






Peace Hills Insurance 2005 Annual Report








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what makes a great team?

CHAIRMAN & PRESIDENT'S REPORT

Marvin Yellowbird
Chairman, Board of Directors

Diane Brickner, CIP
President & CEO

As we reflect back on our accomplishments in 2005 the phenomenon that stands out most is the strength of our team. Each group, branch or department has pulled together in perfect unison to move this craft forward in a race where winners are those with perseverance, stamina and drive. The theme of our annual report reflects the team spirit that has positioned Peace Hills Insurance as a winner.

The Board of Directors has worked hard developing and refining our strategic plan and we believe the process and format are very suited to our organization. In June we held the Strategic Planning session at St. Eugene Mission in Cranbrook, unfortunately several of the Board were affected by food poisoning. It was incredible to watch the dedication and commitment of the members that persevered and continued with the meeting in spite of their illness. The completed Strategic Plan will set the path for our organization well into 2006.

While 2004 was a year of *change* 2005 has been a year that has seen the results of those changes and also the impact of the hard work and dedication of our team. A.M. Best upgraded the financial strength rating to B+ (Very Good). The rating outlook is stable and as they stated in their report it reflects the excellent capitalization and strong balance sheet, profitable operating performance, sound liquidity and conservative reserve position. We are very pleased with the upgrade and will continue to work toward future upgrades.

We continue to strengthen our financial position. Our combined ratio of 97.0% in 2005 produced a Return on Equity of 13.36%. This allowed us to bring our Minimum Capital requirement to an all time high of 241.73%.

Each business line experienced an increase in the loss ratio compared to 2004 and each for various reasons. Personal Auto experienced large reserve increases on two auto claims; Commercial Auto had increases in prior year's claims; Personal and Farm Property were affected by fires and the southern storms during the summer and Commercial Auto had the least change in loss ratio. These losses were spread over each branch and all branches also experienced an increase in loss ratio.

Our team of computer programmers and testers has worked diligently throughout the year in preparation of the new computer implementation scheduled for 2006. This has been a huge undertaking and the entire organization has embraced the concept of the new web based system with enthusiasm.

This was a year that allowed the company to work with the changes in our industry and make the necessary adjustments to our system, our procedures and our attitude. It gave us the opportunity to make plans for the coming year and these plans are aggressive and exciting. The Board of Directors has set the stage and Management and staff are excited about playing our part.

The changes put in place last year demanded exceptional performance by our people, particularly those in daily contact with our brokers. They have pulled together to meet those demands and their efforts are exemplary. Our brokers have also shown tremendous loyalty and patience while substantial changes were made throughout our business. We are grateful for their support and will work diligently in the year ahead to strengthen their confidence in Peace Hills Insurance.

what makes a great team?

FINANCE & ADMINISTRATION REPORT

John Morgan, CMA
Vice President, Finance & Administration

Peace Hills Insurance enjoyed a very good year in 2005. We generated a net income of $4,295,770 on gross written premiums of $120,662,840 resulting in a Return on Equity (ROE) of 13.36%.

The gross written premiums are made up of $106,922,521 of business written directly by Peace Hills Insurance as well as $2,932,104 ceded to us from the Facility Association and $10,808,215 ceded to us by the Alberta Risk Sharing Pool. Direct written business increased 3.7%, Facility business was down 45.8% while the Risk Sharing Pool revenues were up 353.8%. The Pool only came officially into being in October 2004 and many companies were unable to cede business to the Pool until early 2005 which distorts the level of growth, year over year.

Details of our direct written business can be found in the report from Marketing and Underwriting. However, I think it is important to note that for personal automobile mandatory coverage the Alberta government provided a 5% rebate in 2004 which carried forward into 2005 as premiums were earned. In addition they mandated rate reductions of 6% in July 2005 and 4% in November 2005. As a result, we saw our personal automobile business decline by 5.4%. The impact of the government mandated rate reductions were offset by slight increases in our commercial automobile lines of business and good growth in all property lines.

The significant reduction in our share of the Facility Association was not unexpected as one of the objectives of the Alberta government automobile reform was to depopulate Facility. Accordingly they tightened the criteria required to cede business to this organization.

The volume of business ceded to us by the Alberta Risk Sharing Pool was also very close to our budgeted expectations. This business represents our share of Alberta drivers who were either depopulated from the Facility Association or saw their mandatory coverage premiums set by the Alberta auto grid at below market rates.

The company changed two components of its reinsurance program in 2005. The first was to increase its retention on all large losses from $300,000 to $500,000. The second was to add an additional $10,000,000 to the upper level of its catastrophe reinsurance program.

While 2005 net earned revenues increased by just over $3 million from the year before, direct expenses increased by $12.5 million in the same period. The biggest driver of increased expenses was incurred claims and the biggest driver of the increased claims was the ceded business we received from our share of the Risk Sharing Pool. They ceded gross premiums of $10,808,215 to us in 2005 but they also ceded $7,336,936 in gross incurred claims producing a gross loss ratio 82.4%. This is the worst loss ratio of any line of business on our books. On an earned basis, the Pool loss ratio jumped to 88.2%.

The biggest part of the Pool losses is a provision for IBNR (incurred but not reported claims). At the end of 2004 many companies were struggling to process their Pool premiums on a timely basis. At the end of 2005 this situation has transferred over to the claims process as many companies had fallen behind on their claims reporting to the Pool. As a result, the Pool has provided a very large provision for expected claims. Only time will tell if this provision was a reasonable representation of Pool results.

Our own automobile lines of business experienced increased claims frequency, especially in personal automobile. A significant increase in new claims, combined

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FINANCE & ADMINISTRATION REPORT

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with a decline in policy count and the rate reductions mandated by the government, resulted in the loss ratio deteriorating from 42% to 61%. Commercial automobile loss ratio also deteriorated but not to the same degree as personal lines. In the case of commercial automobile the main driver of deterioration in the loss ratio was the 11.7% increase in reported new claims.

Personal and farm property loss ratios were affected by a combination of frequency and severity. We were affected by heavy flooding in southern Alberta as well as severe storm activity in Manitoba and Saskatchewan. In total we experienced five large weather related catastrophe losses (totaling $6,220,457), compared to six large weather losses in 2004. However, the five storms this year generated a greater number of reported claims. At the same time we saw a dramatic spike in the number of large property losses, mostly due to fires, from 22 losses in 2004 to 46 losses in 2005. The average value of these losses is in excess of $100,000.

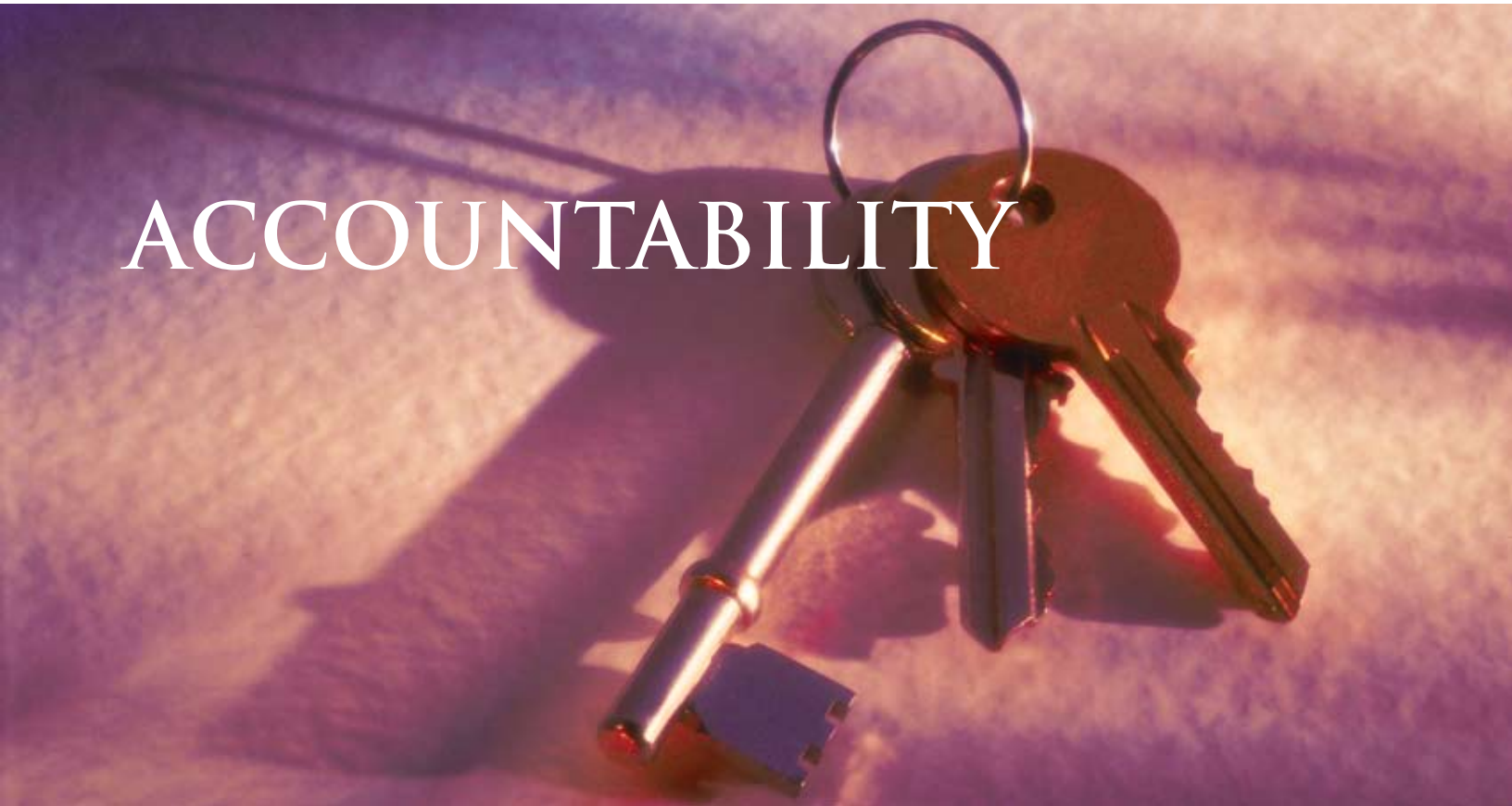
The expense ratio, which had moved from 34.2% in 2003 to 36.1% in 2004, moved back down to 34.3% in 2005. Combined with an overall net incurred loss ratio of 62.4%, we ended 2005 with a combined ratio of 97.0% generating an Underwriting Profit of $2,090,673.

