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

FORM 10-Q

(Mark One)

Quarterly report pursuant to section 13 or 15 (d) of the Securities Exchange Act of 1934

For the Quarterly Period ended March 31, 2006.

Transition report pursuant to section 13 or 15 (d) of the Securities Exchange Act of 1934.

For the transition period from _____ to _____.

Commission file number 000-28249

AMERINST INSURANCE GROUP, LTD.

(Exact Name of Registrant as Specified in its Charter)

BERMUDA
(State or other jurisdiction of
Incorporation or Organization)

98-0207447
(I.R.S. Employer
Identification No.)

**c/o USA Risk Group of Bermuda, Limited,
Windsor Place, 18 Queen Street, 2nd Floor
P.O. Box HM 1601, Hamilton, Bermuda**
(Address of Principal Executive Offices)

HMGX
(Zip Code)

Registrant's telephone number, including area code: (441) 296-3973

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 by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 1, 2006, the registrant had 331,751 common shares, \$1.00 par value per share outstanding.

Part I—FINANCIAL INFORMATION**Item 1. Financial Statements**

AMERINST INSURANCE GROUP, LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	As of March 31, 2006	As of December 31, 2005
ASSETS		
INVESTMENTS		
Fixed maturity investments, at market value (amortized cost \$25,826,038 and \$24,571,442)	\$25,421,183	\$24,234,216
Equity securities, at market value (cost \$17,319,917 and \$16,258,197)	23,346,763	22,017,805
TOTAL INVESTMENTS	48,767,946	46,252,021
Cash and cash equivalents	1,104,958	2,282,039
Restricted cash and cash equivalents	826,571	1,165,322
Assumed reinsurance premiums receivable	764,140	710,534
Fund deposit with a reinsurer	113,382	113,382
Accrued investment income	185,738	203,408
Deferred policy acquisition costs	1,216,872	1,119,157
Prepaid expenses and other assets	259,812	282,339
TOTAL ASSETS	\$53,239,419	\$52,128,202
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Unpaid losses and loss adjustment expenses	\$29,440,154	\$28,884,621
Unearned premiums	4,138,718	3,843,161
Accrued expenses and other liabilities	603,525	348,785
TOTAL LIABILITIES	34,182,397	33,076,567
STOCKHOLDERS' EQUITY		
Common shares, \$1 par value, 500,000 shares authorized, 2006 and 2005: 331,751 issued and outstanding	331,751	331,751
Additional paid-in capital	6,801,870	6,801,870
Retained earnings	12,348,392	12,499,613
Accumulated other comprehensive income	5,621,991	5,422,382
Shares held by Subsidiary (106,193 and 105,595 shares) at cost	(6,046,982)	(6,003,981)
TOTAL STOCKHOLDERS' EQUITY	19,057,022	19,051,635
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$53,239,419	\$52,128,202

See the accompanying notes to the unaudited condensed consolidated financial statements.

AMERINST INSURANCE GROUP, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF
OPERATIONS, COMPREHENSIVE INCOME
AND RETAINED EARNINGS
(Unaudited)

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
REVENUE		
Net premiums earned	\$ 2,049,657	\$ 2,164,916
Net investment income	296,789	235,174
Net realized gain on investments	419,736	425,409
TOTAL REVENUE	2,766,182	2,825,499
LOSSES AND EXPENSES		
Losses and loss adjustment expenses	1,484,872	1,515,441
Policy acquisition costs	650,168	638,650
Operating and management expenses	489,139	353,672
TOTAL LOSSES AND EXPENSES	2,624,179	2,507,763
NET INCOME	\$ 142,003	\$ 317,736
OTHER COMPREHENSIVE LOSS		
Net unrealized holding gains (losses) arising during the period	619,345	(738,291)
Reclassification adjustment for (gains) included in net income	(419,736)	(425,409)
OTHER COMPREHENSIVE GAIN (LOSS)	199,609	(1,163,700)
COMPREHENSIVE GAIN (LOSS)	\$ 341,612	\$ (845,964)
RETAINED EARNINGS, BEGINNING OF PERIOD	\$12,499,613	\$10,000,521
Net income	142,003	317,736
Dividends	(293,224)	(150,889)
RETAINED EARNINGS, END OF PERIOD	\$12,348,392	\$10,167,368
Per share amounts		
Net income	\$.62	\$ 1.30
Dividends	\$ 1.30	\$ 0.65
Weighted average number of shares outstanding for the entire period	225,857	245,108

See the accompanying notes to the unaudited condensed consolidated financial statements.

