

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS

(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (03)	Opening Prior Year Restated (05)
		Cash and Cash Equivalents	50,812	80,011	
		Investment Income due and accrued	1,380	1,351	
		Assets held for sale		0	
		Investments:			
40.12		Short Term Investments	0	0	
40.22		Bonds and Debentures	206,405	163,376	
40.32		Mortgage Loans	16,012	20,053	
40.42		Preferred Shares	22,658	16,112	
40.52		Common Shares	105,666	104,262	
40.70		Investment Properties	20,332	11,976	
40.80		Other Loans and Invested Assets	0	0	
40.07		Total Investments (lines 04 to 10)	371,073	315,779	0
		Receivables:			
50.20		Unaffiliated Agents and Brokers	0	0	
		Policyholders	3,766	3,476	
		Instalment Premiums	70,803	65,371	
50.30		Other Insurers	5,666	5,184	
		Facility Association and the "P.R.R."	2,624	0	
50.40		Subsidiaries, Associates & Joint Ventures	179	202	
50.20		Other Receivables	1,685	931	
		Recoverable from Reinsurers:			
60.10		Unearned Premiums	0	0	
60.30		Unpaid Claims and Adjustment Expenses	20,289	21,990	
		Other Recoverables on Unpaid Claims		0	
50.40		Interests in Subsidiaries, Associates & Joint Ventures	0	0	
40.70		Property and Equipment	30,660	24,671	
		Deferred Policy Acquisition Expenses	18,927	17,788	
		Current Tax Assets	3,092	0	
		Deferred Tax Assets	2,063	1,963	
		Goodwill		0	
		Intangible Assets	8,864	8,139	
		Defined Benefit Pension Plan Assets			
		Other Assets	344	481	
		TOTAL ASSETS	592,227	547,337	0

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LIABILITIES AND EQUITY
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (03)	Opening Prior Year (05)
		LIABILITIES			
		Overdrafts 01		0	
		Borrowed Money and Accrued Interest 02		0	
		Payables:			
50.20		Agents and Brokers 03	0	0	
		Policyholders 04	1,768	1,651	
50.30		Other Insurers 05	0	318	
50.40		Subsidiaries, Associates & Joint Ventures 06	362	533	
		Expenses due and accrued 07	10,005	9,094	
		Other Taxes due and accrued 09	13,645	13,901	
		Policyholder Dividends and Rating Adjustments 10		0	
40.70		Encumbrances on Real Estate 11	0	0	
60.10		Unearned Premiums 12	133,640	122,881	
60.30		Unpaid Claims and Adjustment Expenses 13	287,268	253,009	
80.10		Unearned Commissions 14	0	0	
		Premium Deficiency 15	0	0	
		Liabilities held for sale 17		0	
		Current Tax Liabilities 18		596	
		Deferred Tax Liabilities 21		0	
		Self-Insured Retention (SIR) portion of unpaid claims 22		0	
		Defined Benefit Pension Plan Obligation 23			
		Employment Benefits (not including amounts on line 23 above) 24			
		Subordinated Debt 25		0	
		Preferred Shares - Debt 26		0	
		Provisions and Other Liabilities 28	3,589	3,320	
		Total Liabilities 29	450,277	405,303	0
		EQUITY			
		Shares issued and paid 41	4,000	4,000	
		Contributed Surplus 42		0	
		(Specify) 43		0	
20.40		Retained Earnings 44	137,950	138,034	
20.40		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	0	0	
		Total Policyholders/Shareholders' Equity 59	141,950	142,034	0
		Non-controlling Interests 48		0	
		Total Equity 49	141,950	142,034	0
		TOTAL LIABILITIES AND EQUITY 89	592,227	547,337	0

