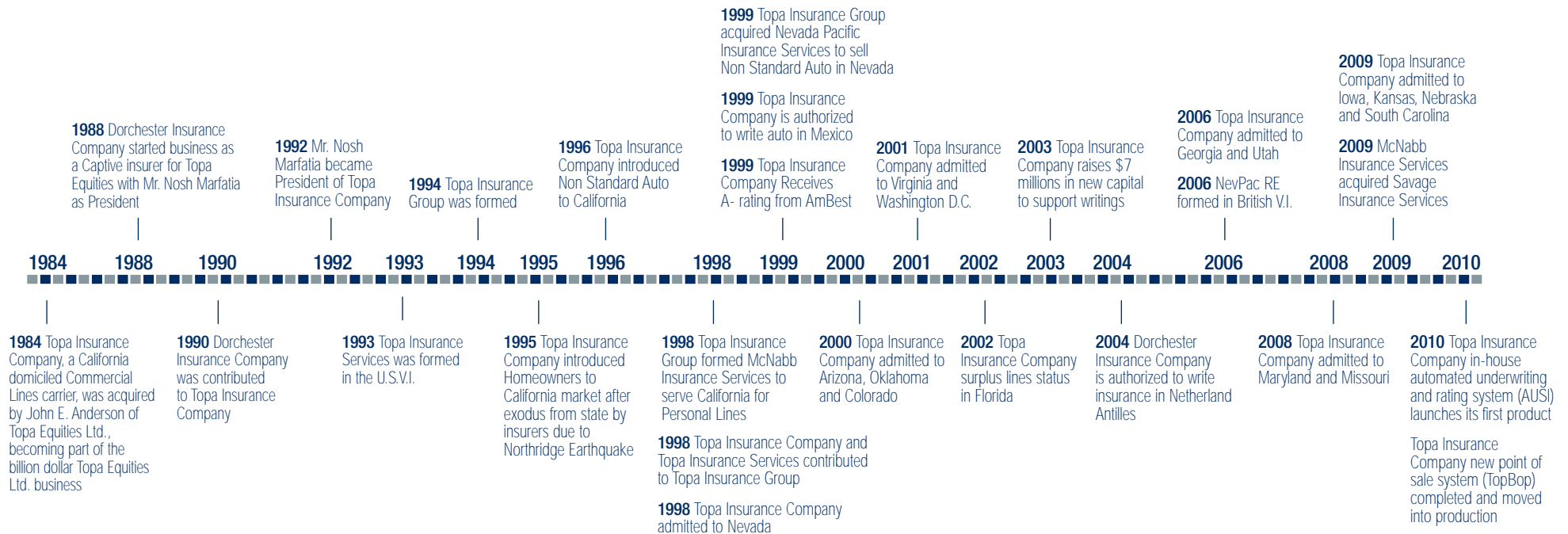


## ROADMAP TO SUCCESS



## TOPA INSURANCE GROUP FAMILY OF COMPANIES



Topa Insurance Company, headquartered in Los Angeles, CA, and the core company of the Topa Insurance Group is a property and casualty specialty insurer since 1981 writing personal lines, commercial lines and programs.



*Dorchester Insurance Company*

Dorchester Insurance Company, headquartered in St. Thomas, USVI, and a wholly owned subsidiary of Topa Insurance Company, is the dominant commercial lines insurer in the U.S. Virgin Islands writing all lines of property and casualty business since 1987.



Topa Insurance Services, located in St. Thomas, USVI, and an affiliate member of the Topa Insurance Group, is a General Agency and Broker writing personal lines, commercial lines, life and health since 1993.



McNabb Insurance Services, located in Burbank, CA, and an affiliate member of the Topa Insurance Group, is a General Agency specializing in Topa Insurance Company products since 1998.



Nevada Pacific Insurance Services, located in Las Vegas, NV, and an affiliate member of the Topa Insurance Group, is a General Agency specializing in Topa Insurance Company products since 1999.



