

**ASSETS**  
**(\$'000)**

	Current	Prior
	01	03
Cash ..... 01	35,677	20,822
Investment Income due and accrued ..... 02	766	656
Investments:		
Term Deposits ..... 04	0	0
Bonds and Debentures ..... 05	58,473	50,667
Mortgage Loans ..... 06	0	0
Preferred Shares ..... 07	0	0
Common Shares ..... 08	23,723	40,442
Real Estate ..... 09	1,881	1,937
Other Investments ..... 10	1,105	4,575
<b>Total Investments (lines 04 to 10) ..... 19</b>	<b>85,182</b>	<b>97,621</b>
Receivables:		
Unaffiliated Agents and Brokers ..... 20	8,320	7,467
Policyholders ..... 21	0	0
Instalment Premiums ..... 22	24,814	22,979
Other Insurers ..... 23	2,146	1,528
"Facility Association" and the "P.R.R." ..... 24	7,395	6,982
Subsidiaries, Affiliates & Partnerships ..... 25	0	0
Income Taxes ..... 26	0	660
Other Receivables ..... 27	2,544	1,824
Recoverable from Reinsurers:		
Unearned Premiums ..... 30	17,326	15,854
Unpaid Claims and Adjustment Expenses ..... 31	35,488	29,337
Other Recoverables on Unpaid Claims ..... 37	0	0
Investment in Subsidiaries, Affiliates & Partnerships ..... 40	0	0
Real Estate for Insurer's own use ..... 41	1,234	1,412
Deferred Policy Acquisition Expenses ..... 43	18,604	17,045
Future Income Taxes ..... 44	547	1,831
Other Assets ..... 88	3,798	3,809
<b>TOTAL ASSETS ..... 89</b>	<b>243,841</b>	<b>229,827</b>

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

Page		Current 01	Prior 03
	<b>LIABILITIES</b>		
	Overdrafts ..... 01		0
	Borrowed Money and Accrued Interest ..... 02		0
	Payables:		
	Agents and Brokers ..... 03	2,765	2,725
	Policyholders ..... 04		0
	Other Insurers ..... 05	9,174	8,253
	Subsidiaries, Affiliates & Partnerships ..... 06		0
	Expenses due and accrued ..... 07	1,528	1,061
	Income Taxes due and accrued ..... 08	(6,923)	0
	Other Taxes due and accrued ..... 09	2,910	2,883
	Policyholder Dividends and Rating Adjustments ..... 10		0
	Encumbrances on Real Estate ..... 11	1,876	2,038
	Unearned Premiums ..... 12	76,320	68,497
	Unpaid Claims and Adjustment Expenses ..... 13	106,549	85,638
	Unearned Commissions ..... 14	6,156	5,540
	Premium Deficiency ..... 15		0
	Future Income Taxes ..... 21		0
	Other Liabilities ..... 28	825	851
	<b>Total Liabilities</b> ..... 29	<b>201,180</b>	<b>177,486</b>
	<b>EQUITY</b>		
	Shares issued and paid ..... 41	2,000	2,000
	Contributed Surplus ..... 42	9,362	9,362
	..... 43		0
	Retained Earnings ..... 44	31,523	37,416
	Reserves ..... 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) ..... 47	(224)	3,563
	<b>Total Equity</b> ..... 49	<b>42,661</b>	<b>52,341</b>
	<b>TOTAL LIABILITIES AND EQUITY</b> ..... 89	<b>243,841</b>	<b>229,827</b>

