

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, 2006

ASSETS

Bonds (Amortized Value)	\$83,053,564
Common Stocks (Market Value)	7,928,132
Mortgage Loans on Real Estate	2,492,000
Cash & Bank Deposits	45,509,933
Short Term Investments	4,250
Unpaid Premiums & Assumed Balances	3,489,768
Reinsurance Recoverable from Reinsurers	824,538
Electronic Data Processing Equipment	121,690
Investment Income Due and Accrued	1,246,437
Net Deferred Tax Assets	2,500,000
Other Assets	<u>2,395,495</u>
TOTAL ASSETS	<u>\$149,565,807</u>

LIABILITIES, SURPLUS & OTHER FUNDS

Losses (Reported Losses Net as to Reinsurance Ceded and Incurred But Not Reported Losses)	\$18,889,291
Loss Adjustment Expenses	4,780,083
Contingent Commissions & Other Similar Charges	702,775
Other Expenses (Excluding Taxes, Licenses and Fees)	4,189,372
Taxes, Licenses & Fees (Excluding Federal Income Tax)	802,559
Current Federal & Foreign Income Taxes	310,119
Unearned Premiums	24,609,961
Ceded Reinsurance Premiums Payable	1,632,862
Funds Held by Company under Reinsurance Treaties	5,068
Amounts Withheld by Company for Account of Others	20,381,915
Provisions for Reinsurance	2,821
Other Liabilities	<u>12,148</u>
TOTAL LIABILITIES	<u>\$76,318,974</u>
Common Capital Stock	\$1,500,000
Gross Paid-in & Contributed Surplus	374,600
Surplus Note	16,000,000
Unassigned Funds (Surplus)	<u>55,372,233</u>
Surplus as Regards Policyholders	<u>\$73,246,833</u>
TOTAL LIABILITIES, SURPLUS & OTHER FUNDS	<u>\$149,565,807</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, 2006, 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 23rd day of February 2007.

INTERNATIONAL FIDELITY INSURANCE COMPANY