

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

		Current 01	Prior 03
Cash .....	01	39,418	38,314
Investment Income due and accrued .....	02	797	654
Investments:			
Term Deposits .....	04	0	0
Bonds and Debentures .....	05	64,492	53,536
Mortgage Loans .....	06	0	0
Preferred Shares .....	07	1,692	0
Common Shares .....	08	21,625	20,055
Real Estate .....	09	1,839	1,895
Other Investments .....	10	770	1,165
<b>Total Investments (lines 04 to 10) .....</b>	<b>19</b>	<b>90,418</b>	<b>76,651</b>
Receivables:			
Unaffiliated Agents and Brokers .....	20	7,348	6,636
Policyholders .....	21	0	0
Instalment Premiums .....	22	22,892	22,375
Other Insurers .....	23	955	1,825
"Facility Association" and the "P.R.R." .....	24	8,334	7,178
Subsidiaries, Affiliates & Partnerships .....	25	0	0
Income Taxes .....	26	0	7,861
Other Receivables .....	27	1,985	2,121
Recoverable from Reinsurers:			
Unearned Premiums .....	30	18,102	15,382
Unpaid Claims and Adjustment Expenses .....	31	42,230	34,345
Other Recoverables on Unpaid Claims .....	37	0	0
Investment in Subsidiaries, Affiliates & Partnerships .....	40	0	0
Real Estate for Insurer's own use .....	41	1,099	1,279
Deferred Policy Acquisition Expenses .....	43	18,540	17,445
Future Income Taxes .....	44	288	547
Other Assets .....	88	3,951	3,898
<b>TOTAL ASSETS .....</b>	<b>89</b>	<b>256,357</b>	<b>236,511</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	1,949	1,781
	Policyholders ..... 04		0
	Other Insurers ..... 05	5,920	7,989
	Subsidiaries, Affiliates & Partnerships ..... 06		0
	Expenses due and accrued ..... 07	1,837	1,489
	Income Taxes due and accrued ..... 08	1,316	0
	Other Taxes due and accrued ..... 09	1,605	1,534
	Policyholder Dividends and Rating Adjustments ..... 10		0
	Encumbrances on Real Estate ..... 11	1,754	1,916
	Unearned Premiums ..... 12	74,227	70,369
	Unpaid Claims and Adjustment Expenses ..... 13	107,418	104,743
	Unearned Commissions ..... 14	6,172	5,497
	Premium Deficiency ..... 15		0
	Future Income Taxes ..... 21		0
	Other Liabilities ..... 28	805	765
	<b>Total Liabilities</b> ..... 29	<b>203,003</b>	<b>196,083</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	38,467	31,217
	Reserves ..... 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) ..... 47	3,525	(2,151)
	<b>Total Equity</b> ..... 49	<b>53,354</b>	<b>40,428</b>
	<b>TOTAL LIABILITIES AND EQUITY</b> ..... 89	<b>256,357</b>	<b>236,511</b>

