

ASSETS
(\$'000)

	Current 01	Prior 03
Cash 01	41,307	62,884
Investment Income due and accrued 02	2,620	2,449
Investments:		
Term Deposits 04	21,350	0
Bonds and Debentures 05	196,106	214,946
Mortgage Loans 06	20,990	9,586
Preferred Shares 07	12,807	5,104
Common Shares 08	71,986	58,827
Real Estate 09	0	0
Other Investments 10	0	0
Total Investments (lines 04 to 10) 19	323,239	288,463
Receivables:		
Unaffiliated Agents and Brokers 20	0	0
Policyholders 21	0	0
Instalment Premiums 22	50,813	48,507
Other Insurers 23	1,926	2,296
"Facility Association" and the "P.R.R." 24	1,047	2,169
Subsidiaries, Affiliates & Partnerships 25	30	19
Income Taxes 26	1,423	(3,165)
Other Receivables 27	455	792
Recoverable from Reinsurers:		
Unearned Premiums 30	0	0
Unpaid Claims and Adjustment Expenses 31	18,971	20,989
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	15,837	15,514
Future Income Taxes 44	1,926	366
Other Assets 88	14,572	10,014
TOTAL ASSETS 89	474,166	451,297

LIABILITIES AND EQUITY
(\$'000)

Page		Current 01	Prior 03
	LIABILITIES		
	Overdrafts 01	0	0
	Borrowed Money and Accrued Interest 02	0	0
	Payables:		
	Agents and Brokers 03	0	0
	Policyholders 04	111	117
	Other Insurers 05	0	0
	Subsidiaries, Affiliates & Partnerships 06	4,947	4,688
	Expenses due and accrued 07	4,683	4,117
	Income Taxes due and accrued 08	0	0
	Other Taxes due and accrued 09	6,149	5,465
	Policyholder Dividends and Rating Adjustments 10	0	0
	Encumbrances on Real Estate 11	0	0
	Unearned Premiums 12	110,327	109,010
	Unpaid Claims and Adjustment Expenses 13	214,271	213,764
	Unearned Commissions 14	0	0
	Premium Deficiency 15	0	0
	Future Income Taxes 21	0	0
	Other Liabilities 28	4,147	3,661
	Total Liabilities 29	344,635	340,822
	EQUITY		
	Shares issued and paid 41	4,000	4,000
	Contributed Surplus 42	0	0
 43	0	0
	Retained Earnings 44	123,535	116,188
	Reserves 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) 47	1,996	(9,713)
	Total Equity 49	129,531	110,475
	TOTAL LIABILITIES AND EQUITY 89	474,166	451,297

STATEMENT OF INCOME
(\$'000)

	Current 01	Prior 03
UNDERWRITING OPERATIONS		
Premiums Written		
Direct	123,947	123,455
Reinsurance Assumed	0	0
Reinsurance Ceded	3,985	4,414
Net Premiums Written	119,962	119,041
Decrease (increase) in Net Unearned Premiums	(1,015)	(3,124)
Net Premiums Earned	118,947	115,917
Service Charges	3,267	3,150
Other	0	0
Total Underwriting Revenue	122,214	119,067
Net Claims and Adjustment Expenses	75,530	83,443
Acquisition Expenses		
Commissions	13,493	13,037
Taxes	3,740	3,654
Other	8,735	4,948
General Expenses	4,862	8,551
Total Claims and Expenses	106,360	113,633
Premium Deficiency Adjustments	0	0
Underwriting Income (Loss)	15,854	5,434
INVESTMENT OPERATIONS		
Income	6,193	6,480
Realized Gains (Losses)	(700)	4,081
Expenses	394	334
Net Investment Income	5,099	10,227
OTHER REVENUE AND EXPENSES		
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	133	108
Net income (Loss) before Income Taxes and Extraordinary Items	21,086	15,769
INCOME TAXES		
Current	6,153	4,293
Future	0	0
Total Income Taxes	6,153	4,293
Extraordinary Items (net of Income Taxes of \$'000 _____)	0	0
NET INCOME (LOSS) FOR THE PERIOD	14,933	11,476

STATEMENT OF RETAINED EARNINGS
(\$'000)

		Current 01	Prior 02
Balance at beginning of year	01	113,602	104,712
Prior period adjustments:	02	0	0
.....	04	0	0
Adjusted balance at beginning of year	09	113,602	104,712
Net income (loss) for the Period	10	14,933	11,476
Dividends declared to shareholders	11	5,000	0
Decrease (increase) in Reserves	12	0	0
(Please Specify)	16		
Net increase (decrease) in Retained Earnings during the period	15	9,933	11,476
Balance at end of Period	89	123,535	116,188

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
Total Reserves	99	0	0

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

Page		Current 01	Prior 03
	Comprehensive Income (Loss)		
20.30	Net Income 01	14,933	11,476
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans 02	0	0
	- Bonds and Debentures 03	0	0
	- Equities 04	(1,257)	5,144
	Reclassification to Earnings of (Gains) Losses 05	0	0
	Derivatives Designated as Cash Flow Hedges		
	Change in Unrealized Gains and Losses 06	0	0
	Reclassification to Earnings of (Gains) Losses 07	0	0
	Foreign Currency Translation		
	Change in Unrealized Gains and Losses 08	0	0
	Impact of Hedging 09	0	0
	Income (Loss) from Subsidiaries 10	0	0
	Other 12	0	0
	Total Other Comprehensive Income (Loss) 21	(1,257)	5,144
	Total Comprehensive Income (Loss) 39	13,676	16,620
	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains/ (Losses) on:		
	Available for Sale:		
	- Loans 42	0	0
	- Bonds and Debentures 43	0	0
	- Equities 44	1,996	(9,713)
	Derivatives Designated as Cash Flow Hedges 45		0
	Foreign Currency (Net of Hedging Activities) 46		0
	Income (Loss) from Subsidiaries 47		0
	Other 49		0
20.20	Balance at end of Period 59	1,996	(9,713)

MINIMUM CAPITAL TEST
(\$'000)

	Current 01	Prior 02
Capital Available		
Total Equity less Accumulated Other Comprehensive Income 02	127,535	120,188
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities 04	1,996	(9,713)
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	9,881	7,163
Total Capital Available 19	119,650	103,312
Minimum Capital Required		
Balance Sheet Assets 20	19,960	17,608
Unearned Premiums/Unpaid Claims/Premium Deficiencies 22	27,422	27,129
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
Minimum Capital Required 29	47,382	44,737
Excess Capital Available over Minimum Capital Required		
(line 19 minus line 29) 89	72,268	58,575
Line 19 as a % of line 29 90	252.52%	230.93%