

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

		Current 01	Prior 03
Cash .....	01	23,940	62,224
Investment Income due and accrued .....	02	2,152	2,159
Investments:			
Term Deposits .....	04	21,350	0
Bonds and Debentures .....	05	204,568	199,282
Mortgage Loans .....	06	20,351	0
Preferred Shares .....	07	10,355	4,997
Common Shares .....	08	77,114	49,146
Real Estate .....	09	0	0
Other Investments .....	10	0	9,893
<b>Total Investments (lines 04 to 10) .....</b>	<b>19</b>	<b>333,738</b>	<b>263,318</b>
Receivables:			
Unaffiliated Agents and Brokers .....	20	0	0
Policyholders .....	21	0	0
Instalment Premiums .....	22	46,031	43,570
Other Insurers .....	23	2,367	1,643
"Facility Association" and the "P.R.R." .....	24	2,275	2,180
Subsidiaries, Affiliates & Partnerships .....	25	34	57
Income Taxes .....	26	1,522	3,953
Other Receivables .....	27	616	452
Recoverable from Reinsurers:			
Unearned Premiums .....	30	0	0
Unpaid Claims and Adjustment Expenses .....	31	20,414	20,560
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	14,683	14,260
Future Income Taxes .....	44	0	513
Other Assets .....	88	14,325	8,918
<b>TOTAL ASSETS .....</b>	<b>89</b>	<b>462,097</b>	<b>423,807</b>

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

Page		Current 01	Prior 03
	<b>LIABILITIES</b>		
	Overdrafts ..... 01	0	0
	Borrowed Money and Accrued Interest ..... 02	0	0
	Payables:		
	Agents and Brokers ..... 03	0	0
	Policyholders ..... 04	99	110
	Other Insurers ..... 05	0	0
	Subsidiaries, Affiliates & Partnerships ..... 06	4,750	4,118
	Expenses due and accrued ..... 07	4,592	3,781
	Income Taxes due and accrued ..... 08	0	0
	Other Taxes due and accrued ..... 09	2,674	2,653
	Policyholder Dividends and Rating Adjustments ..... 10	0	0
	Encumbrances on Real Estate ..... 11	0	0
	Unearned Premiums ..... 12	102,077	99,747
	Unpaid Claims and Adjustment Expenses ..... 13	214,939	217,647
	Unearned Commissions ..... 14	0	0
	Premium Deficiency ..... 15	0	0
	Future Income Taxes ..... 21	352	0
	Other Liabilities ..... 28	3,818	3,565
	<b>Total Liabilities</b> ..... 29	<b>333,301</b>	<b>331,621</b>
	<b>EQUITY</b>		
	Shares issued and paid ..... 41	4,000	4,000
	Contributed Surplus ..... 42		0
	..... 43		0
	Retained Earnings ..... 44	120,186	104,837
	Reserves ..... 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) ..... 47	4,610	(16,651)
	<b>Total Equity</b> ..... 49	<b>128,796</b>	<b>92,186</b>
	<b>TOTAL LIABILITIES AND EQUITY</b> ..... 89	<b>462,097</b>	<b>423,807</b>

