

**BUILDERS INSURANCE (A MUTUAL CAPTIVE COMPANY) AND SUBSIDIARIES**

## Condensed Consolidated Balance Sheets

December 31, 2010 and 2009

	<b>Assets</b>	<b>2010</b>	<b>2009</b>
Cash and invested assets		\$ 409,253,104	\$ 387,223,342
Reinsurance recoverables		39,884,076	37,910,456
Receivables		36,781,352	35,115,785
Tax assets		7,646,131	17,593,467
Other assets		13,786,917	15,277,652
Total assets		<u>\$ 507,351,580</u>	<u>\$ 493,120,702</u>
	<b>Liabilities</b>		
Loss and loss adjustment expenses		\$ 226,709,840	\$ 226,672,818
Unearned premiums		47,238,892	45,621,977
Policyholder dividends payable		2,131,237	763,961
Other payables		37,475,520	40,888,144
Notes and mortgage payable		46,400,331	48,275,489
Other liabilities		62,017	229,750
Total liabilities		<u>360,017,837</u>	<u>362,452,139</u>
	<b>Members' Equity</b>		
Paid-in capital		200,000	200,000
Retained earnings		130,649,775	115,050,050
Accumulated other comprehensive income		16,483,968	15,418,513
Total members' equity		<u>147,333,743</u>	<u>130,668,563</u>
Total liabilities and members' equity		<u>\$ 507,351,580</u>	<u>\$ 493,120,702</u>

**BUILDERS INSURANCE (A MUTUAL CAPTIVE COMPANY) AND SUBSIDIARIES**

## Condensed Consolidated Statements of Operations

Years ended December 31, 2010 and 2009

	<b>2010</b>	<b>2009</b>
Revenue:		
Premiums earned, net	\$ 88,857,186	\$ 72,443,580
Net investment income	12,534,980	12,813,470
Realized and unrealized gains on investments, net	12,139,252	6,005,599
Impairment on investments	(297,437)	(11,902,511)
Other revenue	550,040	468,933
Total revenue	<u>113,784,021</u>	<u>79,829,071</u>
Expenses:		
Loss and loss adjustment expenses	53,940,093	49,699,173
Selling, general and administrative expenses	32,863,955	33,909,382
Interest expense	2,047,047	2,049,551
Policyholder dividends	2,078,898	634,686
Total expenses	<u>90,929,993</u>	<u>86,292,792</u>
Income (loss) before income taxes	22,854,028	(6,463,721)
Income tax expense (benefit)	7,254,303	(3,438,223)
Net income (loss)	<u>\$ 15,599,725</u>	<u>\$ (3,025,498)</u>

The information above is a condensed version of the audited financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). If you are a policyholder of Builders Insurance (A Mutual Captive Company), upon your written request to Owen Dwoskin ([odwoskin@bldrs.com](mailto:odwoskin@bldrs.com)) and our receipt of a signed confidentiality agreement, we will send you the most recent audited financial statements for the Company.