AMERINST INSURANCE GROUP, LTD.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
OPERATING ACTIVITIES		
Net Cash Provided by Operating Activities	\$ 1,235,921	\$ 1,475,745
INVESTING ACTIVITIES		
Movement in restricted cash and cash equivalents	338,751	(56,342)
Purchases of investments	(6,967,630)	(8,058,935)
Proceeds from sales and maturities of investments	4,552,102	11,065,917
Net Cash Provided by (Used in) Investing Activities	<u>(2,076,777)</u>	<u>2,950,640</u>
FINANCING ACTIVITIES		
Purchase of shares by subsidiary	(43,001)	(4,260,101)
Dividends paid	(293,224)	(150,889)
Net Cash Used in Financing Activities	<u>(336,225)</u>	<u>(4,410,990)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (1,177,081)	\$ 15,395
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>\$ 2,282,039</u>	<u>\$ 1,523,928</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 1,104,958</u>	<u>\$ 1,539,323</u>

See the accompanying notes to the unaudited condensed consolidated financial statements.

AMERINST INSURANCE GROUP, LTD.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) March 31, 2006

Basis of Presentation

The condensed consolidated financial statements included herein have been prepared by AmerInst Insurance Group, Ltd. (“AmerInst”) without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments consisting of normal recurring accruals, which are, in the opinion of management, necessary for a fair presentation of the results of operations for the periods shown. These statements are condensed and do not incorporate all the information required under generally accepted accounting principles to be included in a full set of financial statements. It is suggested that these condensed statements be read in conjunction with the consolidated financial statements at and for the year ended December 31, 2005 and notes thereto, included in AmerInst’s annual report for the year then ended.

Tender Offer

On December 17, 2004, AmerInst, through its indirect wholly owned subsidiary, AmerInst Investment Company, Ltd. commenced a “modified Dutch auction” self-tender offer for AmerInst shares. Pursuant to the tender offer, which expired on January 21, 2005, 65,959 shares were accepted for purchase at a price of \$60.00 per share, for a total purchase price of \$4,298,229, including tender offer expenses of \$340,698.

Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed in our 2005 Annual Report on Form 10-K.

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

OVERVIEW

Unless otherwise indicated by the context, in this quarterly report we refer to AmerInst Insurance Group, Ltd. and its subsidiaries as the “Company”, “we” or “us”. Also, unless otherwise indicated by the context, “AmerInst” means the parent company, AmerInst Insurance Group, Ltd.

Our primary purpose is to maintain an insurance company which is intended to exert a stabilizing influence on the design, pricing and availability of accountants’ professional liability insurance. Historically, the sole business activity of our wholly owned insurance company subsidiary, AmerInst Insurance Company, Ltd. has been to act as a reinsurer of professional liability insurance policies that are issued under the Professional Liability Insurance Plan sponsored by the American Institute of Certified Public Accountants (“AICPA”). The AICPA plan offers professional liability coverage to accounting firms and individual certified public accountants (“CPAs”) in all 50 states. Currently, approximately 24,000 accounting firms and individual CPAs are insured under this plan. During 2003, we also reinsured attorneys’ professional liability. Effective June 1, 2005, we accepted a 5% share in the first excess layer of \$2,000,000 excess of \$1,000,000 of CAMICO Mutual Insurance Company (“CAMICO”), a California based writer of Accountants’ Professional Liability business. We continue to look for ways in which it may be advantageous to expand our business to include the reinsurance of lines of coverage other than accountants’ professional liability. Any such expansion may be subject to our obtaining regulatory approvals.

