



QUARTERLY STATEMENT

As of September 30, 2016
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 (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 (Street and Number) (City or Town, State, Country and Zip Code) (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 (Street and Number) (City or Town, State, Country and Zip Code) (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) 440-603-5500 (Fax Number)

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)	JOHN ALLEN CURTISS JR.	(VICE PRESIDENT)
KAREN ANN KOSUDA	(ASST. SECRETARY)	MARIANN WOJKUN MARSHALL	(VICE PRESIDENT)

DIRECTORS OR TRUSTEES

PATRICK KEVIN CALLAHAN	JOHN ALLEN CURTISS JR.	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 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 9TH day of NOVEMBER, 2016	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 []

MOUNTAIN LAUREL ASSURANCE COMPANY
ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1. Bonds.....	106,304,088		106,304,088	91,480,730
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....0), cash equivalents (\$.....0) and short-term investments (\$.....15,739,256).....	15,739,256		15,739,256	13,910,531
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	122,043,344	0	122,043,344	105,391,261
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	1,489,197		1,489,197	1,193,257
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	5,415,217	1,323,283	4,091,934	3,380,215
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	33,441,385		33,441,385	26,299,130
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	(614)		(614)	(301)
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	4,788,851		4,788,851	4,012,686
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	5,497,784		5,497,784	5,209,817
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	25,986	25,986	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	172,701,150	1,349,269	171,351,881	145,486,065
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	172,701,150	1,349,269	171,351,881	145,486,065

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.....	25,986	25,986	0	
2502.			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).....	25,986	25,986	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 \$.....23,855,251).....	37,333,167	34,299,282
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	6,803,141	6,144,229
4. Commissions payable, contingent commissions and other similar charges.....	16,636	48,898
5. Other expenses (excluding taxes, licenses and fees).....	11,691	12,734
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	567,021	506,594
7.1 Current federal and foreign income taxes (including \$.....(6,960) on realized capital gains (losses)).....	1,151,186	1,329,758
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).....	51,789,086	42,154,318
10. Advance premium.....	713,809	547,878
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	294	210
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.....	6,203,785	5,507,306
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....	2,805,424	
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.....	297,225	286,789
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	107,692,465	90,837,996
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	107,692,465	90,837,996
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).....	40,159,416	31,148,069
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).....	63,659,416	54,648,069
38. Totals (Page 2, Line 28, Col. 3).....	171,351,881	145,486,065

DETAILS OF WRITE-INS

2501. STATE PLAN LIABILITY.....	240,342	225,255
2502. ESCHEATABLE PROPERTY.....	51,416	52,615
2503. PREMIUM REFUND LIABILITY.....	5,467	8,919
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).....	297,225	286,789
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

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 \$135,615,046).....	125,980,278	111,353,783	149,965,541
1.2 Assumed..... (written \$0).....			
1.3 Ceded..... (written \$0).....			
1.4 Net..... (written \$135,615,046).....	125,980,278	111,353,783	149,965,541
DEDUCTIONS:			
2. Losses incurred (current accident year \$77,156,246):			
2.1 Direct.....	74,786,023	68,057,756	91,587,041
2.2 Assumed.....			
2.3 Ceded.....	(16,204)	(16,374)	(14,507)
2.4 Net.....	74,802,227	68,074,130	91,601,548
3. Loss adjustment expenses incurred.....	12,096,412	10,912,969	14,680,898
4. Other underwriting expenses incurred.....	27,363,733	26,297,602	33,184,602
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	114,262,372	105,284,701	139,467,048
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	11,717,906	6,069,082	10,498,493
INVESTMENT INCOME			
9. Net investment income earned.....	1,418,972	1,172,247	1,611,505
10. Net realized capital gains (losses) less capital gains tax of \$25,746.....	50,807	46,156	58,143
11. Net investment gain (loss) (Lines 9 + 10).....	1,469,779	1,218,403	1,669,648
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$111,646 amount charged off \$2,153,630).....	(2,041,984)	(1,648,868)	(2,089,211)
13. Finance and service charges not included in premiums.....	2,034,607	1,761,130	2,368,140
14. Aggregate write-ins for miscellaneous income.....	11,697	(6,789)	(2,850)
15. Total other income (Lines 12 through 14).....	4,320	105,473	276,079
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	13,192,005	7,392,958	12,444,220
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).....	13,192,005	7,392,958	12,444,220
19. Federal and foreign income taxes incurred.....	4,959,704	2,962,319	4,304,064
20. Net income (Line 18 minus Line 19) (to Line 22).....	8,232,301	4,430,639	8,140,156
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	54,648,069	46,242,266	46,242,266
22. Net income (from Line 20).....	8,232,301	4,430,639	8,140,156
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.....	776,167	741,604	515,616
27. Change in nonadmitted assets.....	2,879	(51,614)	(249,969)
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).....	9,011,347	5,120,629	8,405,803
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	63,659,416	51,362,895	54,648,069

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.....	26,035	1,798	5,786
1402. MISCELLANEOUS OTHER EXPENSE.....	(14,338)	(8,587)	(8,636)
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).....	11,697	(6,789)	(2,850)
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

