

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: March 5, 2009
(Date of earliest event reported)

21ST CENTURY HOLDING COMPANY
(Exact name of registrant as specified in its charter)

<u>Florida</u> (State or other jurisdiction of incorporation)	<u>0-2500111</u> (Commission File Number)	<u>65-0248866</u> (I.R.S. Employer Identification No.)
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<u>3661 West Oakland Park Blvd., Suite 300</u> <u>Lauderdale Lakes, FL</u> (Address of principal executive offices)	<u>33311</u> (Zip Code)
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Registrant's telephone number, including area code: (954) 581-9993

NOT APPLICABLE
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On March 5, 2009, 21st Century Holding Company (the “Company”) issued a press release to report its results for its fiscal year ended December 31, 2008. A copy of the press release is attached to this current report on Form 8-K as Exhibit 99.1 and incorporated herein by reference.

The information in this Current Report on Form 8-K and Exhibit 99.1 attached hereto is hereby intended to be furnished pursuant to Item 2.02, “Results of Operations and Financial Condition.” As provided in General Instruction B.6 of SEC Form 8-K, such information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and it shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or under the Exchange Act, whether made before or after the date hereof, except as expressly set forth by specific reference in such filing to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

99.1 21st Century Holding Company Press Release, dated March 5, 2009.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

21ST CENTURY HOLDING COMPANY

Date: March 5, 2009

By: /s/ Peter J. Prygelski, III
Name: Peter J. Prygelski, III
Title: Chief Financial Officer
(Principal Accounting and Financial Officer)

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit Title</u>
99.1	21 st Century Holding Company Press Release, dated March 5, 2009.

FOR IMMEDIATE RELEASE**CONTACT:**

**Peter J. Prygelski, CFO, 21st Century Holding Company
(954) 308-1252 or (954) 581-9993**

**21st CENTURY HOLDING COMPANY REPORTS
FOURTH QUARTER AND FULL YEAR EARNINGS
AND DECLARES QUARTERLY DIVIDEND**

Lauderdale Lakes, Florida, March 5, 2009 - 21st Century Holding Company (Nasdaq: TCHC), today reported results for the quarter and year ended December 31, 2008 and announced that its Board of Directors declared a quarterly dividend of \$0.06 per common share payable on June 1, 2009 to shareholders of record as of May 1, 2009 at its regular quarterly meeting. The Company believes that it is a prudent measure to take in reducing the dividend to a level that the Company can support under normal operating conditions, as well as to preserve capital for future opportunities.

For the three months ended December 31, 2008, the Company reported a net loss of \$2.8 million, or \$0.35 per share on 8,013,894 average shares outstanding, as compared to net income of \$8.1 million, or \$1.02 per share on 7,913,249 average shares outstanding in the same three-month period last year.

For the twelve months ended December 31, 2008, the Company reported a net loss of \$2.5 million, or \$0.31 per share on 7,979,436 average undiluted shares outstanding, as compared to net income of \$21.3 million, or \$2.69 per share on 7,922,542 average undiluted shares outstanding in the same twelve-month period last year. On a diluted share basis, the Company reported a net loss of \$0.31 per share, based on the same 7,979,436 average undiluted shares outstanding, as compared to \$2.65 per share, based on 8,030,205 average diluted shares outstanding for the twelve months ended December 31, 2007.

Realized investment losses of \$0.8 million, net of a \$0.5 million income tax benefit, were reported by the Company for the three months ended December 31, 2008. Excluding these losses, the net loss would have been \$2.0 million for the same three month period. Realized investment losses of \$6.6 million, net of a \$4.0 million income tax benefit, were reported by the Company for the twelve months ended December 31, 2008. Excluding these losses, the net income would have been \$4.1 million for the same twelve month period.

Net premiums earned decreased \$10.0 million or 40.4% to \$14.8 million for the three months ended December 31, 2008 as compared to \$24.9 million for the same three month period last year. Net premiums earned decreased \$34.1 million or 34.4% to \$65.1 million for the twelve months ended December 31, 2008 as compared to \$99.2 million for the same twelve month period last year.

Total revenues decreased \$13.6 million or 46.0% to \$15.9 million for the three months ended December 31, 2008, as compared to \$29.5 million for the same three-month period last year. Total revenues decreased \$51.8 million or 43.5% to \$67.4 million for the twelve months ended December 31, 2008, as compared to \$119.1 million for the same twelve month period last year.

Michael H. Braun, Chief Executive Officer, said, "Although 2008 results were disappointing, the Company intends on increasing its premiums by expanding the scope of its authorized lines of business and enhancing the marketing activities of its insurance products.

We believe that Federated National is well positioned in today's homeowners' property insurance market place and poised to significantly expand its market share. We expect that there will be increased demand for insurance policies in the Florida property market in 2009 and 2010. One of the reasons for this increase is the continued exodus of the national property insurance carriers from Florida. During 2009 we expect to grow in-force homeowner policies with new marketing initiatives and the Citizen Property Insurance Company assumption program.

