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21ST CENTURY INSURANCE GROUP

Form 10-Q

July 27, 2001

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended June 30, 2001

Commission File Number 0-6964

21ST CENTURY INSURANCE GROUP

(Exact name of registrant as specified in its charter)

CALIFORNIA

95-1935264

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification
Number)

6301 Owensmouth Avenue, Woodland Hills, California

91367

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (818) 704-3700

Web site : www.i21.com

None

Former name, former address and former fiscal year, if changed since last
report.

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 X

NO

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

Class
Common Stock, Without Par Value

Outstanding at July 16, 2001
85,204,090 shares

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PART I - FINANCIAL INFORMATION

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ITEM 1. FINANCIAL STATEMENTS

21ST CENTURY INSURANCE GROUP CONSOLIDATED BALANCE SHEET

(Amounts in thousands, except share data)	June 30, 2001	December 31, 2000

ASSETS	(Unaudited)	
Investments, available-for-sale, at fair value and cash:		
Fixed maturities	\$ 893,991	\$ 912,655
Equity securities	-	433
Cash and cash equivalents	3,333	7,240

Total investments and cash	897,324	920,328
Accrued investment income	12,587	12,569
Premiums receivable	76,435	78,983
Reinsurance receivables and recoverables	60,542	50,075
Prepaid reinsurance premiums	16,189	20,300
Deferred income taxes	71,537	72,434
Deferred policy acquisition costs	25,448	22,387
Property and equipment, net of accumulated depreciation	164,997	138,062
Other assets	35,398	33,968

Total assets	\$ 1,360,457	\$ 1,349,106

LIABILITIES AND STOCKHOLDERS' EQUITY		
Unpaid losses and loss adjustment expenses	\$ 288,672	\$ 298,436
Unearned premiums	243,053	236,519
Claims checks payable	37,548	35,982
Reinsurance payable	22,965	15,989
Other liabilities	51,062	41,619

Total liabilities	643,300	628,545

Common stock, without par value; authorized 110,000,000 shares, outstanding 85,187,340 in 2001 and 85,145,817 in 2000	415,869	415,064
Retained earnings	300,577	303,714
Accumulated other comprehensive income	711	1,783

Total stockholders' equity	717,157	720,561

Total liabilities and stockholders' equity	\$ 1,360,457	\$ 1,349,106

See accompanying notes to financial statements.

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21ST CENTURY INSURANCE GROUP AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(Amounts in thousands, except per share data)	Three Months Ended June 30,		Six Months Ended June	
	2001	2000	2001	2000

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REVENUES

Net premiums earned	\$ 217,366	\$ 207,062	\$ 431,977	\$ 407,000
Net investment income	11,561	12,599	23,366	25,000
Other	(209)	(172)	(288)	(1,000)
Realized investment gains (losses)	434	(1,255)	1,550	(4,000)
	229,152	218,234	456,605	427,000

LOSSES AND EXPENSES

Net losses and loss adjustment expenses	192,471	184,153	387,107	363,000
Policy acquisition costs	27,086	24,072	51,212	45,000
Other operating expenses	4,981	6,586	10,469	13,000
Interest and fees expense		960		2,000
	224,538	215,771	448,788	424,000

Income before federal income taxes	4,614	2,463	7,817	3,000
Federal income tax benefit	1,183	2,497	2,902	5,000

NET INCOME \$ 5,797 \$ 4,960 \$ 10,719 \$ 8,000

EARNINGS PER COMMON SHARE

BASIC \$ 0.07 \$ 0.06 \$ 0.13 \$ 0.00

DILUTED \$ 0.07 \$ 0.06 \$ 0.13 \$ 0.00

WEIGHTED AVERAGE COMMON SHARES OUTSTANDING

BASIC 85,177 85,110 85,183 85,000

DILUTED 85,372 85,412 85,366 85,000

DIVIDENDS PER SHARE \$ 0.08 \$ 0.16 \$ 0.16 \$ 0.00

See accompanying notes to financial statements.

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21ST CENTURY INSURANCE GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)

(Amounts in thousands)	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income	Total
Six Months Ended June 30, 2001				

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Balance - January 1, 2001	\$415,064	\$ 303,714	\$	1,783	\$720,561
Comprehensive income		10,719	(1)	(1,072)	(2) 9,647
Cash dividends declared		(13,652)			(13,652)
Other	805	(204)			601

Balance - June 30, 2001	\$415,869	\$ 300,577	\$	711	\$717,157