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.....	127,698,698	113,505,721	150,729,259
2. Net investment income.....	2,470,395	1,900,773	3,021,804
3. Miscellaneous income.....	247,042	269,757	379,249
4. Total (Lines 1 through 3).....	130,416,135	115,676,251	154,130,312
5. Benefit and loss related payments.....	71,768,029	61,191,273	83,389,357
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	38,774,111	35,934,336	46,312,712
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$20,719 tax on capital gains (losses).....	5,164,022	3,857,497	4,495,207
10. Total (Lines 5 through 9).....	115,706,162	100,983,106	134,197,276
11. Net cash from operations (Line 4 minus Line 10).....	14,709,973	14,693,145	19,933,036
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	15,304,082	14,617,250	28,277,250
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.....	2,805,424	4,063,397	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	18,109,506	18,680,647	28,277,250
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	31,398,250	36,341,707	45,786,072
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			1,146
13.7 Total investments acquired (Lines 13.1 to 13.6).....	31,398,250	36,341,707	45,787,218
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).....	(13,288,744)	(17,661,060)	(17,509,968)
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).....	407,496	167,893	687,958
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	407,496	167,893	687,958
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).....	1,828,725	(2,800,022)	3,111,026
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	13,910,531	10,799,505	10,799,505
19.2 End of period (Line 18 plus Line 19.1).....	15,739,256	7,999,483	13,910,531

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

20.0001			
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NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

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:

	State of Domicile	Current Period	Prior Year
NET INCOME			
(1) MOUNTAIN LAUREL ASSURANCE COMPANY state basis (Page 4, Line 20, Columns 1 & 3)	OH	\$ 8,232,301	\$ 8,140,156
(2) State Prescribed Practices that increase/decrease NAIC SAP			
(3) State Permitted Practices that increase/decrease NAIC SAP			
(4) NAIC SAP (1 – 2 – 3 = 4)	OH	\$ 8,232,301	\$ 8,140,156
SURPLUS			
(5) MOUNTAIN LAUREL ASSURANCE COMPANY state basis (Page 3, line 37, Columns 1 & 2)	OH	\$ 63,659,416	\$ 54,648,069
(6) State Prescribed Practices that increase/decrease NAIC SAP			
(7) State Permitted Practices that increase/decrease NAIC SAP			
(8) NAIC SAP (5 – 6 – 7 = 8)	OH	\$ 63,659,416	\$ 54,648,069

C. Accounting Policy

6. Loan-backed securities

Loan-backed and structured securities are accounted for as prescribed by Statement of Statutory Accounting Principles No. 43R, Loan-backed and Structured Securities. These securities are generally stated at amortized cost as determined by the estimated value of future cash flows. Prepayment assumptions for loan-backed and structured debt securities are obtained from available market data, broker/dealers, and/or internal estimates, and are consistent with current interest rate and economic trends. See Note 5.D.

D. Going Concern

Management continuously monitors the Company’s financial results and compliance with regulatory requirements and found no reason to expect the Company to not continue as a going concern.

NOTE 2 – ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

No significant changes

NOTE 3- BUSINESS COMBINATIONS AND GOODWILL

No significant changes

NOTE 4 – DISCONTINUED OPERATIONS

No significant changes

NOTE 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

H. Restricted Assets

No significant change

I. Working Capital Finance Investments

Not applicable

J. Offsetting and Netting of Assets and Liabilities

Not applicable

NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No significant changes

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – INVESTMENT INCOME

No significant changes

NOTE 8 – DERIVATIVE INSTRUMENTS

No significant changes

NOTE 9 – INCOME TAXES

No significant changes

NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

No significant changes

NOTE 11 – DEBT

- B. FHLB (Federal Home Loan Bank) Agreements
- Not applicable

NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

- A. Defined Benefit Plan
- Not applicable

NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

No significant changes

NOTE 14 – LIABILITIES, CONTINGENCIES AND ASSESSMENTS

- G. All Other Contingencies

The Company routinely assesses the collectibility of premiums and agents' balances receivable and records a bad debt reserve for amounts exceeding the nonadmitted balance that the Company believes are uncollectible.

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 the management agreement for which it is allocated litigation expenses.

The following is a discussion of a potentially significant pending case at the reporting date. The Company does not consider a loss from this case to be probable and is unable to estimate a range of loss, if any, at this time.

There was a putative class action lawsuit challenging fees charged to insureds.

NOTE 15 – LEASES

No significant changes

NOTE 16 – INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

No significant changes

NOTE 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.

NOTE 18 – GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE PORTION OF PARTIALLY INSURED PLANS

No significant changes

NOTE 19 – DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

No significant changes

NOTES TO FINANCIAL STATEMENTS

NOTE 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 the reporting date, 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 20.A above.

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

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 the reporting date, 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	\$ 108,371,944	\$ 106,304,088	\$ 5,594,098	\$ 102,777,846	\$	\$
Cash equivalents						
Common stock						
Preferred stock						
Short-term investments	15,738,379	15,739,256	11,968,048	3,770,331		

D. Not Practicable to Estimate Fair Value

Not applicable

NOTE 21 – OTHER ITEMS

No significant changes

NOTE 22 – EVENTS SUBSEQUENT

No significant changes

NOTE 23 – REINSURANCE

No significant changes

NOTE 24 – RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

F. Risk Sharing Provisions of the Affordable Care Act

The Company does not write health insurance.