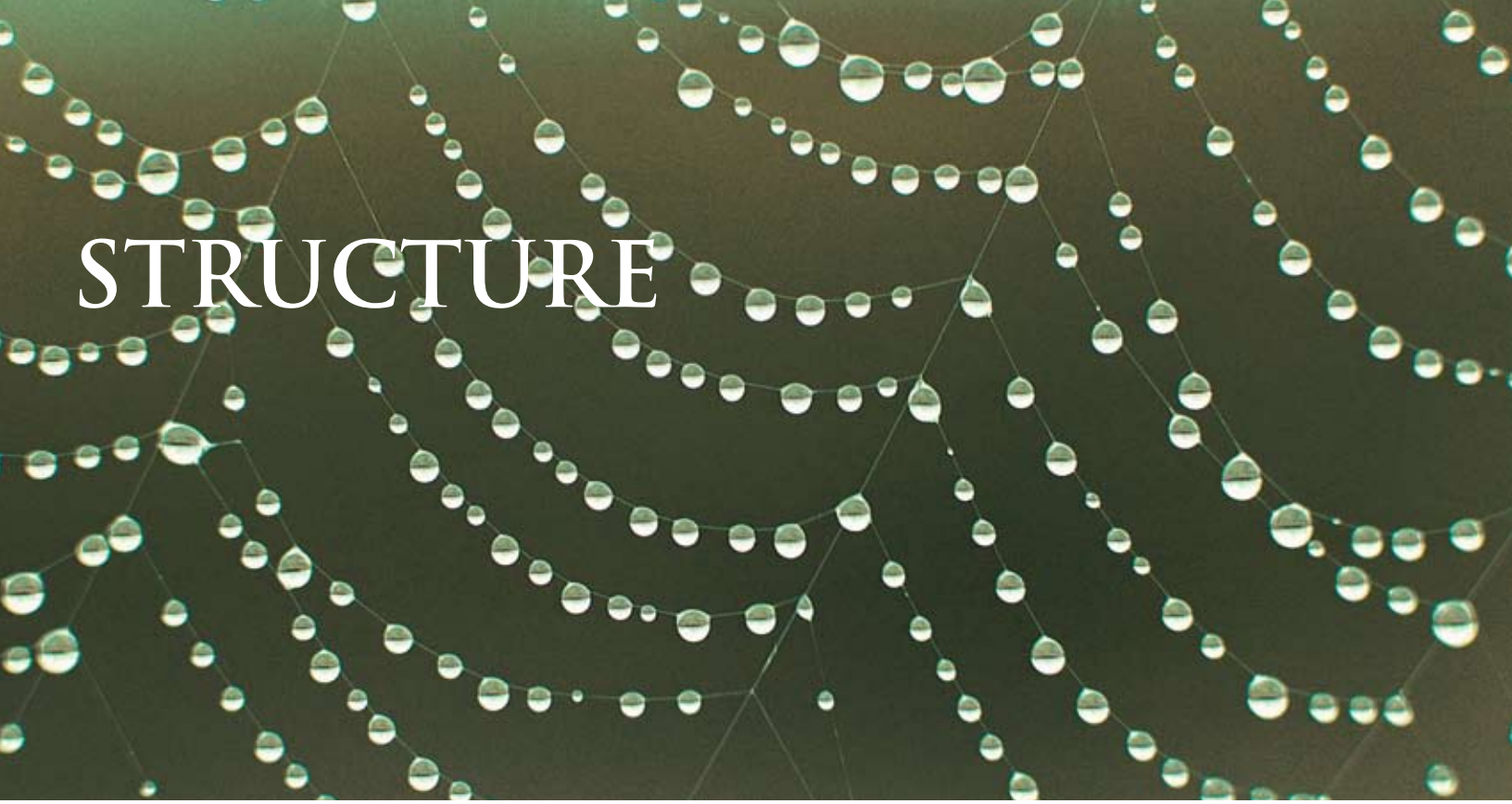
Investment income increased in 2005 benefiting from the upswing in the equity markets. Our investment manager realized gains of just under $2,000,000 in 2005, almost twice as much as the prior year, and this accounted for the 19.2% increase in investment income, year over year. Investment income was also aided by $6,419,373 we received from the Facility Association in 2005. These funds represent our share of the Facility Association investments which they distributed to all member companies for us to invest with our own portfolios. The expectation is that these funds will eventually be returned to the Association over time to meet claims obligations. They are shown as Funds Due to Facility Association on our balance sheet and they helped to increase the level of cash and investments from $74,955,244 in 2004 to $85,883,936.

Peace Hills Insurance occupies two stories of a six story building that it purchased in 2001 in downtown Edmonton. Generally Accepted Accounting Principles (GAAP) requires that related party transactions be eliminated on consolidation. As a result the rent paid by Peace Hills Insurance to its subsidiary, PHI Properties Ltd (owner of the building), is removed from the operations of PHI Properties Ltd and causes it to show a loss on operations of $220,634 in 2005. This represents, in effect, the cost to Peace Hills Insurance to rent almost 26,000 square feet of space in downtown Edmonton during the year. Given the escalation in rental rates that we are starting to see in Edmonton this purchase was a very strategic move by the Board of Directors.

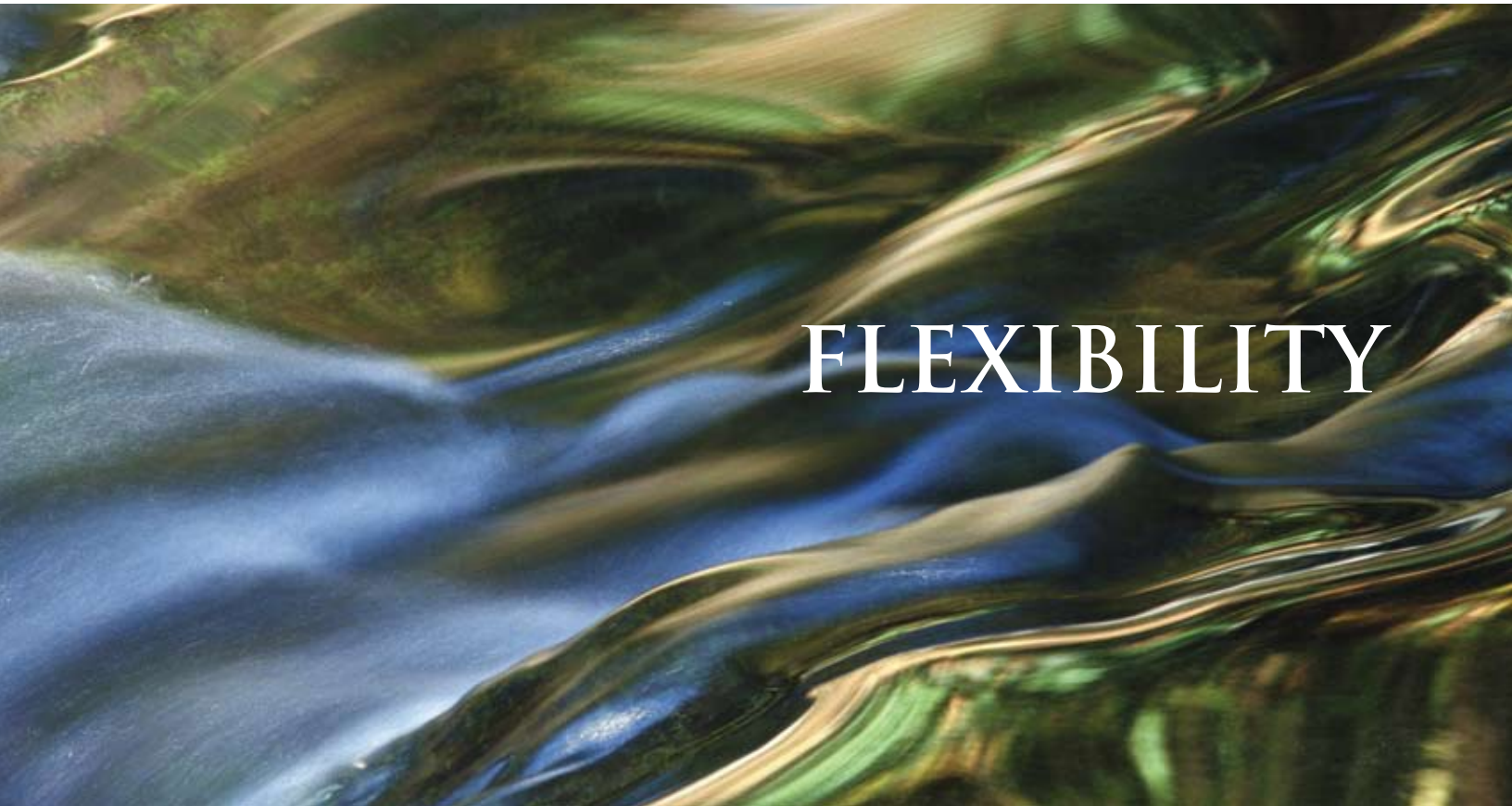
Net Income was $4,295,770 generating a return on equity of 13.36%, a respectable return in a year filled with uncertainty from significant changes in the Alberta automobile market.

what makes a great team?





what makes a great team?



UNDERWRITING & MARKETING REPORT

Jamie Hotte, FCIP
Vice President, Underwriting & Marketing

Gross Written Premiums

Gross Written Premiums totalled $106,922,521 (excluding Facility Association premiums) which was an increase of 4% over 2004.

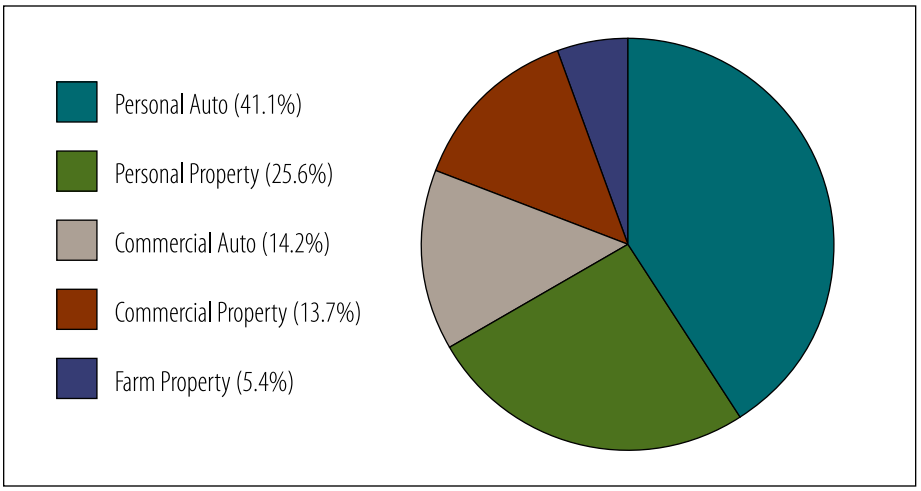
In Force Policies

Our policy count increased by 3% ending the year with 95,946 policies in force.

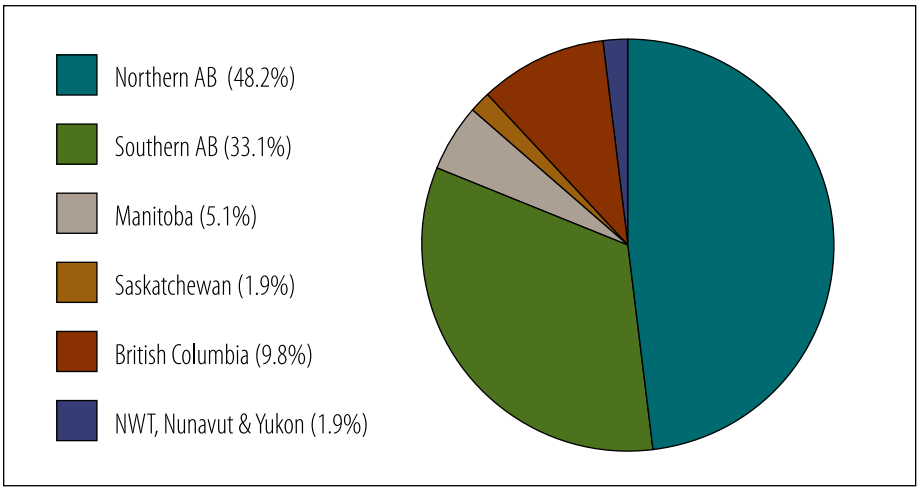
Underwriting Results

Although our underwriting results were not as good as 2004 we did produce a net underwriting profit of $2,090,673. Our gross loss ratio increased by 13% ending the year at 63%.

Gross Written Premiums By Business Line



Gross Written Premiums By Region



UNDERWRITING & MARKETING REPORT

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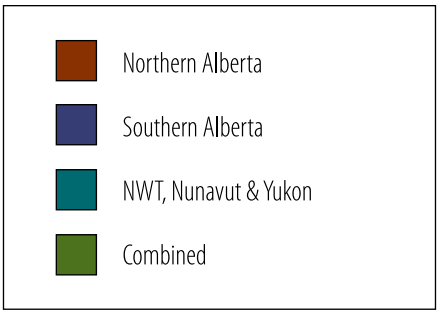
REVIEW OF EACH BUSINESS LINE
Personal Automobile

Gross written premiums (excluding Facility Association business) decreased by 5% ending the year at $43,954,879. We ceded $9,468,014 to the Alberta Risk Sharing Pool.

