

As filed with the Securities and Exchange Commission on November 15, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-QSB

(Mark One)

 x

**Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

For the quarterly period ended September 30, 2004

or

**Transition Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

For the Transition Period From _____ to _____

For Quarter Ended **September 30, 2004**

Commission File Number **005-51849**

BEXIL CORPORATION

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

13-3907058

(I.R.S. Employer
Identification No.)

11 Hanover Square, New York, New York

(Address of principal executive offices)

10005

(Zip Code)

212-785-0400

(Company's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes X No _____

The registrant had outstanding 879,571 shares of common stock, par value \$.01 per share, as of October 31, 2004.

BEXIL CORPORATION
FORM 10-QSB
For the Quarter Ended September 30, 2004

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BEXIL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
September 30, 2004
(Unaudited)

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 1,809,713
Marketable securities (Note 3)	<u>2,003,328</u>
Total Current Assets	<u>3,813,041</u>
Fifty percent interest in unconsolidated affiliate (Note 8)	9,466,895
Other investments (Note 3)	326,605
Deferred taxes	198,229
Receivables, prepaid assets and other	<u>69,199</u>
	<u>10,060,928</u>
Total Assets	<u>\$ 13,873,969</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:	
Accounts payable and accrued liabilities	\$ <u>138,400</u>
Total Current Liabilities	<u>138,400</u>
Shareholders' Equity: (Notes 3 and 4)	
Common Stock, \$0.01 par value	
10,000,000 shares authorized	
879,591 shares issued and outstanding	8,796
Additional paid-in capital	9,437,230
Retained earnings	<u>4,289,543</u>
Total Shareholders' Equity	<u>13,735,569</u>
Total Liabilities and Shareholders' Equity	<u>\$ 13,873,969</u>

See accompanying notes to the condensed consolidated financial statements.

BEXIL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months		Nine Months	
	<u>Ended September 30,</u>		<u>Ended September 30,</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues:				
Interest and other income	\$ 31,161	\$ 51,427	\$ 133,365	\$ 135,133
Equity in earnings of unconsolidated affiliate	588,106	602,488	1,563,959	1,957,763
	<u>619,267</u>	<u>653,915</u>	<u>1,697,324</u>	<u>2,092,896</u>
Expenses:				
General and administrative (Note 7)	152,279	147,336	535,022	407,935
Communication costs	6,055	14,215	23,032	26,760
Professional fees	19,763	29,900	102,728	79,505
	<u>178,097</u>	<u>191,451</u>	<u>660,782</u>	<u>514,200</u>
Income before income taxes	441,170	462,464	1,036,542	1,578,696
Income tax expense (benefit) (Note 6)	17,105	17,128	(48,068)	39,103
Net income	<u>\$ 424,065</u>	<u>\$ 445,336</u>	<u>\$ 1,084,610</u>	<u>\$ 1,539,593</u>
Per share net income:				
Basic	\$ 0.48	\$ 0.51	\$ 1.23	1.76
Diluted	\$ 0.48	\$ 0.51	\$ 1.23	1.76
Average shares outstanding:				
Basic	879,591	874,744	879,591	873,016
Diluted	879,591	874,744	880,043	873,016

See accompanying notes to the condensed consolidated financial statements.

BEXIL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2004	2003
Cash Flows from Operating Activities		
Net income	\$ 1,084,610	\$ 1,539,593
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Increase in equity of earnings of subsidiary	(1,563,959)	(1,957,763)
Increase in deferred income taxes	(75,244)	20,949
Net realized (gain) loss on investments	(6,744)	(14,742)
 (Increase)decrease in:		
Prepaid expenses and other assets	(19,747)	36,905
Decrease in:		
Accrued other expenses	(107,199)	(444,464)
Total adjustments	(1,772,893)	(2,359,115)
Net cash used for operating activities	(688,283)	(819,522)
 Cash Flows from Investing Activities:		
Maturity of investments	2,300,000	-
Purchase of investments	(1,605)	-
Net cash provided by investing activities	2,298,395	-
 Cash Flows from Financing Activities:		
Cash dividend distribution and reinvestment	-	(240,485)
Net cash used for financing activities	-	(240,485)
 Net increase(decrease) in cash and cash equivalents	1,610,112	(1,060,007)
 Cash and Cash Equivalents		
At beginning of period	199,601	1,170,475
At end of period	\$ 1,809,713	\$ 110,468

Supplemental disclosure: The Company paid no Federal income tax during the three months ended September 30, 2004 and 2003.