NOTES TO FINANCIAL STATEMENTS

NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Incurred losses and LAE attributable to insured events of prior accident years decreased by \$2,744,767 in 2016, which is 6.8% of the total prior year net unpaid losses and LAE of \$40,443,511. The favorable development is primarily due to private passenger auto liability originally anticipated severity decreasing for accident years 2014 and 2013 and prior by 1.5% and less than 1%, respectively. LAE reserves developed favorably in both defense and cost containment and adjusting and other expense reserves.

NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS

No significant changes

NOTE 27 – STRUCTURED SETTLEMENTS

No significant changes

NOTE 28 – HEALTH CARE RECEIVABLES

No significant changes

NOTE 29 – PARTICIPATING POLICIES

No significant changes

NOTE 30 – PREMIUM DEFICIENCY RESERVES

No significant changes

NOTE 31 – HIGH DEDUCTIBLES

No significant changes

NOTE 32 – DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

No significant changes

NOTE 33 – ASBESTOS/ENVIRONMENTAL RESERVES

No significant changes

NOTE 34 – SUBSCRIBER SAVINGS ACCOUNTS

No significant changes

NOTE 35 – MULTIPLE PERIL CROP INSURANCE

No significant changes

NOTE 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 [☒]
- 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 [☒]
- 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 [☒] No [☐]
- 3.2

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes [☐] No [☒]
- 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 [☒]
- 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	2	3
Name of Entity	NAIC Company Code	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.

Yes [☐] No [☒] N/A [☐]

- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2012
- 6.2

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
- 6.3

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).

08/06/2013

- 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 [☒]
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [☒] 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 [☒]
- 7.2

If yes, give full information:

- 8.1

Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board?

Yes [☐] No [☒]
- 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 [☒]
- 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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	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 [☒] 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 [☒]
- 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 [☒]
- 9.31

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

FINANCIAL

MOUNTAIN LAUREL ASSURANCE COMPANY
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- Yes [X] No []
- \$ 0

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.)
- 11.2 If yes, give full and complete information relating thereto:
- Yes [] No [X]

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:
13. Amount of real estate and mortgages held in short-term investments:
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?
- 14.2 If yes, please complete the following:
- \$ 0
- \$ 0
- Yes [] No [X]

- 14.21 Bonds
- 14.22 Preferred Stock
- 14.23 Common Stock
- 14.24 Short-Term Investments
- 14.25 Mortgage Loans on Real Estate
- 14.26 All Other
- 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)
- 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above

1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
\$ 0	\$ 0
0	0
0	0
0	0
0	0
0	0
0	0
\$ 0	\$ 0
\$ 0	\$ 0

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

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:
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:
- 16.3 Total payable for securities lending reported on the liability page:
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*?
- \$ 0
- \$ 0
- \$ 0
- Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian Address
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?
- 17.4 If yes, give full and complete information relating thereto:
- Yes [] No [X]

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		

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?
- 18.2 If no, list exceptions:
- Yes [X] No []

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	2	3	Total Discount				Discount Taken During Period			
			4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Disc. Rate	Unpaid Losses	Unpaid LAE	IBNR	Total	Unpaid Losses	Unpaid LAE	IBNR	Total
	0.000	0.000	0	0	0	0	0	0	0	0
Total	XXX	XXX	0	0	0	0	0	0	0	0

5.1 Operating Percentages:

5.1 A&H loss percent

5.2 A&H cost containment percent

5.3 A&H expense percent excluding cost containment expenses

0.000%

0.000%

0.000%

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

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1	2	3	4	5	6	7
NAIC Company Code	ID Number	Name of Reinsurer	Domiciliary Jurisdiction	Type of Reinsurer	Certified Reinsurer Rating (1 through 6)	Effective Date of Certified Reinsurer Rating

