

Edgar Filing: 21ST CENTURY INSURANCE GROUP - Form 10-Q

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		
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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
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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
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Total assets	\$1,515,233	\$1,470,037
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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
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Total liabilities	868,641	814,429
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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
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Total stockholders' equity	646,592	655,608
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Total liabilities and stockholders' equity	\$1,515,233	\$1,470,037
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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

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Total revenues		287,658		228,039
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## 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		-

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Total losses and expenses		301,136		219,094
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(Loss) income before federal income taxes		(13,478)		8,945
Federal income tax (benefit) expense		(6,767)		622

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Net (loss) income	\$	(6,711)	\$	8,323
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## EARNINGS PER COMMON SHARE

Basic	\$	(0.08)	\$	0.10
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Diluted	\$	(0.08)	\$	0.10
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Weighted average shares outstanding - basic	85,431,505	85,364,862
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Weighted average shares outstanding - diluted	85,431,505	85,466,914
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See accompanying notes to consolidated financial statements.

2

## 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)	(66)
Cash dividends declared on common stock (\$0.02 per share)	-	(1,708)	
Other	63	-	
Balance - March 31, 2003	\$419,047	\$204,648	\$22,899

