

ASSETS
(\$'000)

Page		Current Year 01	Prior Year 03
	Cash..... 01	35,600	30,143
	Investment Income due and accrued..... 02	1,963	2,532
	Investments:		
	Term Deposits..... 04	21,708	21,000
	Bonds and Debentures 05	191,477	224,435
	Mortgage Loans 06	21,434	10,205
	Preferred Shares..... 07	13,380	9,309
	Common Shares..... 08	90,219	74,647
<u>40.70</u>	Real Estate..... 09	0	0
<u>40.80</u>	Other Investments 10	0	0
<u>40.07</u> or/ou	Total Investments (lines 04 to 10)..... 19	338,218	339,596
	Receivables:		
<u>50.20</u>	Unaffiliated Agents and Brokers 20	0	0
	Policyholders..... 21	0	0
	Instalment Premiums..... 22	55,684	51,378
<u>50.30</u>	Other Insurers..... 23	4,050	1,768
	"Facility Association" and the "P.R.R." 24	1,763	1,830
<u>50.40</u>	Subsidiaries, Affiliates and Partnerships 25	837	429
	Income Taxes..... 26	7,265	0
<u>50.20</u>	Other Receivables..... 27	687	634
	Recoverable from Reinsurers:		
<u>60.10</u>	Unearned Premiums..... 30	0	0
<u>60.30</u>	Unpaid Claims and Adjustment Expenses..... 31	24,133	20,701
	Other Recoverables on Unpaid Claims..... 37	0	0
<u>50.40</u>	Investment in Subsidiaries, Affiliates & Partnerships..... 40	0	0
<u>40.70</u>	Real Estate for Insurer's own use..... 41	0	0
	Deferred Policy Acquisition Expenses..... 43	15,992	15,722
	Future Income Taxes..... 44	1,004	0
<u>50.50</u>	Other Assets..... 88	14,304	13,756
	TOTAL ASSETS..... 89	501,500	478,489

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	0	180
<u>50.30</u>	Other Insurers..... 05	0	0
<u>50.40</u>	Subsidiaries, Affiliates and Partnerships 06	734	481
	Expenses due and accrued..... 07	6,172	5,618
	Income Taxes due and accrued..... 08	0	11,359
	Other Taxes due and accrued..... 09	12,346	10,880
	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	112,297	109,312
<u>60.30</u>	Unpaid Claims and Adjustment Expenses..... 13	226,890	216,870
<u>80.10</u>	Unearned Commissions..... 14	0	0
	Premium Deficiency..... 15	0	0
	Future Income Taxes..... 21	0	352
<u>50.50</u>	Other Liabilities..... 28	2,591	2,583
	Total Liabilities..... 29	361,030	357,635
	EQUITY		
	Shares issued and paid..... 41	4,000	4,000
	Contributed Surplus..... 42	0	0
 43	0	0
<u>20.40</u>	Retained Earnings..... 44	129,490	113,602
<u>20.40</u>	Reserves..... 45	0	0
<u>20.42</u>	Accumulated Other Comprehensive Income (Loss)..... 47	6,980	3,252
	Total Equity..... 49	140,470	120,854

STATEMENT OF INCOME
(\$'000)