American Vehicle is also positioned in today's market place with new products to complement its established commercial general liability core product line. During 2009, we expect to see a modest growth in premiums and the introduction of several new insurance products to complement the needs of our commercial general liability customers."

The Company's CEO, Michael H. Braun, and its CFO, Peter J. Prygelski, III, will discuss the financial results and review the outlook for the Company at a conference call to be held on Thursday, March 5 at 4:30 p.m. (ET). Messrs. Braun and Prygelski invite interested parties to participate in the conference call. A live webcast of the call will be available online at <http://www.21stcenturyholding.com> in the Conference Calls section. Listeners interested in participating in the Q&A session can access the conference call by dialing toll free 877-591-4959. Please call at least five minutes in advance to ensure that you are connected prior to the presentation.

About the Company

The Company, through its subsidiaries, underwrites commercial general liability insurance, homeowners' property and casualty insurance, flood insurance and personal automobile insurance in the State of Florida. The Company underwrites general liability coverage as an admitted carrier in the states of Alabama, Louisiana and Texas for more than 300 classes of business, including special events. The Company is approved to operate as a surplus lines/non-admitted carrier in the states of Arkansas, California, Georgia, Kentucky, Maryland, Missouri, Nevada, Oklahoma, South Carolina, Tennessee, and Virginia and offering the same general liability products. The Company is licensed and has the facilities to market and underwrite other insurance carriers' lines of business, as well as to process and adjust claims for third party insurance carriers. In addition to insurance services, the Company offers premium finance services to its insureds as well as insureds of certain third party insurance companies.

Safe harbor statements under the Private Securities Litigation Reform Act of 1995: Statements in this press release that are not historical fact are forward-looking statements that are subject to certain risks and uncertainties that could cause actual events and results to differ materially from those discussed herein. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," or "continue" or the other negative variations thereof or comparable terminology are intended to identify forward-looking statements. The risks and uncertainties include, without limitation, the success of the Company's new marketing initiatives and introduction of its new product lines, inflation and other changes in economic conditions (including changes in interest rates and financial markets); the impact of new regulations adopted in Florida which affect the property and casualty insurance market; the costs of reinsurance and the collectability or reinsurance, assessments charged by various governmental agencies; pricing competition and other initiatives by competitors; our ability to obtain regulatory approval for requested rate changes, and the timing thereof; legislative and regulatory developments; the outcome of litigation pending against us, including the terms of any settlements; risks related to the nature of our business; dependence on investment income and the composition of our investment portfolio; the adequacy of our liability for loss and loss adjustment expense; insurance agents; claims experience; ratings by industry services; catastrophe losses; reliance on key personnel; weather conditions (including the severity and frequency of storms, hurricanes, tornadoes and hail); changes in driving patterns and loss trends; acts of war and terrorist activities; court decisions and trends in litigation, and health care and auto repair costs; and other matters described from time to time by us in this report, and our other filings with the SEC, including, but not limited to, the Company's Annual Report on Form 10-K for the year ended December 31, 2007 and the Form 10-K for the year ended December 31, 2008 to be filed on or before March 16, 2009. In addition, investors should be aware that generally accepted accounting principles prescribe when a company may reserve for particular risks, including litigation exposures. Accordingly, results for a given reporting period could be significantly affected if and when a reserve is established for a major contingency. Reported results may therefore appear to be volatile in certain accounting periods. The Company undertakes no obligations to update, change or revise any forward-looking statement, whether as a result of new information, additional or subsequent developments or otherwise.

