village Transport Corp.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	00000.....	34-1324270				Wilson Mills Land Co.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....	
0155.....	The Progressive Insurance Group...	00000.....	80-0832526				Makaira Indica, LP.....	CA.....	NIA.....	Progressive Casualty Insurance Company.....	Other.....			The Progressive Corporation.	1, 3, 4...

Q12.1

Asterisk**Explanation**

1	Schedule Y Part 1A is a common schedule for all companies in The Progressive Insurance Group, however column 10 requires specific relationship information relative to the reporting entity.
2	Progressive County Mutual Insurance Company is a Texas county mutual insurance company that is managed, but not owned by Progressive Casualty Insurance Company.
3	None of the companies in The Progressive Insurance Group are Federally chartered or insured institutions and therefore, do not have Federal RSSD numbers.
4	Makaira Indica, LP is a limited partnership in which Progressive Casualty Insurance Company is the sole limited partner.

Statement for June 30, 2014 of the **MOUNTAIN LAUREL ASSURANCE COMPANY**
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.....	960,446	317,638	33.1	67.4
10. Financial guaranty.....			0.0	
11.1 Medical professional liability - occurrence.....			0.0	
11.2 Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1 Other liability-occurrence.....	314,060	18,423	5.9	9.9
17.2 Other liability-claims made.....			0.0	
17.3 Excess workers' compensation.....			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.....	38,800,404	20,007,091	51.6	56.7
19.3, 19.4 Commercial auto liability.....	273,434	14,868	5.4	12.8
21. Auto physical damage.....	23,862,590	15,610,894	65.4	95.2
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. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	64,210,935	35,968,914	56.0	70.8

DETAILS OF WRITE-INS

3401.			0.0	
3402.			0.0	
3403.			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 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.....	951,815	1,316,617	1,193,933
10. Financial guaranty.....			
11.1 Medical professional liability - occurrence.....			
11.2 Medical professional liability - claims made.....			
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.....	301,797	405,687	406,909
17.2 Other liability-claims made.....			
17.3 Excess workers' compensation.....			
18.1 Products liability-occurrence.....			
18.2 Products liability-claims made.....			
19.1, 19.2 Private passenger auto liability.....	18,922,718	40,663,697	36,670,708
19.3, 19.4 Commercial auto liability.....	130,137	253,212	296,262
21. Auto physical damage.....	12,140,947	24,947,232	23,381,973
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	32,447,414	67,586,445	61,949,784

DETAILS OF WRITE-INS

3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1	2	3	4	5	6	7	8	9	10	11	12	13
	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)	2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2014 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. 2011 + Prior	3,349	.504	3,853	1,116	.40	1,156	1,838	201	.290	2,329	(395)	27	(367)
2. 2012	4,979	.984	5,964	1,170	.133	1,303	3,298	284	.487	4,069	(511)	(80)	(591)
3. Subtotals 2012 + Prior	8,329	1,488	9,816	2,287	.173	2,459	5,136	485	.777	6,398	(905)	(53)	(959)
4. 2013	17,490	4,263	21,753	9,993	1,101	11,095	7,353	1,705	1,667	10,725	(144)	211	67
5. Subtotals 2013 + Prior	25,819	5,750	31,569	12,280	1,274	13,554	12,489	2,190	2,444	17,124	(1,049)	158	(892)
6. 2014	XXX	XXX	XXX	XXX	28,278	28,278	XXX	11,413	2,872	14,285	XXX	XXX	XXX
7. Totals	25,819	5,750	31,569	12,280	29,552	41,832	12,489	13,603	5,317	31,409	(1,049)	158	(892)
8. Prior Year-End's Surplus As Regards Policyholders											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. (4.1)%	2. 2.7 %	3. (2.8)%
												Col. 13, Line 7 Line 8	
												4. (2.2)%	

**MOUNTAIN LAUREL ASSURANCE COMPANY
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 Professional Liability Supplement) be filed with this statement?	NO _____
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO _____
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	NO _____

Explanation:

- 1.
- 2.
- 3.
- 4.

Bar Code:

MOUNTAIN LAUREL ASSURANCE COMPANY
Overflow Page for Write-Ins

NONE

Statement for June 30, 2014 of the **MOUNTAIN LAUREL ASSURANCE COMPANY**
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. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	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, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
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.....		
10. Deduct current year's other than temporary impairment recognized.....		
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	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	83,856,636	71,557,912
2. Cost of bonds and stocks acquired.....	8,876,509	30,838,111
3. Accrual of discount.....	3,099	414
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		14,771
6. Deduct consideration for bonds and stocks disposed of.....	10,810,000	17,139,012
7. Deduct amortization of premium.....	693,218	1,415,560
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	81,233,026	83,856,636
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	81,233,026	83,856,636

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	84,396,001	16,776,236	11,690,000	(349,225)	84,396,001	89,133,012		83,856,636
2. NAIC 2 (a).....								
3. NAIC 3 (a).....								
4. NAIC 4 (a).....								
5. NAIC 5 (a).....								
6. NAIC 6 (a).....								
7. Total Bonds.....	84,396,001	16,776,236	11,690,000	(349,225)	84,396,001	89,133,012	0	83,856,636
PREFERRED STOCK								
8. NAIC 1.....								
9. NAIC 2.....								
10. NAIC 3.....								
11. NAIC 4.....								
12. NAIC 5.....								
13. NAIC 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	84,396,001	16,776,236	11,690,000	(349,225)	84,396,001	89,133,012	0	83,856,636

(a) Book/Adjusted Carrying Value column for the end of the current reporting period 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.