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

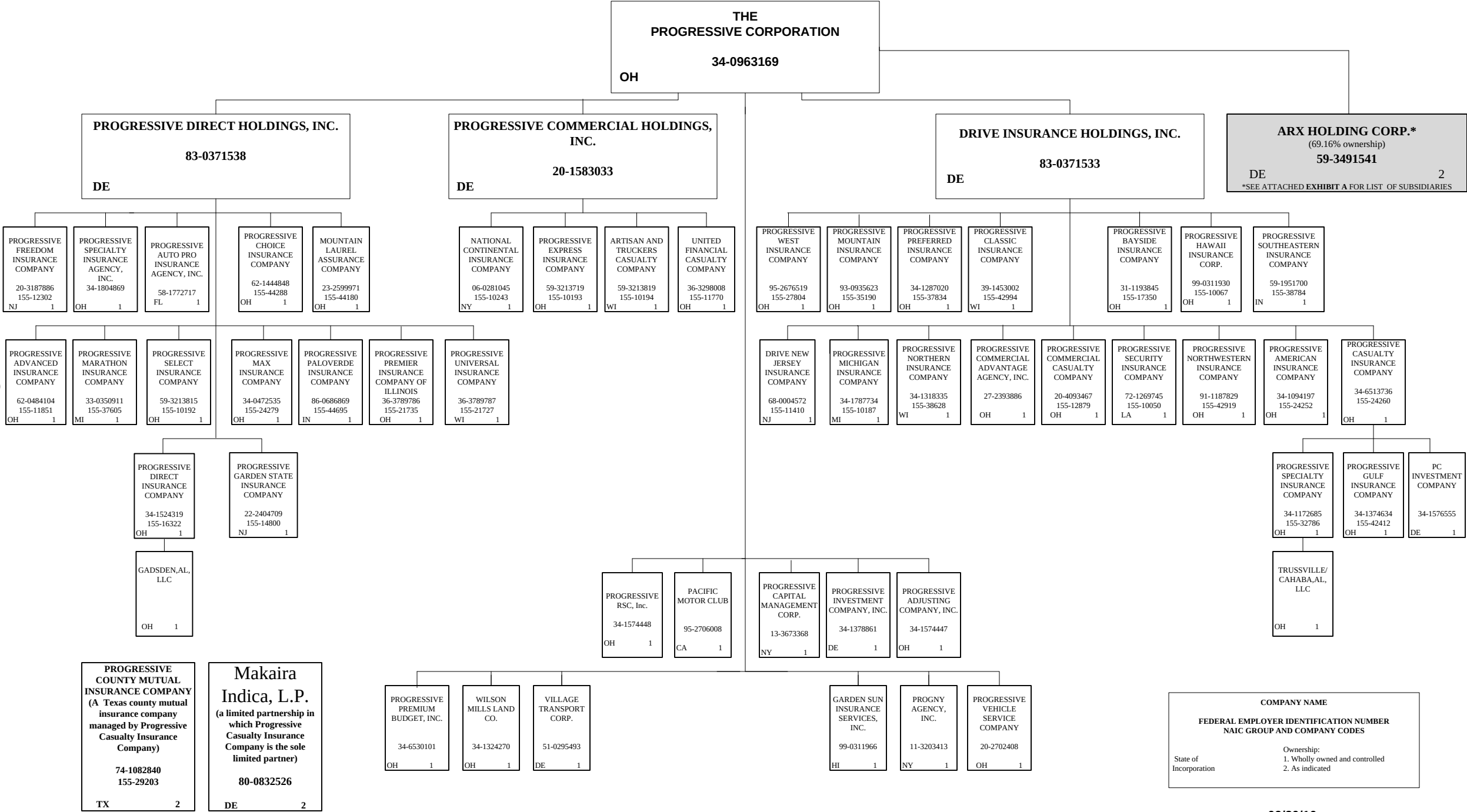
Current Year to Date - Allocated by States and Territories

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	38,111,803	35,387,012	19,614,454	19,585,114	11,659,804	11,120,070
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	870,673	1,667,870	602,657	736,618	495,274	631,120
40.	Rhode Island.....RI	N						
41.	South Carolina.....SC	N						
42.	South Dakota.....SD	N						
43.	Tennessee.....TN	L	96,632,570	83,253,546	51,535,028	40,852,951	25,178,088	21,216,983
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	0
59.	Totals.....	(a).....4	135,615,046	120,308,428	71,752,139	61,174,683	37,333,167	32,968,173

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.