See accompany notes to the condensed consolidated financial statements.

BEXIL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Three Months Ended September 30, 2004 and 2003
(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

Bexil Corporation ("Bexil" and the "Company"), a Maryland corporation, is a holding company operating businesses directly or through companies in which it has a majority or other substantial interest. The Company's primary business is comprised of its 50% interest in privately held York Insurance Services Group, Inc. ("York"). Since the 1930's, York's affiliates have served as third party administrators and independent adjusters providing claims data and risk related services to insurance carriers, self insureds, public entities, brokers, and other intermediaries. York's claims services include property & casualty, workers' compensation, special investigative unit services & surveillance, transportation & logistics, environmental, construction, and inland & ocean marine. Effective January 6, 2004, the Securities and Exchange Commission issued an order declaring that Bexil had ceased to be an investment company under Section 8(f) of the Investment Company Act of 1940 (see Note 2).

BASIS OF PRESENTATION

The condensed financial statements include the accounts of the Company. In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Investments in money market funds are considered to be cash equivalents. At September 30, 2004, the Company had invested approximately \$1,568,000 in a money market fund.

MARKETABLE SECURITIES

The Company classifies its investment in U.S. Treasury notes as held-to-maturity securities since the Company has the positive intent and ability to hold to maturity, and accordingly these securities are recorded at amortized cost. The Company's other material investment in marketable securities is in common stock of a non-public entity with no readily available market price, and accordingly this security is carried at cost.

INCOME TAXES

The Company's method of accounting for income taxes conforms to Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes." This method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting basis and the tax basis of assets and liabilities.

SEGMENT INFORMATION

The Company's operations are organized around insurance services and classified into one group - insurance services.

EARNING PER SHARE

Basic earnings per share is computed using the weighted average number of shares outstanding. Diluted earnings per share is computed using the weighted average number of shares outstanding adjusted for the incremental shares attributed to outstanding options to purchase common stock. The following table sets forth the computation of basic and diluted earning per share:

	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Numerator for basic and diluted earnings per share:				
Net income	<u>\$ 424,064</u>	<u>\$ 445,336</u>	<u>\$ 1,084,610</u>	<u>\$ 1,539,593</u>
Denominator:				
Denominator for basic earning per share:				
Weighted-average shares	879,591	874,744	879,591	873,016
Effect of dilutive securities:				
Employee stock options	<u>-</u>	<u>-</u>	<u>452</u>	<u>-</u>
Denominator for diluted earnings per share:				
adjusted weighted-average shares and assumed conversion	<u>879,591</u>	<u>874,744</u>	<u>880,043</u>	<u>873,016</u>

2. CHANGE IN ACCOUNTING PRINCIPLE

Effective with the Securities and Exchange Commission's order declaring that the Company had ceased to be an investment company under Section 8 (f) of the Investment Company Act of 1940, the Company changed its method of accounting for its 50% interest in York from the fair value method to the equity method. In addition, the Company changed its method of accounting for its other marketable securities. As a result of these changes, the financial statements were restated by applying retroactively the new accounting principle. The cumulative adjustment to retained earnings was made as of December 31, 2002 as follows:

Balance as of December 31, 2002, as previously reported: \$ 3,741,603*

Adjustment for the cumulative effect on prior years
of applying retroactively the equity method
of accounting for a 50% interest in an
unconsolidated affiliate and the change
in accounting for its other marketable securities (2,244,023)

Balance as of December 31, 2002, as adjusted \$ 1,497,580

*Total net assets as reported as
an investment company as of December 31, 2002 \$12,986,211
Amount of additional paid-in capital 9,244,608
Amount of retained earnings \$ 3,741,603

The impact on the earnings for the nine months ended September 30, 2004 for the change in accounting principle was an increase of \$109,864 or \$.13 per share.

