

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 (Date of Earliest Event Reported) November 14, 2006

AmTrust Financial Services, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-33143 (Commission File Number)	04-3106389 IRS Employer Identification No.)
59 Maiden Lane, 6 <sup>th</sup> Floor, New York, New York (Address of principal executive offices)		10038 (Zip Code)

Registrant's telephone number, including area code (212) 220-7120

(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 240.133-4 (c))

Item 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

All of the information furnished in Items 2.02, 7.01 and 9.01 of this report, including the accompanying exhibits, is being furnished and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, except to the extent expressly set forth by specific reference in such filing.

On November 14, 2006, AmTrust Financial Services, Inc. issued a press release announcing its results of operations for the three and nine months ended September 30, 2006. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated by reference to this Item 2.02 as if fully set forth herein.

Item 7.01 REGULATION FD DISCLOSURE

On November 14, 2006, AmTrust Financial Services, Inc. issued a press release announcing the release date for its results of operations for the three and nine months ended September 30, 2006 and the scheduling of a conference call on November 15, 2006 with respect thereto. A copy of the press release is attached as Exhibit 99.2 to this Form 8-K and is incorporated by reference to this Item 7.01 as if fully set forth herein.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

- 99.1 Press release reporting the results of operations for the three and nine months ended September 30, 2006 issued by AmTrust Financial Services, Inc. on November 14, 2006.
- 99.2 Press release announcing the release date of the results of operations for the three and nine months ended September 30, 2006 and conference call issued by AmTrust Financial Services, Inc. on November 14, 2006.

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.

AMTRUST FINANCIAL SERVICES, INC.

Date: November 15, 2006

By: /s/ Stephen Ungar

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Name: Stephen Ungar  
Title: Secretary

**Exhibit 99.1**

**Press Release**

**For more information, please contact:  
AmTrust Financial Services, Inc.**

*Mr. Hilly Gross*  
*Vice President, Investor Relations*  
212.220.7120 x7023  
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*Mr. Ronald Pipoly*  
*Chief Financial Officer*  
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**For immediate release**  
*November 14, 2006*

**AmTrust Financial Services, Inc. Reports Record Third Quarter Net Income of \$12.4 million or \$0.21 per share**

(New York) - AmTrust Financial Services Inc. (NASDAQ: AFSI) today reported net income of \$12.4 million and revenues of \$98.0 million for the third quarter 2006. For the nine months ended September 30, 2006 the Company reported net income of \$31.5 million and revenues of \$263.8 million.

**Third Quarter Overview:**

The Company reported \$12.4 million in net income, or \$0.21 per basic share, for the quarter ended September 30, 2006.

**Third Quarter and Nine Months Highlights:**

- Net income from continuing operations up 55.0% for the third quarter of 2006 compared to the third quarter of 2005
- Net income from continuing operations up 181.1% for nine months ended September 30, 2006 compared to the nine months ended September 30, 2005
- Quarterly earnings per basic share was \$0.21
- Nine month ended September 30, 2006 earnings per basic share was \$0.57
- Annualized quarterly return on equity for the third quarter was 15.8%

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- Book value per basic share was \$5.38 (as of September 30, 2006)
- GAAP combined ratio for the third quarter was 91.6%
- GAAP combined ratio for the nine months was 92.4%

“These encouraging figures represent the combination of a strong growth objective, coupled with responsible underwriting and cost controls,” stated Ronald Pipoly, CFO, AmTrust Financial. Barry Zyskind, president & CEO, added, “The third quarter results are most gratifying. They not only confirm the validity of our strategic growth objectives, but underscore the unique niche that AmTrust Financial occupies in these specialized areas of insurance.”

**Third Quarter and Nine Months Results:**

To view the Third Quarter and Nine Months Results, please reference pages 6 and 7.

