

**ASSETS**  
(\$'000)

Page		Current Year 01	Prior Year 03
	Cash..... 01	692	1,146
	Investment Income due and accrued..... 02	38	23
	Investments:		
	Term Deposits..... 04	729	2,528
	Bonds and Debentures..... 05	4,754	2,805
	Mortgage Loans ..... 06	0	0
	Preferred Shares..... 07	20	28
	Common Shares..... 08	0	103
<u>40.70</u>	Real Estate..... 09	0	0
<u>40.80</u>	Other Investments..... 10	1,123	1,104
<u>40.05 or/ou</u> <u>40.10</u>	<b>Total Investments (lines 04 to 10)..... 19</b>	<b>6,626</b>	<b>6,568</b>
	Receivables:		
<u>50.20</u>	Unaffiliated Agents and Brokers ..... 20	0	0
	Policyholders..... 21	86	174
	Instalment Premiums..... 22	51	0
<u>50.30</u>	Other Insurers..... 23	613	0
	"Facility Association" and the "P.R.R."..... 24	0	0
<u>50.40</u>	Subsidiaries, Affiliates and Partnerships ..... 25	0	0
	Income Taxes..... 26	76	0
<u>50.20</u>	Other Receivables..... 27	4	4
	Recoverable from Reinsurers:		
<u>60.10</u>	Unearned Premiums..... 30	0	0
<u>60.30</u>	Unpaid Claims and Adjustment Expenses..... 31	845	372
	Other Recoverables on Unpaid Claims..... 37	0	0
<u>50.40</u>	Investment in Subsidiaries, Affiliates & Partnerships..... 40	0	0
<u>40.70</u>	Real Estate for Insurer's own use..... 41	739	757
	Deferred Policy Acquisition Expenses..... 43	0	0
	Future Income Taxes..... 44	66	53
<u>50.50</u>	Other Assets..... 88	134	188
	<b>TOTAL ASSETS..... 89</b>	<b>9,970</b>	<b>9,285</b>

**LIABILITIES AND EQUITY**  
**(\$'000)**

Page			Current Year 01	Prior Year 03
	<b>LIABILITIES</b>			
	Overdrafts.....	01		0
	Borrowed Money and Accrued Interest.....	02		0
	Payables:			
<u>50.20</u>	Unaffiliated Agents and Brokers .....	03	0	0
	Policyholders.....	04		0
<u>50.30</u>	Other Insurers.....	05	41	110
<u>50.40</u>	Subsidiaries, Affiliates and Partnerships .....	06	0	0
	Expenses due and accrued.....	07	211	278
	Income Taxes due and accrued.....	08		21
	Other Taxes due and accrued.....	09		0
	Policyholder Dividends and Rating Adjustments.....	10		0
<u>40.70</u>	Encumbrances on Real Estate.....	11	0	0
<u>60.10</u>	Unearned Premiums.....	12	543	565
<u>60.30</u>	Unpaid Claims and Adjustment Expenses.....	13	2,436	1,078
<u>80.10</u>	Unearned Commissions.....	14	0	0
	Premium Deficiency.....	15	0	0
	Future Income Taxes.....	21		0
<u>50.50</u>	Other Liabilities.....	28	514	65
	<b>Total Liabilities.....</b>	<b>29</b>	<b>3,745</b>	<b>2,117</b>
	<b>EQUITY</b>			
	Shares issued and paid.....	41	0	0
	Contributed Surplus.....	42		0
	.....	43		0
<u>20.40</u>	Retained Earnings.....	44	6,340	6,746
<u>20.40</u>	Reserves.....	45	0	0
<u>20.42</u>	Accumulated Other Comprehensive Income (Loss).....	47	(115)	422
	<b>Total Equity.....</b>	<b>49</b>	<b>6,225</b>	<b>7,168</b>
	<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>89</b>	<b>9,970</b>	<b>9,285</b>

**STATEMENT OF INCOME**  
**(\$'000)**

Page		Current Year 01	Prior Year 03
	<b>UNDERWRITING OPERATIONS</b>		
	<b>Premiums Written</b>		
	Direct..... 01	4,507	4,335
<u>70.21</u>	Reinsurance Assumed..... 02	10	15
<u>70.21</u>	Reinsurance Ceded..... 03	890	886
<u>60.20</u>	<b>Net Premiums Written</b> ..... 04	3,627	3,464
	Decrease (increase) in Net Unearned Premiums..... 05	22	(84)
<u>60.20</u>	<b>Net Premiums Earned</b> ..... 06	3,649	3,380
	Service Charges ..... 07		0
	Other ..... 08		0
	<b>Total Underwriting Revenue</b> ..... 09	3,649	3,380
<u>60.20</u>	Net Claims and Adjustment Expenses ..... 10	2,532	1,534
	Acquisition Expenses		
<u>80.10</u>	Commissions..... 11	1	2
	Taxes..... 12	141	129
<u>80.20</u>	Other ..... 14	0	0
<u>80.20</u>	General Expenses..... 16	1,787	1,702
	<b>Total Claims and Expenses</b> ..... 19	4,461	3,367
	Premium Deficiency Adjustments..... 20		0
	<b>Underwriting Income (Loss)</b> ..... 29	(812)	13
<u>40.07 or/ou</u> <u>40.10</u>	<b>INVESTMENT OPERATIONS</b>		
	Income..... 32	340	307
	Realized Gains (Losses)..... 33	7	24
	Expenses..... 34	19	0
	<b>Net Investment Income</b> ..... 39	328	331
	<b>OTHER REVENUE AND EXPENSES</b>		
	Income (Loss) from Ancillary Operations (net of Expenses of \$'000 ..... )..... 40		0
	Share of Net Income (Loss) of Subsidiaries and Affiliates..... 41		0
	Gain (losses) from fluctuations in Foreign Exchange Rates..... 42	5	0
	Other ..... 43		0
	<b>Net Income (Loss) before Income Taxes and Extraordinary Items</b> ..... 49	(479)	344
	<b>INCOME TAXES</b>		
	Current..... 50	(60)	21
	Future..... 51	(13)	34
	<b>Total Income Taxes</b> ..... 59	(73)	55
	Extraordinary Items (net of Income Taxes of \$'000 ..... )..... 60		0
	<b>NET INCOME (LOSS) FOR THE YEAR</b> ..... 89	(406)	289

