

Insurer

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

		Current	Prior	Opening
		(01)	(03)	Prior Year Restated
				(05)
Cash and Cash Equivalents	01	84,225	77,630	
Investment Income due and accrued	02	1,955	1,804	
Assets held for sale	50		0	
Investments:				
Short Term Investments	04		0	
Bonds and Debentures	05	245,060	198,751	
Mortgage Loans	06	16,718	15,875	
Preferred Shares	07	25,885	21,988	
Common Shares	08	76,108	98,635	
Investment Properties	09	19,634	11,557	
Other Loans and Invested Assets	10		0	
Total Investments (lines 04 to 10)	19	383,405	346,806	0
Receivables:				
Unaffiliated Agents and Brokers	20		0	
Policyholders	21	4,516	3,876	
Instalment Premiums	22	84,915	72,877	
Other Insurers	23	4,843	2,622	
"Facility Association" and the "P.R.R."	24	2,026	0	
Subsidiaries, Associates & Joint Ventures	25	47	1,900	
Other Receivables	27	1,570	1,085	
Recoverable from Reinsurers:				
Unearned Premiums	30		0	
Unpaid Claims and Adjustment Expenses	31	25,204	24,025	
Other Recoverables on Unpaid Claims	37		0	
Interests in Subsidiaries, Associates & Joint Ventures	40		0	
Property and Equipment	41	29,357	23,834	
Deferred Policy Acquisition Expenses	43	21,098	19,408	
Current Tax Assets	52	1,877	2,167	
Deferred Tax Assets	44	2,139	2,711	
Goodwill	54		0	
Intangible Assets	56	7,928	8,691	
Defined Benefit Pension Plan	58			
Other Assets	88	315	261	
TOTAL ASSETS	89	655,420	589,697	0

CONSOLIDATED FINANCIAL STATEMENTS
LIABILITIES AND EQUITY
(\$'000)

Page		Current	Prior	Opening Prior Year Restated
		(01)	(03)	(05)
	LIABILITIES			
	Overdrafts 01		0	
	Borrowed Money and Accrued Interest 02		0	
	Payables:			
	Agents and Brokers 03		0	
	Policyholders 04	1,030	2,149	
	Other Insurers 05		0	
	Subsidiaries, Associates & Joint Ventures 06	6,615	2,966	
	Expenses due and accrued 07	9,424	9,811	
	Other Taxes due and accrued 09	11,795	10,422	
	Policyholder Dividends and Rating Adjustments 10		0	
	Encumbrances on Real Estate 11		0	
	Unearned Premiums 12	151,962	136,677	
	Unpaid Claims and Adjustment Expenses 13	331,692	283,692	
	Unearned Commissions 14	0	0	
	Premium Deficiency 15		0	
	Liabilities held for sale 17		0	
	Current Tax Liabilities 18		0	
	Deferred Tax Liabilities 21		0	
	Self-Insured Retention (SIR) portion of unpaid claims 22			
	Defined Benefit Pension Plan 23			
	Employment Benefits (not including amounts on line 23 above) 24			
	Subordinated Debt 25			
	Preferred Shares - Debt 26			
	Provisions and Other Liabilities 28	4,406	4,016	
	Total Liabilities 29	516,924	449,733	0
	EQUITY			
	Shares issued and paid 41	4,000	4,000	
	Contributed Surplus 42		0	
	(Specify) 43		0	
	Retained Earnings 44	134,496	135,964	
	Reserves 45	0	0	
20.42	Accumulated Other Comprehensive Income (Loss) 47	0	0	
	Total Policyholders/Shareholders' Equity 59	138,496	139,964	0
	Non-controlling Interests 48		0	
	Total Equity 49	138,496	139,964	0
	TOTAL LIABILITIES AND EQUITY 89	655,420	589,697	0

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF INCOME
(\$'000)

		Current	Prior
		(01)	(03)
UNDERWRITING OPERATIONS			
Premiums Written			
Direct	01	245,201	222,502
Reinsurance Assumed	02	0	0
Reinsurance Ceded	03	11,899	10,826
Net Premiums Written	04	233,302	211,676
Decrease (increase) in Net Unearned Premiums	05	(18,322)	(13,796)
Net Premiums Earned	06	214,980	197,880
Service Charges	07	6,705	6,165
Other	08		0
Total Underwriting Revenue	09	221,685	204,045
Gross Claims and Adjustment Expenses	62	202,256	179,246
Reinsurers' share of claims and adjustment expenses	64	13,388	11,827
Net Claims and Adjustment Expenses	10	188,868	167,419
Acquisition Expenses			
Gross Commissions	66	25,273	23,921
Ceded Commissions	68	0	0
Taxes	12	6,864	6,303
Other	14	8,201	8,315
General Expenses	16	17,424	14,506
Total Claims and Expenses	19	246,630	220,464
Premium Deficiency Adjustments	20		0
Underwriting Income (Loss)	29	(24,945)	(16,419)
INVESTMENT OPERATIONS			
Income	32	5,321	12,076
Realized Gains (Losses)	33	14,398	5,486
Expenses	34	868	853
Net Investment Income	39	18,851	16,709
OTHER REVENUE AND EXPENSES			
Income (Loss) from Ancillary Operations (net of Expenses of \$'000)	40		0
Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41		0
Gains (losses) from fluctuations in Foreign Exchange Rates	42		0
Other Revenues	44	1,311	882
Finance costs	45		0
Other Expenses	46		0
Net Income (Loss) before Income Taxes	49	(4,783)	1,172
INCOME TAXES			
Current	50	(1,253)	549
Deferred	51	(76)	(705)
Total Income Taxes	59	(1,329)	(156)
NET INCOME (LOSS) FOR THE PERIOD	89	(3,454)	1,328
ATTRIBUTABLE TO:			
Non-controlling Interests	80		0
Equity Holders	82	(3,454)	1,328

