

ASSETS
(\$'000)

Page		Current Year 01	Prior Year 03
	Cash..... 01	60,480	19,509
	Investment Income due and accrued..... 02	2,359	1,883
	Investments:		
	Term Deposits..... 04	0	0
	Bonds and Debentures..... 05	196,310	199,048
	Mortgage Loans 06	0	0
	Preferred Shares..... 07	4,962	6,109
	Common Shares..... 08	54,079	71,075
40.70	Real Estate..... 09	0	0
40.80	Other Investments..... 10	9,999	0
40.05 or/ou 40.10	Total Investments (lines 04 to 10)..... 19	265,350	276,232
	Receivables:		
50.20	Unaffiliated Agents and Brokers 20	0	0
	Policyholders..... 21	0	0
	Instalment Premiums..... 22	47,984	44,806
50.30	Other Insurers..... 23	1,934	2,298
	"Facility Association" and the "P.R.R."..... 24	3,051	3,384
50.40	Subsidiaries, Affiliates and Partnerships 25	398	590
	Income Taxes..... 26	3,081	12,841
50.20	Other Receivables..... 27	567	447
	Recoverable from Reinsurers:		
60.10	Unearned Premiums..... 30	0	0
60.30	Unpaid Claims and Adjustment Expenses..... 31	20,259	20,949
	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	15,179	12,919
	Future Income Taxes..... 44	477	1,583
50.50	Other Assets..... 88	7,613	5,721
	TOTAL ASSETS..... 89	428,732	403,162

LIABILITIES AND EQUITY
(\$'000)

Page			Current Year 01	Prior Year 03
	LIABILITIES			
	Overdrafts.....	01	0	0
	Borrowed Money and Accrued Interest.....	02	0	0
	Payables:			
<u>50.20</u>	Unaffiliated Agents and Brokers	03	0	0
	Policyholders.....	04	151	160
<u>50.30</u>	Other Insurers.....	05	0	0
<u>50.40</u>	Subsidiaries, Affiliates and Partnerships	06	336	680
	Expenses due and accrued.....	07	4,728	6,017
	Income Taxes due and accrued.....	08	0	0
	Other Taxes due and accrued.....	09	11,886	12,280
	Policyholder Dividends and Rating Adjustments.....	10	0	0
<u>40.70</u>	Encumbrances on Real Estate.....	11	0	0
<u>60.10</u>	Unearned Premiums.....	12	105,886	94,925
<u>60.30</u>	Unpaid Claims and Adjustment Expenses.....	13	209,404	193,641
<u>80.10</u>	Unearned Commissions.....	14	0	0
	Premium Deficiency.....	15	0	0
	Future Income Taxes.....	21	0	0
<u>50.50</u>	Other Liabilities.....	28	2,486	2,232
	Total Liabilities.....	29	334,877	309,935
	EQUITY			
	Shares issued and paid.....	41	4,000	4,000
	Contributed Surplus.....	42		0
	43		0
<u>20.40</u>	Retained Earnings.....	44	104,712	88,249
<u>20.40</u>	Reserves.....	45	0	0
<u>20.42</u>	Accumulated Other Comprehensive Income (Loss).....	47	(14,857)	978
	Total Equity.....	49	93,855	93,227
	TOTAL LIABILITIES AND EQUITY.....	89	428,732	403,162

STATEMENT OF INCOME
(\$'000)