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

	Current 01	Prior 03
<b>UNDERWRITING OPERATIONS</b>		
<b>Premiums Written</b>		
Direct .....	01 34,337	33,694
Reinsurance Assumed .....	02 0	0
Reinsurance Ceded .....	03 10,080	8,994
<b>Net Premiums Written</b> .....	04 24,257	24,700
Decrease (increase) in Net Unearned Premiums .....	05 3,324	2,744
<b>Net Premiums Earned</b> .....	06 27,581	27,444
Service Charges .....	07 493	470
Other .....	08	0
<b>Total Underwriting Revenue</b> .....	09 28,074	27,914
Net Claims and Adjustment Expenses .....	10 13,824	19,743
Acquisition Expenses		
Commissions .....	11 4,439	4,515
Taxes .....	12 1,302	1,229
Other .....	14 0	0
General Expenses .....	16 4,427	4,272
<b>Total Claims and Expenses</b> .....	19 23,992	29,759
Premium Deficiency Adjustments .....	20	0
<b>Underwriting Income (Loss)</b> .....	29 4,082	(1,845)
<b>INVESTMENT OPERATIONS</b>		
Income .....	32 818	901
Realized Gains (Losses) .....	33 17	(104)
Expenses .....	34 85	85
<b>Net Investment Income</b> .....	39 750	712
<b>OTHER REVENUE AND EXPENSES</b>		
Income (Loss) from Ancillary Operations .....	40	0
(net of Expenses of \$'000 _____ )		
Share of Net Income (Loss) of Subsidiaries, Affiliates & Partnerships .....	41 (60)	(69)
Gain (losses) from fluctuations in Foreign Exchange Rates .....	42	0
Other .....	43 29	19
<b>Net income (Loss) before Income Taxes and</b>		
<b>Extraordinary Items</b> .....	49 4,801	(1,183)
<b>INCOME TAXES</b>		
Current .....	50 1,534	(374)
Future .....	51	0
<b>Total Income Taxes</b> .....	59 1,534	(374)
Extraordinary Items (net of Income Taxes of \$'000 _____ ) .....	60	0
<b>NET INCOME (LOSS) FOR THE PERIOD</b> .....	89 3,267	(809)

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

		Current 01	Prior 02
<b>Balance at beginning of year</b> .....	01	35,200	32,026
Prior period adjustments: .....	02		0
.....	04		0
<b>Adjusted balance at beginning of year</b> .....	09	35,200	32,026
Net income (loss) for the Period .....	10	3,267	(809)
Dividends declared to shareholders .....	11		0
Decrease (increase) in Reserves .....	12		0
(Please Specify) .....	16		
Net increase (decrease) in Retained Earnings during the period .....	15	3,267	(809)
<b>Balance at end of Period</b> .....	89	38,467	31,217

**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

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	3,267	(809)
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans ..... 02		0
	- Bonds and Debentures ..... 03	(42)	64
	- Equities ..... 04	(1,107)	(1,313)
	Reclassification to Earnings of (Gains) Losses ..... 05	12	196
	<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	92	38
	Impact of Hedging ..... 09		0
	<b>Income (Loss) from Subsidiaries</b> ..... 10		0
	<b>Other</b> ..... 12		0
	Total Other Comprehensive Income (Loss) ..... 21	(1,045)	(1,015)
	<b>Total Comprehensive Income (Loss)</b> ..... 39	2,222	(1,824)

		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	1,543	1,565
	- Equities ..... 44	1,744	(4,785)
	<b>Derivatives Designated as Cash Flow Hedges</b> ..... 45		0
	<b>Foreign Currency (Net of Hedging Activities)</b> ..... 46	238	1,069
	<b>Income (Loss) from Subsidiaries</b> ..... 47		0
	<b>Other</b> ..... 49		0
20.20	<b>Balance at end of Period</b> ..... 59	3,525	(2,151)

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

	Current 01	Prior 02
<b>Capital Available</b>		
Total Equity less Accumulated Other Comprehensive Income ..... 02	49,829	42,579
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares ..... 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities ..... 04	1,744	(4,785)
Available for Sale Debt Securities ..... 06	1,543	1,565
Foreign Currency (Net of Hedging Activities) ..... 08	238	1,069
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	3,066	5,255
<b>Total Capital Available</b> ..... 19	<b>50,288</b>	<b>35,173</b>
<b>Minimum Capital Required</b>		
Balance Sheet Assets ..... 20	9,087	7,290
Unearned Premiums/Unpaid Claims/Premium Deficiencies ..... 22	9,630	10,185
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>18,789</b>	<b>17,547</b>
<b>Excess Capital Available over Minimum Capital Required</b> (line 19 minus line 29) ..... 89	<b>31,499</b>	<b>17,626</b>
<b>Line 19 as a % of line 29</b> ..... 90	<b>267.65%</b>	<b>200.45%</b>

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