**Revenue and comprehensive earnings:**

Net revenue in the third quarter 2006 increased by \$29.2 million or 42.4% to \$98.0 million from \$68.8 million in the third quarter 2005. Net revenue for the nine months ended September 30, 2006 increased by \$88.6 million or 50.6% to \$263.8 million from \$175.2 million for the nine months ended September 30, 2005.

Net earned premium in the third quarter 2006 increased by \$23.1 million or 38.2% to \$83.5 million from \$60.4 million in the third quarter 2005. Net earned premium for the nine months ended September 30, 2006 increased by \$67.7 million or 42.8% to \$225.8 to \$158.1 million for the nine months ended September 30, 2005. The increase is primarily attributable to premium growth achieved through the successful integration of business acquired in renewal rights transactions as well as internal growth.

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Net investment income including realized gains and losses in the third quarter 2006 increased by \$5.4 million or 87.1% to \$11.6 million from \$6.2 million in the third quarter 2005. Net investment income including realized gains for the nine months ended September 30, 2006 increased by \$17.3 million or 146.6% to \$29.1 million from \$11.8 million for the nine months ended September 30, 2005. The primary reasons for the increase in investment income were the Company's successful liquidation of a subsidiary which generated \$80.0 million in the second half of 2005 and the Company's February 2006 private placement, which generated net proceeds of \$166.0 million. In addition, for the nine months ended September 30, 2006, the Company generated \$123.9 million of positive cash flow from operations.

Comprehensive earnings, which include after-tax unrealized gains/loss from the investment portfolio, was \$37.6 million, or \$0.69 per share for the nine months ended September 30, 2006 compared to \$4.7 million for the nine months ended September 30, 2005 or \$0.19 per share.

**Expenses:**

The Company's loss ratio for the quarter ended September 30, 2006 was 66.3% compared to 67.1% for the quarter ended September 30, 2005. The Company's loss ratio for the nine months ended September 30, 2006 was 64.7% compared to 68.3% for the nine months ended September 30, 2005. The Company continues to see stable trends in its loss ratio.

Policy Acquisition Expense, Salaries and Benefits Expense and Other Insurance General and Administrative Expense for the nine months ended 2006 increased by \$17.2 million to \$62.4 from \$45.2 million for the nine months ended September 30, 2005. Despite the increase, the expense ratio for the nine months ended September 30, 2006 decreased to 27.7% from 28.6% for the nine months ended September 30, 2005.

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The decrease is the result of the Company's ability to leverage its current infrastructure.

Interest expense in the third quarter 2006 increased to \$1.4 million from \$1.1 million in the third quarter of 2005. The increase is the result of the issuance by the Company in July 2006 of \$30.0 million of trust preferred securities.

**Other Matters:**

Shareholders Equity as of September 30, 2006 increased to \$322.8 million from \$118.4 million as of December 31, 2005. The increase was due in large measure to the issuance of 25.6 million shares of common stock in a private placement, which generated net proceeds of \$166.0 million as well as earnings for the nine months ended September 30, 2006. In connection with the private placement, the Company converted its outstanding preferred shares into 10.3 million shares of common stock.

As of September 30, 2006 the Company's debt-to-equity ratio was 25.6%. The Company's debt relates to three trust preferred securities offerings in which the Company participated in 2005 and 2006.

**Conference Call:**

On Wednesday, November 15, 2006 at 10:00 AM EST, the company will hold a conference call that can be accessed as follows:

Dial-in: 800-540-0559

Registration: <http://ir.amtrustgroup.com>

In order to participate in the conference call, you must register at <http://ir.amtrustgroup.com>.

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A replay of the conference call will be available starting at 1 p.m., Eastern Standard Time, on Wednesday, November 15, 2006 through Tuesday, November 21, 2006 by dialing 719-457-0820 or 888-203-1112. The passcode for the replay is 9241653.