Page		Current Year 01	Prior Year 03
	UNDERWRITING OPERATIONS		
	Premiums Written		
	Direct..... 01	238,557	213,421
<u>70.21</u>	Reinsurance Assumed..... 02	0	0
<u>70.21</u>	Reinsurance Ceded..... 03	8,990	9,685
<u>60.20</u>	Net Premiums Written 04	229,567	203,736
	Decrease (increase) in Net Unearned Premiums..... 05	(10,960)	(9,931)
<u>60.20</u>	Net Premiums Earned 06	218,607	193,805
	Service Charges 07	5,885	5,295
	Other 08	0	0
	Total Underwriting Revenue 09	224,492	199,100
<u>60.20</u>	Net Claims and Adjustment Expenses 10	158,165	151,330
	Acquisition Expenses		
<u>80.10</u>	Commissions..... 11	24,460	21,192
	Taxes..... 12	6,898	6,199
<u>80.20</u>	Other 14	8,846	7,158
<u>80.20</u>	General Expenses..... 16	14,878	10,481
	Total Claims and Expenses 19	213,247	196,360
	Premium Deficiency Adjustments..... 20	0	0
	Underwriting Income (Loss) 29	11,245	2,740
<u>40.07 or/ou</u> <u>40.10</u>	INVESTMENT OPERATIONS		
	Income..... 32	13,517	12,112
	Realized Gains (Losses)..... 33	(471)	5,089
	Expenses..... 34	794	930
	Net Investment Income 39	12,252	16,271
	OTHER REVENUE AND EXPENSES		
	Income (Loss) from Ancillary Operations (net of Expenses of \$'000)..... 40	0	0
	Share of Net Income (Loss) of Subsidiaries and Affiliates..... 41	0	0
	Gain (losses) from fluctuations in Foreign Exchange Rates..... 42	0	0
	Other 43	351	(110)
	Net Income (Loss) before Income Taxes and Extraordinary Items 49	23,848	18,901
	INCOME TAXES		
	Current..... 50	5,747	1,996
	Future..... 51	1,478	2,639
	Total Income Taxes 59	7,225	4,635
	Extraordinary Items (net of Income Taxes of \$'000)..... 60		0
	NET INCOME (LOSS) FOR THE YEAR 89	16,623	14,266

STATEMENT OF RETAINED EARNINGS
(\$'000)

Page			Current	Prior
			Year	Year
			01	02
	Balance at beginning of year	01	88,249	103,565
	Prior period adjustments:.....	02		0
	04		578
	Adjusted balance at beginning of year.....	09	88,249	104,143
20.30	Net Income (loss) for the year.....	10	16,623	14,266
	Dividends declared to shareholders.....	11	160	30,160
	Decrease (increase) in Reserves	12	0	0
	(Please specify)	16		
	Net increase (decrease) in Retained Earnings during the year.....	15	16,463	(15,894)
	Balance at end of year	89	104,712	88,249

RESERVES
(\$'000)

		Current	Prior
		Year	Year
		01	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
Total Reserves	99	0	0

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

Page		Current Year 01	Prior Year 03
	Comprehensive Income (Loss)		
20.30	Net Income 01	16,623	14,266
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans 02		0
	- Bonds and Debentures 03		0
	- Equities 04	(16,025)	(2,155)
	Reclassification to Earnings of (Gains) Losses 05	190	(5,597)
	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		0
	Impact of Hedging 09		0
	Income (Loss) from Subsidiaries 10		0
	Other 12		0
	Total Other Comprehensive Income (Loss) 21	(15,835)	(7,752)
	Total Comprehensive Income (Loss) 39	788	6,514

		Current Year (01)	Prior Year (03)
	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains/ (Losses) on:		
	Available for Sale:		
	- Loans 42		0
	- Bonds and Debentures 43		0
	- Equities 44	(14,857)	978
	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	(14,857)	978

MINIMUM CAPITAL TEST
(\$'000)

		Current Year 01	Prior Year 02
Capital Available			
Total Equity less Accumulated Other Comprehensive Income	02	<u>108,712</u>	<u>92,249</u>
Add:			
Subordinated Indebtedness and Redeemable Preferred Shares	03		0
Accumulated Other Comprehensive Income (Loss) on:			
Available for Sale Equity Securities	04	<u>(14,857)</u>	978
Available for Sale Debt Securities	06	<u>0</u>	0
Foreign Currency (Net of Hedging Activities)	08	<u>0</u>	0
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	<u>3,326</u>	1,689
Total Capital Available	19	<u>90,529</u>	<u>91,538</u>
Minimum Capital Required			
Balance Sheet Assets	20	<u>17,174</u>	19,182
Unearned Premiums/Unpaid Claims/Premium Deficiencies	22	<u>26,457</u>	23,797
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>0</u>	0
Minimum Capital Required	29	<u>43,631</u>	<u>42,979</u>
Excess of Capital Available over Capital Required (line 19 minus line 29)	89	<u>46,898</u>	<u>48,559</u>
Line 19 as a % of line 29	90	<u>207.49%</u>	<u>212.98%</u>