

**MILLENNIUM INSURANCE CORPORATION**  
Insurer

2010  
Year

**ASSETS**  
(\$'000)

Page		Current Year 01	Prior Year 03
	Cash..... 01	11,011	24,851
	Investment Income due and accrued..... 02	111	155
	Investments:		
	Term Deposits..... 04	42,582	8,987
	Bonds and Debentures ..... 05	24,169	28,634
	Mortgage Loans ..... 06	0	0
	Preferred Shares..... 07	82,669	79,078
	Common Shares..... 08	49,655	45,822
40.70	Real Estate..... 09	11,295	7,644
40.80	Other Investments ..... 10	9,852	4,938
40.80			
or/ou			
40.40	<b>Total Investments (lines 04 to 10)..... 19</b>	<b>220,222</b>	<b>175,103</b>
	Receivables:		
50.20	Unaffiliated Agents and Brokers ..... 20	0	0
	Policyholders..... 21	2,598	1,353
	Instalment Premiums..... 22	11,597	10,625
50.30	Other Insurers..... 23	0	0
	"Facility Association" and the "P.R.R."..... 24	118	176
50.40	Subsidiaries, Affiliates and Partnerships ..... 25	357	355
	Income Taxes..... 26	0	0
50.20	Other Receivables..... 27	75	26
	Recoverable from Reinsurers:		
60.10	Unearned Premiums..... 30	0	0
60.30	Unpaid Claims and Adjustment Expenses..... 31	587	404
	Other Recoverables on Unpaid Claims..... 37	0	0
50.40	Investment in Subsidiaries, Affiliates & Partnerships..... 40	0	0
40.70	Real Estate for Insurer's own use..... 41	0	0
	Deferred Policy Acquisition Expenses..... 43	732	636
	Future Income Taxes..... 44	4,379	4,091
50.50	Other Assets..... 88	79	194
	<b>TOTAL ASSETS..... 89</b>	<b>251,866</b>	<b>217,969</b>

**MILLENNIUM INSURANCE CORPORATION**

Insurer

2010

Year

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

Page		Current Year 01	Prior Year 03
	<b>LIABILITIES</b>		
	Overdrafts..... 01		0
	Borrowed Money and Accrued Interest..... 02		0
	Payables:		
<u>50.20</u>	Unaffiliated Agents and Brokers ..... 03	0	0
	Policyholders..... 04		0
<u>50.30</u>	Other Insurers..... 05	1,886	1,602
<u>50.40</u>	Subsidiaries, Affiliates and Partnerships ..... 06	15	0
	Expenses due and accrued..... 07	2,131	937
	Income Taxes due and accrued..... 08	2,058	12,279
	Other Taxes due and accrued..... 09	3,202	2,094
	Policyholder Dividends and Rating Adjustments..... 10		0
<u>40.70</u>	Encumbrances on Real Estate..... 11	0	0
<u>60.10</u>	Unearned Premiums..... 12	124,409	109,309
<u>60.30</u>	Unpaid Claims and Adjustment Expenses..... 13	17,321	18,188
<u>80.10</u>	Unearned Commissions..... 14	0	0
	Premium Deficiency..... 15	0	0
	Future Income Taxes..... 21		0
<u>50.50</u>	Other Liabilities..... 28	0	0
	<b>Total Liabilities..... 29</b>	<b>151,022</b>	<b>144,409</b>
	<b>EQUITY</b>		
	Shares issued and paid..... 41	11,500	11,500
	Contributed Surplus..... 42		0
	..... 43		0
<u>20.40</u>	Retained Earnings..... 44	80,384	56,562
<u>20.40</u>	Reserves..... 45	0	0
<u>20.42</u>	Accumulated Other Comprehensive Income (Loss)..... 47	8,960	5,498
	<b>Total Equity..... 49</b>	<b>100,844</b>	<b>73,560</b>
	<b>TOTAL LIABILITIES AND EQUITY..... 89</b>	<b>251,866</b>	<b>217,969</b>

