

ASSETS
(\$'000)

Page			Current Year 01	Prior Year 03
	Cash.....	01	197	149
	Investment Income due and accrued.....	02	31	51
	Investments:			
	Term Deposits.....	04	1,509	981
	Bonds and Debentures	05	4,196	4,583
	Mortgage Loans	06	0	0
	Preferred Shares.....	07	248	199
	Common Shares.....	08	825	476
40.70	Real Estate.....	09	0	0
40.80	Other Investments.....	10	196	127
40.07	Total Investments (lines 04 to 10).....	19	6,974	6,366
	Receivables:			
50.20	Unaffiliated Agents and Brokers	20	0	0
	Policyholders.....	21	123	143
	Instalment Premiums.....	22	0	0
50.30	Other Insurers.....	23	0	0
	"Facility Association" and the "P.R.R.".....	24	0	0
50.40	Subsidiaries, Affiliates and Partnerships	25	0	0
	Income Taxes.....	26	0	0
50.20	Other Receivables.....	27	0	0
	Recoverable from Reinsurers:			
60.10	Unearned Premiums.....	30	0	0
60.30	Unpaid Claims and Adjustment Expenses.....	31	0	0
	Other Recoverables on Unpaid Claims.....	37	2,843	2,993
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	0	0
	Future Income Taxes.....	44	0	0
50.50	Other Assets.....	88	0	0
	TOTAL ASSETS.....	89	10,168	9,702

LIABILITIES AND EQUITY
(\$'000)

Page			Current Year 01	Prior Year 03
	LIABILITIES			
	Overdrafts.....	01		0
	Borrowed Money and Accrued Interest	02		0
	Payables:			
<u>50.20</u>	Unaffiliated Agents and Brokers	03	204	238
	Policyholders.....	04		0
<u>50.30</u>	Other Insurers.....	05	0	0
<u>50.40</u>	Subsidiaries, Affiliates and Partnerships	06	0	0
	Expenses due and accrued.....	07	101	106
	Income Taxes due and accrued.....	08	26	17
	Other Taxes due and accrued.....	09	28	54
	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	0	0
<u>60.30</u>	Unpaid Claims and Adjustment Expenses.....	13	1,306	1,266
<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	2,843	2,993
	Total Liabilities.....	29	4,508	4,674
	EQUITY			
	Shares issued and paid.....	41	4,000	4,000
	Contributed Surplus.....	42		0
	43		0
<u>20.40</u>	Retained Earnings.....	44	1,660	1,028
<u>20.40</u>	Reserves.....	45	0	0
<u>20.42</u>	Accumulated Other Comprehensive Income (Loss)	47	0	0
	Total Equity.....	49	5,660	5,028
	TOTAL LIABILITIES AND EQUITY.....	89	10,168	9,702

STATEMENT OF INCOME
(\$'000)

Page			Current Year 01	Prior Year 03
	UNDERWRITING OPERATIONS			
	Premiums Written			
	Direct.....	01	668	919
70.21	Reinsurance Assumed.....	02	0	0
70.21	Reinsurance Ceded.....	03	0	0
60.20	Net Premiums Written.....	04	668	919
	Decrease (increase) in Net Unearned Premiums.....	05	0	0
60.20	Net Premiums Earned.....	06	668	919
	Service Charges	07		0
	Other	08	1,266	2,193
	Total Underwriting Revenue.....	09	1,934	3,112
60.20	Net Claims and Adjustment Expenses	10	1,319	2,012
	Acquisition Expenses			
80.10	Commissions.....	11	0	61
	Taxes.....	12	28	198
80.20	Other	14	0	0
80.20	General Expenses.....	16	142	132
	Total Claims and Expenses	19	1,489	2,403
	Premium Deficiency Adjustments.....	20		0
	Underwriting Income (Loss).....	29	445	709
40.07 or/ou 40.10	INVESTMENT OPERATIONS			
	Income.....	32	354	(36)
	Realized Gains (Losses)	33	12	0
	Expenses.....	34	26	20
	Net Investment Income	39	340	(56)
	OTHER REVENUE AND EXPENSES			
	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		0
	Net Income (Loss) before Income Taxes and Extraordinary Items.....	49	785	653
	INCOME TAXES			
	Current.....	50	153	127
	Future	51		0
	Total Income Taxes	59	153	127
	Extraordinary Items (net of Income Taxes of \$'000).....	60		0
	NET INCOME (LOSS) FOR THE YEAR.....	89	632	526

STATEMENT OF RETAINED EARNINGS
(\$'000)

Page			Current	Prior
			Year	Year
			01	02
	Balance at beginning of year	01	1,028	502
	Prior period adjustments:.....	02		0
	04		0
	Adjusted balance at beginning of year.....	09	1,028	502
<u>20.30</u>	Net Income (loss) for the year.....	10	<u>632</u>	<u>526</u>
	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	632	526
	Balance at end of year	89	1,660	1,028

RESERVES
(\$'000)

		Current	Prior
		Year	Year
		01	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
Total Reserves	99	0	0

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

Page		Current Year 01	Prior Year 03
20.30	Comprehensive Income (Loss)		
	Net Income 01	632	526
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans 02		0
	- Bonds and Debentures 03		0
	- Equities 04		0
	Reclassification to Earnings of (Gains) Losses 05		0
	Derivatives Designated as Cash Flow Hedges		
	Change in Unrealized Gains and Losses 06		0
	Reclassification to Earnings of (Gains) Losses 07		0
	Foreign Currency Translation		
	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	0	0
	Total Comprehensive Income (Loss) 39	632	526
	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains/ (Losses) on:		
	Available for Sale:		
	- Loans 42		0
	- Bonds and Debentures 43		0
	- Equities 44		0
	Derivatives Designated as Cash Flow Hedges 45		0
	Foreign Currency (Net of Hedging Activities) 46		0
	Income (Loss) from Subsidiaries 47		0
	Other 49		0
20.20	Balance at end of Period 59	0	0

Fortress Insurance Company
Insurer

2009
Year

MINIMUM CAPITAL TEST
(\$'000)

	Current Year 01	Prior Year 02
Capital Available		
Total Equity less Accumulated Other Comprehensive Income02	<u>5,660</u>	<u>5,028</u>
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities04	<u>0</u>	0
Available for Sale Debt Securities06	<u>0</u>	0
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	<u>0</u>	0
Total Capital Available 19	<u>5,660</u>	<u>5,028</u>
Minimum Capital Required		
Balance Sheet Assets 20	<u>589</u>	580
Unearned Premiums/Unpaid Claims/Premium Deficiencies 22	<u>158</u>	182
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
Minimum Capital Required 29	<u>747</u>	<u>762</u>
Excess of Capital Available over Capital Required		
(line 19 minus line 29) 89	<u>4,913</u>	<u>4,266</u>
Line 19 as a % of line 29 90	<u>757.70%</u>	<u>659.84%</u>