Our reinsurance activity depends upon agreements with outside parties. In August 1993 we began the current reinsurance relationship with CNA, taking a 10% participation of the first \$1,000,000 of liability of each policy written under the AICPA plan. Effective in December 1999, we began taking a 10% share of CNA’s “value plan” business. The “value plan” provides for separate limits up to \$1,000,000 for losses and separate limits up to \$1,000,000 for expenses per occurrence and \$2,000,000 in the aggregate. The maximum limits under the “value plan” are \$2,000,000 per occurrence and \$4,000,000 in the aggregate.

Third-party Managers and Service Providers

USA Risk Group (Bermuda) Ltd. provides the day-to-day services necessary for the administration of our business. Shareholder services are conducted by USA Risk Group of Vermont, Inc., an affiliate of USA Risk Group (Bermuda) Ltd.

The Country Club Bank of Kansas City, Missouri, provides portfolio management of fixed-income securities and directs our investments pursuant to guidelines approved by us. Harris Associates, L.P., Harris Alternatives Investment Group, and Northeast Investment Management, Inc. provide discretionary investment advice with respect to our equity investments.

Professional Liability Coverage

The form of professional liability policy issued by CNA which we ultimately reinsure is a Professional Liability Company Indemnity Policy form. The coverage provided under this policy is on a "claims made" basis, which means the policy covers only those losses resulting from claims asserted against the insured during the policy period. The insuring clause of the policy, which indemnifies for losses caused by acts, errors or omissions in the insured's performance of professional accounting services for others, is in three parts:

Clause A indemnifies the accounting firm insured and, unless excluded by endorsements, any predecessor firms;

Clause B indemnifies any accountant or accounting firm while performing professional accounting services under contract with the insured;

Clause C indemnifies any former or new partner, officer, director or employee of the firm or predecessor firms.

Depending on the insured, defense costs for the policies issued by CNA (and reinsured by us) are either within the policy limits or in addition to policy limits. CNA charges additional premium to cover the cost of providing defense costs in addition to the policy limits under its "value plan." Insureds under the value plan have separate limits for losses and defense costs. Settlements are made only with the written consent of the insured. However, if the insured contests the settlement recommended by the insurer, those policies will only cover costs that do not exceed the lesser of the amount for which the claim could have been settled or the policy limits.

Effective January 1, 2003, we entered into a 15% quota share participation of the lawyers' professional liability coverage provided by Professionals Direct. This participation terminated on December 31, 2003.

Effective June 1, 2005, we accepted a 5% share in CAMICO's first excess layer of \$2,000,000 excess of \$1,000,000.

OPERATIONS

Three months ended March 31, 2006 compared to three months ended March 31, 2005:

We recorded net income of \$142,003 for the first quarter of 2006 compared to a net income of \$317,736 for the same period of 2005. The decrease is due to an increase in our operating and management expenses for the period and a decrease in net premiums earned. Our earned premiums for the first quarter of 2006 were \$2,049,657 compared to \$2,164,916 for the first quarter of 2005, a decrease of 5.3%. Net premiums written for the three months ended March 31, 2006 were \$2,416,803, compared to \$2,277,947 for the first quarter of 2005, an increase of \$138,856 or 6.1%. The increase in net premiums written was primarily attributable to a difference in the timing of premiums ceded to AmerInst in the first quarter of 2006 compared to the same period in 2005.

Our loss ratio for the first quarter of 2006 was 72.4%, compared to 70.0% for the same period of 2005. The loss ratio represents our management's current estimate of the effective loss rate selected in consultation with our independent consulting actuary. To determine total losses for the first quarter of 2006, we multiplied an estimated loss ratio of 70% times the AICPA Professional Liability Insurance Plan net premiums earned and the CAMICO net premiums earned. For the first quarter of 2005, to determine total losses we multiplied an estimated loss ratio of 70% times the AICPA Professional Liability Insurance Plan current premiums earned. Our actual overall loss ratio for the year ended December 31, 2005 was 45.2%.

OPERATIONS—(Continued)

We expensed policy acquisition costs of \$650,168 in the first quarter of 2006 compared to \$638,650 for the same period of 2005, an increase of \$11,518 or 1.8%. These costs were 31.7% and 29.5% of net premiums earned for the quarters ended March 31, 2006 and 2005, respectively. Policy acquisition costs are the sum of ceding commissions paid to ceding companies determined contractually pursuant to reinsurance agreements and federal excise taxes paid on premiums written to ceding companies.