Q11



Q11.1

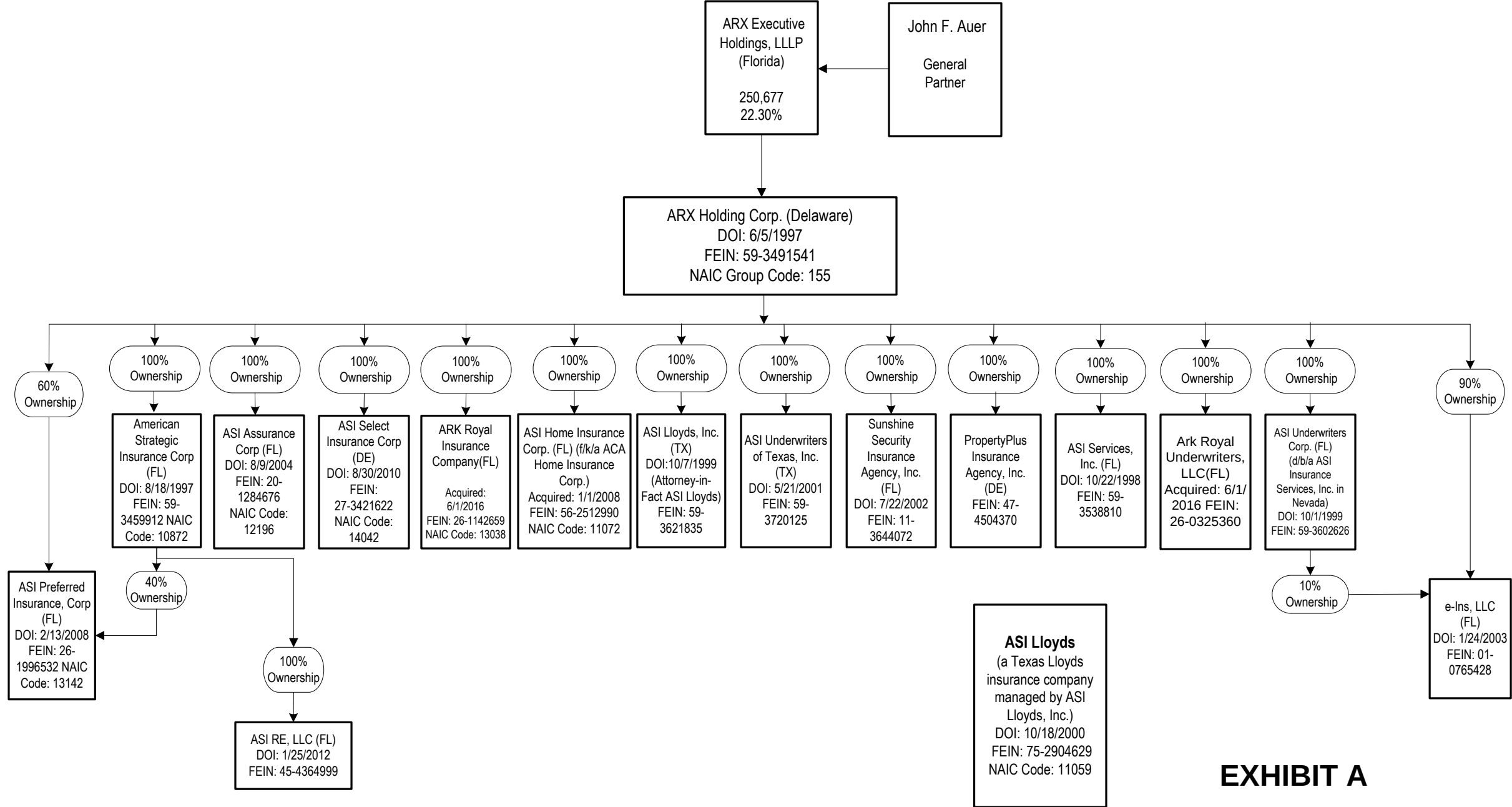


EXHIBIT A

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	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Public Traded (U.S. or International)	Name of Parent, Subsidiaries or Affiliates	Domi-ciliary 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														
		00000.....	34-0963169..	.....	0000080661	NYSE.....	The Progressive Corporation.....	OH.....	UIP.....	Board, Management.....	Board.....	.....	The Progressive Corporation..	1, 3.....
		00000.....	83-0371533..	.....			Drive Insurance Holdings, Inc.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	11410.....	68-0004572..	.....			Drive New Jersey Insurance Company.....	NJ.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	24252.....	34-1094197..	.....			Progressive American Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	17350.....	31-1193845..	.....			Progressive Bayside Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	24260.....	34-6513736..	.....			Progressive Casualty Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
		00000.....	34-1576555..	.....			PC Investment Company.....	DE.....	NIA.....	Progressive Casualty Insurance Company....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	29203.....	74-1082840..	.....			Progressive County Mutual Insurance Company.....	TX.....	IA.....	Progressive Casualty Insurance Company....	Management.....	.....	The Progressive Corporation..	2, 3.....
0155...	Progressive Insurance Group.....	42412.....	34-1374634..	.....			Progressive Gulf Insurance Company.....	OH.....	IA.....	Progressive Casualty Insurance Company....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	32786.....	34-1172685..	.....			Progressive Specialty Insurance Company.....	OH.....	IA.....	Progressive Casualty Insurance Company....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
		00000.....		.....			Trussville/Cahaba, AL , LLC.....	OH.....	NIA.....	Progressive Specialty Insurance Company....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	42994.....	39-1453002..	.....			Progressive Classic Insurance Company.....	WI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	10067.....	99-0311930..	.....			Progressive Hawaii Insurance Corp.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	10187.....	34-1787734..	.....			Progressive Michigan Insurance Company.....	MI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	35190.....	93-0935623..	.....			Progressive Mountain Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	38628.....	34-1318335..	.....			Progressive Northern Insurance Company.....	WI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	42919.....	91-1187829..	.....			Progressive Northwestern Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	37834.....	34-1287020..	.....			Progressive Preferred Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	10050.....	72-1269745..	.....			Progressive Security Insurance Company.....	LA.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	38784.....	59-1951700..	.....			Progressive Southeastern Insurance Company.....	IN.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	27804.....	95-2676519..	.....			Progressive West Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
		00000.....	27-2393886..	.....			Progressive Commercial Advantage Agency, Inc.....	OH.....	NIA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
		00000.....	20-1583033..	.....			Progressive Commercial Holdings, Inc.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	10194.....	59-3213819..	.....			Artisan and Truckers Casualty Company.....	WI.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	10243.....	06-0281045..	.....			National Continental Insurance Company.....	NY.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	12879.....	20-4093467..	.....			Progressive Commercial Casualty Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	10193.....	59-3213719..	.....			Progressive Express Insurance Company.....	OH.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	11770.....	36-3298008..	.....			United Financial Casualty Company.....	OH.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
		00000.....	83-0371538..	.....			Progressive Direct Holdings, Inc.....	DE.....	UDP.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	44180.....	23-2599971..	.....			Mountain Laurel Assurance Company.....	OH.....	RE.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	11851.....	62-0484104..	.....			Progressive Advanced Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
		00000.....	58-1772717..	.....			Progressive Auto Pro Insurance Agency, Inc.....	FL.....	NIA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	44288.....	62-1444848..	.....			Progressive Choice Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	16322.....	34-1524319..	.....			Progressive Direct Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
		00000.....		.....			Gadsden, AL, LLC.....	OH.....	NIA.....	Progressive Direct Insurance Company.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	12302.....	20-3187886..	.....			Progressive Freedom Insurance Company.....	NJ.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....