Insurer

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF RETAINED EARNINGS
(\$'000)

		Current	Prior
		(01)	(02)
Balance at beginning of year	01	137,950	138,036
Prior period adjustments:	02		0
(Specify)	04		(400)
Adjusted balance at beginning of year	09	137,950	137,636
Net income (loss) for the period	10	(3,454)	1,328
Dividends declared to shareholders	11		3,000
Decrease (increase) in Reserves	12		0
(Specify)	16		0
Net increase (decrease) in Retained Earnings during the period	15	(3,454)	(1,672)
Balance at end of period	89	134,496	135,964

RESERVES
(\$'000)

		Current	Prior
		(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

CONSOLIDATED FINANCIAL STATEMENTS

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

Page		Current (01)	Prior (03)
20.30	Comprehensive Income (Loss)		
	Net Income	01	1,328
	Other Comprehensive Income (Loss):		
	Items that may be reclassified subsequently to Net Income:		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans	02	0
	- Bonds and Debentures	03	0
	- Equities	04	0
	Reclassification of (Gains) Losses to Net Income	05	0
	Derivatives Designated as Cash Flow Hedges		
	Change in Unrealized Gains and Losses	06	0
	Reclassification of (Gains) Losses to Net Income	07	0
	Foreign Currency Translation		
	Change in Unrealized Gains and Losses	08	0
	Impact of Hedging	09	0
	Share of Other Comprehensive Income of		
	Subsidiaries, Associates & Joint Ventures	11	0
	Other	18	0
	Subtotal of items that may be reclassified subsequently to Net Income	19	0
	Items that will not be reclassified subsequently to Net Income:		
	Revaluation Surplus	31	0
	Remeasurements of Defined Benefit Plans	34	0
	Other	12	0
	Subtotal of items that will not be reclassified subsequently to Net Income	29	0
	Total Other Comprehensive Income (Loss)	21	0
	Total Comprehensive Income (Loss)	39	1,328
	Attributable to:		
	Non-controlling Interests	60	0
	Equity Holders	62	1,328
	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains (Losses) on:		
	Items that may be reclassified subsequently to Net Income:		
	Available for Sale:		
	- Loans	42	0
	- Bonds and Debentures	43	0
	- Equities	44	0
	Derivatives Designated as Cash Flow Hedges	45	0
	Foreign Currency (net of hedging activities)	46	0
	Share of Other Comprehensive Income of		
	Subsidiaries, Associates & Joint Ventures	51	0
	Other	68	0
	Subtotal of items that may be reclassified subsequently to Net Income	69	0
	Items that will not be reclassified subsequently to Net Income:		
	Revaluation Surplus	71	0
	Remeasurements of Defined Benefit Plans	74	0
	Other	49	0
	Subtotal of items that will not be reclassified subsequently to Net Income	79	0
20.20	Balance at end of Period	59	0

CONSOLIDATED
MINIMUM CAPITAL TEST
(\$'000)

		Current (01)	Prior (02)
Capital Available			
Total Equity less Accumulated Other Comprehensive Income	02	138,496	139,964
Add:			
Subordinated Indebtedness and Redeemable Preferred Shares	03		0
Accumulated Other Comprehensive Income (Loss) on:			
Available for Sale Equity Securities	04	0	0
Available for Sale Debt Securities	06	0	0
Foreign Currency (Net of Hedging Activities)	08	0	0
Share of Other Comprehensive Income of non-qualifying Subsidiaries, Associates &	36	0	0
Remeasurements of Defined Benefit Plans	42		0
Revaluation Losses in Excess of Gains on Own Use Properties	32		0
(Specify)	30		0
Less:			
Accumulated net after-tax fair value gains (losses) arising from changes in the company's own credit risk	12		0
Unrealized Fair Value Gains (Losses) from Own Use Properties at Conversion	15		0
Shadow Accounting Impact	16		0
Assets with a Capital Requirement of 100%	17	0	0
(Specify)	13		0
Accumulated Other Comprehensive Income (Loss) on Remeasurements of Defined Benefit Pension Plans (Phase-in)	44		0
Total Capital Available	19	138,496	139,964
Minimum Capital Required			
Balance Sheet Assets	20	31,245	32,340
Unearned Premiums/Unpaid Claims/Premium Deficiencies	22	38,320	32,332
Catastrophes	24	0	0
Reinsurance Ceded to Unregistered Insurers	26	0	0
Interest Rate Risk	38	1,983	1,969
Foreign Exchange Risk (for future use only)	40		
Structured Settlements, Letters of Credit, Derivatives and Other Exposures	28	0	0
(Specify)	34		0
Minimum Capital Required	29	71,548	66,641
Excess Capital Available over Minimum Capital Required (line 19 minus line 29)	89	66,948	73,323
Line 19 as a % of line 29	90	193.57%	210.03%
Minimum Gross Capital Level	96	8,468	8,510

Note: See Section VI of the P&C-1 instructions and the MCT Guideline.