

ASSETS
(\$'000)

		Current 01	Prior 03
Cash	01	38,314	22,386
Investment Income due and accrued	02	654	641
Investments:			
Term Deposits	04	0	0
Bonds and Debentures	05	53,536	46,762
Mortgage Loans	06	0	0
Preferred Shares	07	0	0
Common Shares	08	20,055	39,905
Real Estate	09	1,895	1,811
Other Investments	10	1,165	3,492
Total Investments (lines 04 to 10)	19	76,651	91,970
Receivables:			
Unaffiliated Agents and Brokers	20	6,636	7,738
Policyholders	21	0	0
Instalment Premiums	22	22,375	19,657
Other Insurers	23	1,825	1,545
"Facility Association" and the "P.R.R."	24	7,178	6,999
Subsidiaries, Affiliates & Partnerships	25	0	0
Income Taxes	26	7,861	1,996
Other Receivables	27	2,121	1,673
Recoverable from Reinsurers:			
Unearned Premiums	30	15,382	16,704
Unpaid Claims and Adjustment Expenses	31	34,345	30,248
Other Recoverables on Unpaid Claims	37	0	0
Investment in Subsidiaries, Affiliates & Partnerships	40	0	0
Real Estate for Insurer's own use	41	1,279	1,358
Deferred Policy Acquisition Expenses	43	17,445	15,802
Future Income Taxes	44	547	1,106
Other Assets	88	3,898	3,954
TOTAL ASSETS	89	236,511	223,777

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	1,781	1,728
	Policyholders 04		0
	Other Insurers 05	7,989	8,908
	Subsidiaries, Affiliates & Partnerships 06		0
	Expenses due and accrued 07	1,489	549
	Income Taxes due and accrued 08		0
	Other Taxes due and accrued 09	1,534	1,390
	Policyholder Dividends and Rating Adjustments 10		0
	Encumbrances on Real Estate 11	1,916	2,078
	Unearned Premiums 12	70,369	63,109
	Unpaid Claims and Adjustment Expenses 13	104,743	86,124
	Unearned Commissions 14	5,497	5,568
	Premium Deficiency 15		0
	Future Income Taxes 21		0
	Other Liabilities 28	765	1,459
	Total Liabilities 29	196,083	170,913
	EQUITY		
	Shares issued and paid 41	2,000	2,000
	Contributed Surplus 42	9,362	9,362
 43		0
	Retained Earnings 44	31,217	36,163
	Reserves 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) 47	(2,151)	5,339
	Total Equity 49	40,428	52,864
	TOTAL LIABILITIES AND EQUITY 89	236,511	223,777

STATEMENT OF INCOME
(\$'000)

	Current Period 01	Prior Period 03
UNDERWRITING OPERATIONS		
Premiums Written		
Direct	01 33,694	30,772
Reinsurance Assumed	02 0	0
Reinsurance Ceded	03 8,994	9,392
Net Premiums Written	04 24,700	21,380
Decrease (increase) in Net Unearned Premiums	05 2,744	1,170
Net Premiums Earned	06 27,444	22,550
Service Charges	07 470	429
Other	08	0
Total Underwriting Revenue	09 27,914	22,979
Net Claims and Adjustment Expenses	10 19,743	13,625
Acquisition Expenses		
Commissions	11 4,515	3,967
Taxes	12 1,229	1,103
Other	14	0
General Expenses	16 4,272	4,080
Total Claims and Expenses	19 29,759	22,775
Premium Deficiency Adjustments	20	0
Underwriting Income (Loss)	29 (1,845)	204
INVESTMENT OPERATIONS		
Income	32 901	1,075
Realized Gains (Losses)	33 (104)	(142)
Expenses	34 85	91
Net Investment Income	39 712	842
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 (69)	(40)
Gain (losses) from fluctuations in Foreign Exchange Rates	42	0
Other	43 19	25
Net income (Loss) before Income Taxes and		
Extraordinary Items	49 (1,183)	1,031
INCOME TAXES		
Current	50 (374)	328
Future	51	0
Total Income Taxes	59 (374)	328
Extraordinary Items (net of Income Taxes of \$'000 _____)	60	0
NET INCOME (LOSS) FOR THE PERIOD	89 (809)	703

STATEMENT OF RETAINED EARNINGS
(\$'000)

		Current 01	Prior 02
Balance at beginning of year	01	32,026	35,662
Prior period adjustments:	02		0
.....	04		0
Adjusted balance at beginning of year	09	32,026	35,662
Net income (loss) for the Period	10	(809)	703
Dividends declared to shareholders	11		200
Decrease (increase) in Reserves	12		(2)
(Please Specify)	16		
Net increase (decrease) in Retained Earnings during the period	15	(809)	501
Balance at end of Period	89	31,217	36,163

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	(809)	703
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans		0
	- Bonds and Debentures	64	595
	- Equities	(1,313)	(2,446)
	Reclassification to Earnings of (Gains) Losses	196	101
	Derivatives Designated as Cash Flow Hedges		
	Change in Unrealized Gains and Losses		0
	Reclassification to Earnings of (Gains) Losses		0
	Foreign Currency Translation		
	Change in Unrealized Gains and Losses	38	350
	Impact of Hedging		0
Income (Loss) from Subsidiaries		0	
Other		0	
Total Other Comprehensive Income (Loss)	(1,015)	(1,400)	
Total Comprehensive Income (Loss)	(1,824)	(697)	

		Current Period (01)	Prior Period (03)
20.20	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains/ (Losses) on:		
	Available for Sale:		
	- Loans		0
	- Bonds and Debentures	1,565	1,387
	- Equities	(4,785)	4,485
	Derivatives Designated as Cash Flow Hedges		0
	Foreign Currency (Net of Hedging Activities)	1,069	(533)
	Income (Loss) from Subsidiaries		0
	Other		0
	Balance at end of Period	(2,151)	5,339

MINIMUM CAPITAL TEST
(\$'000)

	Current 01	Prior 02
Capital Available		
Total Equity less Accumulated Other Comprehensive Income 02	42,579	47,525
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities 04	(4,785)	4,485
Available for Sale Debt Securities 06	1,565	1,387
Foreign Currency (Net of Hedging Activities) 08	1,069	(533)
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	5,255	5,169
Total Capital Available 19	35,173	47,695
Minimum Capital Required		
Balance Sheet Assets 20	7,290	9,921
Unearned Premiums/Unpaid Claims/Premium Deficiencies 22	10,185	8,360
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	72	72
Minimum Capital Required 29	17,547	18,353
Excess Capital Available over Minimum Capital Required		
(line 19 minus line 29) 89	17,626	29,342
Line 19 as a % of line 29 90	200.45%	259.88%