Q12

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

Q12.1

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Public Traded (U.S. or International)	Name of Parent, Subsidiaries or Affiliates	Domi-ciliary 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)	*
0155...	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...	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...	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...	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...	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...	Progressive Insurance Group.....	10192.....	59-3213815..	.....	.....	.....	Progressive Select Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
.....	.....	00000.....	34-1804869..	.....	.....	.....	Progressive Specialty Insurance Agency, Inc.....	OH.....	NIA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
0155...	Progressive Insurance Group.....	21727.....	36-3789787..	.....	.....	.....	Progressive Universal Insurance Company.....	WI.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
.....	.....	00000.....	99-0311966..	.....	.....	.....	Garden Sun Insurance Services, LLC.....	HI.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
.....	.....	00000.....	95-2706008..	.....	.....	.....	Pacific Motor Club.....	CA.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
.....	.....	00000.....	11-3203413..	.....	.....	.....	PROGNY Agency, Inc.....	NY.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
.....	.....	00000.....	34-1574447..	.....	.....	.....	Progressive Adjusting Company, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
.....	.....	00000.....	13-3673368..	.....	.....	.....	Progressive Capital Management Corp.....	NY.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
.....	.....	00000.....	34-1378861..	.....	.....	.....	Progressive Investment Company, Inc.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
.....	.....	00000.....	34-6530101..	.....	.....	.....	Progressive Premium Budget, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
.....	.....	00000.....	34-1574448..	.....	.....	.....	Progressive RSC, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
.....	.....	00000.....	20-2702408..	.....	.....	.....	Progressive Vehicle Service Company.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
.....	.....	00000.....	51-0295493..	.....	.....	.....	Village Transport Corp.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
.....	.....	00000.....	34-1324270..	.....	.....	.....	Wilson Mills Land Co.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation..	1, 3.....
.....	.....	00000.....	80-0832526..	.....	.....	.....	Makaira Indica, LP.....	CA.....	NIA.....	Progressive Casualty Insurance Company.....	Other.....	.....	The Progressive Corporation..	1, 3, 4....
.....	.....	00000.....	59-3491541..	.....	.....	.....	ARX Holding Corp.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	69.160	The Progressive Corporation..	1, 3, 5....
0155...	Progressive Insurance Group.....	11072.....	56-2512990..	.....	.....	.....	ASI Home Insurance Corp.....	FL.....	IA.....	ARX Holding Corp.....	Ownership.....	100.000	The Progressive Corporation..	1, 3, 5....
.....	.....	00000.....	45-4364999..	.....	.....	.....	ASI RE, LLC.....	FL.....	NIA.....	American Strategic Insurance Corp.....	Ownership.....	100.000	The Progressive Corporation..	1, 3, 5....
0155...	Progressive Insurance Group.....	13142.....	26-1996532..	.....	.....	.....	ASI Preferred Insurance Corp.....	FL.....	IA.....	American Strategic Insurance Corp.....	Ownership.....	40.000	The Progressive Corporation..	1, 3, 5....
0155...	Progressive Insurance Group.....	13142.....	26-1996532..	.....	.....	.....	ASI Preferred Insurance Corp.....	FL.....	IA.....	ARX Holding Corp.....	Ownership.....	60.000	The Progressive Corporation..	1, 3, 5....
0155...	Progressive Insurance Group.....	10872.....	59-3459912..	.....	.....	.....	American Strategic Insurance Corp.....	FL.....	IA.....	ARX Holding Corp.....	Ownership.....	100.000	The Progressive Corporation..	1, 3, 5....
0155...	Progressive Insurance Group.....	11059.....	75-2904629..	.....	.....	.....	ASI Lloyds.....	TX.....	IA.....	ASI Lloyds, Inc.....	Management.....	.....	The Progressive Corporation..	1, 3, 5, 6
0155...	Progressive Insurance Group.....	12196.....	20-1284676..	.....	.....	.....	ASI Assurance Corp.....	FL.....	IA.....	ARX Holding Corp.....	Ownership.....	100.000	The Progressive Corporation..	1, 3, 5....
0155...	Progressive Insurance Group.....	14042.....	27-3421622..	.....	.....	.....	ASI Select Insurance Corp.....	DE.....	IA.....	ARX Holding Corp.....	Ownership.....	100.000	The Progressive Corporation..	1, 3, 5....
.....	.....	00000.....	59-3538810..	.....	.....	.....	ASI Services Inc.....	FL.....	NIA.....	ARX Holding Corp.....	Ownership.....	100.000	The Progressive Corporation..	1, 3, 5....
.....	.....	00000.....	59-3621835..	.....	.....	.....	ASI Lloyds, Inc.....	TX.....	NIA.....	ARX Holding Corp.....	Ownership.....	100.000	The Progressive Corporation..	1, 3, 5....
.....	.....	00000.....	59-3720125..	.....	.....	.....	ASI Underwriters of Texas, Inc.....	TX.....	NIA.....	ARX Holding Corp.....	Ownership.....	100.000	The Progressive Corporation..	1, 3, 5....
.....	.....	00000.....	11-3644072..	.....	.....	.....	Sunshine Security Insurance Agency, Inc.....	FL.....	NIA.....	ARX Holding Corp.....	Ownership.....	100.000	The Progressive Corporation..	1, 3, 5....
.....	.....	00000.....	59-3602626..	.....	.....	.....	ASI Underwriters Corp.....	FL.....	NIA.....	ARX Holding Corp.....	Ownership.....	100.000	The Progressive Corporation..	1, 3, 5....
.....	.....	00000.....	01-0765428..	.....	.....	.....	e-Ins, LLC.....	FL.....	NIA.....	ARX Holding Corp.....	Ownership.....	90.000	The Progressive Corporation..	1, 3, 5....
.....	.....	00000.....	01-0765428..	.....	.....	.....	e-Ins, LLC.....	FL.....	NIA.....	ASI Underwriters Corp.....	Ownership.....	10.000	The Progressive Corporation..	1, 3, 5....

