

Insurer

## CONSOLIDATED FINANCIAL STATEMENTS

**ASSETS**  
**(\$'000)**

		Current	Prior	Opening
		(01)	(03)	Prior Year Restated
				(05)
Cash and Cash Equivalents	01	57,051	57,112	
Investment Income due and accrued	02	1,291	1,546	
Assets held for sale	50		0	
Investments:				
Short Term Investments	04		0	
Bonds and Debentures	05	220,655	198,221	
Mortgage Loans	06	16,561	15,701	
Preferred Shares	07	26,559	21,856	
Common Shares	08	111,834	104,083	
Investment Properties	09	19,866	11,697	
Other Loans and Invested Assets	10		0	
<b>Total Investments (lines 04 to 10)</b>	19	395,475	351,558	0
Receivables:				
Unaffiliated Agents and Brokers	20	0	0	
Policyholders	21	3,987	3,518	
Instalment Premiums	22	74,965	66,136	
Other Insurers	23	3,664	3,048	
"Facility Association" and the "P.R.R."	24	1,987	435	
Subsidiaries, Associates & Joint Ventures	25	47	3,000	
Other Receivables	27	1,249	1,311	
Recoverable from Reinsurers:				
Unearned Premiums	30		0	
Unpaid Claims and Adjustment Expenses	31	16,186	14,541	
Other Recoverables on Unpaid Claims	37		0	
Interests in Subsidiaries, Associates & Joint Ventures	40		0	
Property and Equipment	41	29,828	24,055	
Deferred Policy Acquisition Expenses	43	19,610	18,251	
Current Tax Assets	52		0	
Deferred Tax Assets	44	1,822	2,300	
Goodwill	54		0	
Intangible Assets	56	8,132	8,458	
Defined Benefit Pension Plan	58			
Other Assets	88	545	381	
<b>TOTAL ASSETS</b>	89	615,839	555,650	0

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

Page		Current	Prior	Opening Prior Year Restated
		(01)	(03)	(05)
	<b>LIABILITIES</b>			
	Overdrafts 01		0	
	Borrowed Money and Accrued Interest 02		0	
	Payables:			
	Agents and Brokers 03		0	
	Policyholders 04	914	1,808	
	Other Insurers 05		0	
	Subsidiaries, Associates & Joint Ventures 06	4,636	2,987	
	Expenses due and accrued 07	6,847	6,686	
	Other Taxes due and accrued 09	7,486	6,652	
	Policyholder Dividends and Rating Adjustments 10		0	
	Encumbrances on Real Estate 11		0	
	Unearned Premiums 12	140,587	128,168	
	Unpaid Claims and Adjustment Expenses 13	299,179	259,096	
	Unearned Commissions 14	0	0	
	Premium Deficiency 15		0	
	Liabilities held for sale 17		0	
	Current Tax Liabilities 18	474	537	
	Deferred Tax Liabilities 21	0	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	4,076	3,665	
	<b>Total Liabilities</b> 29	464,199	409,599	0
	<b>EQUITY</b>			
	Shares issued and paid 41	4,000	4,000	
	Contributed Surplus 42	0	0	
	(Specify) 43	0	0	
	Retained Earnings 44	147,640	142,051	
	Reserves 45	0	0	
20.42	Accumulated Other Comprehensive Income (Loss) 47	0	0	
	<b>Total Policyholders/Shareholders' Equity</b> 59	151,640	146,051	0
	Non-controlling Interests 48		0	
	<b>Total Equity</b> 49	151,640	146,051	0
	<b>TOTAL LIABILITIES AND EQUITY</b> 89	615,839	555,650	0

