

ASSETS

	1 December 31, 1995	2 December 31, 1994
1. Bonds (less\$0. liability for asset transfers with put options)	141,356,361	128,120,210
2. Stocks:		
2.1 Preferred stocks	0	809,000
2.2 Common stocks	0	6,960,106
3. Mortgage loans on real estate		
4. Real estate:		
4.1 Properties occupied by the company (less.....\$0. encumbrances)		
4.2 Other properties (less.....\$0. encumbrances)		
5. Collateral loans		
6.1 Cash on hand and on deposit	2,072,651	1,840,197
6.2 Short-term investments	675,549	11,732,074
7. Other invested assets		
8. Aggregate write-ins for invested assets	0	0
8a. Subtotals, cash and invested assets (Lines 1 to 8)	144,104,561	149,461,587
9. Agents' balances or uncollected premiums:		
9.1 Premiums and agents' balances in course of collection		
9.2 Premiums, agents' balances and installments booked but deferred and not yet due		
9.3 Accrued retrospective premiums		
10. Funds held by or deposited with reinsured companies		
11. Bills receivable, taken for premiums		
12. Reinsurance recoverables on loss and loss adjustment expense payments	5,920,745	4,213,524
13. Federal income tax recoverable		
14. Electronic data processing equipment	296,570	0
15. Interest, dividends and real estate income due and accrued	2,054,329	2,234,475
16. Receivable from parent, subsidiaries and affiliates		
17. Equities and deposits in pools and associations		
18. Amounts receivable relating to uninsured accident and health plans		
20. Aggregate write-ins for other than invested assets	1,242,175	1,143,744
21. TOTALS (Lines 8a through 20)	153,618,380	157,053,330
DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0
0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0
2001. Due from brokers	0	124,990
2002. Loss reserve prepayments...SEE FOOTNOTE NO. 26	877,751	831,584
2003. Salvage properties	364,424	187,170
2098. Summary of remaining write-ins for Line 20 from overflow page	0	0
2099. TOTALS (Lines 2001 thru 2003 plus 2098) (Line 20 above)	1,242,175	1,143,744

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 December 31, 1995	2 December 31, 1994
1. Losses (Part 3A, Line 32, Column 5)	58,696,088	123,416,114
1A. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 2)		
2. Loss adjustment expenses (Part 3A, Column 6, Line 32)	47,291,431	38,127,000
3. Contingent commissions and other similar charges		
4. Other expenses (excluding taxes, licenses and fees)	3,047,179	1,768,081
5. Taxes, licenses and fees (excluding federal and foreign income taxes)	222,889	105,262
6. Federal and foreign income taxes (excluding deferred taxes)		
7. Borrowed money	250,000	1,250,000
8. Interest, including \$2,836 on borrowed money	2,836	0
9. Unearned premiums (Part 2A, Line 34, Column 5) (after deducting ceded reinsurance unearned premiums of \$17,698,000)	57,929,000	79,522,936
10. Dividends declared and unpaid:		
a. Stockholders		
b. Policyholders		
11. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 14)	27,164,466	25,708,352
12. Amounts withheld or retained by company for account of others		
13. Provision for reinsurance (Schedule F, Part 7)	1,752,800	1,371,000
14. Excess of statutory reserves over statement reserves (Schedule P Interrogatories)		
15. Net adjustments in assets and liabilities due to foreign exchange rates		
16. Drafts outstanding		
17. Payable to parent, subsidiaries and affiliates		
18. Payable for securities	0	58,957
19. Liability for amounts held under uninsured accident and health plans		
20. Aggregate write-ins for liabilities	10,733,847	1,969,728
21. Total liabilities (Lines 1 through 20)	207,090,536	273,297,430
22. Aggregate write-ins for special surplus funds	0	0
23A. Common capital stock	1,000,000	1,000,000
23B. Preferred capital stock		
23C. Aggregate write-ins for other than special surplus funds	0	0
24A. Surplus Notes		
24B. Gross paid in and contributed surplus	5,115,405	5,115,405
24C. Unassigned funds (surplus)	(59,587,561)	(122,359,505)
24D. Less treasury stock, at cost:		
(1) 0 shares common (value included in Line 23A)	\$0.	
(2) 0 shares preferred (value included in Line 23B)	\$0.	
25. Surplus as regards policyholders (Lines 22 to 24C, less 24D) (Page 4, Line 32)	(53,472,156)	(116,244,100)
26. TOTALS (Page 2, Line 21)	153,618,380	157,053,330
DETAILS OF WRITE-INS		
2001. Loss payments—deferred, SEE FOOTNOTE NO. 26	4,675,645	146,149
2002. Indirect losses—100% SEE FOOTNOTE 26	1,731,534	0
2003. Loss Reserve Prepayments... SEE FOOTNOTE NO. 26	1,858,314	1,823,579
2098. Summary of remaining write-ins for Line 20 from overflow page	2,468,354	0
2099. TOTALS (Lines 2001 thru 2003 plus 2098) (Line 20 above)	10,733,847	1,969,728
2201.		
2202.		
2203.		
2298. Summary of remaining write-ins for Line 22 from overflow page	0	0
2299. TOTALS (Lines 2201 thru 2203 plus 2298) (Line 22 above)	0	0
23C01.		
23C02.		
23C03.		
23C98. Summary of remaining write-ins for Line 23C from overflow page	0	0
23C99. TOTALS (Lines 23C01 thru 23C03 plus 23C98) (Line 23C above)	0	0

