

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	25,321,912		25,321,912	30,312,042
2. Stocks (Schedule D):				
2.1 Preferred stocks	2,299,790		2,299,790	2,938,880
2.2 Common stocks	922,877		922,877	887,162
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ 568,240 , Schedule E - Part 1), cash equivalents (\$ 51,126 , Schedule E - Part 2) and short-term investments (\$, Schedule DA)	619,367		619,367	253,112
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)			0	0
9. Receivable for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	29,163,946	0	29,163,946	34,391,196
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	219,018		219,018	259,996
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,545,752		1,545,752	1,580,920
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	2,434,289		2,434,289	2,382,428
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,628,633		1,628,633	880,863
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	1,989,889	1,354,452	635,437	1,016,936
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	21,244		21,244	31,886
21. Furniture and equipment, including health care delivery assets (\$)	49,099		49,099	13,444
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	12,196
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	63,596	63,596	0	732
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	37,115,467	1,418,048	35,697,419	40,570,596
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	37,115,467	1,418,048	35,697,419	40,570,596
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Other Receivables	0		0	732
2502. Prepaid Assets	63,596	63,596	0	
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	63,596	63,596	0	732

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	5,935,289	7,518,521
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	838,281	842,590
4. Commissions payable, contingent commissions and other similar charges	282,098	469,550
5. Other expenses (excluding taxes, licenses and fees)	222,006	190,947
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	76,284	52,830
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 6,293,800 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	9,014,240	15,439,710
10. Advance premium	848,557	797,866
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	5,980,829	1,132,709
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	0	0
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	224,301	220,434
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 3, Column 78)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	97,985	0
20. Derivatives	0	0
21. Payable for securities	31,190	
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	106,429	67,298
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	23,657,488	26,732,463
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	23,657,488	26,732,463
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	3,963,775	3,963,775
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	(1)	0
33. Surplus notes	0	
34. Gross paid in and contributed surplus	4,544,481	4,544,481
35. Unassigned funds (surplus)	3,531,675	5,329,878
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	12,039,931	13,838,134
38. TOTALS (Page 2, Line 28, Col. 3)	35,697,419	40,570,597
DETAILS OF WRITE-INS		
2501. ESCHEATABLE PAYABLE	161,231	138,235
2502. UNCLAIMED PROPERTY	7,348	7,348
2503. DEFERRED REVENUE	(62,149)	(78,285)
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	106,429	67,298
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0
3201. Rounding	(1)	
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)	(1)	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	26,393,459	26,946,987
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	18,501,925	18,778,202
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	2,354,063	2,682,831
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	7,553,047	9,363,212
5. Aggregate write-ins for underwriting deductions	13,068	6,202
6. Total underwriting deductions (Lines 2 through 5)	28,422,103	30,830,448
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(2,028,645)	(3,883,461)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,378,728	1,579,370
10. Net realized capital gains (losses) less capital gains tax of \$ (Exhibit of Capital Gains (Losses))	356,003	780,355
11. Net investment gain (loss) (Lines 9 + 10)	1,734,730	2,359,725
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)	0	0
13. Finance and service charges not included in premiums	61,671	69,171
14. Aggregate write-ins for miscellaneous income	29,047	5
15. Total other income (Lines 12 through 14)	90,718	69,176
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(203,196)	(1,454,560)
17. Dividends to policyholders		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(203,196)	(1,454,560)
19. Federal and foreign income taxes incurred		
20. Net income (Line 18 minus Line 19)(to Line 22)	(203,196)	(1,454,560)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	13,838,134	15,927,448
22. Net income (from Line 20)	(203,196)	(1,454,560)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(609,912)	82,901
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	262,645	532,653
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(707,739)	(710,309)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
29. Change in surplus notes	0	
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in	0	0
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders	(540,000)	(540,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	(1,798,202)	(2,089,314)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	12,039,932	13,838,134
DETAILS OF WRITE-INS		
0501. Depreciation on Equipment and Vehicle	13,068	6,202
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)	13,068	6,202
1401. Miscellaneous Income	29,047	5
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	29,047	5
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	24,850,098	26,598,753
2. Net investment income	1,133,206	1,338,865
3. Miscellaneous income	90,718	69,176
4. Total (Lines 1 through 3)	26,074,022	28,006,794
5. Benefit and loss related payments	20,833,928	18,070,387
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	10,057,427	12,065,146
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	62,595	(1)
10. Total (Lines 5 through 9)	30,953,950	30,135,532
11. Net cash from operations (Line 4 minus Line 10)	(4,879,927)	(2,128,738)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	7,128,165	3,321,561
12.2 Stocks	502,715	789,786
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	31,190	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	7,662,070	4,111,348
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,997,310	879,310
13.2 Stocks	7,476	649,999
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,004,787	1,529,309
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	5,657,284	2,582,039
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	540,000	540,000
16.6 Other cash provided (applied)	128,898	(145,619)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(411,102)	(685,619)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	366,254	(232,318)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	253,112	485,431
19.2 End of period (Line 18 plus Line 19.1)	619,367	253,112

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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