

**ASSETS**  
(\$'000)

Page			Current Year 01	Prior Year 03
	Cash.....	01	44,939	43,379
	Investment Income due and accrued.....	02	799	851
	Investments:			
	Term Deposits.....	04	0	0
	Bonds and Debentures .....	05	68,989	48,254
	Mortgage Loans .....	06	0	0
	Preferred Shares.....	07	1,695	0
	Common Shares.....	08	21,134	21,733
40.70	Real Estate.....	09	1,853	1,909
40.80	Other Investments.....	10	817	2,189
40.07 or/ou	<b>Total Investments (lines 04 to 10).....</b>	<b>19</b>	<b>94,488</b>	<b>74,085</b>
	Receivables:			
50.20	Unaffiliated Agents and Brokers .....	20	7,455	7,826
	Policyholders.....	21	0	0
	Instalment Premiums.....	22	24,954	24,134
50.30	Other Insurers.....	23	596	1,546
	"Facility Association" and the "P.R.R.".....	24	8,413	7,043
50.40	Subsidiaries, Affiliates and Partnerships .....	25	0	0
	Income Taxes.....	26	0	6,997
50.20	Other Receivables.....	27	2,201	2,051
	Recoverable from Reinsurers:			
60.10	Unearned Premiums.....	30	18,856	15,395
60.30	Unpaid Claims and Adjustment Expenses.....	31	47,650	31,628
	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	1,144	1,324
	Deferred Policy Acquisition Expenses.....	43	19,270	18,129
	Future Income Taxes.....	44	288	547
50.50	Other Assets.....	88	3,754	3,876
	<b>TOTAL ASSETS.....</b>	<b>89</b>	<b>274,807</b>	<b>238,811</b>

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	<u>3,838</u>	3,219
	Policyholders.....	04		0
<u>50.30</u>	Other Insurers.....	05	<u>8,952</u>	6,669
<u>50.40</u>	Subsidiaries, Affiliates and Partnerships .....	06	<u>0</u>	0
	Expenses due and accrued.....	07	2,445	1,709
	Income Taxes due and accrued.....	08	2,359	0
	Other Taxes due and accrued.....	09	5,573	5,913
	Policyholder Dividends and Rating Adjustments.....	10		0
<u>40.70</u>	Encumbrances on Real Estate.....	11	<u>1,795</u>	1,957
<u>60.10</u>	Unearned Premiums.....	12	<u>78,305</u>	73,126
<u>60.30</u>	Unpaid Claims and Adjustment Expenses.....	13	<u>115,196</u>	97,548
<u>80.10</u>	Unearned Commissions.....	14	<u>6,451</u>	5,629
	Premium Deficiency.....	15	<u>0</u>	0
	Future Income Taxes.....	21		0
<u>50.50</u>	Other Liabilities.....	28	<u>851</u>	787
	<b>Total Liabilities.....</b>	<b>29</b>	<b>225,765</b>	<b>196,557</b>
	<b>EQUITY</b>			
	Shares issued and paid.....	41	<u>2,000</u>	2,000
	Contributed Surplus.....	42	9,362	9,362
	.....	43		0
<u>20.40</u>	Retained Earnings.....	44	<u>35,200</u>	<u>32,026</u>
<u>20.40</u>	Reserves.....	45	<u>0</u>	<u>0</u>
<u>20.42</u>	Accumulated Other Comprehensive Income (Loss)	47	2,480	(1,134)
	<b>Total Equity.....</b>	<b>49</b>	<b>49,042</b>	<b>42,254</b>
	<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>89</b>	<b>274,807</b>	<b>238,811</b>

STATEMENT OF INCOME  
(\$'000)

