

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

STATEMENT OF ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS

AT JUNE 30, 2007

ASSETS

Bonds (Amortized Value)	\$85,946,083
Common Stocks (Market Value)	18,615,388
Mortgage Loans on Real Estate	2,033,300
Cash & Bank Deposits	37,779,084
Short Term Investments	23,407
Investment Income Due and Accrued	1,170,105
Unpaid Premiums & Assumed Balances	9,091,405
Reinsurance Recoverable from Reinsurers	155,342
Current Federal & Foreign Income Tax Recoverable & Interest Thereon ...	692,753
Electronic Data Processing Equipment	144,219
Net Deferred Tax Assets	3,000,000
Other Assets	<u>2,285,086</u>
 TOTAL ASSETS	 <u>\$160,936,173</u>

LIABILITIES, SURPLUS & OTHER FUNDS

Losses (Reported Losses Net as to Reinsurance Ceded and Incurred But Not Reported Losses)	\$18,354,811
Loss Adjustment Expenses	4,621,561
Contingent Commissions & Other Similar Charges	893,537
Other Expenses (Excluding Taxes, Licenses and Fees)	2,501,501
Taxes, Licenses & Fees (Excluding Federal Income Tax)	569,777
Unearned Premiums	31,254,032
Ceded Reinsurance Premiums Payable	2,930,373
Funds Held by Company under Reinsurance Treaties	5,068
Amounts Withheld by Company for Account of Others	22,399,318
Provisions for Reinsurance	8,242
Other Liabilities	<u>10,000</u>
 TOTAL LIABILITIES	 <u>\$83,548,220</u>
 Common Capital Stock	 \$1,500,000
Gross Paid-in & Contributed Surplus	374,600
Surplus Note	16,000,000
Less: Treasury Stock	450,000
Unassigned Funds (Surplus)	<u>59,963,353</u>
 Surplus as Regards Policyholders	 <u>\$77,387,953</u>
 TOTAL LIABILITIES, SURPLUS & OTHER FUNDS	 <u>\$160,936,173</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, June 30, 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 10th day of August 2007.

INTERNATIONAL FIDELITY INSURANCE COMPANY