

THE NORTH KENT MUTUAL FIRE INSURANCE COMPANY

STATEMENT OF INCOME AND POLICYHOLDERS' SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
GROSS INSURANCE PREMIUMS WRITTEN	\$ 6,458,885	\$ 6,113,210
GROSS REINSURANCE PREMIUMS WRITTEN (Note 6)	106,593	107,184
	6,565,478	6,220,394
REINSURANCE PREMIUMS (Note 6)	1,394,461	1,196,053
NET PREMIUMS WRITTEN	5,171,017	5,024,341
INCREASE IN PROVISION FOR UNEARNED PREMIUMS	160,828	175,799
NET PREMIUMS EARNED	5,010,189	4,848,542
SERVICE REVENUE	84,966	65,100
TOTAL UNDERWRITING REVENUE	5,095,155	4,913,642
UNDERWRITING EXPENSES		
Operating	4,354,038	5,288,748
Amortization	60,108	56,357
	4,414,146	5,345,105
UNDERWRITING GAIN (LOSS) BEFORE PREMIUM REFUND	681,009	(431,463)
OTHER INCOME (EXPENSE)	1,277,730	(1,668,038)
PREMIUM REFUND TO POLICYHOLDERS	299,071	-
INCOME (LOSS) BEFORE INCOME TAXES	1,659,668	(2,099,501)
PROVISION FOR (RECOVERY OF) INCOME TAXES		
Current	285,003	(464,134)
Future	80,000	(90,000)
	365,003	(554,134)
NET INCOME (LOSS) FOR THE YEAR	1,294,665	(1,545,367)
POLICYHOLDERS' SURPLUS, beginning of the year	17,422,976	18,968,343
POLICYHOLDERS' SURPLUS, end of the year	\$ 18,717,641	\$ 17,422,976

The accompanying notes are an integral part of these financial statements.