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

	Current 01	Prior 03
<b>UNDERWRITING OPERATIONS</b>		
<b>Premiums Written</b>		
Direct .....	52,930	52,475
Reinsurance Assumed .....	0	0
Reinsurance Ceded .....	1,793	2,037
<b>Net Premiums Written</b> .....	<b>51,137</b>	<b>50,438</b>
Decrease (increase) in Net Unearned Premiums .....	7,235	6,139
<b>Net Premiums Earned</b> .....	<b>58,372</b>	<b>56,577</b>
Service Charges .....	1,620	1,512
Other .....		0
<b>Total Underwriting Revenue</b> .....	<b>59,992</b>	<b>58,089</b>
Net Claims and Adjustment Expenses .....	39,460	48,203
Acquisition Expenses		
Commissions .....	6,664	6,479
Taxes .....	1,829	1,779
Other .....	1,872	1,846
General Expenses .....	4,051	3,894
<b>Total Claims and Expenses</b> .....	<b>53,876</b>	<b>62,201</b>
Premium Deficiency Adjustments .....	0	0
<b>Underwriting Income (Loss)</b> .....	<b>6,116</b>	<b>(4,112)</b>
<b>INVESTMENT OPERATIONS</b>		
Income .....	3,013	3,286
Realized Gains (Losses) .....	(22)	790
Expenses .....	197	160
<b>Net Investment Income</b> .....	<b>2,794</b>	<b>3,916</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 .....	0	0
Gain (losses) from fluctuations in Foreign Exchange Rates .....	0	0
Other .....	68	68
<b>Net income (Loss) before Income Taxes and</b>		
<b>Extraordinary Items</b> .....	<b>8,978</b>	<b>(128)</b>
<b>INCOME TAXES</b>		
Current .....	2,393	(253)
Future .....	0	0
<b>Total Income Taxes</b> .....	<b>2,393</b>	<b>(253)</b>
Extraordinary Items (net of Income Taxes of \$'000 _____ ) .....	0	0
<b>NET INCOME (LOSS) FOR THE PERIOD</b> .....	<b>6,585</b>	<b>125</b>

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

		Current 01	Prior 02
<b>Balance at beginning of year</b> .....	01	113,601	104,712
Prior period adjustments: .....	02	0	0
.....	04	0	0
<b>Adjusted balance at beginning of year</b> .....	09	113,601	104,712
Net income (loss) for the Period .....	10	6,585	125
Dividends declared to shareholders .....	11	0	0
Decrease (increase) in Reserves .....	12	0	0
(Please Specify) .....	16		
Net increase (decrease) in Retained Earnings during the period .....	15	6,585	125
<b>Balance at end of Period</b> .....	89	120,186	104,837

**RESERVES  
(\$'000)**

		Current 01	Prior 02
Earthquake Reserves			
Reserve Complement .....	90	0	0
Premium Reserve .....	91	0	0
Mortgages Reserve .....	95	0	0
Nuclear Reserve .....	96	0	0
General and Contingency Reserves .....	98	0	0
<b>Total Reserves</b> .....	99	0	0

*Tax Effective Rate for Mortgage Reserve*

**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	6,585	125
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans ..... 02		0
	- Bonds and Debentures ..... 03		0
	- Equities ..... 04	1,357	(1,794)
	Reclassification to Earnings of (Gains) Losses ..... 05	0	0
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses ..... 06	0	0
	Reclassification to Earnings of (Gains) Losses ..... 07	0	0
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses ..... 08	0	0
	Impact of Hedging ..... 09	0	0
	<b>Income (Loss) from Subsidiaries</b> ..... 10	0	0
	<b>Other</b> ..... 12	0	0
	Total Other Comprehensive Income (Loss) ..... 21	1,357	(1,794)
	<b>Total Comprehensive Income (Loss)</b> ..... 39	7,942	(1,669)

		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		0
	- Equities ..... 44	4,610	(16,651)
	<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	4,610	(16,651)

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

	Current 01	Prior 02
<b>Capital Available</b>		
Total Equity less Accumulated Other Comprehensive Income ..... 02	124,186	108,837
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares ..... 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities ..... 04	4,610	(16,651)
Available for Sale Debt Securities ..... 06	0	0
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	9,704	4,680
<b>Total Capital Available</b> ..... 19	<b>119,092</b>	<b>87,506</b>
<b>Minimum Capital Required</b>		
Balance Sheet Assets ..... 20	20,337	16,197
Unearned Premiums/Unpaid Claims/Premium Deficiencies ..... 22	27,110	26,958
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>47,447</b>	<b>43,155</b>
<b>Excess Capital Available over Minimum Capital Required</b>		
(line 19 minus line 29) ..... 89	71,645	44,351
<b>Line 19 as a % of line 29</b> ..... 90	<b>251.00%</b>	<b>202.77%</b>

Page A3, columns E, I and K  
must be completed