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

	Current 01	Prior 03
<b>UNDERWRITING OPERATIONS</b>		
<b>Premiums Written</b>		
Direct .....	76,906	69,334
Reinsurance Assumed .....	0	0
Reinsurance Ceded .....	20,765	18,430
<b>Net Premiums Written</b> .....	<b>56,141</b>	<b>50,904</b>
Decrease (increase) in Net Unearned Premiums .....	(1,263)	(5,068)
<b>Net Premiums Earned</b> .....	<b>54,878</b>	<b>45,836</b>
Service Charges .....	958	868
Other .....	0	0
<b>Total Underwriting Revenue</b> .....	<b>55,836</b>	<b>46,704</b>
Net Claims and Adjustment Expenses .....	37,279	27,385
Acquisition Expenses		
Commissions .....	9,202	7,901
Taxes .....	2,474	2,203
Other .....	0	0
General Expenses .....	8,936	8,680
<b>Total Claims and Expenses</b> .....	<b>57,891</b>	<b>46,169</b>
Premium Deficiency Adjustments .....	0	0
<b>Underwriting Income (Loss)</b> .....	<b>(2,055)</b>	<b>535</b>
<b>INVESTMENT OPERATIONS</b>		
Income .....	1,860	2,289
Realized Gains (Losses) .....	(121)	225
Expenses .....	162	174
<b>Net Investment Income</b> .....	<b>1,577</b>	<b>2,340</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 .....	(232)	(122)
Gain (losses) from fluctuations in Foreign Exchange Rates .....		0
Other .....	28	119
<b>Net income (Loss) before Income Taxes and Extraordinary Items</b> .....	<b>(682)</b>	<b>2,872</b>
<b>INCOME TAXES</b>		
Current .....	(179)	915
Future .....		0
<b>Total Income Taxes</b> .....	<b>(179)</b>	<b>915</b>

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

	Current 01	Prior 02
<b>Balance at beginning of year</b> ..... 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	(503)	1,957
Dividends declared to shareholders ..... 11		200
Decrease (increase) in Reserves ..... 12		(3)
(Please Specify) ..... 16		
Net increase (decrease) in Retained Earnings during the period ..... 15	(503)	1,754
<b>Balance at end of Period</b> ..... 89	31,523	37,416

**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
<b>Total Reserves</b> ..... 99	0	0

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

Page		Current 01	Prior 03
20.30	<b>Comprehensive Income (Loss)</b>		
	Net Income ..... 01	(503)	1,957
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans ..... 02		0
	- Bonds and Debentures ..... 03	(189)	44
	- Equities ..... 04	966	(3,345)
	Reclassification to Earnings of (Gains) Losses ..... 05	208	(159)
	<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	(75)	284
	Impact of Hedging ..... 09		0
	<b>Income (Loss) from Subsidiaries</b> ..... 10		0
	<b>Other</b> ..... 12		0
	Total Other Comprehensive Income (Loss) ..... 21	910	(3,176)
	<b>Total Comprehensive Income (Loss)</b> ..... 39	407	(1,219)

		Current (01)	Prior (03)
	<b>Accumulated Other Comprehensive Income (Loss)</b>		
	Accumulated Gains/ (Losses) on:		
	<b>Available for Sale:</b>		
	- Loans ..... 42		0
	- Bonds and Debentures ..... 43	1,388	845
	- Equities ..... 44	(2,569)	2,343
	<b>Derivatives Designated as Cash Flow Hedges</b> ..... 45		0
	<b>Foreign Currency (Net of Hedging Activities)</b> ..... 46	957	375
	<b>Income (Loss) from Subsidiaries</b> ..... 47		0
	<b>Other</b> ..... 49		0
20.20	<b>Balance at end of Period</b> ..... 59	(224)	3,563

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

	Current 01	Prior 02
<b>Capital Available</b>		
Total Equity less Accumulated Other Comprehensive Income ..... 02	42,885	48,778
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares ..... 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities ..... 04	(2,569)	2,343
Available for Sale Debt Securities ..... 06	1,388	845
Foreign Currency (Net of Hedging Activities) ..... 08	957	375
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	2,764	5,219
<b>Total Capital Available</b> ..... 19	<b>39,897</b>	<b>47,122</b>
<b>Minimum Capital Required</b>		
Balance Sheet Assets ..... 20	8,978	10,390
Unearned Premiums/Unpaid Claims/Premium Deficiencies ..... 22	10,420	8,896
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
<b>Minimum Capital Required</b> ..... 29	<b>19,470</b>	<b>19,358</b>
<b>Excess Capital Available over Minimum Capital Required</b>		
(line 19 minus line 29) ..... 89	20,427	27,764
<b>Line 19 as a % of line 29</b> ..... 90	<b>204.92%</b>	<b>243.42%</b>