

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: November 3, 2008
(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 November 3, 2008, 21st Century Holding Company (the “Company”) issued a press release to report its results for its fiscal quarter ended September 30, 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 November 3, 2008.

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: November 3, 2008

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 November 3, 2008.

FOR IMMEDIATE RELEASE**CONTACT:**

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

21st CENTURY HOLDING COMPANY REPORTS
THIRD QUARTER 2008 FINANCIAL RESULTS

Lauderdale Lakes, Florida, November 3, 2008 - 21st Century Holding Company (Nasdaq: TCHC), today reported results for the quarter ended September 30, 2008 (see attached tables).

For the three months ended September 30, 2008, the Company reported a net loss of \$1,513,139 or \$0.19 per share on 8,013,894 average undiluted shares outstanding, as compared to net income of \$1,868,802, or \$0.24 per share on 7,891,650 average undiluted shares outstanding in the same three month period last year. Excluding a pretax investment loss of \$3,265,532, the Company would have earned \$0.13 per share during the three months ended September 30, 2008. On a diluted share basis, the Company reported a loss of \$0.19 per share, based on 8,013,894 average diluted shares outstanding for the same three month period, as compared to \$0.24 per share, based on 7,948,385 average diluted shares outstanding for the three months ended September 30, 2007.

For the nine months ended September 30, 2008, the Company reported net income of \$295,419, or \$0.04 per share on 7,967,087 undiluted shares versus net income of \$13,190,036, or \$1.66 per share on 7,927,366 undiluted shares in the same nine month period last year. Excluding a pretax investment loss of \$9,788,757, the Company would have earned \$0.87 per share during the nine months ended September 30, 2008. On a diluted share basis, the Company reported earnings of \$0.04 per share, based on 7,978,178 average diluted shares outstanding for the same nine month period, as compared to \$1.64 per share, based on 8,050,983 average diluted shares outstanding for the nine months ended September 30, 2007.

Net premiums earned decreased \$10.9 million or 40.2% to \$16.2 million for the three months ended September 30, 2008, as compared to \$27.2 million for the same three-month period last year. Net premium earned decreased \$24.1 million or 32.3% to \$50.3 million for the nine months ended September 30, 2008, as compared to \$74.4 million for the same nine month period last year.

Total revenues decreased \$13.6 million or 46.0% to \$16.0 million for the three months ended September 30, 2008, as compared to \$29.6 million for the same three-month period last year. Total revenues decreased \$38.2 million or 42.6% to \$51.4 million for the nine months ended September 30, 2008, as compared to \$89.6 million for the same nine month period last year.

Mr. Michael H. Braun, the Company's Chief Executive Officer, said "While our strategy of managing the Company for long term success has had a negative impact on premiums written in the short term, we believe our prudent philosophy has the Company poised to create significant shareholder value in the coming quarters.

We are continuing our initiatives, which include the assumption of policies from Citizens Property Insurance Corporation, expanding our certificate of authority and increasing the marketability of our casualty line through the use of a carrier with an A.M. Best "A" rating. Subject to regulatory approval, we expect these initiatives to start generating premium in the first quarter of 2009.

While we have experienced investment write downs during the first three quarters, we believe that, based on the current construction of our investment portfolios, the risk of future write downs has been reduced. The Company's current portfolio asset allocation is as follows: 42% in cash and cash equivalents, 57% in fixed income instruments and 1% in equities. Further, the construction of the fixed income portfolio consists of 71% government, 18% municipal, 5% corporate and 6% in other.

Lastly, we are debt free and while other insurers have cut their dividends we plan to keep our dividend policy unchanged."

The Company will hold an investor conference call at 4:30 PM (ET) today, November 3, 2008. The Company's CEO and its CFO, Peter J. Prygelski, III, will discuss the financial results and review the outlook for the Company.

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 877-440-5788. Please call at least five minutes in advance to ensure that you are connected prior to the presentation. A webcast replay of the conference call will be available shortly after the live webcast is completed.