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct	292,805	272,043
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	13,587	11,390
60.20		Net Premiums Written	279,218	260,653
		Decrease (increase) in Net Unearned Premiums	(10,759)	(6,255)
60.20		Net Premiums Earned	268,459	254,398
		Service Charges	8,317	7,719
		Other	0	0
		Total Underwriting Revenue	276,776	262,117
		Gross Claims and Adjustment Expenses	244,571	210,436
		Reinsurers' share of claims and adjustment expenses	14,333	16,594
60.20		Net Claims and Adjustment Expenses	230,238	193,842
		Acquisition Expenses		
80.10		Gross Commissions	32,281	30,554
80.10		Ceded Commissions	0	0
		Taxes	8,518	8,066
80.20		Other	11,439	11,626
80.20		General Expenses	19,796	17,902
		Total Claims and Expenses	302,272	261,990
		Premium Deficiency Adjustments		0
		Underwriting Income (Loss)	(25,496)	127
40.07		INVESTMENT OPERATIONS		
		Income	21,713	17,437
		Realized Gains (Losses)	6,729	2,326
		Expenses	1,142	1,042
		Net Investment Income	27,300	18,721
		OTHER REVENUE AND EXPENSES		
		Income (Loss) from Ancillary Operations (net of Expenses of \$000)		0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures		0
		Gain (Losses) from fluctuations in Foreign Exchange Rates		0
		Other Revenues	1,167	285
		Finance costs		0
		Other Expenses		0
		Net Income (Loss) before Income Taxes	2,971	19,133
		INCOME TAXES		
		Current	(286)	4,518
		Deferred	11	(157)
		Total Income Taxes	(275)	4,361
		NET INCOME (LOSS) FOR THE YEAR	3,246	14,772
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	3,246	14,772

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF RETAINED EARNINGS
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (02)
20.30		Balance at beginning of year	138,034	136,262
		Prior period adjustments:		0
		Pension Adjustment	(330)	0
		Adjusted balance at beginning of year	137,704	136,262
		Net income (loss) for the year	3,246	14,772
		Dividends declared to shareholders	3,000	13,000
		Decrease (increase) in Reserves	0	0
		(Specify)		0
		Net increase (decrease) in Retained Earnings during the year	246	1,772
		Balance at end of Year	137,950	138,034

RESERVES
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (02)
		Earthquake Reserves		
		Reserve Complement		0
		Premium Reserve		0
		Mortgage Reserve		0
		Nuclear Reserve		0
		General and Contingency Reserves		0
		Total Reserves	0	0

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

Page	FS Notes Reference		Current Year (01)	Prior Year (03)
20.30		Comprehensive Income (Loss)		
		Net Income	3,246	14,772
		Other Comprehensive Income (Loss):		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		Change in Unrealized Gains and Losses:		
		- Loans		0
		- Bonds and Debentures		0
		- Equities		0
		Reclassification of (Gains) Losses to Net Income		0
		Derivatives Designated as Cash Flow Hedges		
		Change in Unrealized Gains and Losses		0
		Reclassification of (Gains) Losses to Net Income		0
		Foreign Currency Translation		
		Change in Unrealized Gains and Losses		0
		Impact of Hedging		0
		Other		
		Subtotal of items that may be reclassified subsequently to Net Income	0	0
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus		0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures		0
		Remeasurements of Defined Benefit Plans		
		Other		
		Subtotal of items that will not be reclassified subsequently to Net Income	0	0
		Total Other Comprehensive Income (Loss)	0	0
		Total Comprehensive Income (Loss)	3,246	14,772
		Attributable to:		
		Non-controlling Interests		0
		Equity Holders	3,246	14,772
		Accumulated Other Comprehensive Income (Loss)		
		Accumulated Gains (Losses) on:		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		- Loans		0
		- Bonds and Debentures		0
		- Equities		0
		Derivatives Designated as Cash Flow Hedges		0
		Foreign Currency (net of hedging activities)		0
		Other		
		Subtotal of items that may be reclassified subsequently to Net Income	0	0
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus		0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures		0
		Remeasurements of Defined Benefit Plans		
		Other		
		Subtotal of items that will not be reclassified subsequently to Net Income	0	0
20.20		Balance at end of Year	0	0

CONSOLIDATED

MINIMUM CAPITAL TEST
(\$'000)

		Current Year (01)	Prior Year (02)
Capital Available			
Total Equity less Accumulated Other Comprehensive Income	02	141,950	142,034
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	36	0	0
Remeasurements of Defined Benefit Plans	42		
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	44		
Total Capital Available	19	141,950	142,034
Minimum Capital Required			
Balance Sheet Assets	20	35,235	32,631
Unearned Premiums/Unpaid Claims/Premium Deficiencies	22	33,594	28,782
Catastrophes	24	0	0
Reinsurance Ceded to Unregistered Insurers	26	0	0
Interest Rate Risk	38	2,116	1,071
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	70,945	62,484
Excess Capital Available over Minimum Capital Required (line 19 minus line 29)	89	71,005	79,550
Line 19 as a % of line 29	90	200.08%	227.31%
Minimum Gross Capital Level	96	8,764	7,618