

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

		Current 01	Prior 03
Cash .....	01	37,840	27,566
Investment Income due and accrued .....	02	826	794
Investments:			
Term Deposits .....	04	0	0
Bonds and Debentures .....	05	64,862	50,111
Mortgage Loans .....	06	0	0
Preferred Shares .....	07	1,075	0
Common Shares .....	08	25,335	38,213
Real Estate .....	09	1,867	1,924
Other Investments .....	10	994	4,198
<b>Total Investments (lines 04 to 10) .....</b>	<b>19</b>	<b>94,133</b>	<b>94,446</b>
Receivables:			
Unaffiliated Agents and Brokers .....	20	7,391	6,723
Policyholders .....	21	0	0
Instalment Premiums .....	22	25,525	23,658
Other Insurers .....	23	3,690	1,429
"Facility Association" and the "P.R.R." .....	24	7,322	7,313
Subsidiaries, Affiliates & Partnerships .....	25	0	0
Income Taxes .....	26	0	2,631
Other Receivables .....	27	2,379	1,760
Recoverable from Reinsurers:			
Unearned Premiums .....	30	18,494	15,064
Unpaid Claims and Adjustment Expenses .....	31	45,617	35,496
Other Recoverables on Unpaid Claims .....	37	0	0
Investment in Subsidiaries, Affiliates & Partnerships .....	40	0	0
Real Estate for Insurer's own use .....	41	1,189	1,369
Deferred Policy Acquisition Expenses .....	43	19,300	17,758
Future Income Taxes .....	44	547	3,403
Other Assets .....	88	3,626	3,654
<b>TOTAL ASSETS .....</b>	<b>89</b>	<b>267,879</b>	<b>243,064</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	3,336	3,296
	Policyholders ..... 04		0
	Other Insurers ..... 05	11,012	8,894
	Subsidiaries, Affiliates & Partnerships ..... 06		0
	Expenses due and accrued ..... 07	2,043	1,565
	Income Taxes due and accrued ..... 08	(3,549)	0
	Other Taxes due and accrued ..... 09	4,299	4,361
	Policyholder Dividends and Rating Adjustments ..... 10		0
	Encumbrances on Real Estate ..... 11	1,835	1,997
	Unearned Premiums ..... 12	78,835	70,877
	Unpaid Claims and Adjustment Expenses ..... 13	116,509	100,489
	Unearned Commissions ..... 14	6,510	5,506
	Premium Deficiency ..... 15		0
	Future Income Taxes ..... 21		0
	Other Liabilities ..... 28	856	822
	<b>Total Liabilities</b> ..... 29	<b>221,686</b>	<b>197,807</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	32,941	34,180
	Reserves ..... 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) ..... 47	1,890	(285)
	<b>Total Equity</b> ..... 49	<b>46,193</b>	<b>45,257</b>
	<b>TOTAL LIABILITIES AND EQUITY</b> ..... 89	<b>267,879</b>	<b>243,064</b>

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

	Current 01	Prior 03
<b>UNDERWRITING OPERATIONS</b>		
<b>Premiums Written</b>		
Direct .....	118,127	107,537
Reinsurance Assumed .....	0	0
Reinsurance Ceded .....	33,494	27,085
<b>Net Premiums Written</b> .....	<b>84,633</b>	<b>80,452</b>
Decrease (increase) in Net Unearned Premiums .....	(2,610)	(8,118)
<b>Net Premiums Earned</b> .....	<b>82,023</b>	<b>72,334</b>
Service Charges .....	1,468	1,343
Other .....		0
<b>Total Underwriting Revenue</b> .....	<b>83,491</b>	<b>73,677</b>
Net Claims and Adjustment Expenses .....	52,982	49,721
Acquisition Expenses		
Commissions .....	13,951	12,462
Taxes .....	3,776	3,398
Other .....		0
General Expenses .....	13,649	13,156
<b>Total Claims and Expenses</b> .....	<b>84,358</b>	<b>78,737</b>
Premium Deficiency Adjustments .....		0
<b>Underwriting Income (Loss)</b> .....	<b>(867)</b>	<b>(5,060)</b>
<b>INVESTMENT OPERATIONS</b>		
Income .....	2,764	3,383
Realized Gains (Losses) .....	(37)	94
Expenses .....	242	268
<b>Net Investment Income</b> .....	<b>2,485</b>	<b>3,209</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 .....	(277)	(185)
Gain (losses) from fluctuations in Foreign Exchange Rates .....		0
Other .....	60	146
<b>Net income (Loss) before Income Taxes and Extraordinary Items</b> .....	<b>1,401</b>	<b>(1,890)</b>
<b>INCOME TAXES</b>		
Current .....	485	(611)
Future .....		0
<b>Total Income Taxes</b> .....	<b>485</b>	<b>(611)</b>
Extraordinary Items (net of Income Taxes of \$'000 _____ ) .....		0
<b>NET INCOME (LOSS) FOR THE PERIOD</b> .....	<b>916</b>	<b>(1,279)</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
<b>Adjusted balance at beginning of year</b> .....	09	32,026	35,662
Net income (loss) for the Period .....	10	916	(1,279)
Dividends declared to shareholders .....	11		200
Decrease (increase) in Reserves .....	12	(1)	(3)
(Please Specify) .....	16		
Net increase (decrease) in Retained Earnings during the period .....	15	915	(1,482)
<b>Balance at end of Period</b> .....	89	32,941	34,180

**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	916	(1,279)
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans ..... 02		0
	- Bonds and Debentures ..... 03	452	(304)
	- Equities ..... 04	3,013	(7,257)
	Reclassification to Earnings of (Gains) Losses ..... 05	22	(66)
	<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	(462)	604
	Impact of Hedging ..... 09		0
	<b>Income (Loss) from Subsidiaries</b> ..... 10		0
	<b>Other</b> ..... 12		0
	Total Other Comprehensive Income (Loss) ..... 21	3,025	(7,023)
	<b>Total Comprehensive Income (Loss)</b> ..... 39	3,941	(8,302)

		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	2,061	444
	- Equities ..... 44	(741)	(1,423)
	<b>Derivatives Designated as Cash Flow Hedges</b> ..... 45		0
	<b>Foreign Currency (Net of Hedging Activities)</b> ..... 46	570	694
	<b>Income (Loss) from Subsidiaries</b> ..... 47		0
	<b>Other</b> ..... 49		0
20.20	<b>Balance at end of Period</b> ..... 59	1,890	(285)

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

	Current 01	Prior 02
<b>Capital Available</b>		
Total Equity less Accumulated Other Comprehensive Income ..... 02	44,303	45,542
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares ..... 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities ..... 04	(741)	(1,423)
Available for Sale Debt Securities ..... 06	2,061	444
Foreign Currency (Net of Hedging Activities) ..... 08	570	694
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	2,385	5,141
<b>Total Capital Available</b> ..... 19	<b>43,808</b>	<b>40,116</b>
<b>Minimum Capital Required</b>		
Balance Sheet Assets ..... 20	9,599	10,354
Unearned Premiums/Unpaid Claims/Premium Deficiencies ..... 22	10,376	9,745
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>20,047</b>	<b>20,171</b>
<b>Excess Capital Available over Minimum Capital Required</b>		
(line 19 minus line 29) ..... 89	23,761	19,945
<b>Line 19 as a % of line 29</b> ..... 90	<b>218.53%</b>	<b>198.88%</b>