3. MARKETABLE SECURITIES

As of September 30, 2004, marketable securities consisted of the following:

	<u>Cost</u>	<u>Market Value</u>
U.S. Treasury Note	\$2,003,328	\$1,999,840
Common stock of non-public entity*	325,000	*
Other	1,605	1,575
Total	<u>\$2,329,933</u>	

* No readily determinable market value

4. STOCK OPTIONS

On March 25, 2004, the Company's shareholders' approved the adoption a Long-Term Incentive Plan, which provides for the granting of a maximum of 175,918 options to purchase common stock to directors, officers and key employees of the Company or its subsidiaries. The option price per share may not be less than the fair value of such shares on the date the option is granted, and the maximum term of an option may not exceed 5 years.

Company applies APB Opinion 25 and related interpretations in accounting for its stock option plan. Accordingly, no compensation cost has been recognized for its stock option plan. Pro forma compensation cost for the Company's plan is required by Financial Accounting Standards No. 123 "Accounting for Stock-Based Compensation" ("SFAS 123") and has been determined based on the fair value at the grant dates for awards under the plan consistent with the method of SFAS 123. For purposes of pro forma disclosure, the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma information follows:

		<u>Three Months</u>		<u>Nine Months</u>	
		<u>Ended September 30,</u>		<u>Ended September 30,</u>	
		<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Net income	As reported	\$ 424,065	\$ 445,336	\$ 1,084,610	\$ 1,539,593
	Pro forma	\$ 385,865	\$ 445,336	\$ 588,763	\$ 1,539,593
Earning per share					
Basic	As reported	\$ 0.48	\$ 0.51	\$ 1.23	\$ 1.76
	Pro forma	\$ 0.44	\$ 0.51	\$ 0.67	\$ 1.76
Diluted	As reported	\$ 0.48	\$ 0.51	\$ 1.23	\$ 1.76
	Pro forma	\$ 0.44	\$ 0.51	\$ 0.67	\$ 1.76

The fair value of each option grant is estimated as of the date of grants using the Black-Scholes option-pricing model with the following weighted average assumptions used for grants in 2004; average volatility of 48%; risk-free interest rate of 2.7% and expected life of 3 years.

A summary of the status of the Company's stock option plans as of June 30, 2004 and changes during the period ending on that date are presented below:

<u>Stock Options</u>	<u>Number Of Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding at Decemeber 31, 2003	-	\$ -
Granted	127,500	\$ 22.29
Expired	<u>(500)</u>	\$ 21.59

There were 73,952 options exercisable at September 30, 2004 with a weighted-average exercise price of \$21.81. The weighted average fair value of options granted using the Black-Scholes option-pricing model was \$9.72 for the nine months ended September 30, 2004.

The following table summarized information about stock options outstanding at September 30, 2004:

<u>Range of Exercise Prices</u>	<u>Number Outstanding</u>	<u>Weighted-Average Remaining Contractual Life</u>	<u>Weighted-Average Exercise Price</u>
\$21.59-\$23.75	124,000	4.50	\$22.40
\$17.85	3,000	5.00	\$17.85

5. PENSION PLAN

The Company has a 401(k) retirement plan for substantially all of its qualified employees. Contributions to this plan are based upon a percentage of salaries of eligible employees and are accrued and funded on a current basis. Total pension expense for the nine months ended September 30, 2004 and 2003 was approximately \$11,700 and \$0 respectively.