Page			Current Year 01	Prior Year 03
	<b>UNDERWRITING OPERATIONS</b>			
	<b>Premiums Written</b>			
	Direct.....	01	156,803	147,184
70.21	Reinsurance Assumed.....	02	0	0
70.21	Reinsurance Ceded.....	03	45,086	35,887
60.20	<b>Net Premiums Written.....</b>	04	111,717	111,297
	Decrease (increase) in Net Unearned Premiums.....	05	(1,718)	(10,036)
60.20	<b>Net Premiums Earned.....</b>	06	109,999	101,261
	Service Charges.....	07	1,964	1,820
	Other.....	08		0
	<b>Total Underwriting Revenue.....</b>	09	111,963	103,081
60.20	Net Claims and Adjustment Expenses.....	10	66,221	67,081
	Acquisition Expenses.....			
80.10	Commissions.....	11	19,611	16,723
	Taxes.....	12	5,103	4,658
80.20	Other.....	14	(150)	(65)
80.20	General Expenses.....	16	18,551	17,698
	<b>Total Claims and Expenses.....</b>	19	109,336	106,095
	Premium Deficiency Adjustments.....	20		0
	<b>Underwriting Income (Loss).....</b>	29	2,627	(3,014)
40.07 or/ou 40.10	<b>INVESTMENT OPERATIONS</b>			
	Income.....	32	3,317	4,469
	Realized Gains (Losses).....	33	(962)	(5,584)
	Expenses.....	34	338	346
	<b>Net Investment Income.....</b>	39	2,017	(1,461)
	<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 and Affiliates.....	41	(393)	(219)
	Gain (losses) from fluctuations in Foreign Exchange Rates.....	42		0
	Other.....	43	66	(1)
	<b>Net Income (Loss) before Income Taxes and Extraordinary Items.....</b>	49	4,317	(4,695)
	<b>INCOME TAXES</b>			
	Current.....	50	814	(1,278)
	Future.....	51	329	18
	<b>Total Income Taxes.....</b>	59	1,143	(1,260)
	Extraordinary Items (net of Income Taxes of \$'000.....)	60		0
	<b>NET INCOME (LOSS) FOR THE YEAR.....</b>	89	3,174	(3,435)

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

Page			Current Year 01	Prior Year 02
	<b>Balance at beginning of year</b>	01	32,026	35,662
	Prior period adjustments:	02		(1)
		04		0
	Adjusted balance at beginning of year	09	32,026	35,661
20.30	Net Income (loss) for the year	10	3,174	(3,435)
	Dividends declared to shareholders	11		200
	Decrease (increase) in Reserves	12	0	0
	(Please specify)	16		
	Net increase (decrease) in Retained Earnings during the year	15	3,174	(3,635)
	<b>Balance at end of year</b>	89	35,200	32,026

**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 .....	3,174	(3,435)
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans .....		0
	- Bonds and Debentures .....	72	725
	- Equities .....	3,810	(13,269)
	Reclassification to Earnings of (Gains) Losses .....	435	3,730
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses .....		0
	Reclassification to Earnings of (Gains) Losses .....		0
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses .....	(702)	941
	Impact of Hedging .....		0
	Income (Loss) from Subsidiaries .....		0
	Other .....		0
	Total Other Comprehensive Income (Loss) .....	3,615	(7,873)
	<b>Total Comprehensive Income (Loss) .....</b>	<b>6,789</b>	<b>(11,308)</b>

		Current Year (01)	Prior Year (03)
	<b>Accumulated Other Comprehensive Income (Loss)</b>		
	Accumulated Gains/ (Losses) on:		
	<b>Available for Sale:</b>		
	- Loans .....		0
	- Bonds and Debentures .....	1,509	1,478
	- Equities .....	641	(3,644)
	<b>Derivatives Designated as Cash Flow Hedges</b> .....		0
	<b>Foreign Currency (Net of Hedging Activities)</b> .....	330	1,032
	<b>Income (Loss) from Subsidiaries</b> .....		0
	<b>Other</b> .....		0
20.20	Balance at end of Period .....	2,480	(1,134)

MINIMUM CAPITAL TEST  
(\$'000)

	Current Year 01	Prior Year 02
<b>Capital Available</b>		
Total Equity less Accumulated Other Comprehensive Income ..... 02	<u>46,562</u>	<u>43,388</u>
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares ..... 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities ..... 04	<u>641</u>	(3,644)
Available for Sale Debt Securities ..... 06	<u>1,509</u>	1,478
Foreign Currency (Net of Hedging Activities) ..... 08	<u>330</u>	1,032
Included in Capital Available of Regulated FI Subsidiaries ..... 10	0	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	<u>0</u>	0
Assets with a Capital Requirement of 100% ..... 17	3,114	5,225
<b>Total Capital Available</b> ..... 19	<u>45,928</u>	<u>37,029</u>
<b>Minimum Capital Required</b>		
Balance Sheet Assets ..... 20	<u>8,854</u>	7,702
Unearned Premiums/Unpaid Claims/Premium Deficiencies ..... 22	<u>10,007</u>	9,988
Catastrophes ..... 24	<u>0</u>	0
Reinsurance Ceded to Unregistered Insurers ..... 26	<u>0</u>	0
Capital Required reported by Regulated FI Subsidiaries ..... 27		0
Structured Settlements, Letters of Credit, Derivatives and Other Exposures ..... 28	<u>72</u>	72
<b>Minimum Capital Required</b> ..... 29	<u>18,933</u>	<u>17,762</u>
<b>Excess of Capital Available over Capital Required</b> (line 19 minus line 29) ..... 89	<u>26,995</u>	<u>19,267</u>
<b>Line 19 as a % of line 29</b> ..... 90	<u>242.58%</u>	<u>208.47%</u>