

ASSETS
(\$'000)

		Current	Prior
		01	03
Cash	01	23,761	37,840
Investment Income due and accrued	02	1,149	826
Investments:			
Term Deposits	04	100	0
Bonds and Debentures	05	96,692	64,862
Mortgage Loans	06	0	0
Preferred Shares	07	0	1,075
Common Shares	08	21,598	25,335
Real Estate	09	1,643	1,867
Other Investments	10	567	994
Total Investments (lines 04 to 10)	19	120,600	94,133
Receivables:			
Unaffiliated Agents and Brokers	20	8,017	7,391
Policyholders	21	0	0
Instalment Premiums	22	25,962	25,525
Other Insurers	23	1,415	3,690
"Facility Association" and the "P.R.R."	24	8,560	7,322
Subsidiaries, Affiliates & Partnerships	25	0	0
Income Taxes	26	0	0
Other Receivables	27	1,761	2,379
Recoverable from Reinsurers:			
Unearned Premiums	30	20,881	18,494
Unpaid Claims and Adjustment Expenses	31	47,105	45,617
Other Recoverables on Unpaid Claims	37	0	0
Investment in Subsidiaries, Affiliates & Partnerships	40	0	0
Real Estate for Insurer's own use	41	1,177	1,189
Deferred Policy Acquisition Expenses	43	20,739	19,300
Future Income Taxes	44	288	547
Other Assets	88	4,937	3,626
TOTAL ASSETS	89	286,352	267,879

LIABILITIES AND EQUITY
(\$'000)

Page			Current	Prior
			01	03
	LIABILITIES			
	Overdrafts	01	0	0
	Borrowed Money and Accrued Interest	02	0	0
	Payables:			
	Agents and Brokers	03	3,274	3,336
	Policyholders	04	0	0
	Other Insurers	05	11,072	11,012
	Subsidiaries, Affiliates & Partnerships	06	0	0
	Expenses due and accrued	07	2,487	2,043
	Income Taxes due and accrued	08	2,469	(3,549)
	Other Taxes due and accrued	09	4,743	4,299
	Policyholder Dividends and Rating Adjustments	10	0	0
	Encumbrances on Real Estate	11	0	1,835
	Unearned Premiums	12	82,848	78,835
	Unpaid Claims and Adjustment Expenses	13	112,814	116,509
	Unearned Commissions	14	7,129	6,510
	Premium Deficiency	15	0	0
	Future Income Taxes	21	0	0
	Other Liabilities	28	886	856
	Total Liabilities	29	227,722	221,686
	EQUITY			
	Shares issued and paid	41	2,000	2,000
	Contributed Surplus	42	9,362	9,362
	43	0	0
	Retained Earnings	44	42,729	32,941
	Reserves	45	0	0
20.42	Accumulated Other Comprehensive Income (Loss)	47	4,539	1,890
	Total Equity	49	58,630	46,193
	TOTAL LIABILITIES AND EQUITY	89	286,352	267,879

STATEMENT OF INCOME
(\$'000)

	Current 01	Prior 03
UNDERWRITING OPERATIONS		
Premiums Written		
Direct	01 123,156	118,127
Reinsurance Assumed	02 0	0
Reinsurance Ceded	03 38,109	33,494
Net Premiums Written	04 85,047	84,633
Decrease (increase) in Net Unearned Premiums	05 (2,518)	(2,610)
Net Premiums Earned	06 82,529	82,023
Service Charges	07 1,505	1,468
Other	08 0	0
Total Underwriting Revenue	09 84,034	83,491
Net Claims and Adjustment Expenses	10 46,758	52,982
Acquisition Expenses		
Commissions	11 13,780	13,951
Taxes	12 4,017	3,776
Other	14 0	0
General Expenses	16 13,905	13,649
Total Claims and Expenses	19 78,460	84,358
Premium Deficiency Adjustments	20 0	0
Underwriting Income (Loss)	29 5,574	(867)
INVESTMENT OPERATIONS		
Income	32 3,216	2,764
Realized Gains (Losses)	33 2,726	(37)
Expenses	34 403	242
Net Investment Income	39 5,539	2,485
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 (140)	(277)
Gain (losses) from fluctuations in Foreign Exchange Rates	42 0	0
Other	43 88	60
Net income (Loss) before Income Taxes and		
Extraordinary Items	49 11,061	1,401
INCOME TAXES		
Current	50 3,531	485
Future	51 0	0
Total Income Taxes	59 3,531	485
Extraordinary Items (net of Income Taxes of \$'000 _____)	60	0
NET INCOME (LOSS) FOR THE PERIOD	89 7,530	916

STATEMENT OF RETAINED EARNINGS
(\$'000)

	Current 01	Prior 02
Balance at beginning of year 01	35,200	32,026
Prior period adjustments: 02		0
..... 04		0
Adjusted balance at beginning of year 09	35,200	32,026
Net income (loss) for the Period 10	7,530	916
Dividends declared to shareholders 11		0
Decrease (increase) in Reserves 12	(1)	(1)
(Please Specify) 16		
Net increase (decrease) in Retained Earnings during the period 15	7,529	915
Balance at end of Period 89	42,729	32,941

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
	Comprehensive Income (Loss)		
20.30	Net Income 01	7,530	916
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans 02		0
	- Bonds and Debentures 03	3,488	452
	- Equities 04	634	3,013
	Reclassification to Earnings of (Gains) Losses 05	(1,936)	22
	Derivatives Designated as Cash Flow Hedges		
	Change in Unrealized Gains and Losses 06		0
	Reclassification to Earnings of (Gains) Losses 07		0
	Foreign Currency Translation		
	Change in Unrealized Gains and Losses 08	(127)	(462)
	Impact of Hedging 09		0
	Income (Loss) from Subsidiaries 10		0
	Other 12		0
	Total Other Comprehensive Income (Loss) 21	2,059	3,025
	Total Comprehensive Income (Loss) 39	9,589	3,941

		Current (01)	Prior (03)
	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains/ (Losses) on:		
	Available for Sale:		
	- Loans 42		0
	- Bonds and Debentures 43	3,535	2,061
	- Equities 44	802	(741)
	Derivatives Designated as Cash Flow Hedges 45		0
	Foreign Currency (Net of Hedging Activities) 46	202	570
	Income (Loss) from Subsidiaries 47		0
	Other 49		0
20.20	Balance at end of Period 59	4,539	1,890

MINIMUM CAPITAL TEST
(\$'000)

	Current 01	Prior 02
Capital Available		
Total Equity less Accumulated Other Comprehensive Income 02	54,091	44,303
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities 04	802	(741)
Available for Sale Debt Securities 06	3,535	2,061
Foreign Currency (Net of Hedging Activities) 08	202	570
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	3,652	2,385
Total Capital Available 19	54,978	43,808
Minimum Capital Required		
Balance Sheet Assets 20	9,920	9,599
Unearned Premiums/Unpaid Claims/Premium Deficiencies 22	10,032	10,376
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
Minimum Capital Required 29	20,024	20,047
Excess Capital Available over Minimum Capital Required		
(line 19 minus line 29) 89	34,954	23,761
Line 19 as a % of line 29 90	274.56%	218.53%