

21ST CENTURY HOLDING CO
Form 10-Q
August 11, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED June 30, 2008
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File number 0-2500111

21st Century Holding Company
(Exact name of registrant as specified in its charter)

Florida
(State or Other Jurisdiction of
Incorporation or Organization)

65-0248866
(IRS Employer
Identification Number)

3661 West Oakland Park Boulevard, Suite 300, Lauderdale Lakes, Florida 33311
(Address of principal executive offices) (Zip Code)

954-581-9993
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$.01 par value - 8,013,894 outstanding as of August 11, 2008

21ST CENTURY HOLDING COMPANY

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PART I: FINANCIAL INFORMATION**Item 1**

21st CENTURY HOLDING COMPANY
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	Period Ending	
	June 30, 2008	December 31, 2007
	(Dollars in Thousands)	
ASSETS		
Investments		
Fixed maturities, available for sale, at fair value	\$ 68,102	\$ 99,484
Fixed maturities, held to maturity, at amortized cost	23,157	20,210
Equity securities, available for sale, at fair value	12,125	16,530
Total investments	103,384	136,224
Cash and short term investments	63,794	22,524
Receivable for investments sold	-	6,420
Finance contracts, net of allowance for credit losses of \$26 in 2008 and \$38 in 2007, and net of unearned finance charges of \$11 in 2008 and \$15 in 2007	201	420
Prepaid reinsurance premiums	790	8,471
Premiums receivable, net of allowance for credit losses of \$229 and \$288, respectively	5,164	3,797
Reinsurance recoverable, net	16,796	22,942
Deferred policy acquisition costs	8,806	8,958
Deferred income taxes, net	8,155	5,640
Income taxes receivable	1,710	-
Property, plant and equipment, net	923	1,046
Other assets	2,878	2,918
Total assets	\$ 212,602	\$ 219,361
LIABILITIES AND SHAREHOLDERS' EQUITY		
Unpaid losses and LAE	\$ 58,347	\$ 59,685
Unearned premiums	55,421	56,394
Premiums deposits and customer credit balances	2,141	2,761
Bank overdraft	9,016	8,695
Income taxes payable	-	4,226
Deferred gain from sale of property	1,735	1,998
Accounts payable and accrued expenses	3,115	4,346
Total liabilities	129,776	138,104
Commitments and Contingencies	-	-
Shareholders' equity:		

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Common stock, \$0.01 par value. Authorized 37,500,000 shares; issued and outstanding 8,013,894 and 7,871,234, respectively	80	79
Additional paid-in capital	49,727	48,240
Accumulated other comprehensive (deficit)	(1,510)	(2,596)
Retained earnings	34,528	35,534
Total shareholders' equity	82,826	81,257
Total liabilities and shareholders' equity	\$ 212,602	\$ 219,361

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- 3 -

21ST CENTURY HOLDING COMPANY
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(Dollars in Thousands except EPS and dividend data)			
Revenue:				
Gross premiums written	\$ 27,241	\$ 44,462	\$ 54,844	\$ 93,652
Gross premiums ceded	(8,233)	(15,803)	(8,233)	(15,809)
Net premiums written	19,008	28,658	46,611	77,843