

**ASSETS**  
(\$'000)

Page		Current Year 01	Prior Year 03
	Cash.....	404	692
	Investment Income due and accrued.....	37	38
	Investments:		
	Term Deposits.....	434	729
	Bonds and Debentures .....	4,173	4,754
	Mortgage Loans .....	0	0
	Preferred Shares.....	124	20
	Common Shares.....	2,003	0
<u>40.70</u>	Real Estate.....	0	0
<u>40.80</u>	Other Investments.....	0	1,123
<u>40.90</u>	<b>Total Investments (lines 04 to 10).....</b>	<b>6,734</b>	<b>6,626</b>
	Receivables:		
<u>50.20</u>	Unaffiliated Agents and Brokers .....	0	0
	Policyholders.....	108	86
	Instalment Premiums.....	47	51
<u>50.30</u>	Other Insurers.....	0	613
	"Facility Association" and the "P.R.R.".....	0	0
<u>50.40</u>	Subsidiaries, Affiliates and Partnerships .....	0	0
	Income Taxes.....	0	76
<u>50.20</u>	Other Receivables.....	15	4
	Recoverable from Reinsurers:		
<u>60.10</u>	Unearned Premiums.....	0	0
<u>60.30</u>	Unpaid Claims and Adjustment Expenses.....	3,673	845
	Other Recoverables on Unpaid Claims.....	0	0
<u>50.40</u>	Investment in Subsidiaries, Affiliates & Partnerships.....	0	0
<u>40.70</u>	Real Estate for Insurer's own use.....	747	739
	Deferred Policy Acquisition Expenses.....	15	0
	Future Income Taxes.....	290	66
<u>50.50</u>	Other Assets.....	124	134
	<b>TOTAL ASSETS.....</b>	<b>12,194</b>	<b>9,970</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	85	41
<u>50.40</u>	Subsidiaries, Affiliates and Partnerships .....	06	0	0
	Expenses due and accrued.....	07	299	211
	Income Taxes due and accrued.....	08		0
	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	510	543
<u>60.30</u>	Unpaid Claims and Adjustment Expenses.....	13	4,806	2,436
<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	572	514
	<b>Total Liabilities.....</b>	<b>29</b>	<b>6,272</b>	<b>3,745</b>
	<b>EQUITY</b>			
	Shares issued and paid.....	41	0	0
	Contributed Surplus.....	42		0
	.....	43		0
<u>20.40</u>	Retained Earnings.....	44	5,737	6,340
<u>20.40</u>	Reserves.....	45	0	0
<u>20.42</u>	Accumulated Other Comprehensive Income (Loss)	47	185	(115)
	<b>Total Equity.....</b>	<b>49</b>	<b>5,922</b>	<b>6,225</b>
	<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>89</b>	<b>12,194</b>	<b>9,970</b>

STATEMENT OF INCOME  
(\$'000)

Page			Current Year 01	Prior Year 03
	<b>UNDERWRITING OPERATIONS</b>			
	<b>Premiums Written</b>			
	Direct.....	01	4,927	4,507
<u>70.21</u>	Reinsurance Assumed.....	02	8	10
<u>70.21</u>	Reinsurance Ceded.....	03	1,142	890
<u>60.20</u>	<b>Net Premiums Written</b> .....	04	3,793	3,627
	Decrease (increase) in Net Unearned Premiums.....	05	33	22
<u>60.20</u>	<b>Net Premiums Earned</b> .....	06	3,826	3,649
	Service Charges .....	07		0
	Other .....	08		0
	<b>Total Underwriting Revenue</b> .....	09	3,826	3,649
<u>60.20</u>	<b>Net Claims and Adjustment Expenses</b> .....	10	2,965	2,532
	Acquisition Expenses .....			
<u>80.10</u>	Commissions.....	11	7	1
	Taxes.....	12	132	141
<u>80.20</u>	Other .....	14	0	0
<u>80.20</u>	General Expenses.....	16	1,925	1,787
	<b>Total Claims and Expenses</b> .....	19	5,029	4,461
	Premium Deficiency Adjustments.....	20		0
	<b>Underwriting Income (Loss)</b> .....	29	(1,203)	(812)
<u>40.07 or/ou</u> <u>40.10</u>	<b>INVESTMENT OPERATIONS</b>			
	Income.....	32	302	340
	Realized Gains (Losses) .....	33	7	7
	Expenses.....	34	37	19
	<b>Net Investment Income</b> .....	39	272	328
	<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	(4)	5
	Other .....	43	36	0
	<b>Net Income (Loss) before Income Taxes and Extraordinary Items</b> .....	49	(899)	(479)
	<b>INCOME TAXES</b>			
	Current.....	50		(60)
	Future .....	51	(296)	(13)
	<b>Total Income Taxes</b> .....	59	(296)	(73)
	Extraordinary Items (net of Income Taxes of \$'000 .....).....	60		0
	<b>NET INCOME (LOSS) FOR THE YEAR</b> .....	89	(603)	(406)

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

Page			Current Year 01	Prior Year 02
	<b>Balance at beginning of year</b>	01	6,340	6,746
	Prior period adjustments:.....	02		0
		04		0
	<b>Adjusted balance at beginning of year</b> .....	09	<b>6,340</b>	<b>6,746</b>
20.30	Net Income (loss) for the year.....	10	(603)	(406)
	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	(603)	(406)
	<b>Balance at end of year</b>	89	<b>5,737</b>	<b>6,340</b>

**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	<b>0</b>	<b>0</b>

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

Page		Current Year 01	Prior Year 03
	<b>Comprehensive Income (Loss)</b>		
20.30	Net Income ..... 01	(603)	(406)
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans ..... 02		0
	- Bonds and Debentures ..... 03	150	(87)
	- Equities ..... 04	150	(450)
	Reclassification to Earnings of (Gains) Losses ..... 05		0
	<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	300	(537)
	<b>Total Comprehensive Income (Loss) ..... 39</b>	<b>(303)</b>	<b>(943)</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	93	(44)
	- Equities ..... 44	92	(71)
	<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	185	(115)

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

	Current Year 01	Prior Year 02
<b>Capital Available</b>		
Total Equity less Accumulated Other Comprehensive Income ..... 02	<u>5,737</u>	<u>6,340</u>
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares ..... 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities ..... 04	<u>92</u>	(71)
Available for Sale Debt Securities ..... 06	<u>93</u>	(44)
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>2</u>	34
<b>Total Capital Available</b> ..... 19	<u>5,920</u>	<u>6,191</u>
<b>Minimum Capital Required</b>		
Balance Sheet Assets ..... 20	<u>559</u>	374
Unearned Premiums/Unpaid Claims/Premium Deficiencies ..... 22	<u>271</u>	258
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> ..... 29	<u>830</u>	<u>632</u>
<b>Excess of Capital Available over Capital Required</b> (line 19 minus line 29) ..... 89	<u>5,090</u>	<u>5,559</u>
<b>Line 19 as a % of line 29</b> ..... 90	<u>713.25%</u>	<u>979.59%</u>