6. INCOME TAXES

The provision (benefit) for income taxes for the nine months ended September 30, 2004 and 2003 is as follows:

	<u>Nine Months Ended September 30</u>	
	<u>2004</u>	<u>2003</u>
Current		
Federal	\$ -	-
State and local	<u>27,176</u>	<u>18,154</u>
	27,176	18,154
Deferred	<u>(75,244)</u>	<u>20,949</u>
	<u>\$ (48,068)</u>	<u>\$ 39,103</u>

Deferred taxes are comprised of the following as of September 30, 2004:

Net operating and capital loss carryforwards	\$ (780,250)
Equity in earnings of unconsolidated affiliate	<u>582,021</u>
	<u>\$ (198,229)</u>

The provision for income taxes differs from the federal statutory income tax rate as a result of the dividends received exclusion (80%) on the equity in earnings of the unconsolidated affiliate.

7. RELATED PARTIES

Certain officers of the Company also serve as officers and/or directors of Winmill & Co. Incorporated, Tuxis Corporation, and their affiliates (the "Affiliates"). The Company shares office space and various administrative and other support functions with the Affiliates and pays an allocated cost based on an estimated assessment of use and other factors. The Company is expected to reimburse the Affiliates for these costs and for the nine months ending September 30, 2004 and 2003, the Company has charged operations approximately \$72,000 and \$72,000 respectively.

8. INVESTMENT IN UNCONSOLIDATED AFFILIATE

York's summarized condensed financial information is as follows:

	<u>York Insurance Services Group, Inc.</u>	
	<u>Nine Months ended</u>	<u>Nine Months ended</u>
	<u>September 30, 2004</u>	<u>September 30, 2003</u>
Sales	\$ 44,761,334	\$ 37,837,718
Expenses	\$ 39,694,559	\$ 30,790,154
Net income	\$ 3,127,922	\$ 3,915,526
Working capital	\$ 11,265,627	\$ 7,316,080
Total assets	\$ 29,980,077	\$ 21,059,699
Long term debt	\$ 1,283,293	\$ 2,151,825
Shareholder's equity	\$ 15,933,793	\$ 11,121,273
Number of employees	508	463

York is a 50% owned unconsolidated affiliate accounted for by the equity method. The Company's cost of its 50% interest in York exceeds the underlying equity in net assets as follows:

Fifty percent interest in unconsolidated affiliate	\$9,466,897
Equity in net assets of York	<u>7,966,897</u>
Goodwill	<u>\$1,500,000</u>

Although in accordance with Financial Accounting Standards No. 142 ("SFAS 142"), the equity method goodwill of \$1,500,000 is not amortized or reviewed for impairment, the aggregate equity method interest in York of \$9,466,897 at September 30, 2004 is reviewed for impairment at least annually in accordance with APB Opinion 18.

9. CONTINGENCIES

From time to time, Bexil is threatened or named as defendant in litigation arising in the normal course of business. As of September 30, 2004, Bexil was not involved in any litigation that, in the opinion of management, would have a material adverse impact on its financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Bexil Corporation, a Maryland corporation, is a holding company operating businesses directly or through companies in which it has a majority or other substantial interest. Bexil's primary business currently is comprised of its 50% interest in York Insurance Services Group, Inc. ("York"). Since the 1930's, York's affiliates have served as third party administrators and independent adjusters providing claims data and risk related services to insurance carriers, self insureds, public entities, brokers, and other intermediaries. York's claims services include property & casualty, workers' compensation, special investigative unit services & surveillance, transportation & logistics, environmental, construction, and inland & ocean marine. Effective January 6, 2004, the Securities and Exchange Commission issued an order declaring that Bexil had ceased to be an investment company under Section 8(f) of the Investment Company Act of 1940.

The Market for York's Services is Highly Competitive

York competes in the domestic and international markets for claims administration, claims adjusting, and related services, which are highly competitive. A large number of companies compete in varying ways in various segments of the market. Competitors include those insurance companies that have their own claims handling capabilities, insurance brokers offering adjusting and related services to supplement brokerage services, as well as national, regional and small adjusting companies.