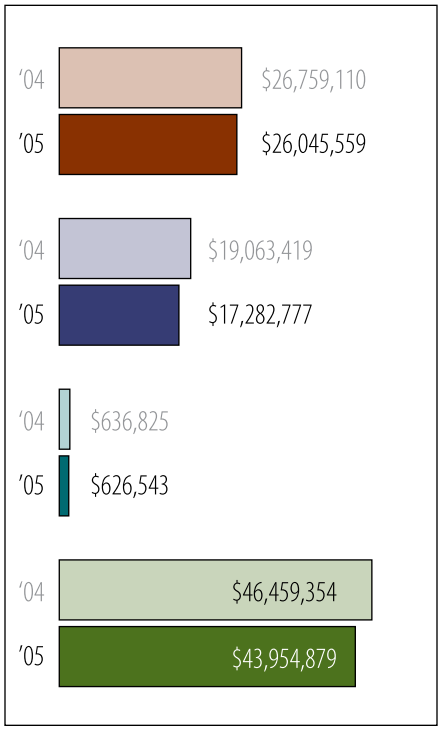
Our in force policies decreased by 2.5% ending the year at 31,128.

Our gross loss ratio increased by 18% ending the year at 61%.

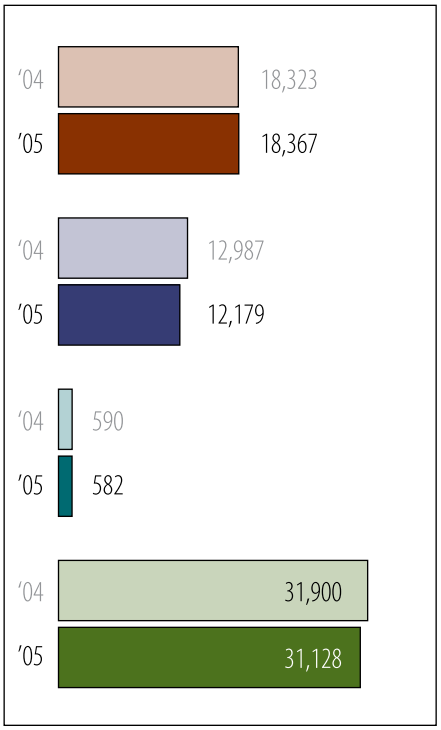
In July 2005 we were mandated by the government to further reduce mandatory coverage premiums by 6% and then an additional 4% in November 2005. Other than government mandated premium changes our premiums have been frozen under government legislation since October 2003. This premium freeze was lifted October 1, 2005 and we are planning some premium changes for the first quarter of 2006.



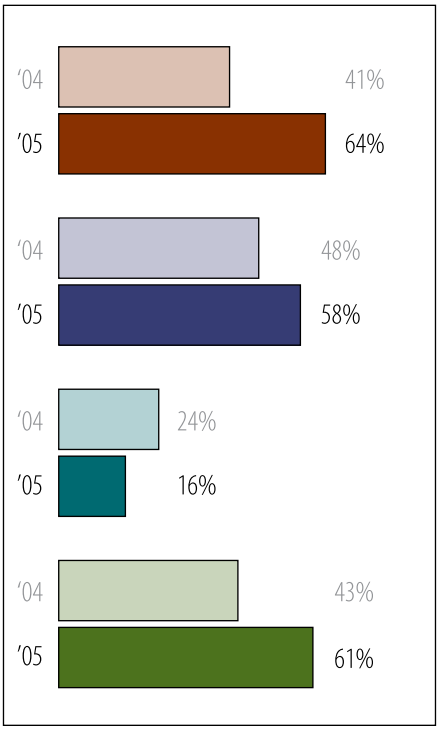
Personal Automobile
Gross Written Premiums



Personal Automobile
Policy Count



Personal Automobile
Loss Ratios



UNDERWRITING & MARKETING REPORT

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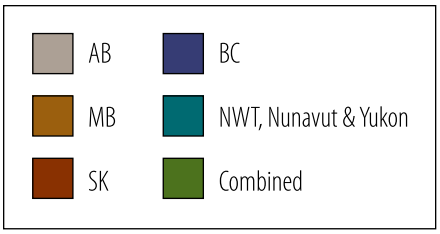
Personal Property

Gross written premiums increased by 11% ending the year at $27,367,769.

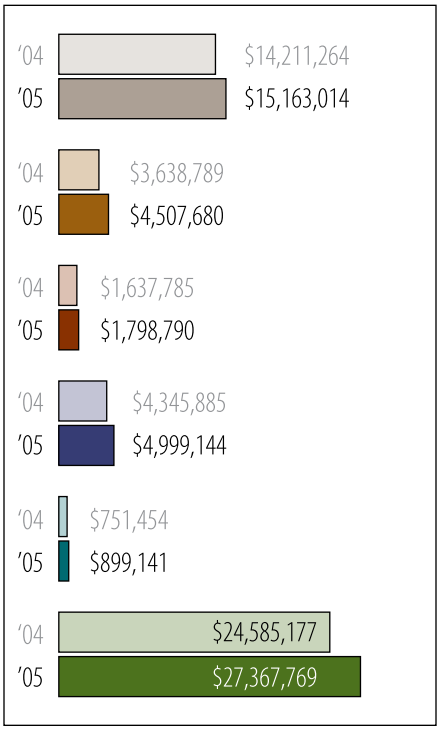
Our in force policies increased by 4% ending the year at 47,510.

Our gross loss ratio increased by 8% ending the year at 83%.

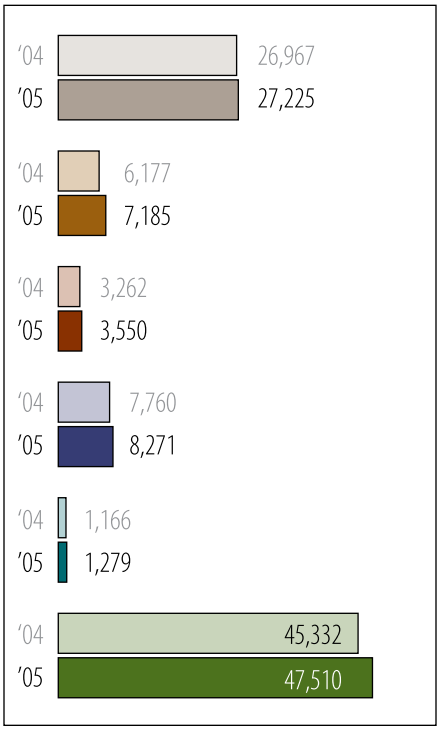
There were no rate changes in 2005.



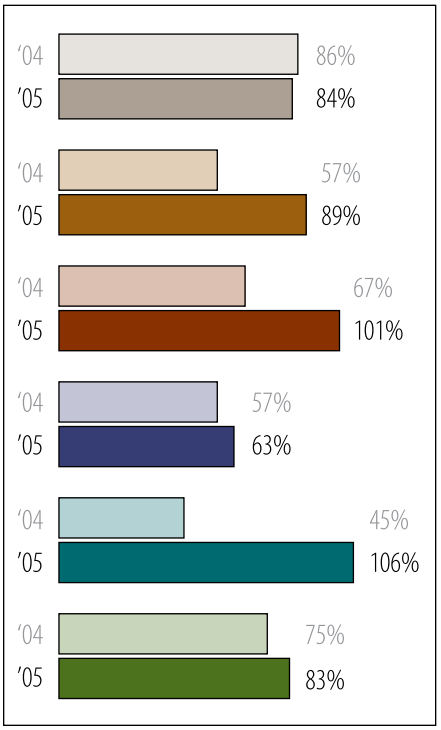
Personal Property Gross Written Premiums



Personal Property Policy Count



Personal Property Loss Ratios



UNDERWRITING & MARKETING REPORT

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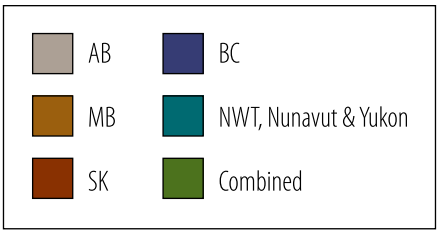
Farm Property

Gross written premiums increased by 15% ending the year at $5,760,670.

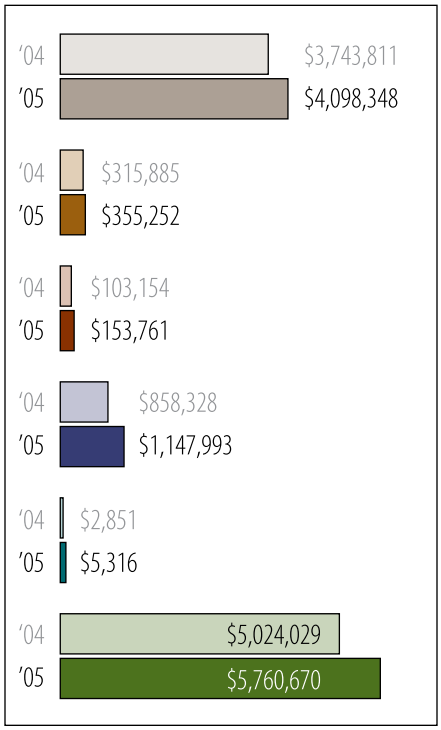
Our in force policies increased by 7% ending the year at 4,101.

Our gross loss ratio increased by 34% ending the year at 80%.

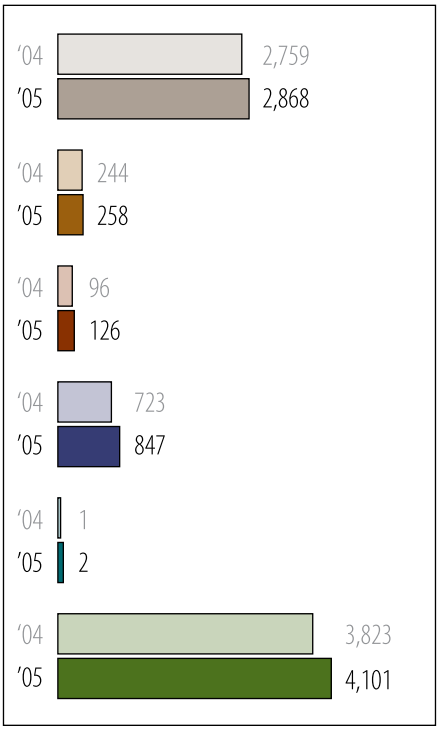
There were no rate changes in 2005.



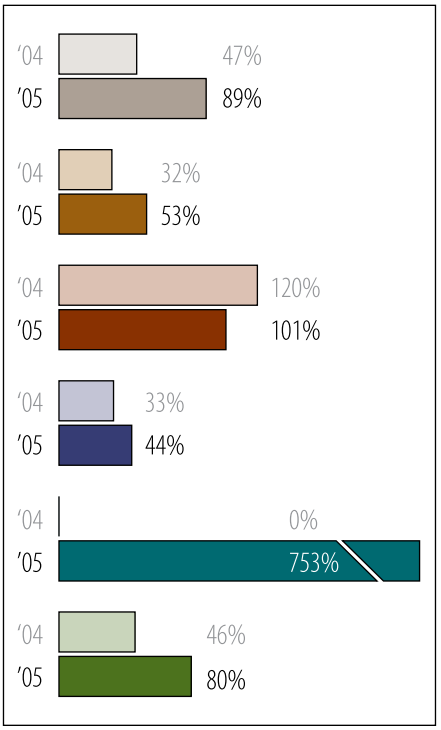
Farm Property Gross Written Premiums



Farm Property Policy Count



Farm Property Loss Ratios



UNDERWRITING & MARKETING REPORT

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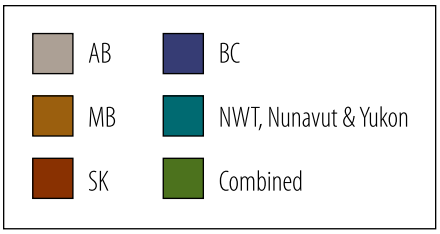
Commercial Property/Casualty

Gross written premiums increased by 19% ending the year at $14,631,514.

