

INTERNATIONAL FIDELITY INSURANCE COMPANY
 ONE NEWARK CENTER, 20TH FLOOR, NEWARK, NEW JERSEY 07102-5207

STATEMENT OF ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS

AT DECEMBER 31, 2007

ASSETS

Bonds (Amortized Value)	\$88,913,221
Common Stocks (Market Value)	18,170,832
Mortgage Loans on Real Estate	1,111,500
Cash & Bank Deposits	46,453,412
Short Term Investments	4,039,006
Unpaid Premiums & Assumed Balances	4,488,967
Reinsurance Recoverable from Reinsurers	631,946
Electronic Data Processing Equipment	135,990
Investment Income Due and Accrued	1,253,680
Net Deferred Tax Assets	3,250,000
Other Assets	<u>2,245,354</u>
 TOTAL ASSETS	 <u>\$170,693,907</u>

LIABILITIES, SURPLUS & OTHER FUNDS

Losses (Reported Losses Net as to Reinsurance Ceded and Incurred But Not Reported Losses)	\$15,493,530
Loss Adjustment Expenses	4,242,428
Contingent Commissions & Other Similar Charges	116,728
Other Expenses (Excluding Taxes, Licenses and Fees)	4,960,927
Taxes, Licenses & Fees (Excluding Federal Income Tax)	1,252,929
Current Federal & Foreign Income Taxes	645,000
Unearned Premiums	29,522,449
Ceded Reinsurance Premiums Payable	1,931,511
Funds Held by Company under Reinsurance Treaties	5,068
Amounts Withheld by Company for Account of Others	26,183,176
Provisions for Reinsurance	<u>7,409</u>
TOTAL LIABILITIES	<u>\$84,361,155</u>
 Common Capital Stock	 \$1,500,000
Gross Paid-in & Contributed Surplus	374,600
Surplus Note	16,000,000
Unassigned Funds (Surplus)	<u>68,458,153</u>
Surplus as Regards Policyholders	<u>\$86,332,752</u>
TOTAL LIABILITIES, SURPLUS & OTHER FUNDS	<u>\$170,693,907</u>

I, Francis L. Mitterhoff, President of INTERNATIONAL FIDELITY INSURANCE COMPANY, certify that the foregoing is a fair statement of Assets, Liabilities, Surplus and Other Funds of this Company, at the close of business, December 31, 2007, as reflected by its books and records and as reported in its statement on file with the Insurance Department of the State of New Jersey.



IN TESTIMONY WHEREOF, I have set my hand and affixed the seal of the Company, this 26th day of February 2008.

INTERNATIONAL FIDELITY INSURANCE COMPANY