

**ASSETS**  
(\$'000)

		Current 01	Prior 03
Cash .....	01	62,224	23,702
Investment Income due and accrued .....	02	2,159	2,317
<b>Investments:</b>			
Term Deposits .....	04	0	0
Bonds and Debentures .....	05	199,282	199,216
Mortgage Loans .....	06	0	0
Preferred Shares .....	07	4,997	5,960
Common Shares .....	08	49,146	66,822
Real Estate .....	09	0	0
Other Investments .....	10	9,893	0
<b>Total Investments (lines 04 to 10) .....</b>	<b>19</b>	<b>263,318</b>	<b>271,998</b>
<b>Receivables:</b>			
Unaffiliated Agents and Brokers .....	20	0	0
Policyholders .....	21	0	0
Instalment Premiums .....	22	43,570	41,473
Other Insurers .....	23	1,643	2,327
"Facility Association" and the "P.R.R." .....	24	2,180	1,465
Subsidiaries, Affiliates & Partnerships .....	25	57	116
Income Taxes .....	26	3,953	13,294
Other Receivables .....	27	452	609
<b>Recoverable from Reinsurers:</b>			
Unearned Premiums .....	30	0	0
Unpaid Claims and Adjustment Expenses .....	31	20,560	20,845
Other Recoverables on Unpaid Claims .....	37	0	0
Investment in Subsidiaries, Affiliates & Partnerships .....	40	0	0
Real Estate for Insurer's own use .....	41	0	0
Deferred Policy Acquisition Expenses .....	43	14,260	12,722
Future Income Taxes .....	44	513	2,556
Other Assets .....	88	8,918	5,803
<b>TOTAL ASSETS .....</b>	<b>89</b>	<b>423,807</b>	<b>399,227</b>

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

Page		Current 01	Prior 03
	<b>LIABILITIES</b>		
	Overdrafts ..... 01	0	0
	Borrowed Money and Accrued Interest ..... 02	0	0
	Payables:		
	Agents and Brokers ..... 03	0	0
	Policyholders ..... 04	110	162
	Other Insurers ..... 05	0	0
	Subsidiaries, Affiliates & Partnerships ..... 06	4,118	4,096
	Expenses due and accrued ..... 07	3,781	4,246
	Income Taxes due and accrued ..... 08	0	0
	Other Taxes due and accrued ..... 09	2,653	2,562
	Policyholder Dividends and Rating Adjustments ..... 10	0	0
	Encumbrances on Real Estate ..... 11	0	0
	Unearned Premiums ..... 12	99,747	91,700
	Unpaid Claims and Adjustment Expenses ..... 13	217,647	197,836
	Unearned Commissions ..... 14	0	0
	Premium Deficiency ..... 15	0	0
	Future Income Taxes ..... 21	0	0
	Other Liabilities ..... 28	3,565	2,298
	<b>Total Liabilities</b> ..... 29	<b>331,621</b>	<b>302,900</b>
	<b>EQUITY</b>		
	Shares issued and paid ..... 41	4,000	4,000
	Contributed Surplus ..... 42	0	0
	..... 43	0	0
	Retained Earnings ..... 44	104,837	93,654
	Reserves ..... 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) ..... 47	(16,651)	(1,327)
	<b>Total Equity</b> ..... 49	<b>92,186</b>	<b>96,327</b>
	<b>TOTAL LIABILITIES AND EQUITY</b> ..... 89	<b>423,807</b>	<b>399,227</b>

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

	Current Period 01	Prior Period 03
<b>UNDERWRITING OPERATIONS</b>		
<b>Premiums Written</b>		
Direct .....	52,475	49,984
Reinsurance Assumed .....	0	0
Reinsurance Ceded .....	2,037	1,903
<b>Net Premiums Written</b> .....	<b>50,438</b>	<b>48,081</b>
Decrease (increase) in Net Unearned Premiums .....	6,139	3,225
<b>Net Premiums Earned</b> .....	<b>56,577</b>	<b>51,306</b>
Service Charges .....	1,512	1,391
Other .....	0	0
<b>Total Underwriting Revenue</b> .....	<b>58,089</b>	<b>52,697</b>
Net Claims and Adjustment Expenses .....	48,203	38,817
<b>Acquisition Expenses</b>		
Commissions .....	6,479	5,589
Taxes .....	1,779	1,595
Other .....	1,846	1,484
General Expenses .....	3,894	3,575
<b>Total Claims and Expenses</b> .....	<b>62,201</b>	<b>51,060</b>
Premium Deficiency Adjustments .....	0	0
<b>Underwriting Income (Loss)</b> .....	<b>(4,112)</b>	<b>1,637</b>
<b>INVESTMENT OPERATIONS</b>		
Income .....	3,286	3,107
Realized Gains (Losses) .....	790	2,934
Expenses .....	160	216
<b>Net Investment Income</b> .....	<b>3,916</b>	<b>5,825</b>
<b>OTHER REVENUE AND EXPENSES</b>		
Income (Loss) from Ancillary Operations .....	0	0
(net of Expenses of \$'000 _____ )		
Share of Net Income (Loss) of Subsidiaries, Affiliates & Partnerships .....	0	0
Gain (losses) from fluctuations in Foreign Exchange Rates .....	0	0
Other .....	68	59
<b>Net income (Loss) before Income Taxes and Extraordinary Items</b> .....	<b>(128)</b>	<b>7,521</b>
<b>INCOME TAXES</b>		
Current .....	(253)	2,116
Future .....	0	0
<b>Total Income Taxes</b> .....	<b>(253)</b>	<b>2,116</b>
Extraordinary Items (net of Income Taxes of \$'000 _____ ) .....	0	0
<b>NET INCOME (LOSS) FOR THE PERIOD</b> .....	<b>125</b>	<b>5,405</b>

