

21ST CENTURY HOLDING CO  
Form 8-K  
June 16, 2009

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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 June 11, 2009  
(Date of earliest event reported):

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

Florida  
(State or other jurisdiction of  
incorporation)

0-2500111  
(Commission File Number)

65-0248866  
(I.R.S. Employer Identification  
No.)

3661 West Oakland Park Blvd., Suite 300  
Lauderdale Lakes, FL  
(Address of principal executive offices)

33311  
(Zip Code)

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 Entry into a Material Definitive Agreement.

1.01

2009-2010 Excess of Loss Reinsurance Treaties

21st Century Holding Company's (the "Company", "we" or "us") wholly owned subsidiary, Federated National Insurance Company ("Federated National"), has agreed upon the terms of its excess of loss catastrophe reinsurance treaties for the 2009 – 2010 hurricane season. These treaties are designed to reimburse Federated National for property losses under its homeowners' insurance policies resulting from covered events in the State of Florida, the only state where Federated National is currently writing property insurance at this time. We utilize reinsurance to reduce exposure to catastrophic risk and to help manage capital, while lessening earnings volatility and improving shareholder return, and to support the required statutory surplus requirements. Our catastrophe reinsurance program has been designed to coordinate coverage provided under various treaties with various retentions and limits.

Our private excess of loss type treaties have a term of one year beginning July 1, 2009 continuing through June 30, 2010 and have provisions for prepaid automatic reinstatement protection. These treaties are with reinsurers that currently have an AM Best or Standard & Poors rating of A- or better with the exception of one fully collateralized participant rated NR by AM Best.

The estimated cost to the Company for these reinsurance products for the 2009 – 2010 hurricane season, inclusive of approximately \$18.6 million payable to the Florida Hurricane Catastrophe Fund ("FHCF") and the prepaid automatic premium reinstatement protection will be approximately \$53.3 million. The combination of private and FHCF reinsurance treaties will afford approximately \$446.3 million of aggregate coverage with maximum first event coverage totaling approximately \$339.7 million. Our retention in connection with the first two covered events is \$5.0 million for each event.

The cost and amounts of reinsurance are based on management's current analysis of Federated National's exposure to catastrophic risk. Our data will be subjected to exposure level analysis as of September 30, 2009. This analysis of our exposure level in relation to the total exposures to the FHCF and excess of loss treaties may produce changes in retentions, limits and reinsurance premiums as a result of increases or decreases in our exposure level.

Amended Addendum No 2, Addendum No. 4 and Addendum No. 5 with The State Board of Administration of Florida

On June 4, 2009 the Company announced that Federated National had entered into a Reimbursement Contract with The State Board of Administration of Florida (SBA) which administers the FHCF for the 2009-2010 hurricane season (the Reimbursement Contract"). The Reimbursement Contract will reimburse Federated National for covered property losses under its homeowners' insurance policies resulting from hurricanes that cause damage in the State of Florida, the state in which Federated National is currently writing these types of policies, through May 31, 2010.

On June 11, 2009, Federated National executed an Amended Addendum No. 2, Addendum No. 4 and Addendum No. 5 to the Reimbursement Contract between Federated National and the SBA (collectively, the "Addendums"). The Reimbursement Contract and Addendums are all effective June 1, 2009 and afford Federated National approximately \$253.1 million of aggregate coverage with maximum first event coverage totaling approximately \$243.1 million for a premium of approximately \$18.6 million.

The description of the terms of the Addendums to the Reinsurance Contract are qualified in their entirety by reference to the full text of the Addendums which are filed as Exhibits 10.1, 10.2 and 10.3 to this Current Report on Form 8-K and is incorporated herein by reference.



Item 9.01 Financial Statements and Exhibits.

- (c) Exhibits.
  - 10.1 Amended Addendum No. 2 to the Reimbursement Contract between Federated National Insurance Company and The State Board of Administration of Florida (SBA) which administers the Florida Hurricane Catastrophe Fund (FHCF), effective June 1, 2009
  - 10.2 Addendum No. 4 to the Reimbursement Contract between Federated National Insurance Company and The State Board of Administration of Florida (SBA) which administers the Florida Hurricane Catastrophe Fund (FHCF), effective June 1, 2009
  - 10.3 Addendum No. 5 to the Reimbursement Contract between Federated National Insurance Company and The State Board of Administration of Florida (SBA) which administers the Florida Hurricane Catastrophe Fund (FHCF), effective June 1, 2009
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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: June 16, 2009

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

EXHIBIT INDEX

Exhibit No.	Exhibit Title
10.1	Amended Addendum No. 2 to the Reimbursement Contract between Federated National Insurance Company and The State Board of Administration of Florida (SBA) which administers the Florida Hurricane Catastrophe Fund (FHCF), effective June 1, 2009
10.2	Addendum No. 4 to the Reimbursement Contract between Federated National Insurance Company and The State Board of Administration of Florida (SBA) which administers the Florida Hurricane Catastrophe Fund (FHCF), effective June 1, 2009
10.3	Addendum No. 5 to the Reimbursement Contract between Federated National Insurance Company and The State Board of Administration of Florida (SBA) which administers the Florida Hurricane Catastrophe Fund (FHCF), effective June 1, 2009