We expensed operating and management expenses of \$489,139 in the first quarter of 2006 compared to \$353,672 for the same period of 2005, an increase of \$135,467 or 38.3%. The primary reason for this increase was patent and business development expenses.

We recorded a net underwriting loss (net premiums earned less the sum of loss and loss adjustment expenses and policy acquisition costs) of \$85,383 for the first quarter of 2006 compared to net underwriting income of \$10,825 for the same period of 2005, a decrease of \$96,208.

We recorded net investment income of \$296,789 in the first quarter of 2006 compared to \$235,174 for the same period of 2005, an increase of \$61,615 or 26.2%. The primary reason for the increase was an increase in the dividend income on the equity portfolio due to improvement of dividend payouts on certain holdings. In addition, the general increase in the interest rates in 2006 also contributed to the increase. Annualized investment yield, calculated as the net average amount of total investments divided by interest and dividend income, was 2.4% for the first quarter of 2006, an increase from the 1.8% yield earned in the first quarter of 2005. The improvement in investment yield was, as indicated above, due to a general increase in interest rates from 2005 to 2006. Sales of securities during the first quarter of 2006 resulted in realized capital gains of \$419,736, compared to gains of \$425,409 in the first quarter of 2005. Gains recorded in the first quarter of 2006 primarily related to sales of equity securities. Proceeds of these sales were subsequently reinvested in other equity securities.

FINANCIAL CONDITION AND LIQUIDITY

As of March 31, 2006, our total investments were \$48,767,946, an increase of \$2,515,925, or 5.4%, from \$46,252,021 at December 31, 2005. The increase was primarily due to an increase in unrealized gains on investments and the purchase of fixed income securities from available cash and cash equivalents. As a result of these purchases, cash and cash equivalents and restricted cash and cash equivalents balances decreased from \$3,447,361 at December 31, 2005 to \$1,931,529 at March 31, 2006, a decrease of \$1,515,832, or 44.0%. The amount of cash and cash equivalents varies depending on the maturities of fixed term investments and on the level of funds invested in money market mutual funds. The ratio of cash and total investments to total liabilities at March 31, 2006 was 1.48:1, compared to a ratio of 1.50:1 at December 31, 2005.

Assumed reinsurance premiums receivable are current assumed premiums receivable less commissions payable to the issuing carriers. This balance was \$710,535 at December 31, 2005 and \$764,140 at March 31, 2006. This balance fluctuates due to the timing of renewal premiums written.

The Bermuda Monetary Authority previously authorized the purchase of up to 15,000 of our shares by AmerInst Investment Company, Ltd. Such purchases are made through privately negotiated transactions and are in addition to our practice of purchasing the shares of individuals who have died or retired from the practice of public accounting. Subsequently, the Authority authorized blanket permission for AmerInst Investment Company, Ltd. to purchase common shares without limit from individuals who have died or retired from the practice of public accounting and on a negotiated case-by-case basis. Through May 1, 2006, AmerInst Investment Company, Ltd. had purchased in negotiated transactions at various prices 18,533 common shares for a total purchase price of \$615,513. In addition, through that date, AmerInst Investment Company, Ltd. had purchased 22,160 common shares from individuals who had died or retired for a total purchase price of \$1,170,803. As a condition to the tender offer described below, the Authority authorized the acquisition by AmerInst Investment Company, Ltd. of up to 20% of our outstanding shares.

On December 17, 2004, AmerInst Investment Company, Ltd. commenced a “modified Dutch auction” self-tender offer for AmerInst shares. Pursuant to the tender offer, which expired on January 21, 2005, 65,959 shares were accepted for purchase at a price of \$60.00 per share, for a total purchase price of \$4,298,229, including tender offer expenses of \$340,698.

We paid our second semi-annual dividend of \$1.30 per share during the first quarter of 2006. The next semi-annual dividend of \$1.30 per share will occur during the third quarter of 2006. Since AmerInst began paying dividends in 1995, our original shareholders have received approximately \$39.10 in cumulative dividends per share, which when measured by a total rate of return calculation has resulted in an effective annual rate of return of approximately 10.1% from the inception of the

Company based on a per share purchase price of \$25.00 paid by the original shareholders, and using an unaudited book value of \$84.49 per share as of March 31, 2006.

