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21ST CENTURY INSURANCE GROUP

Form 10-Q

May 15, 2003

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 March 31, 2003

Commission File Number 0-6964

21ST CENTURY INSURANCE GROUP

(Exact name of registrant as specified in its charter)

CALIFORNIA
(State or other jurisdiction of
incorporation or organization)

95-1935264
(I.R.S. Employer
Identification number)

6301 OWENSMOUTH AVENUE
WOODLAND HILLS, CALIFORNIA
(Address of principal executive offices)

91367
(Zip Code)

(818) 704-3700

(Registrant's telephone number, including area code)

Web site: www.21st.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 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, Without Par Value
(Title of Class)

Outstanding at May 7, 2003
85,431,505 shares

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

21ST CENTURY INSURANCE GROUP
CONSOLIDATED BALANCE SHEETS
Unaudited

MARCH 31, December 31,

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	2003	2002
AMOUNTS IN THOUSANDS, EXCEPT SHARE DATA		

ASSETS		
Fixed maturity investments available-for-sale, at fair value (amortized cost: \$914,357 and \$886,047)	\$ 951,877	\$ 924,581
Cash and cash equivalents	111,738	105,897

Total investments and cash	1,063,615	1,030,478
Accrued investment income	12,536	13,230
Premiums receivable	101,452	91,029
Reinsurance receivables and recoverables	21,455	28,105
Prepaid reinsurance premiums	1,636	1,893
Deferred income taxes	96,155	88,939
Deferred policy acquisition costs	49,895	46,190
Leased property under capital lease, net of deferred gain of \$5,971 and \$6,280	50,899	53,720
Property and equipment, at cost less accumulated depreciation of \$53,517 and \$52,125	88,826	87,274
Other assets	28,764	29,179

Total assets	\$1,515,233	\$1,470,037

LIABILITIES AND STOCKHOLDERS' EQUITY		
Unpaid losses and loss adjustment expenses	\$ 416,843	\$384,009
Unearned premiums	287,250	266,477
Obligations under capital lease	57,953	60,000
Claim checks payable	38,649	39,304
Reinsurance payable	1,982	4,952
Other liabilities	65,964	59,687

Total liabilities	868,641	814,429

Stockholders' equity:		
Common stock, without par value; authorized 110,000,000 shares, outstanding 85,431,505 in 2003 and 85,431,505 in 2002	419,047	418,984
Retained earnings	204,648	213,067
Accumulated other comprehensive income	22,897	23,557

Total stockholders' equity	646,592	655,608

Total liabilities and stockholders' equity	\$1,515,233	\$1,470,037

See accompanying notes to consolidated financial statements.

21ST CENTURY INSURANCE GROUP
CONSOLIDATED STATEMENTS OF OPERATIONS
Unaudited

AMOUNTS IN THOUSANDS, EXCEPT SHARE DATA
Three Months Ended March 31,

2003 2002

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REVENUES			
Net premiums earned	\$	271,441	\$ 215,111
Net investment income		11,637	11,265
Realized investment gains		4,580	1,663

Total revenues		287,658	228,039

LOSSES AND EXPENSES			
Net losses and loss adjustment expenses		253,343	188,635
Policy acquisition costs		46,144	26,558
Other operating expenses		942	3,901
Interest and fees expense		707	-

Total losses and expenses		301,136	219,094

(Loss) income before federal income taxes		(13,478)	8,945
Federal income tax (benefit) expense		(6,767)	622

Net (loss) income	\$	(6,711)	\$ 8,323

EARNINGS PER COMMON SHARE			
Basic	\$	(0.08)	\$ 0.10

Diluted	\$	(0.08)	\$ 0.10

Weighted average shares outstanding - basic		85,431,505	85,364,862

Weighted average shares outstanding - diluted		85,431,505	85,466,914

See accompanying notes to consolidated financial statements.

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21ST CENTURY INSURANCE GROUP
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Unaudited

AMOUNTS IN THOUSANDS	Common Stock	Retained Earnings		Accumulated Other Comprehensive Income
Balance - January 1, 2003	\$418,984	\$213,067		\$23,555
Comprehensive loss	-	(6,711)	(1)	(66)
Cash dividends declared on common stock (\$0.02 per share)	-	(1,708)		
Other	63	-		

Balance - March 31, 2003	\$419,047	\$204,648		\$22,890
