



ROADMAP TO SUCCESS

FINANCIAL STATEMENTS 2008

**COMBINED INSURANCE OPERATIONS
BALANCE SHEETS**

GAAP

	2008	2007	2006	2005	2004
Assets					
Bonds	137,110,465	139,719,883	135,978,964	130,690,875	112,110,133
Stocks	27,122,649	45,112,519	48,383,952	40,815,592	34,879,093
Other Investments	0	0	0	0	2,828,088
Cash & Short Term Investments	8,539,525	5,764,500	5,900,533	6,271,106	16,120,601
<i>Total Investments</i>	<i>172,772,639</i>	<i>190,596,902</i>	<i>190,263,449</i>	<i>177,777,573</i>	<i>165,937,915</i>
Accrued Investment Income	2,308,533	2,288,969	2,258,749	2,112,702	1,803,710
Agents Balances	18,483,122	18,452,177	17,289,187	10,710,361	14,624,441
Reinsurance Balances Recoverable	60,395,675	63,924,870	69,771,795	64,355,567	57,640,395
Deferred Policy Holder Acquisition Cost	12,197,363	11,954,800	11,894,967	11,288,867	11,690,850
Other Assets	4,095,592	3,167,960	3,092,322	3,602,663	2,205,079
<i>Total Assets</i>	<i>270,252,924</i>	<i>290,385,678</i>	<i>294,570,469</i>	<i>269,847,733</i>	<i>253,902,390</i>
Liabilities					
Loss & Expense Reserves	140,631,058	142,109,366	143,542,428	136,228,755	114,887,203
Unearned Premium	48,249,169	50,818,149	52,191,705	49,818,300	54,123,240
<i>Total Premium Reserves</i>	<i>188,880,227</i>	<i>192,927,515</i>	<i>195,734,133</i>	<i>186,047,055</i>	<i>169,010,443</i>
Ceded Reinsurance Balances Payable	5,861,442	8,462,448	9,778,404	6,275,441	9,230,627
Federal Taxes	(8,008,481)	(1,918,243)	(210,351)	(694,874)	1,111,933
Other Liabilities	6,423,616	5,523,667	6,519,654	5,494,432	4,839,303
<i>Total Liabilities</i>	<i>193,156,804</i>	<i>204,995,387</i>	<i>211,821,840</i>	<i>197,122,054</i>	<i>184,192,306</i>
Stockholder Equity					
Common Stock	5,000,000	5,000,000	5,000,000	2,600,000	2,600,000
Paid in and Contributed Capital	24,845,829	24,845,829	24,845,829	27,245,829	27,245,829
Retain Earnings	56,182,466	52,536,338	46,363,748	39,025,485	32,895,034
Unrealized Gains	(8,932,175)	3,008,124	6,539,052	3,854,365	6,969,221
<i>Total Stockholder Equity</i>	<i>77,096,120</i>	<i>85,390,291</i>	<i>82,748,629</i>	<i>72,725,679</i>	<i>69,710,084</i>
<i>Total Liability and Stockholder Equity</i>	<i>270,252,924</i>	<i>290,385,678</i>	<i>294,570,469</i>	<i>269,847,733</i>	<i>253,902,390</i>

**COMBINED INSURANCE OPERATIONS
INCOME STATEMENT**

GAAP

	2008	2007	2006	2005	2004
Gross Premiums Written	120,392,313	128,339,969	134,850,872	139,837,966	157,348,095
Net Premiums Written	94,588,060	91,047,280	92,825,472	98,476,951	105,050,808
Net Earned Premium	94,050,010	91,038,014	91,120,001	99,820,828	100,667,192
Loss & Expense Incurred	61,597,801	58,973,716	57,974,625	64,926,522	66,998,674
Total Underwriting Expense	34,835,828	33,906,847	33,722,882	35,465,968	35,014,172
GAAP Adjustments	222,805	(37,745)	512,534	(481,293)	996,920
GAAP Underwriting Gain (Loss)	(2,160,814)	(1,880,294)	(64,972)	(1,052,955)	(348,734)
Net Investment Income	7,719,847	7,072,137	7,318,659	6,634,490	5,474,171
Capital Gains	138,416	4,930,411	2,888,064	2,009,383	1,639,173
Net Income Before Taxes	5,697,449	10,122,254	10,141,751	7,590,918	6,764,610
Federal Taxes	411,321	2,190,426	1,720,523	1,088,518	1,065,100
Net Income	5,286,128	7,931,828	8,421,228	6,502,400	5,699,510
Net Income Before Capital Gains	5,196,158	4,727,061	6,543,986	5,196,301	4,634,048
Statutory Ratios					
Loss & Expense Ratio	65.49%	64.78%	63.62%	65.04%	66.55%
Total Underwriting Ratio	36.83%	37.24%	36.33%	36.01%	33.33%
Statutory Combined Ratio	102.32%	102.02%	99.95%	101.06%	99.89%
Statutory Surplus	61,170,744	75,361,080	76,351,519	64,750,260	59,013,925