

**ASSETS**  
**(\$'000)**

Page		Current Year 01	Prior Year 03
	Cash..... 01	11,628	28,204
	Investment Income due and accrued..... 02	135	0
	Investments:		
	Term Deposits..... 04	3,224	25,758
	Bonds and Debentures..... 05	20,998	27,309
	Mortgage Loans ..... 06	0	0
	Preferred Shares..... 07	68,265	24,689
	Common Shares..... 08	29,346	27,596
40.70	Real Estate..... 09	0	0
40.80	Other Investments..... 10	0	0
40.05 or/ou 40.10	<b>Total Investments (lines 04 to 10)..... 19</b>	121,833	105,352
	Receivables:		
50.20	Unaffiliated Agents and Brokers ..... 20	0	0
	Policyholders..... 21	1,462	1,471
	Instalment Premiums..... 22	9,025	7,912
50.30	Other Insurers..... 23	0	0
	"Facility Association" and the "P.R.R."..... 24	191	328
50.40	Subsidiaries, Affiliates and Partnerships ..... 25	0	0
	Income Taxes..... 26	6,245	0
50.20	Other Receivables..... 27	54	55
	Recoverable from Reinsurers:		
60.10	Unearned Premiums..... 30	1,257	2,097
60.30	Unpaid Claims and Adjustment Expenses..... 31	538	292
	Other Recoverables on Unpaid Claims..... 37	0	0
50.40	Investment in Subsidiaries, Affiliates & Partnerships..... 40	0	0
40.70	Real Estate for Insurer's own use..... 41	0	0
	Deferred Policy Acquisition Expenses..... 43	616	582
	Future Income Taxes..... 44	4,630	3,277
50.50	Other Assets..... 88	328	850
	<b>TOTAL ASSETS..... 89</b>	157,942	150,420

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

Page			Current Year 01	Prior Year 03
	<b>LIABILITIES</b>			
	Overdrafts.....	01		0
	Borrowed Money and Accrued Interest.....	02	0	0
	Payables:			
<u>50.20</u>	Unaffiliated Agents and Brokers .....	03	0	0
	Policyholders.....	04		0
<u>50.30</u>	Other Insurers.....	05	2,031	3,256
<u>50.40</u>	Subsidiaries, Affiliates and Partnerships .....	06	0	0
	Expenses due and accrued.....	07	1,084	1,140
	Income Taxes due and accrued.....	08	0	2,729
	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	96,873	82,131
<u>60.30</u>	Unpaid Claims and Adjustment Expenses.....	13	17,234	13,218
<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	2,487	3,192
	<b>Total Liabilities.....</b>	<b>29</b>	<b>119,709</b>	<b>105,666</b>
	<b>EQUITY</b>			
	Shares issued and paid.....	41	11,500	11,500
	Contributed Surplus.....	42		0
	.....	43		0
<u>20.40</u>	Retained Earnings.....	44	38,971	33,476
<u>20.40</u>	Reserves.....	45	0	0
<u>20.42</u>	Accumulated Other Comprehensive Income (Loss).....	47	(12,238)	(222)
	<b>Total Equity.....</b>	<b>49</b>	<b>38,233</b>	<b>44,754</b>
	<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>89</b>	<b>157,942</b>	<b>150,420</b>

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

Page		Current Year 01	Prior Year 03
	<b>UNDERWRITING OPERATIONS</b>		
	<b>Premiums Written</b>		
	Direct..... 01	110,566	97,153
<u>70.21</u>	Reinsurance Assumed..... 02	0	0
<u>70.21</u>	Reinsurance Ceded..... 03	4,784	1,503
<u>60.20</u>	<b>Net Premiums Written</b> ..... 04	105,782	95,650
	Decrease (increase) in Net Unearned Premiums..... 05	(15,582)	(19,422)
<u>60.20</u>	<b>Net Premiums Earned</b> ..... 06	90,200	76,228
	Service Charges..... 07		0
	Other..... 08	(3)	(11)
	<b>Total Underwriting Revenue</b> ..... 09	90,197	76,217
<u>60.20</u>	Net Claims and Adjustment Expenses..... 10	22,916	18,943
	Acquisition Expenses		
<u>80.10</u>	Commissions..... 11	38,349	36,248
	Taxes..... 12	3,423	3,157
<u>80.20</u>	Other..... 14	2,110	1,552
<u>80.20</u>	General Expenses..... 16	2,891	3,434
	<b>Total Claims and Expenses</b> ..... 19	69,689	63,334
	Premium Deficiency Adjustments..... 20		0
	<b>Underwriting Income (Loss)</b> ..... 29	20,508	12,883
<u>40.07 or/ou</u> <u>40.10</u>	<b>INVESTMENT OPERATIONS</b>		
	Income..... 32	209	4,002
	Realized Gains (Losses)..... 33	(340)	3,389
	Expenses..... 34	23	64
	<b>Net Investment Income</b> ..... 39	(154)	7,327
	<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		0
	Other..... 43	(6,490)	(2,654)
	<b>Net Income (Loss) before Income Taxes and Extraordinary Items</b> ..... 49	13,864	17,556
	<b>INCOME TAXES</b>		
	Current..... 50	1,133	6,855
	Future..... 51	2,236	(972)
	<b>Total Income Taxes</b> ..... 59	3,369	5,883
	Extraordinary Items (net of Income Taxes of \$'000.....)..... 60		0
	<b>NET INCOME (LOSS) FOR THE YEAR</b> ..... 89	10,495	11,673

