

**ASSETS**  
(\$'000)

	Current 01	Prior 03
Cash ..... 01	13,499	12,896
Investment Income due and accrued ..... 02	385	330
Investments:		
Term Deposits ..... 04	5,986	3,238
Bonds and Debentures ..... 05	27,782	20,334
Mortgage Loans ..... 06	0	0
Preferred Shares ..... 07	81,261	72,062
Common Shares ..... 08	39,805	28,387
Real Estate ..... 09	7,750	0
Other Investments ..... 10	9,883	3,031
<b>Total Investments (lines 04 to 10) ..... 19</b>	<b>172,467</b>	<b>127,052</b>
Receivables:		
Unaffiliated Agents and Brokers ..... 20	0	0
Policyholders ..... 21	1,644	1,500
Instalment Premiums ..... 22	11,102	9,551
Other Insurers ..... 23	0	0
"Facility Association" and the "P.R.R." ..... 24	443	323
Subsidiaries, Affiliates & Partnerships ..... 25	0	0
Income Taxes ..... 26	(1,327)	0
Other Receivables ..... 27	209	608
Recoverable from Reinsurers:		
Unearned Premiums ..... 30	2,847	3,062
Unpaid Claims and Adjustment Expenses ..... 31	530	305
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	669	651
Future Income Taxes ..... 44	(657)	6,006
Other Assets ..... 88	278	474
<b>TOTAL ASSETS ..... 89</b>	<b>202,089</b>	<b>162,758</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		0
	Policyholders ..... 04		0
	Other Insurers ..... 05	4,275	4,828
	Subsidiaries, Affiliates & Partnerships ..... 06		0
	Expenses due and accrued ..... 07	1,704	1,846
	Income Taxes due and accrued ..... 08	3,191	0
	Other Taxes due and accrued ..... 09	1,134	1,235
	Policyholder Dividends and Rating Adjustments ..... 10		0
	Encumbrances on Real Estate ..... 11		0
	Unearned Premiums ..... 12	106,909	95,049
	Unpaid Claims and Adjustment Expenses..... 13	18,825	15,014
	Unearned Commissions ..... 14	0	0
	Premium Deficiency ..... 15		0
	Future Income Taxes ..... 21		0
	Other Liabilities ..... 28		0
	<b>Total Liabilities</b> ..... 29	<b>136,038</b>	<b>117,972</b>
	<b>EQUITY</b>		
	Shares issued and paid ..... 41	11,500	11,500
	Contributed Surplus ..... 42		0
	..... 43		0
	Retained Earnings ..... 44	50,831	38,912
	Reserves ..... 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) ..... 47	3,720	(5,626)
	<b>Total Equity</b> ..... 49	<b>66,051</b>	<b>44,786</b>
	<b>TOTAL LIABILITIES AND EQUITY</b> ..... 89	<b>202,089</b>	<b>162,758</b>

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

	Current 01	Prior 03
<b>UNDERWRITING OPERATIONS</b>		
<b>Premiums Written</b>		
Direct .....	79,554	77,667
Reinsurance Assumed .....	0	0
Reinsurance Ceded .....	10,059	5,642
<b>Net Premiums Written</b> .....	<b>69,495</b>	<b>72,025</b>
Decrease (increase) in Net Unearned Premiums .....	(8,446)	(11,953)
<b>Net Premiums Earned</b> .....	<b>61,049</b>	<b>60,072</b>
Service Charges .....		0
Other .....		0
<b>Total Underwriting Revenue</b> .....	<b>61,049</b>	<b>60,072</b>
Net Claims and Adjustment Expenses .....	16,717	14,505
<b>Acquisition Expenses</b>		
Commissions .....	27,887	29,664
Taxes .....	2,138	2,581
Other .....	1,100	1,082
General Expenses .....	2,366	2,551
<b>Total Claims and Expenses</b> .....	<b>50,208</b>	<b>50,383</b>
Premium Deficiency Adjustments .....		0
<b>Underwriting Income (Loss)</b> .....	<b>10,841</b>	<b>9,689</b>
<b>INVESTMENT OPERATIONS</b>		
Income .....	4,777	4,012
Realized Gains (Losses) .....	810	386
Expenses .....	5	21
<b>Net Investment Income</b> .....	<b>5,582</b>	<b>4,377</b>
<b>OTHER REVENUE AND EXPENSES</b>		
Income (Loss) from Ancillary Operations (net of Expenses of \$'000 _____ ) .....		0
Share of Net Income (Loss) of Subsidiaries, Affiliates & Partnerships .....		0
Gain (losses) from fluctuations in Foreign Exchange Rates .....		0
Other .....	(798)	1,653
<b>Net income (Loss) before Income Taxes and Extraordinary Items</b> .....	<b>15,625</b>	<b>15,719</b>
<b>INCOME TAXES</b>		
Current .....	3,765	5,283
Future .....		0
<b>Total Income Taxes</b> .....	<b>3,765</b>	<b>5,283</b>
Extraordinary Items (net of Income Taxes of \$'000 _____ ) .....		0
<b>NET INCOME (LOSS) FOR THE PERIOD</b> .....	<b>11,860</b>	<b>10,436</b>

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

		Current 01	Prior 02
<b>Balance at beginning of year</b> .....	01	38,971	33,476
Prior period adjustments: .....	02		0
.....	04		0
<b>Adjusted balance at beginning of year</b> .....	09	38,971	33,476
Net income (loss) for the Period .....	10	11,860	10,436
Dividends declared to shareholders .....	11		5,000
Decrease (increase) in Reserves .....	12		0
(Please Specify) .....	16		
Net increase (decrease) in Retained Earnings during the period .....	15	11,860	5,436
<b>Balance at end of Period</b> .....	89	50,831	38,912

**RESERVES  
(\$'000)**

		Current 01	Prior 02
<b>Earthquake Reserves</b>			
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	11,860	10,436
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans ..... 02		0
	- Bonds and Debentures ..... 03	541	269
	- Equities ..... 04	15,040	(5,475)
	Reclassification to Earnings of (Gains) Losses ..... 05	378	(420)
	<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
	<b>Income (Loss) from Subsidiaries</b> ..... 10		0
	<b>Other</b> ..... 12		0
	Total Other Comprehensive Income (Loss) ..... 21	15,959	(5,626)
	<b>Total Comprehensive Income (Loss)</b> ..... 39	27,819	4,810

		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	1,084	238
	- Equities ..... 44	2,636	(5,864)
	<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	<b>Balance at end of Period</b> ..... 59	3,720	(5,626)

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

	Current 01	Prior 02
<b>Capital Available</b>		
Total Equity less Accumulated Other Comprehensive Income ..... 02	62,331	50,412
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares ..... 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities ..... 04	2,636	(5,864)
Available for Sale Debt Securities ..... 06	1,084	238
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	444
<b>Total Capital Available</b> ..... 19	<b>66,051</b>	<b>44,342</b>
<b>Minimum Capital Required</b>		
Balance Sheet Assets ..... 20	12,385	8,174
Unearned Premiums/Unpaid Claims/Premium Deficiencies ..... 22	10,193	8,835
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>22,578</b>	<b>17,009</b>
<b>Excess Capital Available over Minimum Capital Required</b>		
(line 19 minus line 29) ..... 89	43,473	27,333
<b>Line 19 as a % of line 29</b> ..... 90	<b>292.55%</b>	<b>260.70%</b>