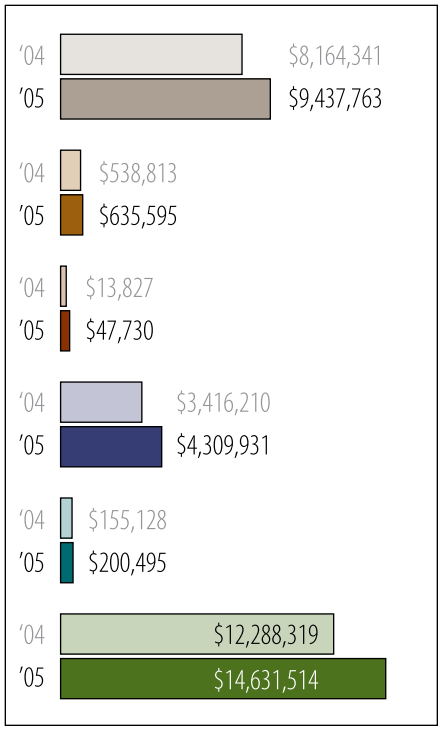
Our in force policies increased by 18% ending the year at 7,905.

Our gross loss ratio increased 5% ending the year at 36%.

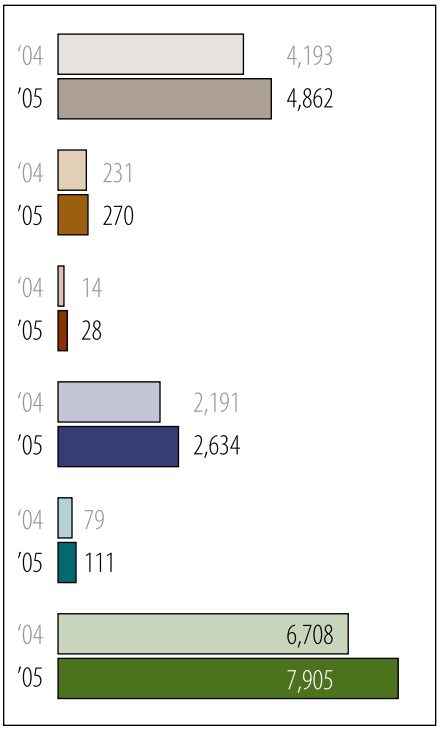
We did feel competitive premium pressures, however for the most part were able to hold most premiums at their 2004 levels.



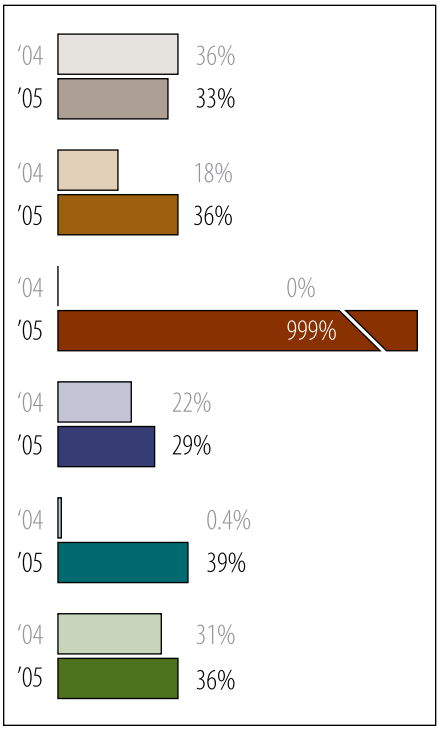
Commercial Property Gross Written Premiums



Commercial Property Policy Count



Commercial Property Loss Ratios



UNDERWRITING & MARKETING REPORT

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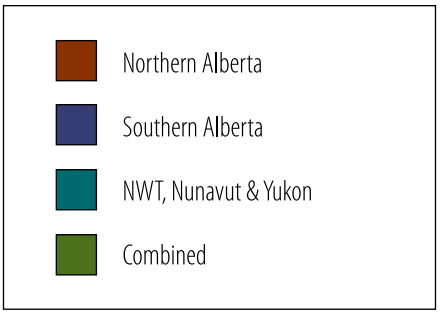
Commercial Automobile

Gross written premiums increased by 3% ending the year at $15,207,688.

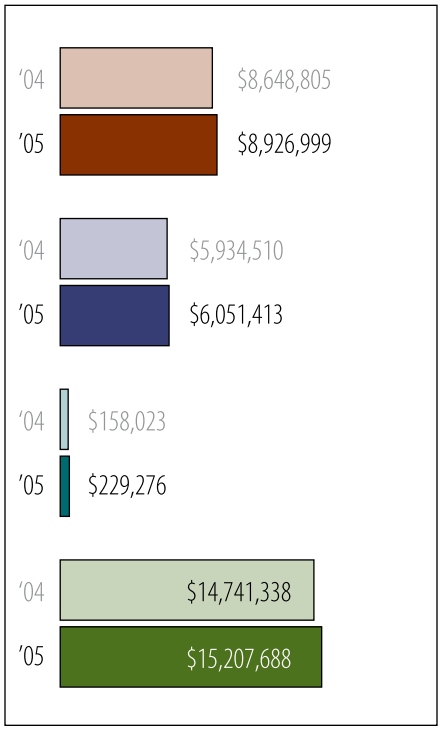
Our in force policies increased 2.5% ending the year at 5,302.

Our gross loss ratio increased 10% ending the year at 54%.

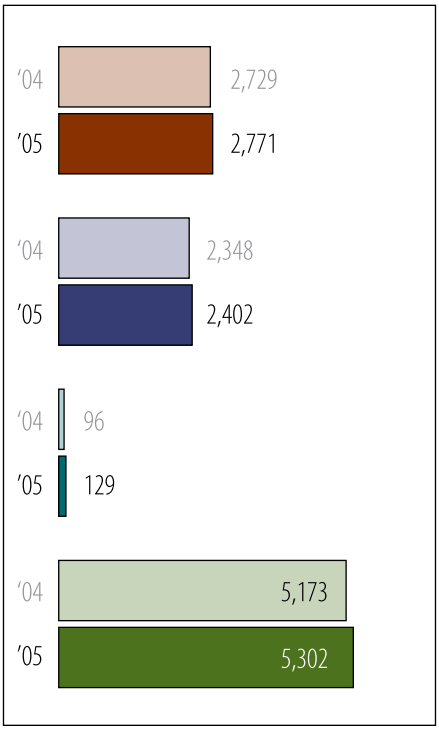
Rates have been frozen under government legislation since October 1, 2003. This premium freeze was lifted on October 1, 2005 and we are planning some premium changes early in 2006.



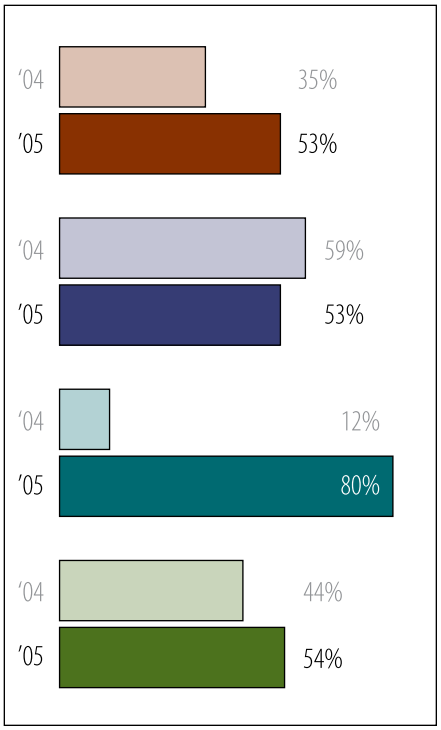
Commercial Automobile Gross Written Premiums



Commercial Automobile Policy Count



Commercial Automobile Loss Ratios



UNDERWRITING & MARKETING REPORT

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PROVINCIAL REPORTS

Alberta – Gross written premiums increased by less than 1% ending the year at $87,005,873. Our in force policies increased by less than 1% ending the year at 70,674. Our gross loss ratio increased 12% ending the year at 62%.

In October 2004 the government passed legislation for Automobile Reform (Bill 53). We have implemented all the necessary changes and are now operating fairly smoothly under the new regime.

A review of some underwriting issues was undertaken by the Automobile Insurance Rate Board late in 2005. We are hopeful changes will be implemented to remove some of the unintended consequences which resulted when the new system was first implemented. We expect this will happen sometime in 2006.

Manitoba – Gross written premiums increased by 22% to $5,498,527. Our in force policies increased by 16% ending the year at 7,713.Our gross loss ratio increased 31% ending the year at 81%.

Saskatchewan – Gross written premiums increased by 14% ending the year at $2,000,281. Our in force policies increased 10% ending the year at 3,704. Our gross loss ratio increased 55% ending the year at 125%.

British Columbia – Gross written premiums increased by 21% ending the year at $10,457,068. Our in force policies increased 10% ending the year at 11,752. Our gross loss ratio increased 6% ending the year at 47%.

Northwest Territories, Nunavut and Yukon – Gross written premiums increased by 15% ending the year at $1,960,771. Our in force policies increased 9% ending the year at 2,103. Our gross loss ratio increased 35% ending the year at 68%.

MARKETING AND OUR BROKERAGE FORCE

The majority of our growth was in personal and commercial property. Our overall growth was in line with our budgeted growth for the year. We wrote 16,067 new policies during 2005 which was a decrease of 8% compared to the prior year.

Retention

Our retention decreased slightly from 87% to 86%.

Independent Brokerage Network

We are committed to our broker relationships and our independent brokers continue to be our sole method of distribution. We would like to thank our brokers for their continued support throughout 2005.

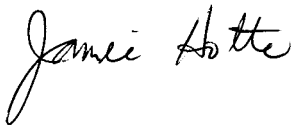
During 2005 we appointed 19 new brokers.

We were represented by 200 brokers with 293 locations throughout western Canada.

PROVINCE	BROKERS	LOCATIONS
Alberta	140	186
Manitoba	20	32
Saskatchewan	11	19
NWT, Yukon & Nunavut	1	5
British Columbia	28	51

Underwriting and Marketing Staff

2005 was a year of refining all of the changes which impacted us during 2004 and catching up on the backlog that those changes created. I would like to extend my gratitude and thanks to all of our marketing and underwriting team for staying the course and getting the job done.



what makes a great team?

CLAIMS REPORT

Robert Doiron, BA, CIP
Vice President, Claims

Government Auto Reform took front stage in 2005 for the second year in a row. While October 1, 2004 was the official date of implementation it turned out that numerous issues were still outstanding. We were constantly challenged to deal not only with a new system but one that was incomplete. Credit goes to our resilient staff. They not only coped with the reforms but were frequently at the forefront of making recommendations to change and fine tune this initiative to the benefit of injured clients.

Generally speaking we saw an increase in the cost of medical claims early in the year but as we became more adept at managing the new system we saw a moderating trend that we believe will continue.

The new system introduced a $4,000 cap for general damages on injuries deemed (by definition) to be 'minor'. Early results indicate this has had a positive effect on the cost of injury claims. Anecdotally, it appears the number of Personal Injury lawyers has reduced in 2005 as the cap makes it less lucrative to practice in this area. However, it's not all sunshine. The cloud looming over the horizon is the Constitutional challenge to the Minor Injury regulation. The Charter challenge is being defended by the Provincial Government, IBC and Insurers and is expected to be heard in late 2006.

Claims Frequency

Our claims frequency in 2005 bounced back from the unusually low frequency we experienced in 2004. In 2004 we had a policy count of 92,936 with a claims frequency of 8% yielding 7,512 claims. In 2005, based on a policy count of 95,946, our frequency increased to 9% resulting in 8,376 claims. Our expectation is that our frequency will likely stabilize at the 2005 level.