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, uncertainties related to estimates, assumptions and projections generally; inflation and other changes in economic conditions (including changes in interest rates and financial markets); pricing competition and other initiatives by competitors; ability to obtain regulatory approval for applications to underwrite in an additional jurisdiction or for requested rate changes, and the timing thereof; legislative and regulatory developments; the outcome of litigation pending against the Company and any settlement thereof; risks related to the nature of the Company's business; dependence on investment income and the composition of the Company's investment portfolio; the adequacy of the Company's liability for loss and loss adjustment expense; insurance agents; claims experience; limited experience in the insurance industry; 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 the Company in releases and publications, and in periodic reports and other documents filed with the United States Securities and Exchange Commission. 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.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenue:				
Gross premiums written	\$ 15,850,565	\$ 16,063,633	\$ 70,694,874	\$ 109,715,866
Gross premiums ceded	<u>(25,698,536)</u>	<u>(30,736,350)</u>	<u>(33,931,350)</u>	<u>(46,545,180)</u>
Net premiums (ceded) written	<u>(9,847,971)</u>	<u>(14,672,717)</u>	<u>36,763,524</u>	<u>63,170,686</u>
Increase in prepaid reinsurance premiums	15,351,293	19,321,814	1,831,129	1,503,984
Decrease in unearned premiums	<u>10,746,004</u>	<u>22,532,155</u>	<u>11,719,249</u>	<u>9,693,313</u>
Net change in prepaid reinsurance premiums and unearned premiums	<u>26,097,297</u>	<u>41,853,969</u>	<u>13,550,378</u>	<u>11,197,297</u>
Net premiums earned	16,249,326	27,181,252	50,313,902	74,367,983
Commission income	133,384	430,530	1,160,433	6,921,886
Finance revenue	91,200	116,357	268,467	462,968
Managing general agent fees	346,349	178,129	1,375,772	1,600,174
Net investment income	1,541,444	2,328,718	5,316,878	6,028,654
Net realized investment (losses)	(2,995,351)	(1,441,182)	(9,308,640)	(1,489,227)
Regulatory assessments recovered	384,260	578,602	1,618,595	1,260,326
Other income	<u>215,730</u>	<u>198,915</u>	<u>689,982</u>	<u>496,409</u>
Total revenue	<u>15,966,342</u>	<u>29,571,321</u>	<u>51,435,389</u>	<u>89,649,173</u>
Expenses:				
Loss and loss adjustment expenses	9,887,634	14,849,851	30,255,333	38,610,206
Operating and underwriting expenses	1,670,776	3,883,616	4,699,386	10,948,979
Salaries and wages	2,086,295	1,775,041	5,607,764	5,064,909
Interest expense	--	27,824	--	173,077
Policy acquisition costs, net of amortization	<u>4,170,497</u>	<u>5,379,240</u>	<u>11,793,812</u>	<u>14,895,770</u>
Total expenses	<u>17,815,202</u>	<u>25,915,572</u>	<u>52,356,295</u>	<u>69,692,941</u>
(Loss) income before provision for income tax (benefit) expense	(1,848,860)	3,655,749	(920,906)	19,956,232
Provision for income tax (benefit) expense	<u>(335,721)</u>	<u>1,786,947</u>	<u>(1,216,325)</u>	<u>6,766,196</u>
Net (loss) income	<u>\$ (1,513,139)</u>	<u>\$ 1,868,802</u>	<u>\$ 295,419</u>	<u>\$ 13,190,036</u>
Basic net (loss) income per share	<u>\$ (0.19)</u>	<u>\$ 0.24</u>	<u>\$ 0.04</u>	<u>\$ 1.66</u>
Fully diluted net (loss) income per share	<u>\$ (0.19)</u>	<u>\$ 0.24</u>	<u>\$ 0.04</u>	<u>\$ 1.64</u>
Weighted average number of common shares outstanding	<u>8,013,894</u>	<u>7,891,650</u>	<u>7,967,087</u>	<u>7,927,366</u>
Weighted average number of common shares outstanding (assuming dilution)	<u>8,013,894</u>	<u>7,948,385</u>	<u>7,978,178</u>	<u>8,050,983</u>
Dividends paid per share	<u>\$ 0.18</u>	<u>\$ 0.18</u>	<u>\$ 0.54</u>	<u>\$ 0.54</u>

21st CENTURY HOLDING COMPANY
Other Selected Data
(Unaudited)

Balance Sheet

	Period Ending	
	<u>09/30/08</u>	<u>12/31/07</u>
Total Cash & Investments	\$158,529,651	\$165,168,346
Total Assets	\$198,434,909	\$219,360,763
Unpaid Loss and Loss Adjustment Expense	\$59,202,298	\$59,684,790
Total Liabilities	\$118,710,865	\$138,104,140
Total Shareholders' Equity	\$79,724,044	\$81,256,623
Common Stock Outstanding	8,013,894	7,871,234
Book Value Per Share	\$9.95	\$10.32

Premium Breakout

<u>Line of Business</u>	3 Months Ending		9 Months Ending	
	<u>09/30/08</u>	<u>09/30/07</u>	<u>09/30/08</u>	<u>09/30/07</u>
	(Dollars in thousands)		(Dollars in thousands)	
Homeowners'	\$11,014	\$8,513	\$50,935	\$82,472
Commercial General Liability	4,795	7,378	19,385	25,601
Automobile	41	174	375	1,642
Gross Written Premiums	<u>\$15,851</u>	<u>\$16,064</u>	<u>\$70,695</u>	<u>\$109,716</u>

Commercial General Liability
Written Premium by State

<u>State</u>	3 Months Ending		9 Months Ending	
	<u>09/30/08</u>	<u>09/30/07</u>	<u>09/30/08</u>	<u>09/30/07</u>
	(Dollars in thousands)		(Dollars in thousands)	
Alabama	\$27	\$--	\$98	\$--
Arkansas	--	--	12	--
California	51	--	251	--
Florida	3,497	4,563	12,891	17,067
Georgia	141	208	471	800
Kentucky	--	--	1	5
Louisiana	986	1,365	3,501	4,047
Maryland	2	--	2	--
South Carolina	7	47	66	134
Texas	84	1,194	2,084	3,516
Virginia	--	--	<u>8</u>	<u>32</u>
Gross Written Premiums	<u>\$4,795</u>	<u>\$7,377</u>	<u>\$19,385</u>	<u>\$25,601</u>

Loss Ratios

<u>Line of Business</u>	3 Months Ending		9 Months Ending	
	<u>09/30/08</u>	<u>09/30/07</u>	<u>09/30/08</u>	<u>09/30/07</u>
Homeowners'	65.13%	28.78%	54.96%	43.03%
Commercial General Liability	51.22%	95.30%	70.42%	55.54%
Automobile	210.88%	260.11%	(45.09)%	165.72%
All Lines	60.85%	54.63%	59.79%	51.92%