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

Page		Current Year 01	Prior Year 03
	<b>UNDERWRITING OPERATIONS</b>		
	<b>Premiums Written</b>		
	Direct..... 01	132,126	108,629
70.21	Reinsurance Assumed..... 02	0	0
70.21	Reinsurance Ceded..... 03	9,769	10,573
60.20	<b>Net Premiums Written</b> ..... 04	122,357	98,056
	Decrease (increase) in Net Unearned Premiums..... 05	(15,100)	(12,436)
60.20	<b>Net Premiums Earned</b> ..... 06	107,257	85,620
	Service Charges..... 07		0
	Other..... 08		0
	<b>Total Underwriting Revenue</b> ..... 09	107,257	85,620
60.20	Net Claims and Adjustment Expenses..... 10	22,042	23,241
	Acquisition Expenses		
80.10	Commissions..... 11	53,220	38,187
	Taxes..... 12	3,724	2,990
80.20	Other..... 14	1,982	2,088
80.20	General Expenses..... 16	5,084	3,237
	<b>Total Claims and Expenses</b> ..... 19	86,052	69,743
	Premium Deficiency Adjustments..... 20		0
	<b>Underwriting Income (Loss)</b> ..... 29	21,205	15,877
40.07 or/ou 40.10	<b>INVESTMENT OPERATIONS</b>		
	Income..... 32	7,421	6,843
	Realized Gains (Losses)..... 33	4,655	2,050
	Expenses..... 34	341	8
	<b>Net Investment Income</b> ..... 39	11,735	8,885
	<b>OTHER REVENUE AND EXPENSES</b>		
	Income (Loss) from Ancillary Operations (net of Expenses of \$'000.....)..... 40		0
	Share of Net Income (Loss) of Subsidiaries, Affiliates & Partnerships..... 41		0
	Gain (losses) from fluctuations in Foreign Exchange Rates..... 42		0
	Other..... 43	(1,773)	(1,085)
	<b>Net Income (Loss) before Income Taxes and Extraordinary Items</b> ..... 49	31,167	23,677
	<b>INCOME TAXES</b>		
	Current..... 50	7,633	5,547
	Future..... 51	(288)	539
	<b>Total Income Taxes</b> ..... 59	7,345	6,086
	Extraordinary Items (net of Income Taxes of \$'000.....)..... 60		0
	<b>NET INCOME (LOSS) FOR THE YEAR</b> ..... 89	23,822	17,591

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

Page			Current Year 01	Prior Year 02
	<b>Balance at beginning of year</b>	01	56,562	38,971
	Prior period adjustments:.....	02		0
	.....	04		0
	Adjusted balance at beginning of year.....	09	56,562	38,971
<u>20.30</u>	Net Income (loss) for the year.....	10	<u>23,822</u>	<u>17,591</u>
	Dividends declared to shareholders.....	11		0
	Decrease (increase) in Reserves .....	12	0	0
	(Please specify) .....	16		
	Net increase (decrease) in Retained Earnings during the year.....	15	23,822	17,591
	<b>Balance at end of year</b> .....	89	<b>80,384</b>	<b>56,562</b>

**RESERVES**  
(\$'000)

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

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

Page		Current Year 01	Prior Year 03
20.30	<b>Comprehensive Income (Loss)</b>		
	Net Income ..... 01	23,822	17,591
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans ..... 02		0
	- Bonds and Debentures ..... 03	487	619
	- Equities ..... 04	6,318	16,304
	Reclassification to Earnings of (Gains) Losses ..... 05	(3,343)	814
	<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		0
	Impact of Hedging ..... 09		0
	<b>Income (Loss) from Subsidiaries</b> ..... 10		0
	<b>Other</b> ..... 12		0
	Total Other Comprehensive Income (Loss) ..... 21	3,462	17,737
	<b>Total Comprehensive Income (Loss)</b> ..... 39	27,284	35,328

		Current Year (01)	Prior Year (03)
	<b>Accumulated Other Comprehensive Income (Loss)</b>		
	Accumulated Gains/ (Losses) on:		
	<b>Available for Sale:</b>		
	- Loans ..... 42		0
	- Bonds and Debentures ..... 43	1,123	1,162
	- Equities ..... 44	7,837	4,336
	<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	8,960	5,498

**MILLENNIUM INSURANCE CORPORATION**

Insurer

2010  
Year**MINIMUM CAPITAL TEST  
(\$'000)**

	Current Year 01	Prior Year 02
<b>Capital Available</b>		
Total Equity less Accumulated Other Comprehensive Income ..... 02	91,884	68,062
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares ..... 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities ..... 04	7,837	4,336
Available for Sale Debt Securities ..... 06	1,123	1,162
Foreign Currency (Net of Hedging Activities) ..... 08	0	0
Included in Capital Available of Regulated FI Subsidiaries ..... 10		0
..... 30		0
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	0	0
<b>Total Capital Available</b> ..... 19	100,844	73,560
<b>Minimum Capital Required</b>		
Balance Sheet Assets ..... 20	14,942	12,570
Unearned Premiums/Unpaid Claims/Premium Deficiencies ..... 22	11,603	10,480
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	26,545	23,050
<b>Excess Capital Available over Minimum Capital Required</b> (line 19 minus line 29) ..... 89	74,299	50,510
<b>Line 19 as a % of line 29</b> ..... 90	379.90%	319.13%