

21ST CENTURY INSURANCE GROUP
 Form 4
 October 01, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Kerby Marlis Schultheis

2. Issuer Name and Ticker or Trading Symbol
 21ST CENTURY INSURANCE GROUP [TW]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 6301 OWENSMOUTH AVENUE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/27/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Senior Vice President

WOODLAND HILLS, CA 91367
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|--------------------------------------|------------------------------|------------------|------------|---|-----------|------------------|-----------------|--------|----------------------------|
| | | | | Code | V (A) (D) | | | | |
| Employee Stock Option (Right to Buy) | \$ 17.813 | 09/27/2007 | D | 1,000 | (1) | 05/25/2009 | Common Stock | 1,000 | |
| Employee Stock Option (Right to Buy) | \$ 22.125 | 09/27/2007 | D | 2,000 | (1) | 05/23/2010 | Common Stock | 2,000 | |
| Employee Stock Option (Right to Buy) | \$ 18.15 | 09/27/2007 | D | 3,400 | (1) | 06/06/2011 | Common Stock | 3,400 | |
| Employee Stock Option (Right to Buy) | \$ 16.03 | 09/27/2007 | D | 8,600 | (1) | 02/27/2012 | Common Stock | 8,600 | |
| Employee Stock Option (Right to Buy) | \$ 11.68 | 09/27/2007 | D | 383 | (1) | 02/26/2013 | Common Stock | 383 | |
| Employee Stock Option (Right to Buy) | \$ 14.4 | 09/27/2007 | D | 9,850 | (1) | 02/25/2014 | Common Stock | 9,850 | |
| Employee Stock Option (Right to Buy) | \$ 14.27 | 09/27/2007 | D | 69,697 | (1) | 02/16/2015 | Common Stock | 69,697 | |
| Employee Stock Option (Right to Buy) | \$ 16.8 | 09/27/2007 | D | 55,093 | (1) | 02/22/2016 | Common Stock | 55,093 | |

| | | | | | | | | | |
|-----------|---------|------------|--|---|--------|-----|------------|--------|--------|
| Buy) | | | | | | | | | |
| Employee | | | | | | | | | |
| Stock | | | | | | | | | |
| Option | \$ 16.8 | 09/27/2007 | | D | 27,547 | (2) | 02/22/2016 | Common | 27,547 |
| (Right to | | | | | | | | Stock | |
| Buy) | | | | | | | | | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Kerby Marlis Schultheis 6301 OWENSMOUTH AVENUE WOODLAND HILLS, CA 91367 | | | Senior Vice President | |

Signatures

Ronald S. Veltman with Power of Attorney for Marlis S.
Kerby

10/01/2007

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each option was to vest on or before the first anniversary of the merger and was therefore cancelled pursuant to the Merger Agreement in exchange for the excess, if any, of \$22.00 per share over the exercise price per share under such option.
 - (2) Each option was to vest after the first anniversary of the merger and was therefore cancelled pursuant to the Merger Agreement in exchange for restricted stock units of AIG common stock of an equivalent value.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.