Storm Activity

To the casual observer it appears weather patterns are changing and shifting. For example we expect July and August to be our 'storm months'. 2005 turned out to be quite an anomaly wherein the majority of our catastrophe losses occurred in June with one in July and none in August. Our 2005 catastrophe activity (figures are rounded to the nearest one thousand) consisted of:

June 5-12
147 claims costing $1,511,000

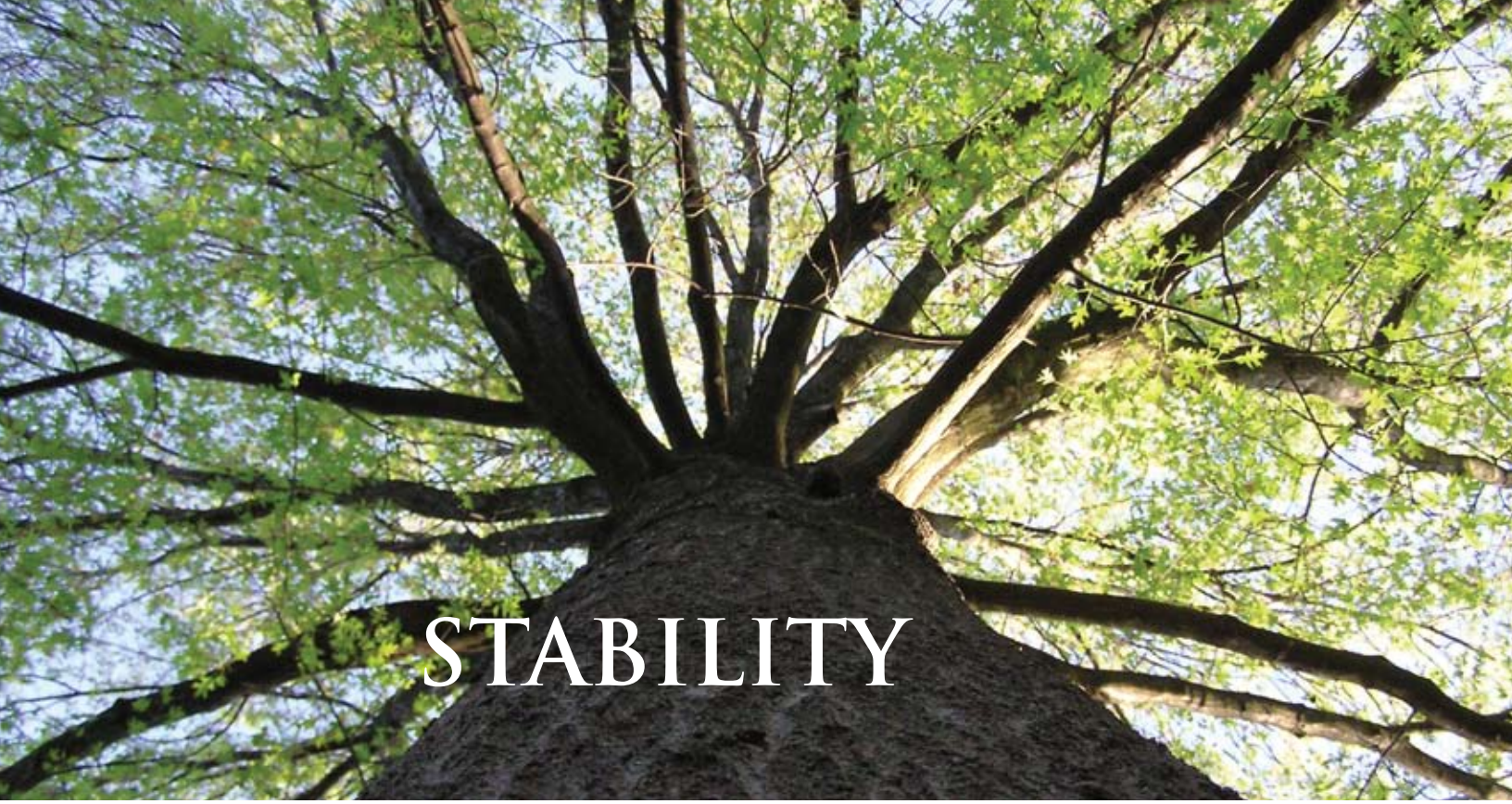
June 17-19
290 claims costing $2,556,000

June 27-July 2
99 claims costing $1,023,000

July 7-13
113 claims costing $801,000

Reserves

Adjusters are required to forecast the future cost of each loss at the time they are reported to us and set that money aside as a reserve to pay the claim. Part of the financial health of any insurance company is the degree of accuracy with which these future claim liabilities can be estimated. We are very pleased that our excellent and sustained reserving practices have been recognized by A.M. Best as part of their consideration when they upgraded our rating to B+ in 2005.



what makes a great team?

REGIONAL REPORTS

NORTHERN ALBERTA

Sheldon Bos, CIP
Northern Alberta Branch Manager

The aftermath of Alberta Automobile Reforms resulted in an extreme challenge achieving our budgeted growth targets for 2005. This challenge came in two forms. The first being the obvious decrease in automobile written premium as the legislated rate reductions worked their way through the system, and the second being increased competition in the industry as insurers attempted to replace the lost automobile revenue with other lines of business. We ended the year with a 2% overall increase in total written premium for the branch.

Despite an unseasonably mild winter at the end of 2005, the frequency of personal and commercial auto claims increased more than 11% from the previous year. This increase, combined with several large property fire losses, pushed our 2005 earned loss ratio to 63%, up from 49% in 2004.

Despite the challenges, 2005 still resulted in one of the more profitable years in our history. The year also allowed us the chance to identify new opportunities in Northern Alberta. We initiated action on these opportunities during the year, such as new broker appointments, and will continue to develop these opportunities throughout 2006.

SOUTHERN ALBERTA

Fergus Kavanagh
Southern Alberta Branch Manager

Adapting to Auto Reform rates and new underwriting rules put great demands on everybody's time. Auto production was down as expected, but all other business lines showed a healthy increase with Commercial Property leading the field at 26%.

Severe weather in the form of water and hail is our greatest nemesis in this region. True to form it made its presence felt again this year. We had two major catastrophe losses and these alone accounted for about eleven points of our overall loss ratio. These storms had a devastating effect on the profitability of our Personal Property and Farm books.

All other business lines performed very well and the loss ratio for the Branch ended at a very acceptable 62%.

BRITISH COLUMBIA

Daryl Kochan, FCIP
Regional Manager, British Columbia

During 2005 we achieved a number of milestones. Our overall volume passed the $10,000,000 mark, up 21% from 2004 and farm premiums passed the $1,000,000 mark, up 34%. Personal Lines was just shy of hitting the $5,000,000 milestone. We are blessed to have an amazing underwriting team that always strives to keep their service levels better than the industry average.

We were hit with a number of fire losses throughout the province – in spite of this our overall loss ratio still managed to finish off nicely at 47%.

In 2005 we added 3 brokerages to our BC family, bringing the total number of offices representing Peace Hills to 51. In 2006 we have plans to add a number of Fraser Valley and Lower Mainland brokers. To help us with our expansion and growth, we have hired a Marketing Underwriter in our Vancouver Branch.

We are grateful for the support of our brokers, who have contributed greatly to our fifth steady year of growth and profitability in B.C.

BOARD OF DIRECTORS

Back Row: Victor Bruno (Executive Vice President), Walter Lightning, Trevor Swampy (Secretary/Treasurer), Julian Koziak, Pat Buffalo, Lawrence Saddleback, Bill Kordyback, Dennis Leonard. **Front Row**: Leiha Crier, Diane Brickner (President & CEO), John Crier, Marvin Yellowbird (Chairman), Victor Buffalo (Chief, Samson Cree Nation), John Szumlas, Gabe Lee.

COMMITTEES

Audit Committee

The responsibility of the Audit Committee is to make sure that the financial reporting process of the company is credible, controlled and reliable.

Comprised of: Bill Kordyback, Leiha Crier, John Szumlas, Trevor Swampy (Chair), Julian Koziak, Dennis Leonard.

Executive Committee for PHI Properties Ltd.

The PHI Properties Committee provides strategic direction on the operations of the Peace Hills Insurance building to maximize its long term value.

Comprised of: Lawrence Saddleback, Pat Buffalo, Julian Koziak (Chair), John Crier, Victor Bruno.

Conduct Review & Investment Committee

The purpose of the Conduct Review & Investment Committee is to review all investment activities and related party transactions of the company.

Comprised of: Bill Kordyback, Gabe Lee, John Szumlas, John Crier (Chair), Pat Buffalo, Dennis Leonard, Julian Koziak.

Compensation Committee

The Compensation Committee recommends to the Board of Directors with respect to matters affecting the company's Human Resources and Compensation programs for the President and Vice Presidents.

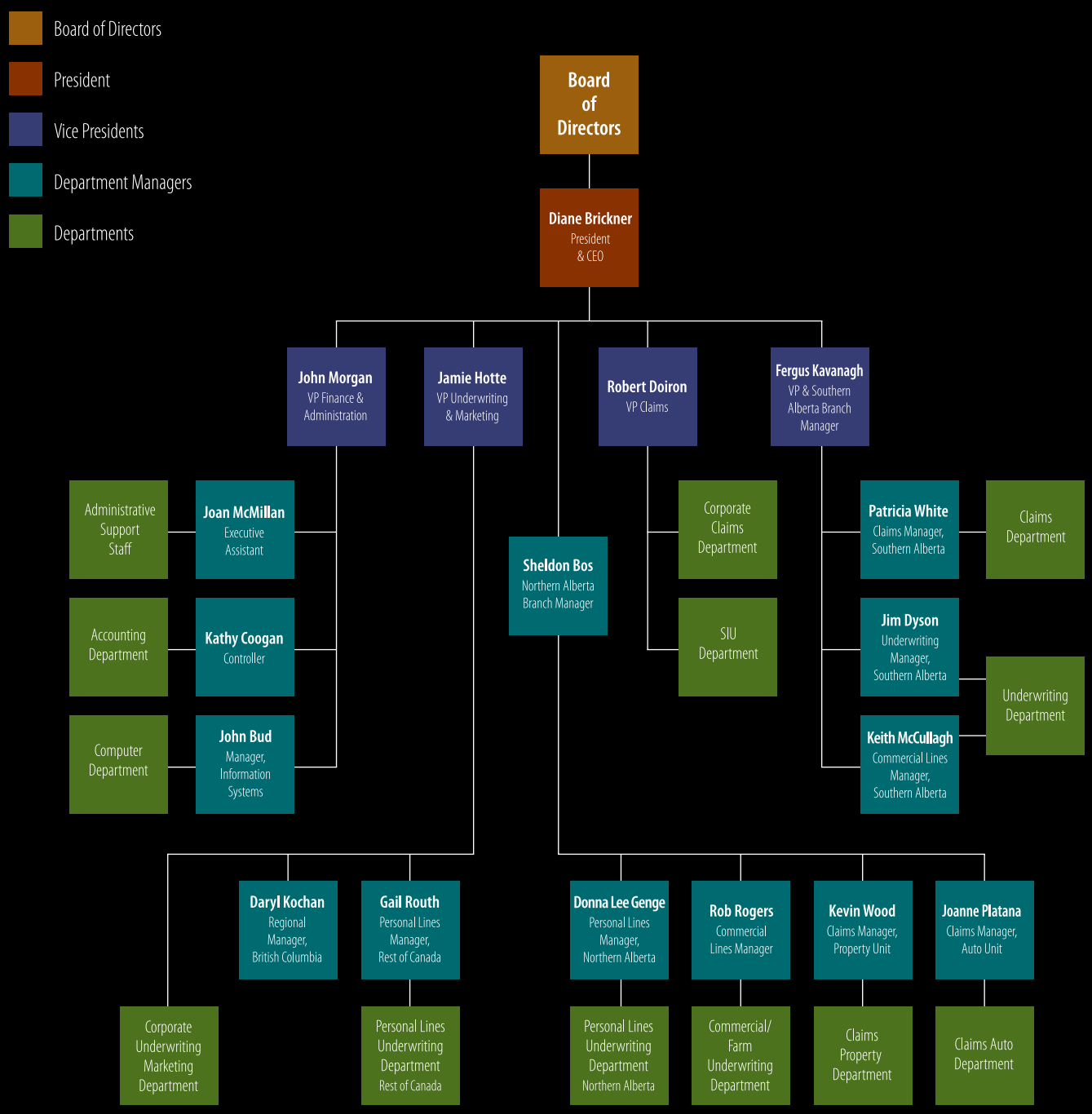
Comprised of: Victor Bruno, Dennis Leonard, Walter Lightning (Chair), Leiha Crier, Lawrence Saddleback, Bill Kordyback.

