

## STATEMENT OF INCOME

|   | 1<br>Current<br>Year | 2<br>Prior<br>Year |
|---|----------------------|--------------------|
| <b>UNDERWRITING INCOME</b>  |                      |                    |
| 1. Premiums earned (Part 1, Line 35, Column 4) .....  | 381,507,994          | 392,545,648        |
| <b>DEDUCTIONS</b>   |                      |                    |
| 2. Losses incurred (Part 2, Line 35, Column 7) .....  | 235,285,807          | 254,462,929        |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....  | 31,117,988           | 29,143,103         |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....   | 116,030,231          | 128,042,786        |
| 5. Aggregate write-ins for underwriting deductions .....  |                      |                    |
| 6. TOTAL Underwriting Deductions (Lines 2 through 5) .....  | 382,434,026          | 411,648,818        |
| 7. Net income of protected cells .....  |                      | 0                  |
| 8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7) .....  | (926,032)            | (19,103,170)       |
| <b>INVESTMENT INCOME</b>  |                      |                    |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....   | 10,738,420           | 5,332,578          |
| 10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses)) .....  | (49,125)             | 33,987             |
| 11. Net investment gain or (loss) (Lines 9 + 10) .....  | 10,689,295           | 5,366,565          |
| <b>OTHER INCOME</b>   |                      |                    |
| 12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....839,010) .....                       | (839,010)            | (942,466)          |
| 13. Finance and service charges not included in premiums .....  | 25,182,273           | 25,564,932         |
| 14. Aggregate write-ins for miscellaneous income .....  |                      |                    |
| 15. TOTAL Other Income (Lines 12 through 14) .....  | 24,343,263           | 24,622,467         |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....     | 34,106,527           | 10,885,861         |
| 17. Dividends to policyholders .....  |                      | 0                  |
| 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) ..... | 34,106,527           | 10,885,861         |
| 19. Federal and foreign income taxes incurred .....   | 6,743,742            | 3,745,889          |
| 20. Net income (Line 18 minus Line 19) (to Line 22) .....   | 27,362,785           | 7,139,972          |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>  |                      |                    |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....  | 68,892,957           | 62,433,357         |
| 22. Net income (from Line 20) .....   | 27,362,785           | 7,139,972          |
| 23. Net transfers (to) from Protected Cell accounts .....   |                      |                    |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....772,175 .....   | 1,610,026            | (1,424,698)        |
| 25. Change in net unrealized foreign exchange capital gain (loss) .....   |                      |                    |
| 26. Change in net deferred income tax .....   | (455,679)            | 1,937,643          |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3) .....  | 281,126              | (1,193,317)        |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....  |                      |                    |
| 29. Change in surplus notes .....   |                      | (5,000,000)        |
| 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 .....  |                      | 5,000,000          |
| 33.2 Transferred to capital (Stock Dividend) .....  |                      |                    |
| 33.3 Transferred from capital .....   |                      |                    |
| 34. Net remittances from or (to) Home Office .....  |                      |                    |
| 35. Dividends to stockholders .....   |                      | 0                  |
| 36. Change in treasury stock (Page 3, Line 36.1 and 36.2, Column 2 minus Column 1) .....  |                      |                    |
| 37. Aggregate write-ins for gains and losses in surplus .....   |                      |                    |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....   | 28,798,258           | 6,459,600          |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....   | 97,691,215           | 68,892,957         |
| <b>DETAILS OF WRITE-INS</b>   |                      |                    |
| 0501. 0 .....   |                      |                    |
| 0502. ....  |                      |                    |
| 0503. ....  |                      |                    |
| 0598. Summary of remaining write-ins for Line 5 from overflow page .....  |                      |                    |
| 0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....   |                      |                    |
| 1401. ....  |                      |                    |
| 1402. ....  |                      |                    |
| 1403. ....  |                      |                    |
| 1498. Summary of remaining write-ins for Line 14 from overflow page .....   |                      |                    |
| 1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....  |                      |                    |
| 3701. Rounding .....  |                      |                    |
| 3702. ....  |                      |                    |
| 3703. ....  |                      |                    |
| 3798. Summary of remaining write-ins for Line 37 from overflow page .....   |                      |                    |
| 3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above) .....   |                      |                    |