FINANCIAL STATEMENTS 2010

COMBINED INSURANCE OPERATIONS  
BALANCE SHEETS

Unaudited Financial Statements

GAAP

Assets	2010	2009	2008	2007	2006
Bonds	148,577,137	152,680,694	137,110,465	139,719,883	135,978,964
Stocks	19,120,922	18,836,110	27,122,649	45,112,519	48,383,952
Other Investments	0	0	0	0	0
Cash & Short Term Investments	7,525,022	2,659,568	8,539,525	5,764,500	5,900,533
<i>Total Investments</i>	<i>175,223,081</i>	<i>174,176,372</i>	<i>172,772,639</i>	<i>190,596,902</i>	<i>190,263,449</i>
<b>Accrued Investment Income</b>	<b>2,331,101</b>	<b>2,317,113</b>	<b>2,308,533</b>	<b>2,288,969</b>	<b>2,258,749</b>
Agents Balances	13,127,529	14,096,711	18,483,122	18,452,177	17,289,187
Reinsurance Balances Recoverable	50,363,015	49,799,436	60,395,675	63,924,870	69,771,795
Deferred Policy Holder Acquisition Cost	8,305,614	9,448,152	12,197,363	11,954,800	11,894,967
Other Assets	4,116,402	4,951,545	4,095,592	3,167,960	3,092,322
<i>Total Assets</i>	<i>253,466,742</i>	<i>254,789,329</i>	<i>270,252,924</i>	<i>290,385,678</i>	<i>294,570,469</i>
<b>Liabilities</b>					
Loss & Expense Reserves	122,628,790	125,866,670	140,631,058	142,109,366	143,542,428
Unearned Premium	34,138,855	38,122,548	48,249,169	50,818,149	52,191,705
<i>Total Premium Reserves</i>	<i>156,767,645</i>	<i>163,989,218</i>	<i>188,880,227</i>	<i>192,927,515</i>	<i>195,734,133</i>
Ceded Reinsurance Balances Payable	6,632,057	4,298,324	5,861,442	8,462,448	9,778,404
Federal Taxes	(5,741,106)	(5,831,771)	(8,008,481)	(1,918,243)	(210,351)
Other Liabilities	3,820,020	4,569,386	6,423,616	5,523,667	6,519,654
<i>Total Liabilities</i>	<i>161,478,616</i>	<i>167,052,157</i>	<i>193,156,804</i>	<i>204,995,387</i>	<i>211,821,840</i>
<b>Stockholder Equity</b>					
Common Stock	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Paid in and Contributed Capital	24,845,829	24,845,829	24,845,829	24,845,829	24,845,829
Retain Earnings	62,348,967	60,107,929	56,182,466	52,536,338	46,363,748
Unrealized Gains	(206,670)	(2,216,586)	(8,932,175)	3,008,124	6,539,052
<i>Total Stockholder Equity</i>	<i>91,988,126</i>	<i>87,737,172</i>	<i>77,096,120</i>	<i>85,390,291</i>	<i>82,748,629</i>
<i>Total Liability and Stockholder Equity</i>	<i>253,466,742</i>	<i>254,789,329</i>	<i>270,252,924</i>	<i>290,385,678</i>	<i>294,570,469</i>

COMBINED INSURANCE OPERATIONS  
INCOME STATEMENT

*Unaudited Financial Statements*

	2010	2009	2008	2007	2006	GAAP
Gross Premiums Written	89,648,864	100,328,071	120,392,313	128,339,969	134,850,872	
Net Premiums Written	69,687,410	79,691,607	94,588,060	91,047,280	92,825,472	
Net Earned Premium	73,190,481	88,052,717	94,050,010	91,038,014	91,120,001	
Loss & Expense Incurred	48,298,396	59,734,120	61,597,801	58,973,716	57,974,625	
Total Underwriting Expense	28,264,397	28,556,864	34,835,828	33,906,847	33,722,882	
GAAP Adjustments	(1,223,732)	(2,644,504)	222,805	(37,745)	512,534	
GAAP Underwriting Gain (Loss)	(4,596,044)	(2,882,771)	(2,160,814)	(1,880,294)	(64,972)	
Net Investment Income	6,373,729	6,925,680	7,719,847	7,072,137	7,318,659	
Capital Gains	(464,935)	297,697	138,416	4,930,411	2,888,064	
Net Income Before Taxes	1,312,750	4,340,606	5,697,449	10,122,254	10,141,751	
Federal Taxes	(1,357,597)	(17,529)	411,321	2,190,426	1,720,523	
Net Income	2,670,347	4,358,135	5,286,128	7,931,828	8,421,228	
Net Income Before Capital Gains	2,972,555	4,164,632	5,196,158	4,727,061	6,543,986	
<b>Statutory Ratios</b>						
Loss & Expense Ratio	65.99%	67.84%	65.49%	64.78%	63.62%	
Total Underwriting Ratio	40.56%	35.83%	36.83%	37.24%	36.33%	
Statutory Combined Ratio	106.55%	103.67%	102.32%	102.02%	99.95%	
Statutory Surplus	75,607,298	71,987,871	61,170,744	75,361,080	76,351,519	