

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 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 November 5, 2009, 21st Century Holding Company (the “Company”) issued a press release to report its results for its fiscal quarter ended September 30, 2009. 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 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: November 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 November 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
THIRD QUARTER 2009 FINANCIAL RESULTS**

Lauderdale Lakes, Florida, November 5, 2009 - 21st Century Holding Company (Nasdaq: TCHC), today reported results for the quarter ended September 30, 2009 (see tables).

For the three months ended September 30, 2009, the Company reported a net loss of \$3.99 million or \$0.50 per share on 8.0 million average undiluted shares outstanding, as compared to a net loss of \$1.5 million, or \$0.19 per share on 8.0 million average undiluted shares outstanding in the same three month period last year. On a diluted share basis, the Company reported a net loss of \$0.50 per share, based on 8.0 million average diluted shares outstanding for the same three month period, as compared to a net loss of \$0.19 per share, based on 8.0 million average diluted shares outstanding for the three months ended September 30, 2008. Performance this quarter was affected by increased reinsurance costs, less earned premium from mitigation credits and lower total revenues as a result of the company's decision not to write new homeowners insurance policies during wind season.

For the nine months ended September 30, 2009, the Company reported a net loss of \$2.9 million or \$0.36 per share on 8.0 million undiluted shares versus net income of \$295,419, or \$0.04 per share on 7.9 million undiluted shares in the same nine month period last year. On a diluted share basis, the Company reported a net loss of \$0.36 per share, based on 8.0 million average diluted shares outstanding for the same nine month period, as compared to net income of \$0.04 per share, based on 7.9 million average diluted shares outstanding for the nine months ended September 30, 2008.

Net premiums earned decreased \$6.7 million or 41.5% to \$9.5 million for the three months ended September 30, 2009, as compared to \$16.2 million for the same three-month period last year. Net premiums earned decreased \$12.6 million or 25.1% to \$37.7 million for the nine months ended September 30, 2009, as compared to \$50.3 million for the same nine month period last year. Gross premiums written decreased \$3.0 million, or 18.5%, to \$12.9 million for the three months ended September 30, 2009, compared with \$15.9 million for the three months ended September 30, 2008, as a result of a business decision made by the company not to increase its wind exposure during hurricane season. Gross premiums written increased \$4.2 million, or 6.0%, to \$74.9 million for the nine months ended September 30, 2009, compared with \$70.7 million for the nine months ended September 30, 2008.

Total revenues decreased \$3.1 million or 19.3% to \$12.9 million for the three months ended September 30, 2009, as compared to \$16.0 million for the same three-month period last year. Total revenues decreased \$5.8 million or 11.3% to \$45.6 million for the nine months ended September 30, 2009, as compared to \$51.4 million for the same nine month period last year.

Mr. Michael H. Braun, the Company's Chief Executive Officer, said "Although we reported improved gross written premium so far this year, we continue to face difficult economic conditions that affected our earnings this quarter and will continue to do so in the 4th quarter. Performance this quarter was affected by our increased reinsurance costs, reduced earned premium due to mitigation credits and lower total revenues as a result of the Company's decision to severely restrict new property business until its recent approval for a nineteen percent (19%) statewide rate increase and the passing of the peak wind season."

"Looking ahead, we expect significant improvement in operating margins as a result of our recent rate approval, our return to writing property insurance and upon the assumption of policies from Citizens Property Insurance Corporation, in which the Company received approval from the Florida Office of Insurance Regulation to assume up to 45,000 additional policies."

"We are taking steps to improve revenue growth and profitability in 2010. From a business standpoint, we continue to diversify our business model both geographically and in the additional business lines we are writing. Additionally, we have seen improvements in our investment portfolio, managed by a team of professional independent advisers and asset managers."

“Generating an attractive return for our shareholders is a top priority. Our board recently announced a stock repurchase plan of up to \$4 million which will provide increased value to our shareholders. We believe that we are on the right track, even against difficult economic conditions, and that our strategic growth plan will enable 21st Century shareholders to realize the inherent value of the company.”

The Company will hold an investor conference call at 4:30 PM (ET) today, November 5, 2009. 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 866-243-8959. 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 and may be accessed via the Company’s website.