Sch. DA-Pt 1
NONE

Sch. DA-Verification
NONE

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

Statement for June 30, 2014 of the **MOUNTAIN LAUREL ASSURANCE COMPANY**
SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	6,099,875
2. Cost of cash equivalents acquired.....	8,899,685	19,698,923
3. Accrual of discount.....	.300	1,202
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	1,000,000	25,800,000
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	7,899,986	.0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	7,899,986	.0

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. States, Territories and Possessions									
783244 CJ 3	RUTHERFORD CNTY TENN 5.000% 04/01/20.....		05/28/2014	JP Morgan Securities.....		1,452,690	1,215,000		1FE.....
783244 CK 0	RUTHERFORD CNTY TENN 5.000% 04/01/21.....		05/28/2014	JP Morgan Securities.....		1,606,999	1,330,000		1FE.....
783244 CL 8	RUTHERFORD CNTY TENN 5.000% 04/01/22.....		05/28/2014	JP Morgan Securities.....		1,634,452	1,340,000		1FE.....
1799999. Total Bonds - U.S. States, Territories and Possessions.....						4,694,141	3,885,000	0	XXX.....
Bonds - U.S. Special Revenue and Special Assessment									
88045R BB 7	TENNESSEE HSG DEV 5.500% 01/01/38.....		06/01/2014	Progressive Casualty Ins Co.....		4,182,368	4,020,000	.92,125	1FE.....
3199999. Total Bonds - U.S. Special Revenue and Special Assessment.....						4,182,368	4,020,000	.92,125	XXX.....
8399997. Total Bonds - Part 3.....						8,876,509	7,905,000	.92,125	XXX.....
8399999. Total Bonds.....						8,876,509	7,905,000	.92,125	XXX.....
9999999. Total Bonds, Preferred and Common Stocks.....						8,876,509	XXX.....	.92,125	XXX.....