**STATEMENT OF RETAINED EARNINGS**  
(\$'000)

Page			Current Year 01	Prior Year 02
	<b>Balance at beginning of year</b>	01	6,746	6,457
	Prior period adjustments:.....	02		0
	.....	04		0
	Adjusted balance at beginning of year.....	09	6,746	6,457
20.30	Net Income (loss) for the year.....	10	(406)	289
	Dividends declared to shareholders.....	11		0
	Decrease (increase) in Reserves .....	12	0	0
	(Please specify) .....	16		
	Net increase (decrease) in Retained Earnings during the year.....	15	(406)	289
	<b>Balance at end of year</b>	89	6,340	6,746

**RESERVES**  
(\$'000)

		Current Year 01	Prior Year 02
Earthquake Reserves			
Reserve Complement .....	90		0
Premium Reserve .....	91		0
Mortgage Reserve .....	95		0
Nuclear Reserve .....	96		0
General and Contingency Reserves .....	98		0
<b>Total Reserves</b> .....	99	0	0

**COMPREHENSIVE INCOME (LOSS)**  
and  
**ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**  
(\$'000)

Page		Current Year 01	Prior Year 03
20.30	<b>Comprehensive Income (Loss)</b>		
	Net Income .....	(406)	289
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans .....		0
	- Bonds and Debentures .....	(44)	43
	- Equities .....	(71)	379
	Reclassification to Earnings of (Gains) Losses .....		0
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses .....		0
	Reclassification to Earnings of (Gains) Losses .....		0
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses .....		0
	Impact of Hedging .....		0
	Income (Loss) from Subsidiaries .....		0
	Other .....		0
	Total Other Comprehensive Income (Loss) .....	(115)	422
	<b>Total Comprehensive Income (Loss) .....</b>	<b>(521)</b>	<b>711</b>

		Current Year (01)	Prior Year (03)
	<b>Accumulated Other Comprehensive Income (Loss)</b>		
	Accumulated Gains/ (Losses) on:		
	<b>Available for Sale:</b>		
	- Loans .....		0
	- Bonds and Debentures .....	(44)	43
	- Equities .....	(71)	379
	<b>Derivatives Designated as Cash Flow Hedges</b> .....		0
	<b>Foreign Currency (Net of Hedging Activities)</b> .....		0
	<b>Income (Loss) from Subsidiaries</b> .....		0
	<b>Other</b> .....		0
20.20	Balance at end of Period .....	(115)	422

**MINIMUM CAPITAL TEST**  
**(\$'000)**

		Current Year 01	Prior Year 02
<b>Capital Available</b>			
Total Equity less Accumulated Other Comprehensive Income .....	02	<u>6,340</u>	<u>6,746</u>
Add:			
Subordinated Indebtedness and Redeemable Preferred Shares .....	03		0
Accumulated Other Comprehensive Income (Loss) on:			
Available for Sale Equity Securities .....	04	<u>(71)</u>	379
Available for Sale Debt Securities .....	06	<u>(44)</u>	43
Foreign Currency (Net of Hedging Activities) .....	08	<u>0</u>	0
Included in Capital Available of Regulated FI Subsidiaries .....	10	0	0
.....	30		0
Capital Available reported by Regulated FI Subsidiaries .....	11		0
Less:			
Accumulated net after-tax fair value gains (losses) arising from changes in the company's own credit risk .....	12		0
.....	13		0
Balance Sheet Value of Investments in Regulated FI Subsidiaries .....	14	<u>0</u>	0
Assets with a Capital Requirement of 100% .....	17	34	95
<b>Total Capital Available .....</b>	<b>19</b>	<b>6,191</b>	<b>7,073</b>
<b>Minimum Capital Required</b>			
Balance Sheet Assets .....	20	<u>374</u>	421
Unearned Premiums/Unpaid Claims/Premium Deficiencies .....	22	<u>258</u>	199
Catastrophes .....	24	<u>0</u>	0
Reinsurance Ceded to Unregistered Insurers .....	26	<u>0</u>	0
Capital Required reported by Regulated FI Subsidiaries .....	27		0
Structured Settlements, Letters of Credit, Derivatives and Other Exposures .....	28	<u>0</u>	0
<b>Minimum Capital Required .....</b>	<b>29</b>	<b>632</b>	<b>620</b>
<b>Excess of Capital Available over Capital Required</b> (line 19 minus line 29) .....	<b>89</b>	<b>5,559</b>	<b>6,453</b>
<b>Line 19 as a % of line 29 .....</b>	<b>90</b>	<b>979.59%</b>	<b>1140.81%</b>