Critical Accounting Policies

Liability for Loss and Loss Adjustment Expense Reserves

The Company's critical accounting policies are discussed in Management's Discussion and Analysis of Operations Financial Condition and Results contained in our Annual Report on Form 10-K for the year ended December 31, 2005.

Forward-Looking Statements

Certain statements contained in this Form 10-Q, or otherwise made by our officers, including statements related to our future performance and our outlook for our businesses and respective markets, projections, statements of our management's plans or objectives, forecasts of market trends and other matters, are forward-looking statements, and contain information relating to us that is based on the beliefs of our management as well as assumptions made by, and information currently available to, our management. The words "goal", "anticipate", "expect", "believe" and similar expressions as they relate to us or our management, are intended to identify forward-looking statements. No assurance can be given that the results in any forward-looking statement will be achieved. For the forward-looking statements, we claim the protection of the safe harbor for forward-looking statements provided for in the Private Securities Litigation Reform Act of 1995. Such statements reflect our management's current views with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those reflected in any forward-looking statements. Factors that might cause such actual results to differ materially from those reflected in any forward-looking statements include, but are not limited to (i) the occurrence of catastrophic events with a frequency or severity exceeding the Company's expectations; (ii) a decrease in the level of demand for reinsurance and or an increase in the supply of reinsurance capacity; (iii) increased competitive pressures, including the consolidation and increased globalization of reinsurance providers; (iv) actual losses and loss expenses exceeding the Company's loss reserves, which are necessarily based on the actuarial and statistical projections of ultimate losses; (v) changing rates of inflation and other economic conditions; (vi) changes in the legal or regulatory environments in which we operate; and (vii) other risks including those risks identified in any of our other filings with the Securities and Exchange Commission. The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included herein. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect our management's analysis only as of the date they are made. We undertake no obligation to release publicly the results of any future revisions we may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Available Information

AmerInst's internet website address is www.amerinst.bm. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available free of charge through our website as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Inflation

We do not believe our operations have been materially affected by inflation. The potential adverse impacts of inflation include: (a) a decline in the market value of our fixed term investment portfolio; (b) an increase in the ultimate cost of settling claims which remain unresolved for a significant period of time; and (c) an increase in our operating expenses. However, we generally hold our fixed term investments to maturity and currently believe that the yield is adequate to compensate us for the risk of inflation. In addition, we expect that any increase from inflation in the ultimate cost of settling unpaid claims will be offset by investment income earned during the period when the claim is outstanding. Finally, the increase in operating expenses resulting from inflation should generally be matched by similar inflationary increases in our premium rates.

Market Sensitive Instruments

Market risk generally represents the risk of loss that may result from potential change in the value of a financial instrument due to a variety of market conditions. Our exposure to market risk is generally limited to potential losses arising from changes in the level of interest rates on market values of fixed term holdings and changes in the market values of equity securities. We do not hold or issue derivative financial instruments for either trading or hedging purposes.

(a) Interest Rate Risk.

Interest rate risk results from our holdings in interest-rate-sensitive instruments. We are exposed to potential losses on fixed rate instruments that we hold arising from changes in the level of interest rates. We are also exposed to credit spread risk resulting from possible changes in the issuer's credit rating. To manage our exposure to interest rate risk we attempt to select investments with characteristics that match the characteristics of our related insurance liabilities. Additionally, we generally only invest in higher-grade interest bearing instruments.

(b) Foreign Exchange Risk.

We only invest in U.S. dollar denominated financial instruments and do not have any exposure to foreign exchange risk.

(c) Equity Price Risk

Equity price risk arises from fluctuations in the value of securities held. We invest in equity securities in order to diversify our investment portfolio, which our management believes will assist us in achieving our goal of long-term growth of capital and surplus. Our management has adopted investment guidelines that set out rate of return and asset allocation targets, as well as degree of risk and equity investment restrictions to minimize exposure to material risk from changes in equity prices.

The table below provides information about our investments available for sale that were sensitive to changes in interest rates at March 31, 2006 and December 31, 2005 respectively.