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 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	22 NAIC Desig- nation or Market Indicator (a)		
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Other Than Temporary Impairment	14 Total Change in B/A.C.V. (11+12-13)	15 Foreign Exchange Change in B/A.C.V.									
Bonds - U.S. States, Territories and Possessions																						
821686 C3 4	SHELBY CNTY TENN 5.000% 04/01/14.....	04/01/2014	Maturity.....		.....8,480,000	.....8,480,000	.....9,201,309	.....8,502,560	.....	.....(22,560)	.....	.....(22,560)	.....	.....8,480,000	.....	.....	.....0	.....212,000	04/01/2014	1FE.....
821686 ZW 5	SHELBY CNTY TENN 5.000% 04/01/14.....	04/01/2014	Maturity.....		.....120,000	.....120,000	.....130,207	.....120,319	.....	.....(319)	.....	.....(319)	.....	.....120,000	.....	.....	.....0	.....3,000	04/01/2014	1FE.....
1799999. Total Bonds - U.S. States, Territories and Possessions.....					.....8,600,000	.....8,600,000	.....9,331,516	.....8,622,879	.....0	.....(22,879)	.....0	.....(22,879)	.....0	.....8,600,000	.....0	.....0	.....0	.....215,000	.....XXX...	.....XXX...
Bonds - U.S. Special Revenue and Special Assessment																						
60535G AX 0	MISSISSIPPI HOME CORP 4.500% 12/01/31.....	06/01/2014	Call 100.0000.....		.....125,000	.....125,000	.....134,711	.....131,270	.....	.....(6,270)	.....	.....(6,270)	.....	.....125,000	.....	.....	.....0	.....2,531	12/01/2020	1FE.....
60535M A4 1	MISSISSIPPI HOME CORP 5.500% 06/01/36.....	06/01/2014	Call 100.0000.....		.....55,000	.....55,000	.....59,139	.....55,356	.....	.....(356)	.....	.....(356)	.....	.....55,000	.....	.....	.....0	.....1,260	08/01/2014	1FE.....
60535M YY 9	MISSISSIPPI HOME CORP 4.750% 12/01/34.....	06/01/2014	Call 100.0000.....		.....40,000	.....40,000	.....40,151	.....40,018	.....	.....(18)	.....	.....(18)	.....	.....40,000	.....	.....	.....0	.....950	08/01/2014	1FE.....
880459 3L 4	TENNESSEE HSG DEV 5.000% 01/01/36.....	06/01/2014	Call 100.0000.....		.....600,000	.....600,000	.....627,666	.....615,438	.....	.....(15,438)	.....	.....(15,438)	.....	.....600,000	.....	.....	.....0	.....24,500	07/01/2015	1FE.....
880459 X2 3	TENNESSEE HSG DEV 5.125% 07/01/34.....	06/01/2014	Call 100.0000.....		.....500,000	.....500,000	.....519,975	.....501,672	.....	.....(1,672)	.....	.....(1,672)	.....	.....500,000	.....	.....	.....0	.....20,927	12/01/2014	1FE.....
88045R WH 1	TENNESSEE HSG DEV 4.500% 07/01/31.....	06/01/2014	Call 100.0000.....		.....215,000	.....215,000	.....222,789	.....221,118	.....	.....(6,118)	.....	.....(6,118)	.....	.....215,000	.....	.....	.....0	.....7,894	07/01/2022	1FE.....
88045R YE 6	TENNESSEE HSG DEV 4.500% 07/01/37.....	06/01/2014	Call 100.0000.....		.....50,000	.....50,000	.....55,205	.....54,258	.....	.....(4,258)	.....	.....(4,258)	.....	.....50,000	.....	.....	.....0	.....1,838	07/01/2022	1FE.....
88045R ZG 0	TENNESSEE HSG DEV 4.000% 07/01/38.....	06/01/2014	Call 100.0000.....		.....150,000	.....150,000	.....164,988	.....162,222	.....	.....(12,222)	.....	.....(12,222)	.....	.....150,000	.....	.....	.....0	.....4,900	07/01/2022	1FE.....
880461 BD 9	TENNESSEE HSG DEV 3.000% 07/01/38.....	06/01/2014	Call 100.0000.....		.....355,000	.....355,000	.....376,265	.....374,371	.....	.....(19,371)	.....	.....(19,371)	.....	.....355,000	.....	.....	.....0	.....8,688	07/01/2023	1FE.....
3199999. Total Bonds - U.S. Special Revenue and Special Assessment.....					.....2,090,000	.....2,090,000	.....2,200,889	.....2,155,723	.....0	.....(65,723)	.....0	.....(65,723)	.....0	.....2,090,000	.....0	.....0	.....0	.....73,488	.....XXX...	.....XXX...
8399997. Total Bonds - Part 4.....					.....10,690,000	.....10,690,000	.....11,532,405	.....10,778,602	.....0	.....(88,602)	.....0	.....(88,602)	.....0	.....10,690,000	.....0	.....0	.....0	.....288,488	.....XXX...	.....XXX...
8399999. Total Bonds.....					.....10,690,000	.....10,690,000	.....11,532,405	.....10,778,602	.....0	.....(88,602)	.....0	.....(88,602)	.....0	.....10,690,000	.....0	.....0	.....0	.....288,488	.....XXX...	.....XXX...
9999999. Total Bonds, Preferred and Common Stocks.....					.....10,690,000	.....XXX.....	.....11,532,405	.....10,778,602	.....0	.....(88,602)	.....0	.....(88,602)	.....0	.....10,690,000	.....0	.....0	.....0	.....288,488	.....XXX...	.....XXX...

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

Sch. DB-Pt A-Sn 1
NONE

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

Sch. DB-Pt A-Sn 1-Footnote B
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1-Footnote A
NONE

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

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

Sch. DB-Pt D-Sn 1
NONE

Sch. DB-Pt D-Sn 2
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

Statement for June 30, 2014 of the **MOUNTAIN LAUREL ASSURANCE COMPANY**
SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
CITIBANK.....	NEW YORK, NY.....							XXX..
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	.....0	.....0	.....0	.....0	.....0	XXX..
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	.....0	.....0	.....0	.....0	.....0	XXX..
0599999. Total Cash.....	...XXX.....	...XXX.....	.....0	.....0	.....0	.....0	.....0	XXX..

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
U.S. Government Bonds - Issuer Obligations							
TREASURY BILL.....		06/17/2014	0.020	07/10/2014	2,899,986		.23
0199999. U.S. Government Bonds - Issuer Obligations.....					2,899,986	0	.23
0599999. Total - U.S. Government Bonds.....					2,899,986	0	.23
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
TORONTO DOM HLDG.....		05/28/2014	0.050	07/01/2014	5,000,000		.236
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					5,000,000	0	.236
3899999. Total - Industrial and Miscellaneous (Unaffiliated).....					5,000,000	0	.236
Total Bonds							
7799999. Subtotals - Issuer Obligations.....					7,899,986	0	.259
8399999. Subtotals - Bonds.....					7,899,986	0	.259
8699999. Total - Cash Equivalents.....					7,899,986	0	.259