Page		Current Year 01	Prior Year 03
	UNDERWRITING OPERATIONS		
	Premiums Written		
	Direct..... 01	252,313	248,458
<u>70.21</u>	Reinsurance Assumed..... 02	0	0
<u>70.21</u>	Reinsurance Ceded..... 03	10,543	8,973
<u>60.20</u>	Net Premiums Written 04	241,770	239,485
	Decrease (increase) in Net Unearned Premiums..... 05	(2,985)	(3,425)
<u>60.20</u>	Net Premiums Earned 06	238,785	236,060
	Service Charges 07	6,673	6,426
	Other 08		0
	Total Underwriting Revenue 09	245,458	242,486
<u>60.20</u>	Net Claims and Adjustment Expenses 10	165,314	165,448
	Acquisition Expenses		
<u>80.10</u>	Commissions..... 11	27,695	26,501
	Taxes..... 12	7,586	7,449
<u>80.20</u>	Other 14	9,092	9,972
<u>80.20</u>	General Expenses..... 16	17,452	17,062
	Total Claims and Expenses 19	227,139	226,432
	Premium Deficiency Adjustments..... 20	0	0
	Underwriting Income (Loss) 29	18,319	16,054
<u>40.07 or/ou</u> <u>40.10</u>	INVESTMENT OPERATIONS		
	Income..... 32	12,493	13,396
	Realized Gains (Losses) 33	5,461	(2,878)
	Expenses..... 34	627	749
	Net Investment Income 39	17,327	9,769
	OTHER REVENUE AND EXPENSES		
	Income (Loss) from Ancillary Operations (net of Expenses of \$'000 _____)..... 40	0	0
	Share of Net Income (Loss) of Subsidiaries, Affiliates & Partnerships 41	0	0
	Gain (losses) from fluctuations in Foreign Exchange Rates..... 42	0	0
	Other 43	150	250
	Net Income (Loss) before Income Taxes and Extraordinary Items 49	35,796	26,073
	INCOME TAXES		
	Current..... 50	11,104	6,195
	Future 51	(1,356)	829
	Total Income Taxes 59	9,748	7,024
	Extraordinary Items (net of Income Taxes of \$'000 _____)..... 60	0	0

STATEMENT OF RETAINED EARNINGS
(\$'000)

Page			Current Year 01	Prior Year 02
	Balance at beginning of year	01	113,602	104,713
	Prior period adjustments:.....	02		0
	04		0
	Adjusted balance at beginning of year.....	09	113,602	104,713
20.30	Net Income (loss) for the year.....	10	26,048	19,049
	Dividends declared to shareholders.....	11	10,160	10,160
	Decrease (increase) in Reserves	12	0	0
	(Please specify)	16		
	Net increase (decrease) in Retained Earnings during the year.....	15	15,888	8,889
	Balance at end of year.....	89	129,490	113,602

RESERVES
(\$'000)

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

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

Page		Current Year 01	Prior Year 03
20.30	Comprehensive Income (Loss)		
	Net Income 01	26,048	19,049
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans 02		0
	- Bonds and Debentures 03		0
	- Equities 04	3,010	8,334
	Reclassification to Earnings of (Gains) Losses 05	718	9,775
	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	3,728	18,109
	Total Comprehensive Income (Loss) 39	29,776	37,158

		Current Year (01)	Prior Year (03)
	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains/ (Losses) on:		
	Available for Sale:		
	- Loans 42	0	0
	- Bonds and Debentures 43	0	0
	- Equities 44	6,980	3,252
	Derivatives Designated as Cash Flow Hedges 45	0	0
	Foreign Currency (Net of Hedging Activities) 46	0	0
	Income (Loss) from Subsidiaries 47	0	0
	Other 49	0	0
20.20	Balance at end of Period 59	6,980	3,252

MINIMUM CAPITAL TEST
(\$'000)

	Current Year 01	Prior Year 02
Capital Available		
Total Equity less Accumulated Other Comprehensive Income 02	<u>133,490</u>	<u>117,602</u>
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities 04	<u>6,980</u>	<u>3,252</u>
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
..... 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	10,637	9,231
Total Capital Available 19	129,833	111,623
Minimum Capital Required		
Balance Sheet Assets 20	<u>24,866</u>	<u>20,525</u>
Unearned Premiums/Unpaid Claims/Premium Deficiencies 22	<u>27,815</u>	<u>27,358</u>
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	52,681	47,883
Excess Capital Available over Minimum Capital Required (line 19 minus line 29) 89	77,152	63,740
Line 19 as a % of line 29 90	246.45%	233.12%