Although there are a large number of property and casualty insurers, the major insurers, which account for a substantial portion of the market, typically maintain a staff of adjusters on their payrolls. Generally, insurers use this staff to adjust automobile and smaller property claims; however many insurers also have internal adjusting staffs who handle claims that are larger or more complicated. Nonetheless, to varying degrees, property and casualty insurers "outsource" claims adjusting, whether entirely, on a multi-policy "program" basis or, a policy-by-policy basis or on an adjustment-by-adjustment basis.

Insurers have numerous reasons for out-sourcing claims handling. Some insurers have elected to reduce overhead by eliminating internal claims adjusting capability in whole or in part. Others have specialized requirements for specialized adjusting services. Additionally, certain claims may require adjusting services outside the geographic area that an insurer's staff can handle conveniently. Insurers' relationships with insureds or managing general agents and those parties' relationships with claims administrators may also result in an insurer out-sourcing claims. York makes its services available to those insurers wishing to out-source claims handling.

Insurance markets tend to be cyclical in nature. As markets "harden", premiums, deductibles and "self-insured retention" amounts tend to increase, while coverage terms tend to become more restrictive. As markets "soften", the opposite tends to occur. Different business opportunities arise in all phases of these cycles. For example, the higher deductibles and self-insured retention amounts seen during a "hard" market may lead insureds to take a greater degree of control over the claims handling process. This presents an opportunity for York to provide service to "self-insured" parties. On the other hand, a "soft" market will tend to cause insurers to seek to cut costs. One way insurers try to do this is by reducing the overhead of their in-house claims departments. This presents an opportunity to York to handle "out-sourced" claims.

In short, there are challenges and opportunities in each part of a cycle in the insurance market. It is not currently possible to accurately predict how these countervailing factors will affect the net outcome of York as market cycles change.

One major customer and its affiliates as a group accounted for approximately 30% of York's sales for the year ended December 31, 2003. Although a loss of all or a major portion of York's business with most of these affiliates would not have a material adverse impact on York, a material reduction in sales to the entire group of affiliates could have a material adverse impact on York, if the lost business were not replaced. York is pursuing plans to broaden its customer base in terms of number of clients served and to reduce the share of business represented by the aforesaid major customer, all while increasing the overall amount of business done with all customers.

Three Months Ended September 30, 2004 Compared to Three Months Ended September 30, 2003

In the three months ended September 30, 2004 compared to three months ended September 30, 2003, the Company's total revenues of \$619,267 decreased \$34,648 or 5.3% from \$653,915, primarily due to lower earnings of its unconsolidated affiliate, York Insurance Services Group, Inc. ("York"). In addition, investment and other income of \$31,161 reflect a decrease of \$20,266 due to lower interest income. Equity in earnings of York decreased \$14,382 due to York's lower net income. York's revenue increased 25.1%, operating expenses increased approximately 32.1% due to increased marketing and servicing personnel and infrastructure

Total expenses of \$178,097 decreased \$13,354 or 7.0%. General and administrative expenses increased \$4,943 or 3.4% due to higher employee costs. Communication costs decreased \$8,160 due to lower printing costs. Professional fees of \$19,763 decreased \$10,137 due to lower legal services.

Net income for the three months ended September 30, 2004 was \$424,065 or \$0.48 per share on a diluted basis as compared to net income of \$445,336 or \$0.51 per share on a diluted basis for the three months ended September 30, 2003.

Nine Months Ended September 30, 2004 Compared to Nine Months Ended September 30, 2003

In the nine months ended September 30, 2004 compared to nine months ended September 30, 2003, the Company's total revenues of \$1,697,324 decreased \$395,572 or 18.9% from \$2,092,896, primarily due to lower equity in earnings of York. Investment and other income of \$133,365 was \$1,768 lower. Equity in earnings of York decreased \$393,804 due to York's lower net income. Although York's revenue increased 18.3%, operating expenses increased approximately 28.9% due to increased marketing and servicing personnel and infrastructure.

Total expenses of \$660,782 increased \$146,582 or 28.5%. General and administrative expenses increased \$127,087 or 31.2% due to higher employee costs. Professional fees of \$102,728 was \$23,223 higher due to higher legal costs. Communication expense declined \$3,728 or 13.9% from \$26,760.