Governance Committee

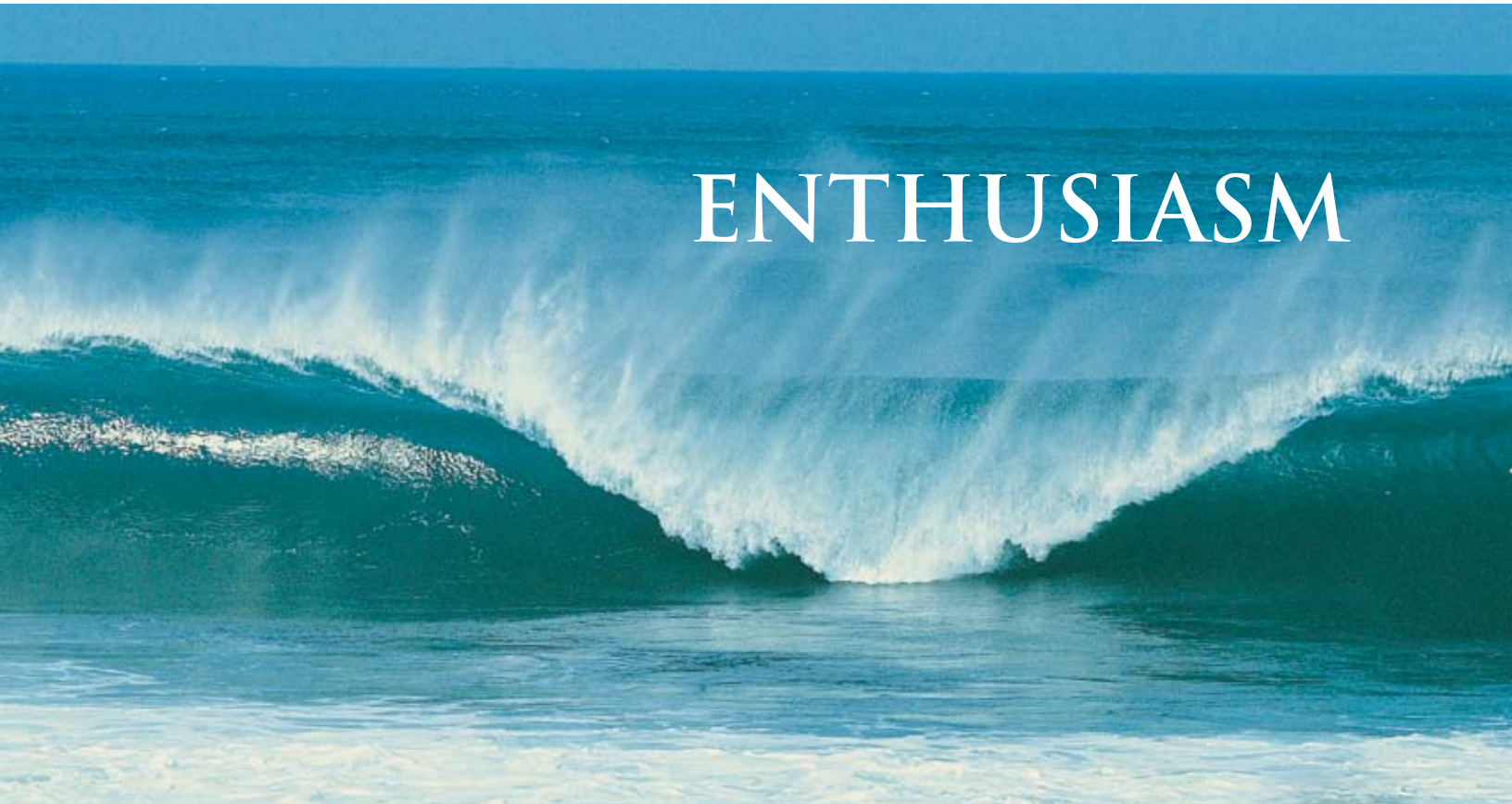
The Governance Committee reviews all activities related to corporate governance, reports their findings to the Board of Directors, and in addition provides an effective mechanism for enhancing government and industry relations.

Comprised of: Walter Lightning, Julian Koziak, John Crier, Pat Buffalo (Chair), John Szumlas, Trevor Swampy.

CORPORATE STRUCTURE



what makes a great team?



HEAD OFFICE: (From left to right): John Morgan, Joan McMillan, Jamie Hotte, Diane Brickner, Robert Doiron, Kathy Coogan, John Bud.

NORTHERN ALBERTA: (From left to right): Kevin Wood, Donna Lee Genge, Sheldon Bos, Joanne Platana, Rob Rogers.

REST OF CANADA: (From left to right): Gail Routh, Daryl Kochan, Joanne Platana, Kevin Wood.

SOUTHERN ALBERTA: (From left to right): Pat White, Jim Dyson, Fergus Kavanagh, Keith McCullagh.

what makes a great team?

FINANCIAL STATEMENTS

MANAGEMENT STATEMENT

Peace Hills General Insurance Company • Year Ended December 31, 2005

The consolidated financial statements are the responsibility of management and have been prepared in conformity with Canadian generally accepted accounting principles including the accounting requirements of the Superintendent of Insurance for Alberta. In the opinion of management, the consolidated financial statements fairly reflect the financial position, results of operations and cash flows of Peace Hills General Insurance Company within reasonable bounds of materiality.

Preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the Company. Management maintains an extensive system of internal accounting controls to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable consolidated financial statements. The adequacy of operation of the control systems is monitored on an ongoing basis by management.

The Board of Directors is responsible for approving the financial statements. It establishes an Audit Committee, comprised of directors who are neither officers nor employees of the Company who meet with management, internal auditors, the actuary and external auditors, all of whom have unrestricted access and the opportunity to have private meetings with the Audit Committee, to review the financial statements. The Audit Committee then submits its report to the Board of Directors recommending approval of the financial statements.

The Superintendent of Insurance for Alberta makes an annual examination and inquiry into the affairs of the Company as deemed necessary to ensure that the Company is in sound financial condition and that the interests of the policyholders are protected under the provisions of the Insurance Act (the "Act").

The actuary has been appointed by the Board of Directors pursuant to the Act. The actuary is required to carry out a valuation of the policy liabilities determined by management and recorded by the Company in its financial statements and report thereon to the shareholder. Policy liabilities consist of the provisions for and reinsurance recovery of unpaid claims and adjustment expenses on insurance policies in force, including provisions for salvage and subrogation, and future obligations on the unearned portion of insurance policies in force, including deferred policy acquisition costs. The valuation is made in accordance with accepted actuarial practice, as well as any other matter specified in any direction that may be made by regulatory authorities. The actuary, in her verification of the management information provided by the Company used in the valuation, also makes use of the work of the external auditors. The actuary's report outlines the scope of her work and opinion.

The Company's external auditors have been appointed by the shareholder, pursuant to the Act to conduct an independent and objective audit of the financial statements of the Company in accordance with Canadian generally accepted auditing standards and report thereon to the shareholder. In carrying out their audit, the auditors also make use of the actuary and her report on the Company's policy liabilities. The auditors' report outlines the scope of their audit and their opinion.

Edmonton, Canada
February 24, 2006

Diane Brickner, CIP
President and CEO

John Morgan, CMA
Vice President, Finance & Administration

AUDITORS' REPORT

Peace Hills General Insurance Company • Year Ended December 31, 2005

To the Shareholder of Peace Hills General Insurance Company:

We have audited the consolidated balance sheet of Peace Hills General Insurance Company as at December 31, 2005 and the consolidated statements of income and retained earnings and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP
Chartered Accountants

Edmonton, Canada
February 24, 2006

ACTUARY'S REPORT

Peace Hills General Insurance Company • Year Ended December 31, 2005

To the Shareholder of Peace Hills General Insurance Company:

I have valued the policy liabilities of Peace Hills General Insurance Company for its balance sheet as at December 31, 2005 and their changes in its statement of income for the year then ended, in accordance with accepted actuarial practice, including selection of appropriate assumptions and methods.

In my opinion, the amount of the policy liabilities make appropriate provision for all policyholder obligations and the financial statements fairly present the results of the valuation.

Barbara Addie
Fellow, Canadian Institute of Actuaries

Toronto, Ontario
February 24, 2006

CONSOLIDATED BALANCE SHEET

Peace Hills General Insurance Company • At December 31, 2005

	2005	2004
Assets		
Cash and cash equivalents (note 2)	$ 11,134,730	$ 10,890,616
Accrued investment income	467,918	346,433
Investments (note 3)	74,749,206	64,064,628
Due from agents, brokers and policyholders	23,661,716	22,257,200
Due from other insurance companies	14,400,767	15,649,053
Income taxes receivable	2,019,783	-
Other receivables	1,357,415	1,500,506
Amounts recoverable from reinsurers:		
Unpaid claims and adjustment expenses (notes 5 and 6)	33,165,338	29,202,197
Unearned premiums	22,925,910	19,294,533
Salvage and subrogation	(136,628)	(145,053)
	55,954,620	48,351,677
Deferred policy acquisition costs	13,010,284	11,865,313
Future income taxes	3,253,731	2,884,027
Prepaid expenses and other assets	162,451	153,134
Capital assets (note 4)	4,680,376	4,459,518
	$ 204,852,997	$ 182,422,105
Liabilities and Shareholder's Equity		
Due to agents, brokers and policyholders	$ 3,123,599	$ 3,401,087
Due to other insurance companies	2,666,868	3,557,770
Funds held for other insurance companies (note 16)	6,419,373	-
Expenses due and accrued	1,079,779	942,408
Income taxes due and accrued	-	1,897,178
Other taxes due and accrued	4,001,721	4,243,387
Bank loan payable (note 7)	2,442,500	2,604,500
Unearned premiums	59,005,629	54,370,195
Provision for unpaid claims and adjustment expenses (note 5)	84,906,704	75,400,774
Unearned reinsurance commissions	6,691,711	5,763,192
Other liabilities	209,675	231,946
	170,547,559	152,412,437
Shareholder's equity:		
Share capital (note 8)	2,000,000	2,000,000
Contributed surplus	9,362,250	9,362,250
Retained earnings	22,943,188	18,647,418
	34,305,438	30,009,668
Commitments (note 11)		
Contingent liabilities (note 12)		
	$ 204,852,997	**$ 182,422,105**

See accompanying notes to consolidated financial statements.

