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21ST CENTURY INSURANCE GROUP  
Form 10-Q  
July 25, 2002

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, 2002

Commission File Number 0-6964

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21ST CENTURY INSURANCE GROUP

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(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.i21.com

None

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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.

Common Stock, Without Par Value  
(Title of Class)

Outstanding at July 23, 2002  
85,439,641 shares

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

21ST CENTURY INSURANCE GROUP  
CONSOLIDATED BALANCE SHEETS

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AMOUNTS IN THOUSANDS, EXCEPT SHARE DATA	JUNE 30, 2002 UNAUDITED	December 31, 2001
<b>ASSETS</b>		
Fixed maturity investments available-for-sale, at fair value (amortized cost: \$848,203 and \$857,209)	\$ 862,054	\$ 855,724
Cash and cash equivalents	66,961	28,909
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Total investments and cash	929,015	884,633
Accrued investment income	12,008	11,733
Premiums receivable	79,109	75,559
Reinsurance receivables and recoverables	39,933	40,138
Prepaid reinsurance premiums	13,849	15,444
Deferred income taxes	85,259	96,216
Deferred policy acquisition costs	30,569	24,662
Property and equipment, at cost less accumulated depreciation of \$75,782 and \$66,462	178,170	178,672
Other assets	9,482	24,959
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Total assets	\$1,377,394	\$ 1,352,016
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<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Unpaid losses and loss adjustment expenses	\$ 352,838	\$ 349,290
Unearned premiums	239,951	236,473
Claims checks payable	38,188	36,105
Reinsurance payable	8,704	12,993
Other liabilities	62,503	57,849
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Total liabilities	702,184	692,710
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<b>Stockholders' equity:</b>		
Common stock, without par value; authorized 110,000,000 shares, outstanding 85,445,389 in 2002 and 85,361,848 in 2001	418,713	416,991
Retained earnings	253,359	248,635
Accumulated other comprehensive income (loss)	3,138	(6,320)
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Total stockholders' equity	675,210	659,306
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Total liabilities and stockholders' equity	\$1,377,394	\$ 1,352,016
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See accompanying notes to consolidated financial statements.

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AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA	Three Months Ended June 30,		Six Months Ended J	
	2002	2001	2002	2001
<b>REVENUES</b>				
Net premiums earned:				
Personal auto lines	\$ 220,191	\$ 211,076	\$ 435,302	\$
Homeowner and earthquake lines in runoff	-	6,290	-	
Net investment income	11,384	11,352	22,649	
Realized investment gains	2,635	434	4,298	
<b>Total revenues</b>	<b>234,210</b>	<b>229,152</b>	<b>462,249</b>	
<b>LOSSES AND EXPENSES</b>				
Net losses and loss adjustment expenses:				
Personal auto lines	184,947	180,671	366,724	
Homeowner and earthquake lines in runoff	4,956	11,800	11,814	
Policy acquisition costs	29,762	27,086	56,320	
Other operating expenses	3,066	4,981	6,967	
<b>Total losses and expenses</b>	<b>222,731</b>	<b>224,538</b>	<b>441,825</b>	
Income before federal income taxes	11,479	4,614	20,424	
Federal income tax (expense) benefit	(1,620)	1,183	(2,242)	
<b>Net income</b>	<b>\$ 9,859</b>	<b>\$ 5,797</b>	<b>\$ 18,182</b>	<b>\$</b>
<b>EARNINGS PER COMMON SHARE</b>				
Basic	\$ 0.11	\$ 0.07	\$ 0.21	\$
Diluted	\$ 0.11	\$ 0.07	\$ 0.21	\$

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 (Loss)	Total
Balance - January 1, 2002	\$416,991	\$248,635	\$ (6,320)	\$659,306
Comprehensive income		18,182 (1)	9,458 (2)	27,640
Cash dividends paid on common stock		(13,659)		(13,659)
Other	1,722	201		1,923

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Balance - June 30, 2002	\$418,713	\$253,359	\$	3,138	\$675,210
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