Net income for the nine months ended September 30, 2004 was \$1,084,610 or \$1.23 per share on a diluted basis as compared to net income of \$1,539,593 or \$1.76 per share on a diluted basis for the nine months ended September 30, 2003.

Forward-Looking Information

Certain written and oral statements made or incorporated by reference from time to time by the Company in this report, other reports, filings with the Securities and Exchange Commission, press releases, conferences, or otherwise, are "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements. Forward-looking statements may be identified, without limitation, by the use of such words as "anticipates", "estimates", "expects", "intends", "plans", "predicts", "projects", "believes", or words or phrases of similar meaning. Forward-looking statements include risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In addition to other factors and matters discussed elsewhere herein, some of the important facts that could cause actual results to differ materially from those discussed in the forward-looking statements include the following: changes in general

economic conditions in York's major geographic markets; occurrences of weather-related, natural and man-made disasters, changes in overall employment levels and associated injury rates in the United States; changes in the degree to which property and casualty insurance carriers outsource their claims handling functions; decisions by major insurance carriers and underwriters and brokers to expand their activities as third party administrators and adjusters, which would directly compete with York's business; the ability to identify new revenue sources not directly tied to the insurance underwriting cycle; the growth of alternative risk programs and the use of independent third party administrators such as York, as opposed to administrators affiliated with brokers or insurance carriers; ability to develop or acquire information technology resources to support and grow York's business; the ability to recruit, train and retain qualified personnel; the renewal of existing major contracts with clients and York's ability to obtain such renewals and new contracts on satisfactory financial terms and the creditworthiness of its major clients; changes in accounting principles or application of such principles to York's business; and any other factors referenced or incorporated by reference in this report and any other publicly filed report. The risks included above are not exhaustive.

Other sections of this report may include reference to the additional factors which could adversely impact the Company's and York's business and financial performance. Moreover, the Company and York operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors, nor can it assess the impact of known risk factors on the Company and York's business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement. The Company undertakes no obligation to revise or publicly release the results of any revisions to forward-looking statements or to identify any new risk factors which may arise. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual future results.

Investors should also be aware that while the Company does, from time to time, communicate with securities analysts, it is against the Company's policy to disclose to them any material, non-public information. Accordingly, investors should not assume that the Company agrees with any statement or report issued by any analyst irrespective of the content of the statement or report. Furthermore, the Company has a policy against issuing or confirming financial forecasts or projections issued by others. Thus, to the extent that the reports issued by securities analysts contain any projections, forecasts, or opinions, such reports are not the responsibility of the Company.

Item 3. Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its President and Chief Executive Officer and Principal Financial Officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures which, by their nature, can provide only reasonable assurance regarding management's control objectives. Management, including the Company's President and Chief Executive Officer along with the Company's Principal Financial Officer, concluded that the Company's disclosure controls and

procedures are effective in reaching the level of reasonable assurance regarding management's control objectives.

With respect to the Company's interest in an unconsolidated affiliate, York Insurance Services Group, Inc., inasmuch as the Company does not fully control or manage this entity, the Company's disclosure controls and procedures with respect to such entity are necessarily more limited than those it maintains with respect to its operations that it fully controls and manages. Recurring areas of accounting focus involving significant reliance on York management estimates include receivables (including assessment of collectibility, adequacy of allowance), work-in-process, tax reporting and disclosure, goodwill and other intangibles, deferred income, and revenue recognition.

The Company has carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's President and Chief Executive Officer along with the Company's Principal Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b). Based upon the foregoing, as of the end of the period covered by this report, the Company's President and Chief Executive Officer along with the Company's Principal Financial Officer, or persons performing similar functions, concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in the Company's Exchange Act reports. There has been no change during the Company's fiscal quarter ended September 30, 2004 in the Company's internal control over financial reporting that was identified in connection with the foregoing evaluation which has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. Other Information

Items 4. Submission of Matters to a Vote of Security Holders During the Period Covered by This Report

(a) Annual Meeting of Stockholders held on September 16, 2004

(b) The following directors were elected at the meeting: Edward G. Webb, Jr. and Thomas B. Winmill as Class I Directors with each to serve a one year term, Douglas Wu as a Class II Director to serve a two year term, Charles A. Carroll and Bassett S. Winmill as Class III Directors with each to serve a three year term, and each until his successor is duly elected and qualifies.

