

STATEMENT OF INCOME

| | 1 Current Year | 2 Prior Year |
|---|----------------------|--------------------|
| UNDERWRITING INCOME | | |
| 1. Premiums earned (Part 1, Line 35, Column 4) | 350,159,586 | 274,587,296 |
| DEDUCTIONS | | |
| 2. Losses incurred (Part 2, Line 35, Column 7) | 245,076,274 | 166,287,134 |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) | 27,300,785 | 21,714,240 |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) | 102,321,718 | 95,472,327 |
| 5. Aggregate write-ins for underwriting deductions | 0 | |
| 6. TOTAL Underwriting Deductions (Lines 2 through 5) | 374,698,778 | 283,473,701 |
| 7. Net income of protected cells | 0 | |
| 8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7) | (24,539,192) | (8,886,405) |
| INVESTMENT INCOME | | |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17) | 3,484,258 | 3,487,041 |
| 10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses)) | 41,026 | 36,625 |
| 11. Net investment gain or (loss) (Lines 9 + 10) | 3,525,283 | 3,523,666 |
| OTHER INCOME | | |
| 12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....946,188) | (946,188) | (655,966) |
| 13. Finance and service charges not included in premiums | 24,111,609 | 17,998,259 |
| 14. Aggregate write-ins for miscellaneous income | | |
| 15. TOTAL Other Income (Lines 12 through 14) | 23,165,420 | 17,342,293 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) | 2,151,511 | 11,979,553 |
| 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) | 2,151,511 | 11,979,553 |
| 19. Federal and foreign income taxes incurred | 1,355,307 | 5,393,134 |
| 20. Net income (Line 18 minus Line 19) (to Line 22) | 796,203 | 6,586,420 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) | 60,869,086 | 50,600,428 |
| 22. Net income (from Line 20) | 796,203 | 6,586,420 |
| 23. Net transfers (to) from Protected Cell accounts | | |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....276,265 | 2,933,813 | 985,850 |
| 25. Change in net unrealized foreign exchange capital gain (loss) | | |
| 26. Change in net deferred income tax | (2,066,444) | 1,281,021 |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3) | (99,301) | 1,415,366 |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) | | |
| 29. Change in surplus notes | | |
| 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 | | |
| 33.2 Transferred to capital (Stock Dividend) | | |
| 33.3 Transferred from capital | | |
| 34. Net remittances from or (to) Home Office | | |
| 35. Dividends to stockholders | | |
| 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) | 1,564,271 | 10,268,658 |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) | 62,433,357 | 60,869,086 |
| DETAILS OF WRITE-INS | | |
| 0501. 0 | 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) | 0 | |
| 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) | | |