About the Company

The Company, through its subsidiaries, underwrites commercial general liability insurance, homeowners’ property and casualty insurance, flood insurance, personal automobile insurance and commercial 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 growth and 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 or which is commenced against the Company after the date hereof, 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 our filings with the SEC, including, but not limited to, the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2008. 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 September 30,		Nine Months Ended September 30,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenue:				
Gross premiums written	\$ 12,917,350	\$ 15,850,565	\$ 74,949,371	\$ 70,694,874
Gross premiums ceded	<u>(36,804,145)</u>	<u>(25,698,536)</u>	<u>(56,720,381)</u>	<u>(33,931,350)</u>
Net premiums written	<u>(23,886,795)</u>	<u>(9,847,971)</u>	<u>18,228,990</u>	<u>36,763,524</u>
Increase in prepaid reinsurance premiums	22,299,561	15,351,293	24,535,224	1,831,129
Decrease (Increase) in unearned premiums	<u>11,098,165</u>	<u>10,746,004</u>	<u>(5,083,764)</u>	<u>11,719,249</u>
Net change in prepaid reinsurance premiums and unearned premiums	<u>33,397,726</u>	<u>26,097,297</u>	<u>19,451,460</u>	<u>13,550,378</u>
Net premiums earned	9,510,931	16,249,326	37,680,450	50,313,902
Commission income	117,268	270,785	738,180	1,353,194
Finance revenue	61,892	91,200	235,901	268,467
Managing general agent fees	307,715	346,349	1,216,479	1,375,772
Net investment income	804,829	1,541,444	2,033,627	5,316,878
Net realized investment gains (losses)	1,550,361	(2,995,351)	1,082,339	(9,308,640)
Regulatory assessments recovered	293,627	384,260	2,029,410	1,618,595
Other income	<u>232,213</u>	<u>78,329</u>	<u>614,042</u>	<u>497,221</u>
Total revenue	<u>12,878,836</u>	<u>15,966,342</u>	<u>45,630,428</u>	<u>51,435,389</u>
Expenses:				
Loss and loss adjustment expenses	11,119,210	9,887,634	28,965,985	30,255,333
Operating and underwriting expenses	2,379,303	1,670,776	6,603,617	4,699,386
Salaries and wages	1,960,634	2,086,295	5,766,374	5,607,764
Policy acquisition costs, net of amortization	<u>3,817,344</u>	<u>4,170,497</u>	<u>9,476,660</u>	<u>11,793,812</u>
Total expenses	<u>19,276,491</u>	<u>17,815,202</u>	<u>50,812,636</u>	<u>52,356,295</u>
(Loss) income before provision for income tax (benefit) expense	(6,397,655)	(1,848,860)	(5,182,208)	(920,906)
Provision for income tax (benefit) expense	<u>(2,404,008)</u>	<u>(335,721)</u>	<u>(2,276,035)</u>	<u>(1,216,325)</u>
Net (loss) income	<u>\$ (3,993,647)</u>	<u>\$ (1,513,139)</u>	<u>\$ (2,906,173)</u>	<u>\$ 295,419</u>
Basic net (loss) income per share	<u>\$ (0.50)</u>	<u>\$ (0.19)</u>	<u>\$ (0.36)</u>	<u>\$ 0.04</u>
Fully diluted net (loss) income per share	<u>\$ (0.50)</u>	<u>\$ (0.19)</u>	<u>\$ (0.36)</u>	<u>\$ 0.04</u>
Weighted average number of common shares outstanding	<u>8,013,894</u>	<u>8,013,894</u>	<u>8,013,894</u>	<u>7,967,087</u>
Weighted average number of common shares outstanding (assuming dilution)	<u>8,013,894</u>	<u>8,013,894</u>	<u>8,013,894</u>	<u>7,978,178</u>
Dividends paid per share	<u>\$ 0.06</u>	<u>\$ 0.18</u>	<u>\$ 0.30</u>	<u>\$ 0.54</u>

21st CENTURY HOLDING COMPANY
Other Selected Data
(Unaudited)

Balance Sheet

	Period Ending	
	<u>09/30/09</u>	<u>12/31/08</u>
Total Cash & Investments	\$153,699,148	\$150,642,267
Total Assets	\$204,102,619	\$197,101,997
Unpaid Loss and Loss Adjustment Expense	\$66,285,411	\$64,775,241
Total Liabilities	\$128,988,298	\$120,871,081
Total Shareholders' Equity	\$75,114,321	\$76,230,916
Common Stock Outstanding	8,013,894	8,013,894
Book Value Per Share	\$9.37	\$9.51

Premium Breakout

<u>Line of Business</u>	3 Months Ending		9 Months Ending	
	<u>09/30/09</u>	<u>09/30/08</u>	<u>09/30/09</u>	<u>09/30/08</u>
	(Dollars in thousands)		(Dollars in thousands)	
Homeowners'	\$7,815	\$8,400	\$59,503	\$48,320
Commercial General Liability	4,072	4,795	12,490	19,385
Federal Flood	983	2,615	2,737	2,615
Automobile	<u>47</u>	<u>41</u>	<u>219</u>	<u>375</u>
Gross Written Premiums	<u>\$12,917</u>	<u>\$ 15,851</u>	<u>\$74,949</u>	<u>\$70,695</u>

Commercial General Liability
Written Premium by State

<u>State</u>	3 Months Ending		9 Months Ending	
	<u>09/30/09</u>	<u>09/30/08</u>	<u>09/30/09</u>	<u>09/30/08</u>
	(Dollars in thousands)		(Dollars in thousands)	
Alabama	\$11	\$27	\$58	\$98
Arkansas	1	--	4	12
California	--	51	51	251
Florida	3,584	3,497	10,041	12,891
Georgia	76	141	230	471
Kentucky	--	--	1	1
Louisiana	199	986	1,426	3,501
Maryland	--	2	--	2
South Carolina	--	7	2	66
Texas	201	84	676	2,084
Virginia	<u>--</u>	<u>--</u>	<u>1</u>	<u>8</u>
Gross Written Premiums	<u>\$4,072</u>	<u>\$4,795</u>	<u>\$12,490</u>	<u>\$19,385</u>

Loss Ratios

The loss ratio is calculated as losses and loss adjustment expense divided by net premiums earned for each line of business in the given measured period.

<u>Line of Business</u>	3 Months Ending		9 Months Ending	
	<u>09/30/09</u>	<u>09/30/08</u>	<u>09/30/09</u>	<u>09/30/08</u>
Homeowners'	156.4%	65.1%	84.0%	58.3%
Commercial General Liability	80.8%	51.2%	68.5%	64.2%
Automobile	-68.8%	210.9%	-7.3%	16.0%
All Lines	118.7%	60.9%	77.2%	60.1%