(c) The Annual Meeting was held for the following purposes:

(1) to elect the following directors:

	For	Withhold
Edward G. Webb, Jr.	730,043	21,210
Thomas B. Winmill	719,038	32,215
Douglas Wu	731,685	19,568
Charles A. Carroll	731,685	19,568
Bassett S. Winmill	719,038	32,215

(2) to amend the Company's Charter to decrease the number of classes of directors on the Company's Board of Directors from five to three and to decrease the term of each director from five years to three years; 732,405 shares were voted in favor, 1,903 shares were voted against, and 16,945 shares were voted to abstain.

(d) N/A

Item 6. Exhibits and Reports on Form 8-K

Reports on Form 8-K were filed during the quarter covered by this reports as follows:

8K- Financial results for the second quarter ended June 30, 2004

MANAGEMENT'S REPRESENTATION

The information furnished in this report reflects all adjustments which are, in the opinion of management, necessary to a fair statement of the results of the period.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BEXIL CORPORATION

Dated: November 15, 2004

By : /s/ William G. Vohrer
William G. Vohrer
Chief Financial Officer, Treasurer, Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Company and in the capacities and on the dates indicated.

November 15, 2004	By: <u>/s/Thomas B. Winmill</u> Bassett S. Winmill, Chairman of the Board, Director Thomas B. Winmill on behalf of Bassett S. Winmill by Power of Attorney signed 12/11/01
November 15, 2004	By: <u>/s/Thomas B. Winmill</u> Thomas B. Winmill, Esq., President Chief Executive Office, General Counsel, Director
November 15, 2004	By: <u>/s/Thomas B. Winmill</u> Charles A. Carroll, Director Thomas B. Winmill on behalf of Charles A. Carroll by Power of Attorney signed 12/11/01
November 15, 2004	By: <u>/s/Thomas B. Winmill</u> Edward G. Webb, Jr., Director Thomas B. Winmill on behalf of Edward G. Webb, Jr. by Power of Attorney signed 12/11/01
November 15, 2004	By: <u>/s/Thomas B. Winmill</u> Douglas Wu, Director Thomas B. Winmill on behalf of Douglas Wu by Power of Attorney signed 12/11/01

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTING FIRM

The Board of Directors and Shareholders of Bexil Corporation:

We have reviewed the accompanying balance sheet and statements of income of Bexil Corporation as of September 30, 2004 and for the nine month period ended September 30, 2004. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As discussed in Note 2, in 2004 the Company changed its method of accounting for its 50% interest in an unconsolidated affiliate from the fair value method to the equity method of accounting and for its other marketable securities.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with generally accepted accounting principles.

Tait, Weller & Baker

Philadelphia, Pennsylvania
November 4, 2004

Certification- Exchange Act Rules 13a-14 and 15d-14

I, Thomas B. Winmill, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Bexil Corporation ("registrant");

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 15, 2004

/s/ Thomas B. Winmill
Chief Executive Officer

Certification- Exchange Act Rules 13a-14 and 15d-14

I, William G. Vohrer, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Bexil Corporation ("registrant");

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 15, 2004

/s/ William G. Vohrer
Chief Financial Officer

CEO CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Bexil Corporation on Form 10-QSB for the period ending September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas B. Winmill, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Thomas B. Winmill
Thomas B. Winmill
Chief Executive Officer
November 15, 2004

CFO CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Bexil Corporation on Form 10-QSB for the period ending September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William G. Vohrer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/William G. Vohrer
William G. Vohrer
Chief Financial Officer
November 15, 2004