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21st CENTURY HOLDING COMPANY
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended Dec 31,		Twelve Months Ended Dec 31,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenue:				
Gross premiums written	\$ 17,553,107	\$ 23,875,468	\$ 88,247,981	\$ 133,591,334
Gross premiums ceded	<u>(621,998)</u>	<u>1,994,459</u>	<u>(34,553,348)</u>	<u>(44,550,721)</u>
Net premiums written	<u>16,931,109</u>	<u>25,869,927</u>	<u>53,694,633</u>	<u>89,040,613</u>
Decrease in prepaid reinsurance premiums	(7,962,192)	(12,755,101)	(6,131,063)	(11,251,117)
Decrease in unearned premiums	<u>5,846,852</u>	<u>11,741,312</u>	<u>17,566,101</u>	<u>21,434,625</u>
Net change in prepaid reinsurance premiums and unearned premiums	<u>(2,115,340)</u>	<u>(1,013,789)</u>	<u>11,435,038</u>	<u>10,183,508</u>
Net premiums earned	14,815,769	24,856,138	65,129,671	99,224,121
Commission income	401,453	291,866	1,611,886	7,213,752
Finance revenue	81,731	81,925	350,198	544,893
Managing general agent fees	369,471	434,329	1,745,243	2,034,503
Net investment income	1,037,206	1,935,790	6,354,084	7,964,444
Net realized investment (losses) gains	(1,284,130)	1,343,808	(10,592,770)	(145,419)
Regulatory assessments recovered	485,518	394,359	2,104,113	1,654,685
Other income	<u>14,500</u>	<u>144,742</u>	<u>654,482</u>	<u>641,151</u>
Total revenue	<u>15,921,518</u>	<u>29,482,957</u>	<u>67,356,907</u>	<u>119,132,130</u>
Expenses:				
Loss and loss adjustment expenses	11,612,927	9,008,716	41,868,260	47,618,922
Operating and underwriting expenses	2,402,942	1,734,648	7,102,328	12,683,627
Salaries and wages	1,820,021	1,666,624	7,427,785	6,731,533
Interest expense	--	(260)	--	172,817
Policy acquisition costs, net of amortization	<u>2,966,437</u>	<u>4,524,145</u>	<u>14,760,249</u>	<u>19,419,915</u>
Total expenses	18,802,327	16,933,873	71,158,622	86,626,814
(Loss) income before provision for income tax (benefit) expense	(2,880,809)	12,549,084	(3,801,715)	32,505,316
Provision for income tax (benefit) expense	<u>(107,450)</u>	<u>4,459,323</u>	<u>(1,323,775)</u>	<u>11,225,519</u>
Net (loss) income	<u>\$ (2,773,359)</u>	<u>\$ 8,089,761</u>	<u>\$ (2,477,940)</u>	<u>\$ 21,279,797</u>
Basic net (loss) income per share	<u>\$ (0.35)</u>	<u>\$ 1.02</u>	<u>\$ (0.31)</u>	<u>\$ 2.69</u>
Fully diluted net (loss) income per share	<u>\$ (0.35)</u>	<u>\$ 1.01</u>	<u>\$ (0.31)</u>	<u>\$ 2.65</u>
Weighted average number of common shares outstanding	<u>8,013,894</u>	<u>7,913,249</u>	<u>7,979,436</u>	<u>7,922,542</u>
Weighted average number of common shares outstanding (assuming dilution)	<u>8,013,894</u>	<u>7,988,203</u>	<u>7,979,436</u>	<u>8,030,205</u>
Dividends paid per share	<u>\$ 0.18</u>	<u>\$ 0.18</u>	<u>\$ 0.72</u>	<u>\$ 0.72</u>

21st CENTURY HOLDING COMPANY
Other Selected Data
(Unaudited)

Balance Sheet

	Period Ending	
	<u>12/31/08</u>	<u>12/31/07</u>
Total Cash & Investments	\$150,642,267	\$158,748,019
Total Assets	\$197,109,242	\$219,360,763
Unpaid Loss and Loss Adjustment Expense	\$64,782,486	\$59,684,790
Total Liabilities	\$120,878,326	\$138,104,140
Total Shareholders' Equity	\$76,230,916	\$81,256,623
Common Stock Outstanding	8,013,894	7,871,234
Book Value Per Share	\$9.51	\$10.32

Premium Breakout

<u>Line of Business</u>	3 Months Ending		12 Months Ending	
	<u>12/31/08</u>	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/07</u>
	(Dollars in thousands)		(Dollars in thousands)	
Homeowners'	\$12,389	\$17,031	\$60,709	\$99,502
Commercial General Liability	4,404	6,620	23,790	32,222
Federal Flood	648	--	3,262	--
Automobile	<u>112</u>	<u>225</u>	<u>487</u>	<u>1,867</u>
Gross Written Premiums	<u>\$17,553</u>	<u>\$23,875</u>	<u>\$88,248</u>	<u>\$133,591</u>

Commercial General Liability
Written Premium by State

<u>State</u>	3 Months Ending		12 Months Ending	
	<u>12/31/08</u>	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/07</u>
	(Dollars in thousands)		(Dollars in thousands)	
Alabama	\$19	\$26	\$117	\$26
Arkansas	--	--	12	--
California	18	23	269	23
Florida	3,119	4,125	16,011	21,192
Georgia	97	223	568	1,023
Kentucky	--	3	1	8
Louisiana	980	1,548	4,481	5,595
Maryland	--	--	2	--
South Carolina	4	48	70	182
Texas	168	611	2,252	4,127
Virginia	--	<u>14</u>	7	<u>46</u>
Gross Written Premiums	<u>\$4,405</u>	<u>\$6,621</u>	<u>\$23,790</u>	<u>\$32,222</u>

Loss Ratios

<u>Line of Business</u>	3 Months Ending		12 Months Ending	
	<u>12/31/08</u>	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/07</u>
Homeowners'	49.3%	28.6%	56.2%	37.4%
Commercial General Liability	120.4%	69.4%	77.0%	58.9%
Automobile	(78.3)%	(4.0)%	1.8%	140.0%
All Lines	78.4%	36.3%	64.3%	48.0%