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	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Public Traded (U.S. or International)	Name of Parent, Subsidiaries or Affiliates	Domi-ciliary 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)	*
0155...	Progressive Insurance Group.....	13038.....	26-1142659..	.....	.....	.....	ARK Royal Insurance Company.....	FL.....	IA.....	ARX Holding Corp.....	Ownership.....	100.000	The Progressive Corporation..	1, 3, 5....
.....	.....	00000.....	26-0325360..	.....	.....	.....	ARK Royal Underwriters, LLC.....	FL.....	NIA.....	ARX Holding Corp.....	Ownership.....	100.000	The Progressive Corporation..	1, 3, 5....
.....	.....	00000.....	47-4504370..	.....	.....	.....	PropertyPlus Insurance Agency, Inc.....	DE.....	NIA.....	ARX Holding Corp.....	Ownership.....	100.000	The Progressive Corporation..	1, 3, 5....

Asteris	Explanation
1	Schedule Y Part 1A is a common schedule for all companies of The Progressive Corporation, 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 controlled, but not owned by Progressive Casualty Insurance Company.
3	None of the companies that are part of The Progressive Corporation 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.
5	Effective April 1, 2015, The Progressive Corporation purchased a majority ownership share in the ARX Holding Corp., which now consists of ARX Holding Corp. and 16 subsidiaries.
6	ASI Lloyds is a Texas Lloyds insurance company that is managed, but not owned by ASI Lloyds, Inc.

MOUNTAIN LAUREL ASSURANCE COMPANY
PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			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.....	1,800,537	769,185	42.7	62.2
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.....	534,790	102,179	19.1	83.9
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.....	75,519,351	42,215,158	55.9	57.1
19.3, 19.4 Commercial auto liability.....	295,755	52,448	17.7	(12.7)
21. Auto physical damage.....	47,829,846	31,647,054	66.2	68.0
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. 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.....	125,980,278	74,786,024	59.4	61.1

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.....	672,079	2,309,812	2,096,185
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.....	197,917	673,581	634,806
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.....	27,922,109	80,432,669	72,510,793
19.3 19.4 Commercial auto liability.....	48,770	296,415	308,663
21. Auto physical damage.....	18,167,638	51,902,569	44,757,981
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.....	47,008,514	135,615,046	120,308,428

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

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 Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

1.

The data for this supplement is not required to be filed.
2.

The data for this supplement is not required to be filed.
3.

The data for this supplement is not required to be filed.
4.

The data for this supplement is not required to be filed.

Bar Code:



MOUNTAIN LAUREL ASSURANCE COMPANY
Overflow Page for Write-Ins

NONE

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

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.....	91,480,730	75,690,532
2. Cost of bonds and stocks acquired.....	31,398,249	45,786,072
3. Accrual of discount.....	504	139
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	76,553	24,554
6. Deduct consideration for bonds and stocks disposed of.....	15,304,082	28,277,250
7. Deduct amortization of premium.....	1,347,867	1,743,317
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).....	106,304,087	91,480,730
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	106,304,087	91,480,730

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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	115,311,997	20,697,502	13,488,226	(477,930)	109,453,138	115,311,997	122,043,343	105,391,261
2. NAIC 2 (a).....							0	
3. NAIC 3 (a).....							0	
4. NAIC 4 (a).....							0	
5. NAIC 5 (a).....							0	
6. NAIC 6 (a).....							0	
7. Total Bonds.....	115,311,997	20,697,502	13,488,226	(477,930)	109,453,138	115,311,997	122,043,343	105,391,261
PREFERRED STOCK								
8. NAIC 1.....							0	
9. NAIC 2.....							0	
10. NAIC 3.....							0	
11. NAIC 4.....							0	
12. NAIC 5.....							0	
13. NAIC 6.....							0	
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	115,311,997	20,697,502	13,488,226	(477,930)	109,453,138	115,311,997	122,043,343	105,391,261

(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.

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MOUNTAIN LAUREL ASSURANCE COMPANY
SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	15,739,256	XXX.....	15,885,044	102,850	.....

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	3,911,482	.....
2. Cost of short-term investments acquired.....	11,964,739	3,920,305
3. Accrual of discount.....	3,309	.....
4. Unrealized valuation increase (decrease).....	.....	.....
5. Total gain (loss) on disposals.....	.....	.....
6. Deduct consideration received on disposals.....	.....	.....
7. Deduct amortization of premium.....	140,274	8,823
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).....	15,739,256	3,911,482
11. Deduct total nonadmitted amounts.....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11).....	15,739,256	3,911,482

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

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.....	9,999,049	10,799,505
2. Cost of cash equivalents acquired.....	19,195,032	34,995,442
3. Accrual of discount.....	5,919	4,102
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	29,200,000	35,800,000
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).....	0	9,999,049
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	0	9,999,049

