

ASSETS
(\$'000)

		Current 01	Prior 03
Cash	01	9,180	11,989
Investment Income due and accrued	02	380	558
Investments:			
Term Deposits	04	3,240	23,277
Bonds and Debentures	05	25,536	29,359
Mortgage Loans	06	0	0
Preferred Shares	07	68,443	30,171
Common Shares	08	28,213	37,295
Real Estate	09	0	0
Other Investments	10	0	0
Total Investments (lines 04 to 10)	19	125,432	120,102
Receivables:			
Unaffiliated Agents and Brokers	20	0	0
Policyholders	21	1,612	1,581
Instalment Premiums	22	9,479	7,579
Other Insurers	23	0	0
"Facility Association" and the "P.R.R."	24	636	658
Subsidiaries, Affiliates & Partnerships	25	0	0
Income Taxes	26	6,245	0
Other Receivables	27	284	357
Recoverable from Reinsurers:			
Unearned Premiums	30	2,895	1,822
Unpaid Claims and Adjustment Expenses	31	530	299
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	657	673
Future Income Taxes	44	4,885	3,900
Other Assets	88	340	722
TOTAL ASSETS	89	162,555	150,240

LIABILITIES AND EQUITY
(\$'000)

Page		Current 01	Prior 03
	LIABILITIES		
	Overdrafts 01		0
	Borrowed Money and Accrued Interest 02		0
	Payables:		
	Agents and Brokers 03		0
	Policyholders 04		0
	Other Insurers 05	4,660	3,565
	Subsidiaries, Affiliates & Partnerships 06		0
	Expenses due and accrued 07	845	680
	Income Taxes due and accrued 08	422	0
	Other Taxes due and accrued 09	399	950
	Policyholder Dividends and Rating Adjustments 10		0
	Encumbrances on Real Estate 11		0
	Unearned Premiums 12	97,188	83,963
	Unpaid Claims and Adjustment Expenses 13	18,456	14,014
	Unearned Commissions 14	0	0
	Premium Deficiency 15		0
	Future Income Taxes 21		0
	Other Liabilities 28		0
	Total Liabilities 29	121,970	103,172
	EQUITY		
	Shares issued and paid 41	11,500	11,500
	Contributed Surplus 42		0
 43		0
	Retained Earnings 44	42,174	36,640
	Reserves 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) 47	(13,089)	(1,072)
	Total Equity 49	40,585	47,068
	TOTAL LIABILITIES AND EQUITY 89	162,555	150,240

STATEMENT OF INCOME
(\$'000)

	Current Period 01	Prior Period 03
UNDERWRITING OPERATIONS		
Premiums Written		
Direct	01 18,892	19,045
Reinsurance Assumed	02 0	0
Reinsurance Ceded	03 4,516	946
Net Premiums Written	04 14,376	18,099
Decrease (increase) in Net Unearned Premiums	05 1,323	(2,107)
Net Premiums Earned	06 15,699	15,992
Service Charges	07	0
Other	08	0
Total Underwriting Revenue	09 15,699	15,992
Net Claims and Adjustment Expenses	10 5,576	4,503
Acquisition Expenses		
Commissions	11 6,074	6,574
Taxes	12 510	589
Other	14 335	337
General Expenses	16 742	787
Total Claims and Expenses	19 13,237	12,790
Premium Deficiency Adjustments	20	0
Underwriting Income (Loss)	29 2,462	3,202
INVESTMENT OPERATIONS		
Income	32 1,609	1,303
Realized Gains (Losses)	33 (51)	185
Expenses	34 2	13
Net Investment Income	39 1,556	1,475
OTHER REVENUE AND EXPENSES		
Income (Loss) from Ancillary Operations	40	0
(net of Expenses of \$'000 _____)		
Share of Net Income (Loss) of Subsidiaries, Affiliates & Partnerships	41	0
Gain (losses) from fluctuations in Foreign Exchange Rates	42	0
Other	43 213	82
Net income (Loss) before Income Taxes and		
Extraordinary Items	49 4,231	4,759
INCOME TAXES		
Current	50 1,028	1,595
Future	51	0
Total Income Taxes	59 1,028	1,595
Extraordinary Items (net of Income Taxes of \$'000 _____)	60	0
NET INCOME (LOSS) FOR THE PERIOD	89 3,203	3,164

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

		Current 01	Prior 02
Balance at beginning of year	01	38,971	33,476
Prior period adjustments:	02		0
.....	04		0
Adjusted balance at beginning of year	09	38,971	33,476
Net income (loss) for the Period	10	3,203	3,164
Dividends declared to shareholders	11		0
Decrease (increase) in Reserves	12		0
(Please Specify)	16		
Net increase (decrease) in Retained Earnings during the period	15	3,203	3,164
Balance at end of Period	89	42,174	36,640

**RESERVES
(\$'000)**

		Current 01	Prior 02
Earthquake Reserves			
Reserve Complement	90		0
Premium Reserve	91		0
Mortgages 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 Period 01	Prior Period 03
20.30	Comprehensive Income (Loss)		
	Net Income 01	3,203	3,164
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans 02		0
	- Bonds and Debentures 03	224	486
	- Equities 04	(1,032)	(1,403)
	Reclassification to Earnings of (Gains) Losses 05	(42)	(155)
	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	(850)	(1,072)
	Total Comprehensive Income (Loss) 39	2,353	2,092

		Current Period (01)	Prior Period (03)
	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains/ (Losses) on:		
	Available for Sale:		
	- Loans 42		0
	- Bonds and Debentures 43	795	486
	- Equities 44	(13,884)	(1,558)
	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	(13,089)	(1,072)

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

		Current 01	Prior 02
Capital Available			
Total Equity less Accumulated Other Comprehensive Income	02	53,674	48,140
Add:			
Subordinated Indebtedness and Redeemable Preferred Shares	03		0
Accumulated Other Comprehensive Income (Loss) on:			
Available for Sale Equity Securities	04	(13,884)	(1,558)
Available for Sale Debt Securities	06	795	486
Foreign Currency (Net of Hedging Activities)	08		0
Included in Capital Available of Regulated FI Subsidiaries	10		0
.....	30		
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	210
Total Capital Available	19	40,585	46,858
Minimum Capital Required			
Balance Sheet Assets	20	7,696	7,689
Unearned Premiums/Unpaid Claims/Premium Deficiencies	22	9,358	7,941
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
Minimum Capital Required	29	17,054	15,630
Excess Capital Available over Minimum Capital Required			
(line 19 minus line 29)	89	23,531	31,228
Line 19 as a % of line 29	90	237.98%	299.80%