**About AmTrust Financial Services, Inc.**

AmTrust Financial Services, Inc., headquartered in New York City, is a multinational specialty property and casualty holding company, which, through its insurance carriers, offers specialty property and casualty insurance products, including workers' compensation, commercial automobile and general liability; extended service and warranty coverage. For more information about AmTrust, visit [www.amtrustgroup.com](http://www.amtrustgroup.com), or call AmTrust toll-free at 866.203.3037.

**Forward Looking Statement:**

This news release contains "forward-looking statements" which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on the Company's current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that actual developments will be those anticipated by the Company. Actual results may differ materially from those projected as a result of significant risks and uncertainties, including non-receipt of the expected payments, changes in interest rates, effect of the performance of financial markets on investment income and fair values of investments, development of claims and the effect on loss reserves, accuracy in projecting loss reserves, the impact of competition and pricing environments, changes in the demand for the Company's products, the effect of general economic conditions, adverse state and federal legislation, regulations and regulatory investigations into industry practices, developments relating to existing agreements, heightened competition, changes in pricing environments, and changes in asset valuations. The Company undertakes no obligation to publicly update any forward-looking statements.

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**AmTrust Financial Services, Inc.****Income Statement**

(in thousands, except per share data)

	<u>Nine months Ended</u>	<u>Nine months Ended</u>	<u>Three months Ended</u>	<u>Three months Ended</u>
	<u>September 30, 2006</u>	<u>September 30, 2005</u>	<u>September 30, 2006</u>	<u>September 30, 2005</u>
	(Unaudited)	(Unaudited)		
Gross Written Premium	\$ 373,003	\$ 228,181	\$ 135,993	\$ 71,627
Revenue:				
Premium Income				
Net Premiums Written	\$ 314,343	\$ 203,743	\$ 105,599	\$ 63,061
Change in Unearned Premium	88,572	45,597	22,073	2,655
	<u>225,771</u>	<u>158,146</u>	<u>83,526</u>	<u>60,406</u>
Fee Income	8,935	5,272	2,879	2,212
Finance and Interest Income	18,960	8,206	7,539	4,067
Net Realized Gains	10,135	3,590	4,044	2,161
	<u>38,029</u>	<u>17,068</u>	<u>14,462</u>	<u>8,440</u>
Total Revenue	<u>263,801</u>	<u>175,214</u>	<u>97,988</u>	<u>68,846</u>
Loss and Loss Adjustment Expense	146,008	108,035	55,350	40,527
Policy Acquisition Expenses	27,107	22,852	10,635	7,879
Salaries and Benefits	19,746	10,625	8,014	3,804
Other insurance General and administrative expense	15,588	11,763	2,550	3,050
Other Underwriting Expenses	8,873	3,680	3,107	1,705
	<u>217,323</u>	<u>156,955</u>	<u>79,656</u>	<u>56,965</u>
Income from Continuing operations	46,478	18,259	18,333	11,881
Other Income (Expense)				
Foreign Currency Gain	457	0	473	-
Interest Expense	(3,652)	(1,734)	(1,410)	(1,133.0)
	<u>(3,195)</u>	<u>(1,734)</u>	<u>(937)</u>	<u>(1,133.0)</u>
Income from Continuing Operations before Provision for Income Taxes	43,282	16,525	17,396	10,748
Provision for Income taxes	12,057	5,419	4,982	2,754
Net income from continuing operations	<u>31,225</u>	<u>11,106</u>	<u>12,413</u>	<u>7,994</u>
Foreign currency gain on discontinued operations	-	20,572	-	-
Gain (loss) from discontinued operations	250	(3,459)	-	(1,074)
	<u>250</u>	<u>17,113</u>	<u>-</u>	<u>(1,074)</u>
Net Income	31,475	28,219	12,413	6,920
Preferred Stock Dividends	-	(1,200)	-	-
Net income available to common shareholders	<u>\$ 31,475</u>	<u>\$ 27,019</u>	<u>\$ 12,413</u>	<u>\$ 6,920</u>
Earnings per common share				
Income (Loss) from Continuing Operations	\$ 0.57	\$ 0.41	\$ 0.21	\$ 0.33
Income (Loss) from Discontinued Operations	0.00	0.71	0.00	(0.04)
	<u>\$ 0.57</u>	<u>\$ 1.12</u>	<u>\$ 0.21</u>	<u>\$ 0.29</u>
Weighted average number of shares outstanding	54,879	24,089	59,959	24,089

