

ASSETS
(\$'000)

		Current 01	Prior 03
Cash	01	42,167	66,102
Investment Income due and accrued	02	2,252	2,267
Investments:			
Term Deposits	04	21,708	0
Bonds and Debentures	05	203,155	222,104
Mortgage Loans	06	21,508	9,316
Preferred Shares	07	13,164	7,446
Common Shares	08	79,197	72,836
Real Estate	09	0	0
Other Investments	10	0	0
Total Investments (lines 04 to 10)	19	338,732	311,702
Receivables:			
Unaffiliated Agents and Brokers	20	0	0
Policyholders	21	0	0
Instalment Premiums	22	55,308	52,706
Other Insurers	23	2,780	2,050
"Facility Association" and the "P.R.R."	24	2,005	1,044
Subsidiaries, Affiliates & Partnerships	25	32	20
Income Taxes	26	7,684	0
Other Receivables	27	237	817
Recoverable from Reinsurers:			
Unearned Premiums	30	0	0
Unpaid Claims and Adjustment Expenses	31	30,230	20,626
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	16,628	16,271
Future Income Taxes	44	(1,012)	888
Other Assets	88	14,367	11,832
TOTAL ASSETS	89	511,410	486,325

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	96	96
	Other Insurers 05	0	0
	Subsidiaries, Affiliates & Partnerships 06	4,888	4,908
	Expenses due and accrued 07	6,613	3,604
	Income Taxes due and accrued 08	0	11,623
	Other Taxes due and accrued 09	9,479	8,382
	Policyholder Dividends and Rating Adjustments 10	0	0
	Encumbrances on Real Estate 11	0	0
	Unearned Premiums 12	115,254	113,465
	Unpaid Claims and Adjustment Expenses 13	232,636	212,213
	Unearned Commissions 14	0	0
	Premium Deficiency 15	0	0
	Future Income Taxes 21	0	0
	Other Liabilities 28	4,558	3,975
	Total Liabilities 29	373,524	358,266
	EQUITY		
	Shares issued and paid 41	4,000	4,000
	Contributed Surplus 42		0
 43		0
	Retained Earnings 44	128,751	124,789
	Reserves 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) 47	5,135	(730)
	Total Equity 49	137,886	128,059
	TOTAL LIABILITIES AND EQUITY 89	511,410	486,325

STATEMENT OF INCOME
(\$'000)

	Current 01	Prior 03
UNDERWRITING OPERATIONS		
Premiums Written		
Direct	01 192,187	190,415
Reinsurance Assumed	02 0	0
Reinsurance Ceded	03 8,532	6,614
Net Premiums Written	04 183,655	183,801
Decrease (increase) in Net Unearned Premiums	05 (5,941)	(7,579)
Net Premiums Earned	06 177,714	176,222
Service Charges	07 4,976	4,790
Other	08 0	0
Total Underwriting Revenue	09 182,690	181,012
Net Claims and Adjustment Expenses	10 123,445	120,345
Acquisition Expenses		
Commissions	11 20,464	19,927
Taxes	12 5,668	5,558
Other	14 6,992	6,905
General Expenses	16 13,367	13,122
Total Claims and Expenses	19 169,936	165,857
Premium Deficiency Adjustments	20 0	0
Underwriting Income (Loss)	29 12,754	15,155
INVESTMENT OPERATIONS		
Income	32 9,223	9,822
Realized Gains (Losses)	33 6,268	3,105
Expenses	34 650	521
Net Investment Income	39 14,841	12,406
OTHER REVENUE AND EXPENSES		
Income (Loss) from Ancillary Operations	40 0	0
(net of Expenses of \$'000 _____)		
Share of Net Income (Loss) of Subsidiaries, Affiliates & Partnerships	41 0	0
Gain (losses) from fluctuations in Foreign Exchange Rates	42 0	0
Other	43 145	155
Net income (Loss) before Income Taxes and		
Extraordinary Items	49 27,740	27,716
INCOME TAXES		
Current	50 7,591	7,639
Future	51 0	0
Total Income Taxes	59 7,591	7,639
Extraordinary Items (net of Income Taxes of \$'000 _____)	60 0	0
NET INCOME (LOSS) FOR THE PERIOD	89 20,149	20,077

STATEMENT OF RETAINED EARNINGS
(\$'000)

		Current 01	Prior 02
Balance at beginning of year	01	113,602	104,712
Prior period adjustments:	02		0
.....	04		0
Adjusted balance at beginning of year	09	113,602	104,712
Net income (loss) for the Period	10	20,149	20,077
Dividends declared to shareholders	11	5,000	0
Decrease (increase) in Reserves	12		0
(Please Specify)	16		
Net increase (decrease) in Retained Earnings during the period	15	15,149	20,077
Balance at end of Period	89	128,751	124,789

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
Total Reserves	99	0	0

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

Page		Current 01	Prior 03
20.30	Comprehensive Income (Loss)		
	Net Income	20,149	20,077
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans		0
	- Bonds and Debentures		0
	- Equities	1,882	14,126
	Reclassification to Earnings of (Gains) Losses		0
	Derivatives Designated as Cash Flow Hedges		
	Change in Unrealized Gains and Losses		0
	Reclassification to Earnings of (Gains) Losses		0
	Foreign Currency Translation		
	Change in Unrealized Gains and Losses		0
	Impact of Hedging		0
	Income (Loss) from Subsidiaries		0
	Other		0
	Total Other Comprehensive Income (Loss)	1,882	14,126
	Total Comprehensive Income (Loss)	22,031	34,203

		Current (01)	Prior (03)
	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains/ (Losses) on:		
	Available for Sale:		
	- Loans		0
	- Bonds and Debentures		0
	- Equities	5,135	(730)
	Derivatives Designated as Cash Flow Hedges		0
	Foreign Currency (Net of Hedging Activities)		0
	Income (Loss) from Subsidiaries		0
	Other		0
20.20	Balance at end of Period	5,135	(730)

MINIMUM CAPITAL TEST
(\$'000)

	Current 01	Prior 02
Capital Available		
Total Equity less Accumulated Other Comprehensive Income 02	132,751	128,789
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities 04	5,135	(730)
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	9,798	8,329
Total Capital Available 19	128,088	119,730
Minimum Capital Required		
Balance Sheet Assets 20	23,244	19,973
Unearned Premiums/Unpaid Claims/Premium Deficiencies 22	27,707	26,935
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	50,951	46,908
Excess Capital Available over Minimum Capital Required		
(line 19 minus line 29) 89	77,137	72,822
Line 19 as a % of line 29 90	251.39%	255.24%