UNDERWRITING AND INVESTMENT EXHIBIT STATEMENT OF INCOME

	1 1995	2 1994
UNDERWRITING INCOME		
1. Premiums earned (Part 2, Line 32, Column 4)	20,435,084	17,655,523
DEDUCTIONS		
2. Losses incurred (Part 3, Line 32, Column 7)	(54,997,428)	109,383,923
3. Loss expenses incurred (Part 4, Line 22, Column 1)	16,708,063	40,147,028
4. Other underwriting expenses incurred (Part 4, Line 22, Column 2)	5,781,938	3,470,073
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	(32,507,427)	153,001,024
7. Net underwriting gain or (loss) (Line 1 minus 6)	52,942,511	(135,345,501)
INVESTMENT INCOME		
8. Net investment income earned (Part 1, Line 15)	7,376,451	7,409,946
9. Net realized capital gains or (losses) (Part 1A, Line 11)	(1,163,189)	875,292
9A. Net investment gain or (loss) (Lines 8 + 9)	6,213,262	8,285,238
OTHER INCOME		
10. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$0, amount charged off \$0...)		
11. Finance and service charges not included in premiums (Schedule T, Column 8 total)	5,941	2,792
12. Aggregate write-ins for miscellaneous income	5,941	2,792
13. Total other income (Lines 10 through 12)	5,941	2,792
14. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 7 + 9A + 13)	59,161,714	(127,057,471)
14A. Dividends to policyholders (Exhibit 3, Line 16, Column 1 plus Page 3, Line 10b, Column 1 minus 2)		
14B. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 14 minus 14A)	59,161,714	(127,057,471)
15. Federal and foreign income taxes incurred		
16. Net income (Line 14B minus 15) (to Line 18)	59,161,714	(127,057,471)
CAPITAL AND SURPLUS ACCOUNT		
17. Surplus as regards policyholders, December 31 previous year (Page 4, Line 32, Column 2)	(116,244,100)	19,397,459
GAINS AND (LOSSES) IN SURPLUS		
18. Net income (from Line 16)	59,161,714	(127,057,471)
19. Net unrealized capital gains or (losses) (Part 1A, Line 12)	(77,444)	(978,165)
20. Change in non-admitted assets (Exhibit 2, Line 31, Col. 3)	4,069,474	(6,788,972)
21. Change in provision for reinsurance (Page 3, Line 13, Column 2 minus Column 1)	(381,800)	(816,951)
22. Change in foreign exchange adjustment		
23. Change in excess of statutory reserves over statement reserves (Page 3, Line 14, Column 2 minus Column 1)		
24. Capital changes:		
a. Paid in (Exhibit 3, Line 6, Column 1)		
b. Transferred from surplus (Stock Dividend)		
c. Transferred to surplus	0	(500,000)
25. Surplus adjustments:		
a. Paid in (Exhibit 3, Line 7, Column 1)		
b. Transferred to capital (Stock Dividend)		
c. Transferred from capital	0	500,000
26. Net remittances from or (to) Home Office (Exhibit 3, Line 4b minus Line 12b, Column 1)		
27. Dividends to stockholders (cash)		
28. Change in treasury stock (Page 3, Line 24D (1) and (2), Column 2 minus Column 1)		
29. Extraordinary amounts of taxes for prior years		
30. Aggregate write-ins for gains and losses in surplus	0	0
31. Change in surplus as regards policyholders for the year (Lines 18 through 30)	62,771,944	(135,641,559)
32. Surplus as regards policyholders, December 31 current year (Lines 17 plus 31) (Page 3, Line 25)	(53,472,156)	(116,244,100)
DETAILS OF WRITE-INS		
0501.		
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)	0	0
1201. Miscellaneous income	5,941	2,792
1202.		
1203.		
1298. Summary of remaining write-ins for Line 12 from overflow page	0	0
1299. TOTALS (Lines 1201 thru 1203 plus 1298) (Line 12 above)	5,941	2,792
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. TOTALS (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