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

		Current 01	Prior 02
<b>Balance at beginning of year</b> .....	01	104,712	88,249
Prior period adjustments: .....	02	0	0
.....	04	0	0
<b>Adjusted balance at beginning of year</b> .....	09	104,712	88,249
Net income (loss) for the Period .....	10	125	5,405
Dividends declared to shareholders .....	11	0	0
Decrease (increase) in Reserves .....	12	0	0
(Please Specify) .....	16		
Net increase (decrease) in Retained Earnings during the period .....	15	125	5,405
<b>Balance at end of Period</b> .....	89	104,837	93,654

**RESERVES**  
**(\$'000)**

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

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

Page		Current Period 01	Prior Period 03
20.30	<b>Comprehensive Income (Loss)</b>		
	Net Income ..... 01	125	5,405
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans ..... 02	0	0
	- Bonds and Debentures ..... 03	0	0
	- Equities ..... 04	(1,794)	(2,305)
	Reclassification to Earnings of (Gains) Losses ..... 05	0	0
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses ..... 06	0	0
	Reclassification to Earnings of (Gains) Losses ..... 07	0	0
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses ..... 08	0	0
	Impact of Hedging ..... 09	0	0
	<b>Income (Loss) from Subsidiaries</b> ..... 10	0	0
	<b>Other</b> ..... 12	0	0
	Total Other Comprehensive Income (Loss) ..... 21	(1,794)	(2,305)
	<b>Total Comprehensive Income (Loss)</b> ..... 39	(1,669)	3,100

		Current Period (01)	Prior Period (03)
	<b>Accumulated Other Comprehensive Income (Loss)</b>		
	Accumulated Gains/ (Losses) on:		
	<b>Available for Sale:</b>		
	- Loans ..... 42	0	0
	- Bonds and Debentures ..... 43	0	0
	- Equities ..... 44	(16,651)	(1,327)
	<b>Derivatives Designated as Cash Flow Hedges</b> ..... 45	0	0
	<b>Foreign Currency (Net of Hedging Activities)</b> ..... 46	0	0
	<b>Income (Loss) from Subsidiaries</b> ..... 47	0	0
	<b>Other</b> ..... 49	0	0
20.20	<b>Balance at end of Period</b> ..... 59	(16,651)	(1,327)

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

	Current 01	Prior 02
<b>Capital Available</b>		
Total Equity less Accumulated Other Comprehensive Income ..... 02	108,837	97,654
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares ..... 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities ..... 04	(16,651)	(1,327)
Available for Sale Debt Securities ..... 06	0	0
Foreign Currency (Net of Hedging Activities) ..... 08	0	0
Included in Capital Available of Regulated FI Subsidiaries ..... 10	0	0
..... 30		
Capital Available reported by Regulated FI Subsidiaries ..... 11	0	0
Less:		
Accumulated net after-tax fair value gains (losses) arising from changes in the company's own credit risk ..... 12	0	0
..... 13	0	0
Balance Sheet Value of Investments in Regulated FI Subsidiaries ... 14	0	0
Assets with a Capital Requirement of 100% ..... 17	4,680	1,811
<b>Total Capital Available</b> ..... 19	<b>87,506</b>	<b>94,516</b>
<b>Minimum Capital Required</b>		
Balance Sheet Assets ..... 20	16,197	17,994
Unearned Premiums/Unpaid Claims/Premium Deficiencies ..... 22	26,958	26,143
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> ..... 29	<b>43,155</b>	<b>44,137</b>
<b>Excess Capital Available over Minimum Capital Required</b>		
(line 19 minus line 29) ..... 89	44,351	50,379
<b>Line 19 as a % of line 29</b> ..... 90	<b>202.77%</b>	<b>214.14%</b>