On behalf of the Board:

_____ Director _____ Director

CONSOLIDATED STATEMENT OF INCOME & RETAINED EARNINGS

Peace Hills General Insurance Company • Year Ended December 31, 2005

	2005	2004
Gross premiums written	$ 120,662,840	$ 110,895,241
Direct premiums written	$ 111,194,826	$ 108,165,787
Net premiums written	$ 69,943,718	$ 66,834,429
Net premiums earned (note 6)	$ 70,377,973	$ 67,315,988
Expenses incurred (note 6):		
Claims	43,932,441	31,505,430
Commissions	8,577,955	9,703,462
Premium and other taxes	3,508,284	3,346,608
Administrative expenses	12,268,620	11,225,495
Total insurance expenses	68,287,300	55,780,995
Underwriting income	2,090,673	11,534,993
Investment income (expenses):		
Interest	2,654,653	2,622,926
Dividends	667,383	593,484
Gain on disposal of investments	1,983,312	1,253,468
General investment expenses	(256,892)	(236,131)
Net investment income	5,048,456	4,233,747
Loss from PHI Properties Limited (note 9)	(220,635)	(211,636)
Income before income taxes	6,918,494	15,557,104
Income taxes:		
Current	2,992,428	6,026,652
Future	(369,704)	(803,534)
	2,622,724	5,223,118
Net income	4,295,770	10,333,986
Retained earnings, beginning of year	18,647,418	9,713,432
Dividends paid	-	(1,400,000)
Retained earnings, end of year	**$ 22,943,188**	**$ 18,647,418**

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Peace Hills General Insurance Company • Year Ended December 31, 2005

	2005	2004
Cash provided by (used in):		
Operations:		
Net income	$ 4,295,770	$ 10,333,986
Items not affecting cash:		
Future income taxes	(369,704)	(803,534)
Net realized gain on disposal of investments	(1,983,312)	(1,253,468)
Amortization of capital assets	525,716	500,826
Gain on disposal of capital assets	(428)	(5,037)
Change in non-cash operating working capital:		
Deferred policy acquisition costs	(1,144,971)	(839,194)
Unpaid claims and adjustment expenses, net of recoverable from reinsurers	5,542,790	(3,819,999)
Unearned premiums, net of recoverable from reinsurers	969,295	728,917
Unearned reinsurance commissions	928,519	1,915,387
Net change in other non-cash balances	1,089,849	(6,468,521)
	9,853,524	289,363
Financing:		
Payment of dividends	-	(1,400,000)
Repayment of bank loan payable	(162,000)	(162,000)
	(162,000)	(1,562,000)
Investments:		
Investments sold or matured:		
Bonds and debentures	20,174,885	7,675,730
Common shares	13,789,096	15,499,840
Investments acquired:		
Bonds and debentures	(24,613,329)	(9,222,803)
Common shares	(17,965,744)	(10,704,647)
Amortization of bond premiums and (discounts)	(86,173)	(30,944)
Purchase of capital assets	(781,449)	(605,785)
Proceeds on disposal of capital assets	35,304	68,917
	(9,447,410)	2,680,308
Net increase in cash and cash equivalents	244,114	1,407,671
Cash and cash equivalents, beginning of year	10,890,616	9,482,945
Cash and cash equivalents, end of year	**$ 11,134,730**	**$ 10,890,616**

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Peace Hills General Insurance Company • Year Ended December 31, 2005

Peace Hills General Insurance Company (the "Company") is incorporated under the laws of Alberta. The Company is subject to the Insurance Act of Alberta (the "Act") and is licensed to write all classes of insurance other than life, accident, sickness and hail in British Columbia, Alberta, Saskatchewan, Manitoba and the Northwest, Yukon and Nunavut Territories. The Company has a concentration of business in automobile and property insurance in the Province of Alberta. The Company is subject to regulation by the Superintendent of Insurance in the Province of Alberta.

1. Significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, PHI Properties Limited. All significant inter-company balances and transactions have been eliminated.

(b) Rate regulation:

The Company writes compulsory automobile business that is subject to rate regulation which comprises approximately 35.5% of net premiums written. The Company's automobile insurance premiums can be impacted by mandatory rate roll backs and mandatory rate assessments as legislated by provincial law and by regulation in certain provinces. This could result in lower future premium rates or reductions to premium rates charged by the Company. In addition, the Company is required, under certain provincial legislation, to participate in risk sharing pools which may impact positively or negatively upon underwriting results. Certain benefit payments are also subject to provincial government regulation including automobile accident benefits.

(c) Investments:

Investments are accounted for on the following basis:

(i) General:

Gains and losses arising on disposal of investments are recognized at the trade date.

(ii) Bonds and debentures:

Investments in bonds and debentures are carried at amortized cost. The yield method is utilized to amortize discounts and premiums on investments in bonds and debentures. Interest income and amortization of discounts and premiums are recorded on an accrual basis over the term of the investment.

(iii) Common shares:

Investments in common shares are carried at cost. Dividend income on common shares is accrued on the ex-dividend date.

Where there has been a reduction in the value of an investment below cost that is other than temporary, the investment is written down to recoverable value, and such a provision is recorded in investment income.

1. Significant accounting policies, continued:

(d) Premiums earned and deferred policy acquisition costs:

Insurance premiums are recorded as revenue on a straight-line basis over the terms of the policies. Unearned premiums represent the portion of premiums written that relate to the unexpired term of the policies in force.

Policy acquisition costs are those expenses incurred in the acquisition of business. Acquisition costs comprise commissions, premium taxes, health levies and an allocation of other variable policy issue and underwriting expenses, which relate directly to the acquisition of the business.

Policy acquisition costs related to unearned premiums are only deferred to the extent that they are expected to be recovered from the unearned premiums, and are amortized on a straight line basis over the periods during which the premiums are earned. If the unearned premiums and anticipated investment income are not sufficient to pay expected claims and expenses (including policy maintenance expenses and unamortized policy acquisition costs), a premium deficiency exists. Premium deficiencies are recognized by first writing down the deferred policy acquisition cost asset, with any excess being recognized against underwriting income.

(e) Capital assets:

Capital assets are carried at cost less accumulated amortization. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Building	Straight-line	3%
Building improvements	Straight-line	10%
Automotive equipment	Declining balance	30%
Leasehold improvements	Straight-line	Terms of leases
Office equipment	Declining balance	20%
Computer software	Straight-line	20%

(f) Provision for unpaid claims and adjustment expenses:

The provision for unpaid claims represents the amount needed to provide for the estimated ultimate expected cost of settling claims related to insured events (both reported and unreported) that have occurred on or before each balance sheet date. The provision for adjustment expenses represents the estimated ultimate expected cost of investigating, resolving and processing these claims. The provision estimations do not take into consideration the time value of money, or make explicit provision for adverse deviation. These estimates are necessarily subject to uncertainty and are selected from a wide range of possible outcomes.

As a result, all provisions are periodically reviewed and evaluated in the light of emerging claim experience and changing circumstances. Changes in estimates of the ultimate liability are recorded as incurred claims in the current period.

1. Significant accounting policies, continued:

(g) Salvage and subrogation:

Salvage and subrogation recoverable are accrued on a specific case by case basis. The gross recoverable is recorded under "other receivables" and the estimated amounts payable to reinsurers is recorded against "amounts recoverable from reinsurers".

(h) Reinsurance ceded:

Premiums, claims and expenses are recorded net of amounts ceded to, and recoverable from, reinsurers. Estimates of amounts recoverable from reinsurers on unpaid claims and adjustment expenses and on unearned premiums are recorded on a gross basis as "amounts recoverable from reinsurers".

Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured policy.

(i) Income taxes:

Income taxes are accounted for using the asset and liability method. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

(j) Foreign currency:

Monetary items denominated in foreign currency are translated to Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary items are translated at exchange rates in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in income.

(k) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. Significant accounting policies, continued:

(l) Variable interest entities:

On January 1, 2005, the Company adopted CICA Accounting Guideline 15, "Consolidation of Variable Interest Entities". Variable interest entities are entities in which equity investors do not have a controlling financial interest or the equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support provided by other parties. The Company has applied the requirements of this guideline prospectively and has determined that there is no material impact of adopting the standard.

2. Cash and cash equivalents:

The Company considers deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less as cash and cash equivalents. The major components of cash and cash equivalents are as follows:

	2005	2004
Cash	$ 4,754,650	$ 2,510,948
Bank term deposits, maturities at three months or less, at rates of interest varying between 3.3% to 3.6%	6,380,080	8,379,668
	$ 11,134,730	**$ 10,890,616**

3. Investments:

The carrying amounts and fair values of investments are summarized as follows:

					2005
	Carrying amount	Amortized discount/ premium	Gross unrealized gains	Gross unrealized losses	Market value
Bonds and debentures	$ 43,170,258	$ 449,841	$ 1,343,761	$ 604,357	$ 44,359,503
Common shares	31,578,948	–	7,960,273	1,076,251	38,462,970
	$ 74,749,206	**$ 449,841**	**$ 9,304,034**	**$ 1,680,608**	**$ 82,822,473**

3. Investments, continued:

					2004
	Carrying amount	Amortized discount/ premium	Gross unrealized gains	Gross unrealized losses	Market value
Bonds and debentures	$ 38,344,857	$ 536,014	$ 1,270,715	$ 209,296	$ 39,942,290
Common shares	25,719,771	–	6,257,269	626,886	31,350,154
	$ 64,064,628	**$ 536,014**	**$ 7,527,984**	**$ 836,182**	**$ 71,292,444**

Management has reviewed currently available information regarding those investments for which market value is less than carrying amount and ascertained that the carrying amounts are expected to be recovered. As such the Company determined that no securities in the common share portfolio had suffered an impairment in their market value, which is other than temporary (2004 - $0). The company holds $3,230,000 (2004 - $2,600,000) in bonds that have a variable rate of return. Details of significant terms and conditions and exposures to interest rate and credit risks on investments are as follows:

(a) Bonds and debentures – interest rate risk:

		2005		**2004**	
	Interest receivable basis	Effective rates (% range)	Coupon rates (% range)	Effective rates (% range)	Coupon rates (% range)
Government of Canada	Semi-annual	2.94 to 9.24%	3.00 to 7.25%	3.31 to 7.55%	4.00 to 8.75%
Canadian provincial, municipal and public authorities	Semi-annual	2.58 to 6.87%	2.91 to 7.50%	2.70 to 7.29%	2.70 to 9.00%
Canadian corporate	Quarterly	3.40 to 9.29%	4.00 to 9.00%	3.40 to 9.29%	4.00 to 9.00%

3. Investments, continued:

(b) Bonds and debentures – principal amount and carrying amount:

The principal amount and carrying amounts are shown by contractual maturity. Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

	2005		**2004**	
Term to maturity	Principal amount	Carrying amount	Principal amount	Carrying amount
Government of Canada:				
Due in one year or less	$ -	$ -	$ 500,000	$ 505,668
Between one and five years	13,530,000	13,764,222	8,965,000	9,191,941
After five years	8,585,000	8,089,105	7,200,000	7,415,668
Canadian provincial, municipal and public authorities:				
Due in one year or less	1,600,000	1,600,274	1,050,000	1,051,198
Between one and five years	1,485,000	1,535,088	3,400,000	3,499,093
After five years	4,550,000	4,832,935	4,480,000	4,813,124
Canadian corporate:				
Due in one year or less	550,000	551,614	-	-
Between one and five years	7,250,000	7,371,063	3,850,000	3,883,835
After five years	5,315,000	5,425,957	7,850,000	7,984,330
	$ 42,865,000	**$ 43,170,258**	**$ 37,295,000**	**$ 38,344,857**

(c) Common shares:

The Company limits its investment concentration in any one investee or related group of investees to 5% of the Company's total assets, except as allowed by Section 418(1), Insurance Act of Alberta and Regulations.

4. Capital assets:

			2005	2004
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 640,000	$ –	$ 640,000	$ 640,000
Building	1,988,806	299,437	1,689,368	1,708,120
Building improvements	1,386,472	552,780	833,692	972,641
Automotive equipment	545,373	294,936	250,437	288,993
Leasehold improvements	278,378	78,918	199,460	196,750
Office equipment and computer software	2,132,318	1,064,900	1,067,418	653,014
	$ 6,971,347	**$ 2,290,972**	**$ 4,680,376**	**$ 4,459,518**

Amortization of capital assets of $460,832 (2004 – $436,757) is included in administrative expenses. Amortization of the building of $64,884 (2004 – $64,069) is included in rental expenses (Note 9). Office equipment and computer software includes software development costs of $347,009 (2004 - $87,061) that are not being amortized as the software is not in use.

5. Unpaid claims and adjustment expenses:

(a) Nature of unpaid claims and adjustment expenses:

The provision for unpaid claims and adjustment expenses is determined using expected future claims payments based on assumptions that reflect the expected set of economic conditions and planned courses of action. Uncertainty exists on reported claims in that all information may not be available at the reporting date. In addition, claims may not be reported to the Company immediately, therefore estimates are made as to the value of claims incurred but not yet reported, a value that may take years to finally determine.