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

		Current	Prior
		(01)	(03)
<b>UNDERWRITING OPERATIONS</b>			
<b>Premiums Written</b>			
Direct	01	155,048	141,531
Reinsurance Assumed	02	0	0
Reinsurance Ceded	03	5,406	4,706
<b>Net Premiums Written</b>	<b>04</b>	<b>149,642</b>	<b>136,825</b>
Decrease (increase) in Net Unearned Premiums	05	(6,947)	(5,287)
<b>Net Premiums Earned</b>	<b>06</b>	<b>142,695</b>	<b>131,538</b>
Service Charges	07	4,360	4,032
Other	08	0	0
<b>Total Underwriting Revenue</b>	<b>09</b>	<b>147,055</b>	<b>135,570</b>
Gross Claims and Adjustment Expenses	62	118,802	101,302
Reinsurers' share of claims and adjustment expenses	64	2,740	311
<b>Net Claims and Adjustment Expenses</b>	<b>10</b>	<b>116,062</b>	<b>100,991</b>
<b>Acquisition Expenses</b>			
Gross Commissions	66	16,568	15,673
Ceded Commissions	68	0	0
Taxes	12	4,489	4,112
Other	14	5,095	5,700
General Expenses	16	11,540	9,381
<b>Total Claims and Expenses</b>	<b>19</b>	<b>153,754</b>	<b>135,857</b>
Premium Deficiency Adjustments	20		0
<b>Underwriting Income (Loss)</b>	<b>29</b>	<b>(6,699)</b>	<b>(287)</b>
<b>INVESTMENT OPERATIONS</b>			
Income	32	15,339	6,746
Realized Gains (Losses)	33	3,970	3,078
Expenses	34	566	570
<b>Net Investment Income</b>	<b>39</b>	<b>18,743</b>	<b>9,254</b>
<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, Associates & Joint Ventures	41		0
Gains (losses) from fluctuations in Foreign Exchange Rates	42		0
Other Revenues	44	916	606
Finance costs	45		0
Other Expenses	46		0
<b>Net Income (Loss) before Income Taxes</b>	<b>49</b>	<b>12,960</b>	<b>9,573</b>
<b>INCOME TAXES</b>			
Current	50	3,030	2,452
Deferred	51	240	(294)
<b>Total Income Taxes</b>	<b>59</b>	<b>3,270</b>	<b>2,158</b>
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>89</b>	<b>9,690</b>	<b>7,415</b>
<b>ATTRIBUTABLE TO:</b>			
Non-controlling Interests	80		0
Equity Holders	82	9,690	7,415

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## CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF RETAINED EARNINGS  
(\$'000)

		Current	Prior
		(01)	(02)
<b>Balance at beginning of year</b>	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	9,690	7,415
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	9,690	4,415
<b>Balance at end of period</b>	89	147,640	142,051

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
<b>Total Reserves</b>	99	0	0

CONSOLIDATED FINANCIAL STATEMENTS

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

Page		Current (01)	Prior (03)
20.30	<b>Comprehensive Income (Loss)</b>		
	Net Income	9,690	7,415
	Other Comprehensive Income (Loss):		
	<b>Items that may be reclassified subsequently to Net Income:</b>		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans		0
	- Bonds and Debentures		0
	- Equities		0
	Reclassification of (Gains) Losses to Net Income		0
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses		0
	Reclassification of (Gains) Losses to Net Income		0
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses		0
	Impact of Hedging		0
	<b>Share of Other Comprehensive Income of</b>		
	<b>Subsidiaries, Associates &amp; Joint Ventures</b>		0
	Other		0
	<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	0	0
	<b>Items that will not be reclassified subsequently to Net Income:</b>		
	<b>Revaluation Surplus</b>		0
	<b>Remeasurements of Defined Benefit Plans</b>		0
	Other		0
	<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	0	0
	Total Other Comprehensive Income (Loss)	0	0
	<b>Total Comprehensive Income (Loss)</b>	9,690	7,415
	<b>Attributable to:</b>		
	Non-controlling Interests		0
	Equity Holders	9,690	7,415
20.20	<b>Accumulated Other Comprehensive Income (Loss)</b>		
	Accumulated Gains (Losses) on:		
	<b>Items that may be reclassified subsequently to Net Income:</b>		
	<b>Available for Sale:</b>		
	- Loans		0
	- Bonds and Debentures		0
	- Equities		0
	<b>Derivatives Designated as Cash Flow Hedges</b>		0
	<b>Foreign Currency (net of hedging activities)</b>		0
	<b>Share of Other Comprehensive Income of</b>		
	<b>Subsidiaries, Associates &amp; Joint Ventures</b>		0
	Other		0
	<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	0	0
	<b>Items that will not be reclassified subsequently to Net Income:</b>		
	<b>Revaluation Surplus</b>		0
	<b>Remeasurements of Defined Benefit Plans</b>		0
	Other		0
	<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	0	0
	Balance at end of Period	0	0

CONSOLIDATED  
MINIMUM CAPITAL TEST  
(\$'000)

		Current (01)	Prior (02)
<b>Capital Available</b>			
Total Equity less Accumulated Other Comprehensive Income	02	151,640	146,051
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
<b>Total Capital Available</b>	19	151,640	146,051
<b>Minimum Capital Required</b>			
Balance Sheet Assets	20	36,357	32,659
Unearned Premiums/Unpaid Claims/Premium Deficiencies	22	35,830	31,009
Catastrophes	24	0	0
Reinsurance Ceded to Unregistered Insurers	26	0	0
Interest Rate Risk	38	2,016	2,030
Foreign Exchange Risk (for future use only)	40		
Structured Settlements, Letters of Credit, Derivatives and Other Exposures	28	2	0
(Specify)	34		0
<b>Minimum Capital Required</b>	29	74,205	65,698
<b>Excess Capital Available over Minimum Capital Required</b> (line 19 minus line 29)	89	77,435	80,353
<b>Line 19 as a % of line 29</b>	90	204.35%	222.31%
<b>Minimum Gross Capital Level</b>	96	9,277	8,077

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