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

Page			Current Year 01	Prior Year 02
	<b>Balance at beginning of year</b>	01	33,476	21,803
	Prior period adjustments:.....	02		0
	.....	04		0
	Adjusted balance at beginning of year.....	09	33,476	21,803
20.30	Net Income (loss) for the year.....	10	<u>10,495</u>	<u>11,673</u>
	Dividends declared to shareholders.....	11	5,000	0
	Decrease (increase) in Reserves .....	12	0	0
	(Please specify) .....	16		
	Net increase (decrease) in Retained Earnings during the year.....	15	5,495	11,673
	<b>Balance at end of year</b>	89	38,971	33,476

**RESERVES**  
(\$'000)

		Current Year 01	Prior Year 02
	Earthquake Reserves		
	Reserve Complement .....		0
	Premium Reserve .....		0
	Mortgage Reserve .....		0
	Nuclear Reserve .....		0
	General and Contingency Reserves .....		0
	<b>Total Reserves</b> .....	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 ..... 01	10,495	11,673
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans ..... 02		0
	- Bonds and Debentures ..... 03	448	129
	- Equities ..... 04	(12,310)	(1,038)
	Reclassification to Earnings of (Gains) Losses ..... 05	(153)	(2,112)
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses ..... 06		0
	Reclassification to Earnings of (Gains) Losses ..... 07		0
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses ..... 08		0
	Impact of Hedging ..... 09		0
	Income (Loss) from Subsidiaries ..... 10		0
	Other ..... 12		0
	Total Other Comprehensive Income (Loss) ..... 21	(12,015)	(3,021)
	<b>Total Comprehensive Income (Loss) ..... 39</b>	<b>(1,520)</b>	<b>8,652</b>

		Current Year (01)	Prior Year (03)
	<b>Accumulated Other Comprehensive Income (Loss)</b>		
	Accumulated Gains/ (Losses) on:		
	<b>Available for Sale:</b>		
	- Loans ..... 42		0
	- Bonds and Debentures ..... 43	571	129
	- Equities ..... 44	(12,809)	(351)
	<b>Derivatives Designated as Cash Flow Hedges</b> ..... 45		0
	<b>Foreign Currency (Net of Hedging Activities)</b> ..... 46		0
	<b>Income (Loss) from Subsidiaries</b> ..... 47		0
	<b>Other</b> ..... 49		0
20.20	Balance at end of Period ..... 59	(12,238)	(222)

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

		Current Year 01	Prior Year 02
<b>Capital Available</b>			
Total Equity less Accumulated Other Comprehensive Income .....	02	50,471	44,976
Add:			
Subordinated Indebtedness and Redeemable Preferred Shares .....	03		0
Accumulated Other Comprehensive Income (Loss) on:			
Available for Sale Equity Securities .....	04	(12,809)	(351)
Available for Sale Debt Securities .....	06	571	129
Foreign Currency (Net of Hedging Activities) .....	08	0	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	0	0
Assets with a Capital Requirement of 100% .....	17	0	3,577
<b>Total Capital Available .....</b>	<b>19</b>	<b>38,233</b>	<b>41,177</b>
<b>Minimum Capital Required</b>			
Balance Sheet Assets .....	20	7,779	6,025
Unearned Premiums/Unpaid Claims/Premium Deficiencies .....	22	9,284	7,651
Catastrophes .....	24	0	0
Reinsurance Ceded to Unregistered Insurers .....	26	0	0
Capital Required reported by Regulated FI Subsidiaries .....	27		0
Structured Settlements, Letters of Credit, Derivatives and Other Exposures .....	28	0	0
<b>Minimum Capital Required .....</b>	<b>29</b>	<b>17,063</b>	<b>13,676</b>
<b>Excess of Capital Available over Capital Required</b>			
(line 19 minus line 29) .....	89	21,170	27,501
<b>Line 19 as a % of line 29 .....</b>	<b>90</b>	<b>224.07%</b>	<b>301.09%</b>