The determination of the provision is dependent on numerous significant assumptions and estimates, which are developed considering the characteristics of the class of business, historical trends, the amount of data available on individual claims and any other pertinent factors. Claims provisions are periodically reviewed and evaluated in the light of emerging claims experience and changing circumstances. The resulting changes in the estimates of the ultimate liability are recorded as claims incurred in the period in which the change occurred.

5. Unpaid claims and adjustment expenses:

(b) Activity in the provision for unpaid claims and claims adjustment expenses, by line of business, is summarized as follows:

	Property	Automobile	2005 Total	2004 Total
Provision for unpaid claims and adjustment expenses, beginning of year:				
Gross	$ 16,161,314	$ 59,239,460	$ 75,400,774	$ 80,056,506
Reinsurance ceded	8,961,908	20,240,289	29,202,197	30,037,930
Net provisions, beginning of year	7,199,406	38,999,171	46,198,577	50,018,576
Net incurred claims and claim adjustment expenses:				
Provision for insured events of current year	15,686,082	29,620,145	45,306,227	36,129,889
Decrease in provision for insured events of prior years	(681,300)	(692,486)	(1,373,786)	(4,624,458)
Total net incurred	15,004,782	28,927,659	43,932,441	31,505,431
Net payments attributable to:				
Current year events	(8,641,462)	(13,466,043)	(22,107,505)	(18,226,006)
Prior year events	(3,505,365)	(12,776,783)	(16,282,148)	(17,099,424)
Total net payments	(12,146,827)	(26,242,826)	(38,389,653)	(35,325,430)
Net provision for unpaid claims and adjustment expenses, end of year	10,057,361	41,684,005	51,741,366	46,198,577
Reinsurance ceded, end of year	10,238,641	22,926,697	33,165,338	29,202,197
Gross provision for unpaid claims and adjustment expenses, end of year	**$ 20,296,002**	**$ 64,610,702**	**$ 84,906,704**	**$ 75,400,774**

6. Underwriting policy and reinsurance ceded:

In the normal course of business, the Company seeks to reduce the loss that may arise from catastrophe or other events that cause unfavorable underwriting results by reinsuring certain levels of risk, in various areas of exposure, with other insurers.

Failure of reinsurers to honor their obligations could result in losses to the Company; consequently, allowances are established for amounts deemed uncollectible.

The Company follows the policy of underwriting and reinsuring contracts of insurance that limit the net exposure of the Company to a maximum amount on any one loss of $375,000 (2004 - $225,000) in the event of a claim or a catastrophe, excluding reinstatement fees when applicable.

In addition, the Company has catastrophe reinsurance having an upper limit of $40,000,000 (2004 - $40,000,000).

The Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurers to minimize its exposure to significant losses from reinsurer insolvency.

The figures shown in the consolidated statement of income are net of the following amounts relating to reinsurance ceded to other companies:

	2005	2004
Net premiums earned reduced by	$ 40,218,827	$ 39,970,911
Claims incurred reduced by	21,838,980	23,990,643
Commissions and premium taxes reduced by	11,247,892	9,348,950

7. Bank loan payable:

PHI Properties Ltd., the Company's wholly owned subsidiary, owns an office building in Edmonton. The building purchase and the subsequent building improvements were financed by a loan from the Bank of Nova Scotia for a five year term, with twenty year amortization at a floating interest rate of prime plus 0.25%. The collateral for the loan is provided by hypothecation of federal and provincial government bonds and treasury bills equal to the amount of the outstanding principal. The principal due to the end of the term of the loan is $67,500 (2004 - $162,000), due in monthly installments of $13,500. The five year term of the loan expires on May 31, 2006.

8. Share capital:

	2005	2004
Authorized:		
20,000 Common shares with a stated value of $100 per share		
Issued:		
20,000 Common shares	$ 2,000,000	$ 2,000,000

9. PHI Properties Limited:

	2005	2004
Rental income	$ 632,719	$ 712,171
Expenses:		
Operations	557,322	613,364
Amortization	64,884	64,069
Interest	120,701	113,766
Other	110,447	132,608
Total expenses	853,354	923,807
Net loss	**$ (220,635)**	**$ (211,636)**

10. Related party transactions:

The Company donated $171,095 (2004 - $132,386) to individual members and organizations of the Samson Cree Nation, which is the ultimate shareholder.

11. Commitments:

Operating lease commitments:

The Company has contractual obligations expiring at various dates in 2006 to 2013 in respect of rents payable on leased premises and equipment as follows:

Year ending December 31:	
2006	$ 193,947
2007	127,590
2008	143,129
2009	146,058
2010	145,244
2011 and thereafter	357,000

The Company is also responsible for its proportionate share of operating costs under the terms of the premises leases.

12. Contingent liabilities:

In common with the insurance industry in general, the Company is subject to litigation arising in the normal course of conducting its insurance business. The Company is of the opinion that this litigation will not have a significant effect on the financial position, results of operations or cash flows of the Company.

The company has provided loan guarantees of $1,600,000 (2004 - $0) with terms up to fifteen years. These guarantees were made to unrelated parties and there is no carrying amount reflected in the financial statements. In the event of a default the Company will realize recovery on the assets of the entities for which guarantees have been made.

13. Fair value of financial assets and financial liabilities:

Fair values

The fair values of financial instruments approximate the carrying amounts except for investments as disclosed in Note 3.

13. Fair value of financial assets and financial liabilities, continued:

Credit risk

The Company is exposed to credit risk through amounts due from agents, brokers and policyholders and amounts due from other insurance companies. The Company maintains provisions for potential credit losses and any such losses to date have been within management's expectations. The Company is also exposed to credit risk through contracts with third parties for reinsurance. This risk is mitigated by contracting with reputable organizations, and by utilizing a number of different organizations to mitigate the risk of any one company defaulting on its contractual obligations as disclosed in Note 6.

Interest rate risk

The Company is exposed to interest rate risk through investments in bonds and debentures, which are sensitive to changes in interest rates. The Company is also exposed to interest risk through a bank loan bearing interest at bank prime rate plus 0.25%.

Foreign currency risk

The Company is exposed to foreign currency risk, principally to the U.S. dollar, through holding foreign currency denominated common share investments in the amount of $13,653,216 (2004 – $12,403,910).

14. Supplemental cash flow information:

	2005	2004
Cash paid for:		
Interest	$ 120,701	$ 113,766
Income taxes	5,022,266	4,122,461
Cash received for:		
Dividends	593,160	539,951
Interest	2,478,640	2,330,559
Income taxes	40,247	30,973

15. Alberta Risk Sharing Pool and Facility Association Residual Market:

The Company is a participant in the Alberta Risk Sharing Pool and Facility Association Residual Market ("ARSP" and "FARM"). Both the ARSP and FARM are joint ventures of insurers which provide automobile insurance for owners and operators of motor vehicles who may otherwise have difficulty obtaining such insurance.

The Company proportionately consolidates its interests in the ARSP and FARM, which are restricted to the pool of business relating to Alberta (including Northwest Territories, Yukon and Nunavut). Assets are included in "Due from agents, brokers and policyholders" and "Due from other insurance companies" and liabilities are included in "Unearned premiums" and "Provision for unpaid claims and adjustment expenses".

The Company has included in its accounts the following aggregate amounts in respect of its interests in the ARSP and FARM:

	2005	2004
Assets	$ 14,098,344	$ 14,821,678
Liabilities	18,094,062	12,608,678
Revenues	9,351,478	5,662,249
Expenses	10,142,242	4,839,616

16. Funds Due to FARM:

In 2005, FARM reduced its role in investing funds on behalf of member companies. As a result the Company received its proportionate share of these funds and they are currently held by the Company as part of its investment portfolio. These funds will be returned to FARM over time to facilitate payment of the related policyholder claims.

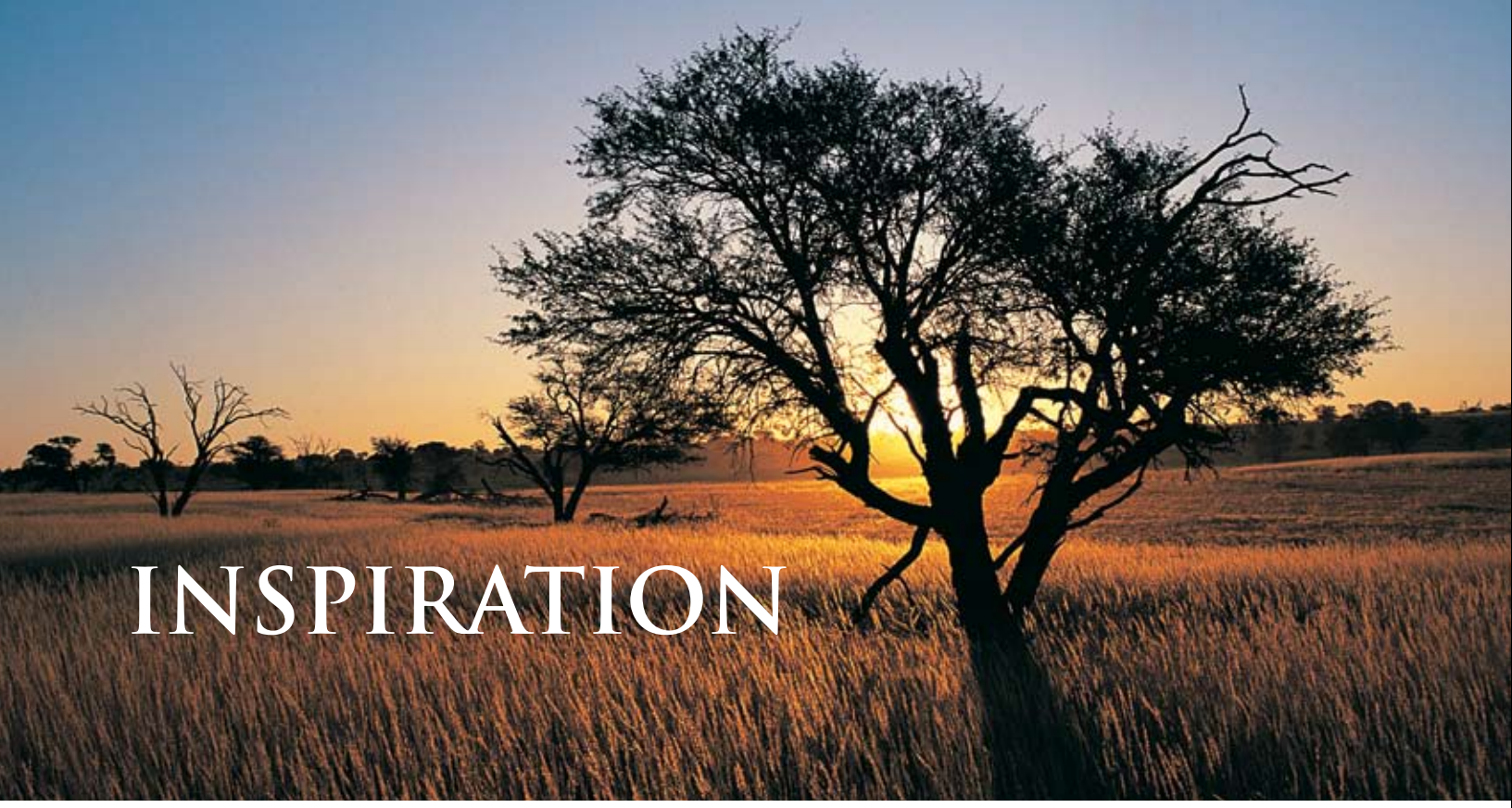
17. Subsequent Events:

The Board of Directors declared a dividend to the shareholder of $250,000 on January 19, 2006. The dividend has yet to be paid.

On the same date the Board of Directors provided for a tax deductible donation to the Samson Cree Nation, in its capacity as a public body, in the amount of $750,000. This donation will be paid in 2006.

18. Comparative figures:

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.



what makes a great team?

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