CASH FLOW

	1 1995	2 1994
1. Premiums collected net of reinsurance	52,289	10,762,217
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	13,975,728	15,822,072
3. Underwriting expenses paid	4,385,213	1,863,689
4. Other underwriting income (expenses)	1,456,114	6,270,879
5. Cash from underwriting (Line 1 minus line 2 minus line 3 plus line 4)	(16,852,538)	(652,665)
6. Investment income (net of investment expense)	8,045,533	7,577,933
7. Other income (expenses)	8,777	0
8. Dividends to policyholders paid		
9. Federal income taxes (paid) recovered	0	119,214
10. Net cash from operations (Line 5 plus line 6 plus line 7 minus line 8 plus line 9)	(8,798,228)	7,044,482
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	35,473,962	43,807,138
11.2 Stocks	8,258,548	6,875,548
11.3 Mortgage loans		
11.4 Real estate		
11.5 Collateral loans		
11.6 Other invested assets		
11.7 Net gains or (losses) on cash and short-term investments	0	17,189
11.8 Miscellaneous proceeds		
11.9 Total investment proceeds (Lines 11.1 thru 11.8)	43,732,510	50,699,875
12. Other cash provided:		
12.1 Net transfers from affiliates		
12.2 Borrowed funds received		
12.3 Capital paid in		
12.4 Surplus paid in		
12.5 Other sources	6,695,273	0
12.6 Total other cash provided (Lines 12.1 thru 12.5)	6,695,273	0
13. Total (Line 10 plus line 11.9 plus line 12.6)	41,629,555	57,744,357
14. Cost of investments acquired (long-term only):		
14.1 Bonds	50,821,714	45,506,738
14.2 Stocks	107,410	5,635,778
14.3 Mortgage loans		
14.4 Real estate		
14.5 Collateral loans		
14.6 Other invested assets		
14.7 Miscellaneous applications	0	53,141
14.8 Total investments acquired (Lines 14.1 thru 14.7)	50,929,124	51,195,657
15. Other cash applied:		
15.1 Dividends to stockholders paid		
15.2 Net transfers to affiliates	162,391	456,118
15.3 Borrowed funds repaid	1,000,000	0
15.4 Other applications	362,111	4,166,921
15.5 Total other cash applied (Lines 15.1 thru 15.4)	1,524,502	4,623,039
16. Total (Line 14.8 plus line 15.5)	52,453,626	55,818,696
17. Net change in cash and short-term investments (Line 13 minus line 16)	(10,824,071)	1,925,661
RECONCILIATION		
18. Cash and short-term investments:		
18.1 Beginning of year	13,572,271	11,646,610
18.2 End of year (Line 17 plus line 18.1)	2,748,200	13,572,271