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	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. States, Territories and Possessions									
880541 WH 6	TENNESSEE ST 3.000% 08/01/17.....		07/27/2016....	Citicorp Securities Inc.....		5,927,339	5,790,000		1FE.....
1799999. Total Bonds - U.S. States, Territories and Possessions.....						5,927,339	5,790,000	0	XXX
Bonds - U.S. Special Revenue and Special Assessment									
880461 KB 3	TENNESSEE HSG DEV 3.500% 01/01/47.....		09/14/2016....	Citicorp Securities Inc.....		2,805,424	2,615,000		1FE.....
3199999. Total Bonds - U.S. Special Revenue and Special Assessment.....						2,805,424	2,615,000	0	XXX
8399997. Total Bonds - Part 3.....						8,732,763	8,405,000	0	XXX
8399999. Total Bonds.....						8,732,763	8,405,000	0	XXX
9999999. Total Bonds, Preferred and Common Stocks.....						8,732,763	XXX	0	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	2			3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
												11	12	13	14	15								
CUSIP Identification	Description			F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than- Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Desig- nation or Market Indicator (a)	
Bonds - U.S. Government																								
912828	Q3	7	US TREASURY NOTE	1.250%	03/31/21.....	09/22/2016.	Barclays Capital.....			5,019,727	5,000,000	5,008,984			(758)	(758)	5,008,226		11,500	11,500	30,055	03/31/2021....	1.....	
0599999. Total Bonds - U.S. Government.....								5,019,727	5,000,000	5,008,984	.0	0	(758)	0	(758)	0	5,008,226	0	11,500	11,500	30,055	XXX	XXX	
Bonds - U.S. Special Revenue and Special Assessment																								
60535G	AX	0	MISSISSIPPI HOME CORP	4.500%	12/01/31.....	09/01/2016.	Call 100.0000.....		80,000	80,000	86,215	83,172		(3,172)	(3,172)	80,000				0	2,381	12/01/2020....	1FE.....	
88045R	B7	6	TENNESSEE HSG DEV	3.500%	07/01/45.....	08/01/2016.	Call 100.0000.....		220,000	220,000	234,214	232,572		(12,572)	(12,572)	220,000				0	9,048	07/01/2026....	1FE.....	
88045R	BB	7	TENNESSEE HSG DEV	5.500%	01/01/38.....	08/01/2016.	Call 100.0000.....		170,000	170,000	176,866	174,197		(4,197)	(4,197)	170,000				0	10,129	01/01/2017....	1FE.....	
88045R	WH	1	TENNESSEE HSG DEV	4.500%	07/01/31.....	09/01/2016.	Call 100.0000.....		140,000	140,000	146,650	144,019		(4,019)	(4,019)	140,000				0	6,881	07/01/2022....	1FE.....	
88045R	YE	6	TENNESSEE HSG DEV	4.500%	07/01/37.....	08/01/2016.	Call 100.0000.....		40,000	40,000	44,164	42,475		(2,475)	(2,475)	40,000				0	1,950	07/01/2022....	1FE.....	
88045R	ZG	0	TENNESSEE HSG DEV	4.000%	07/01/38.....	08/01/2016.	Call 100.0000.....		140,000	140,000	153,989	147,801		(7,801)	(7,801)	140,000				0	6,067	07/01/2022....	1FE.....	
880461	BD	9	TENNESSEE HSG DEV	3.000%	07/01/38.....	09/01/2016.	Call 100.0000.....		330,000	330,000	349,767	343,028		(13,028)	(13,028)	330,000				0	10,963	07/01/2023....	1FE.....	
880461	CE	6	TENNESSEE HSG DEV	4.000%	07/01/43.....	09/01/2016.	Call 100.0000.....		300,000	300,000	321,762	315,396		(15,396)	(15,396)	300,000				0	13,017	07/01/2024....	1FE.....	
880461	EU	8	TENNESSEE HSG DEV	4.000%	07/01/45.....	09/01/2016.	Call 100.0000.....		155,000	155,000	166,820	165,555		(10,555)	(10,555)	155,000				0	7,194	07/01/2025....	1FE.....	
880461	GG	7	TENNESSEE HSG DEV	4.000%	01/01/46.....	09/01/2016.	Call 100.0000.....		205,000	205,000	219,629	219,030		(14,030)	(14,030)	205,000				0	6,181	01/01/2026....	1FE.....	
3199999. Total Bonds - U.S. Special Revenue and Special Assessment.....								1,780,000	1,780,000	1,900,076	1,867,245	0	(87,245)	0	(87,245)	0	1,780,000	0		0	73,811	XXX	XXX	
8399997. Total Bonds - Part 4.....								6,799,727	6,780,000	6,909,060	1,867,245	0	(88,003)	0	(88,003)	0	6,788,226	0		11,500	11,500	103,866	XXX	XXX
8399999. Total Bonds.....								6,799,727	6,780,000	6,909,060	1,867,245	0	(88,003)	0	(88,003)	0	6,788,226	0		11,500	11,500	103,866	XXX	XXX
9999999. Total Bonds, Preferred and Common Stocks.....								6,799,727	XXX	6,909,060	1,867,245	0	(88,003)	0	(88,003)	0	6,788,226	0		11,500	11,500	103,866	XXX	XXX

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

QE05

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

Sch. DB - Pt. B - Sn. 1
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

MOUNTAIN LAUREL ASSURANCE COMPANY
SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	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	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year

NONE