Combined Ratio		92.3%		96.9%		91.7%		91.6%
Annualized Return on Equity (1)		18.9%		27.8%		15.8%		12.7%
Earnings Per Share from	\$	0.57	\$	1.12	\$	0.21	\$	0.29
Comprehensive earnings per share	\$	0.69	\$	0.19	\$	0.26	\$	0.18

(1) - Calculated by dividing by net income without currency gain and discontinued operations by the average shareholders' equity. The calculations have been annualized

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**AmTrust Financial Services, Inc.**  
**Balance Sheet Highlights**  
**(in thousands, expect per share data)**

	<u>September</u>	<u>December 31,</u>
	<u>2006</u>	<u>2005</u>
	(Unaudited)	(Audited)
Invested assets	\$ 664,936	\$ 299,965
Cash and cash equivalents	51,065	115,847
Premiums receivables	133,069	81,070
Deferred tax asset	13,545	9,396
Intangible assets	28,842	20,781
Total Assets	1,077,733	612,890
Loss and loss expense reserves	250,777	168,008
Unearned premium	305,706	156,802
Junior subordinate debt	82,476	51,548
Total Stockholders' equity	\$ 322,842	\$ 118,411

**Exhibit 99.2**

**For more information, please contact:  
AmTrust Financial Services, Inc.**

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*Mr. Ronald Pipoly*  
*Chief Financial Officer*  
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[rpipoly@amtrustgroup.com](mailto:rpipoly@amtrustgroup.com)

**For immediate release**  
*November 14, 2006*

**AmTrust Financial Services, Inc. Announces 2006 Earnings Release Date and Conference Call Information**

**(New York)** - AmTrust Financial Services, Inc. (NASDAQ: AFSI) announced today that it will release 2006 third quarter earnings following the close of the market on Tuesday, November 14, 2006.

On Wednesday, November 15, 2006 at 10:00 AM EST, the company will hold a conference call that can be accessed as follows:

Dial-in: 800-540-0559

Registration: <http://ir.amtrustgroup.com>

In order to participate in the conference call, you must register at <http://ir.amtrustgroup.com>.

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**About AmTrust Financial Services, Inc.**

AmTrust Financial Services, Inc., headquartered in New York City, is a multinational specialty property and casualty holding company, which, through its insurance carriers, offers specialty property and casualty insurance products, including workers' compensation, commercial automobile and general liability; extended service and warranty coverage. The AmTrust U.S. insurance carriers, Technology Insurance Company, Rochdale Insurance Company and Wesco Insurance Company and its Bermuda carrier, AmTrust International Insurance Ltd, are rated A- (Excellent), Financial Size VIII by A.M. Best Company. For more information about AmTrust, visit [www.amtrustgroup.com](http://www.amtrustgroup.com), or call AmTrust toll-free at 866.203.3037.

**Forward Looking Statement**

This news release contains "forward-looking statements" which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on the Company's current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that actual developments will be those anticipated by the Company. Actual results may differ materially from those projected as a result of significant risks and uncertainties, including non-receipt of the expected payments, changes in interest rates, effect of the performance of financial markets on investment income and fair values of investments, development of claims and the effect on loss reserves, accuracy in projecting loss reserves, the impact of competition and pricing environments, changes in the demand for the Company's products, the effect of general economic conditions, adverse state and federal legislation, regulations and regulatory investigations into industry practices, developments relating to existing agreements, heightened competition, changes in pricing environments, and changes in asset valuations. The Company undertakes no obligation to publicly update any forward-looking statements.

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