	Estimated Fair Value 03/31/2006	Estimated Fair Value 12/31/2005
Fixed Income Portfolio		
Due in one year or less	\$ 1,995,947	\$ 2,203,125
Due after one year through five years	4,288,656	4,296,687
Due after five years through ten years	480,697	485,632
Due after ten years	0	0
Sub-total	\$ 6,765,300	\$ 6,985,444
Mortgage backed securities	\$18,655,883	\$17,248,772
Total	\$25,421,183	\$24,234,216

See Item 7A of our 2005 Annual Report on Form 10-K for additional discussion of market risk.

Item 4. Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-14 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective in ensuring that all material information required to be filed in this quarterly report has been made known to them in a timely fashion. There has been no change in our internal control over financial reporting identified in that evaluation that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II—OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is not a party to any material legal proceedings.

Item 2. Changes in Securities, Use of Proceeds and Issuer Purchase of Equity Securities

(a) – (b) None

(c) From time to time, the Company has repurchased shares of its common stock from individual shareholders who have died or retired from the practice of accounting. Through May 1, 2006, the Company had repurchased 22,160 common shares pursuant to such program.

The following table shows information relating to the purchase of shares from shareholders who have died or retired from the practice of accounting as described above during the three month period ended March 31,2006:

	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Program</u>	<u>Maximum Number of Shares That May Yet Be Purchased Under the Plans or Program</u>
January 2006	498	\$ 74.28	398	N/A
February 2006	—	—	—	N/A
March 2006	—	—	—	N/A
Total	498	\$ 74.28	398	N/A

From time to time, AmerInst Investment Company, Ltd. has also purchased common shares in privately negotiated transactions. Through May 1, 2006, AmerInst Investment Company, Ltd. had purchased 18,533 common shares in such privately negotiated transactions.

The following table shows information relating to the purchase of shares from shareholders in privately negotiated transactions as described above during the three month period ended March 31,2006:

	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Program</u>	<u>Maximum Number of Shares That May Yet Be Purchased Under the Plans or Program</u>
January 2006	100	\$ 60.10	100	N/A
February 2006	—	—	—	N/A
March 2006	—	—	—	N/A
Total	100	\$ 60.10	100	N/A

Item 6. Exhibits

(a) Exhibits

See Index to Exhibits immediately following the signature page.

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 thereunto duly authorized.

Dated: May 15, 2006

AMERINST INSURANCE GROUP, LTD.
(Registrant)

By: /s/ STUART H. GRAYSTON

Stuart H. Grayston

(President and chief executive officer, duly authorized to sign this Report in such capacity and on behalf of the Registrant)

And

By: /s/ MURRAY NICOL

Murray Nicol

(Vice President and chief financial officer, duly authorized to sign this Report in such capacity and on behalf of the Registrant)

AMERINST INSURANCE GROUP, LTD.

INDEX TO EXHIBITS

Filed with the Quarterly Report on Form 10-Q for the Quarter Ended March 31, 2006

Exhibit Number	Description
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Stuart Grayston pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Murray Nicol pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

**CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Stuart Grayston, President and chief executive officer of the Company, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AmerInst Insurance Group, Ltd.;
2. Based on my knowledge, this 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 period covered by this 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 report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2006

/s/ STUART GRAYSTON

Stuart Grayston

President and chief executive officer

**CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Murray Nicol, Vice President and chief financial officer of the Company, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AmerInst Insurance Group, Ltd.;
2. Based on my knowledge, this 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 period covered by this 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 report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2006

/s/ MURRAY NICOL

Murray Nicol

Vice President and chief financial officer

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

In connection with the Quarterly Report of AmerInst Insurance Group, Ltd. (the "Company") on Form 10-Q for the period ending March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stuart Grayston, President and chief executive officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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 results of operations of the Company.

/s/ STUART GRAYSTON

Stuart Grayston
President and chief executive officer
May 15, 2006

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

In connection with the Quarterly Report of AmerInst Insurance Group, Ltd. (the "Company") on Form 10-Q for the period ending March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Murray Nicol, Vice President and chief financial officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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 results of operations of the Company.

/s/ MURRAY NICOL

Murray Nicol

Vice President and chief financial officer

May 15, 2006