BEXIL

- **Notice of 2008 Annual Meeting and Proxy Statement**

- **2007 Annual Report**

Symbol:

BXLC

11 Hanover Square
New York, NY 10005

Tel 1-212-785-0400
www.bexil.com

BEXIL CORPORATION

Notice of Annual Meeting of Stockholders

To the Stockholders:

Notice is hereby given that the 2008 Annual Meeting of Stockholders ("Meeting") of Bexil Corporation (the "Company") will be held at The Down Town Association, 60 Pine Street, New York, New York on June 5, 2008 at 11:00 a.m., local time, for the following purposes:

1. To elect to the Board of Directors the Nominees, Edward G. Webb, Jr. and Thomas B. Winmill, as Class I Directors with each to serve a three year term, and until his successor is duly elected and qualifies.

2. To consider and act upon any other business as may properly come before the Meeting or any adjournment thereof.

The Board of Directors unanimously recommends that stockholders vote in favor of the Nominees.

Stockholders of record at the close of business on April 4, 2008 are entitled to receive notice of and to vote at the Meeting.

By Order of the Board of Directors

John F. Ramírez
Secretary

New York, New York
May 5, 2008

THE MEETING WILL START PROMPTLY AT 11:00 A.M., LOCAL TIME. TO AVOID DISRUPTION, ADMISSION MAY BE LIMITED ONCE THE MEETING STARTS. PLEASE SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED PRE-ADDRESSED REPLY ENVELOPE WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING. ANY STOCKHOLDER OF RECORD PRESENT AT THE MEETING MAY VOTE IN PERSON INSTEAD OF BY PROXY, THEREBY CANCELING ANY PREVIOUS PROXY.

Please Vote Immediately by Signing and Returning the Enclosed Proxy Card.
Delay may cause the Company to incur additional expenses to solicit votes for the Meeting.

BEXIL CORPORATION

PROXY STATEMENT

Annual Meeting of Stockholders
to be held June 5, 2008

This Proxy Statement is furnished in connection with a solicitation of proxies by Bexil Corporation (the "Company") to be voted at the 2008 Annual Meeting of Stockholders of the Company to be held at The Down Town Association, 60 Pine Street, New York, New York on June 5, 2008 at 11:00 a.m., local time, and at any postponements or adjournments thereof ("Meeting") for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. Only stockholders of record at the close of business on April 4, 2008 (the "Record Date") are entitled to be present and to vote on matters at the Meeting. Stockholders are entitled to one vote for each Company share held. Shares represented by executed and unrevoked proxies will be voted in accordance with the instructions on the Proxy Card. A stockholder may revoke a proxy by delivering to the Company a signed proxy with a date later than the previously delivered proxy or by sending a written revocation to the Company. To be effective, such revocation must be received prior to the Meeting. In addition, any stockholder who attends the Meeting in person may vote by ballot at the Meeting, thereby canceling any proxy previously given. As of the Record Date, the Company had 883,592 shares of common stock issued and outstanding. Stockholders of the Company will vote as a single class.

It is estimated that proxy materials will be mailed to stockholders as of the Record Date on or about May 5, 2008. The Company's principal executive offices are located at 11 Hanover Square, New York, New York 10005. **A copy of the Company's most recent Annual Report is attached hereto.**

PROPOSAL 1: TO ELECT TO THE BOARD OF DIRECTORS THE NOMINEES, EDWARD G. WEBB, JR. AND THOMAS B. WINMILL, AS CLASS I DIRECTORS WITH EACH TO SERVE A THREE YEAR TERM, AND UNTIL HIS SUCCESSOR IS DULY ELECTED AND QUALIFIES.

The Board has approved the nominations of Edward G. Webb, Jr. and Thomas B. Winmill, as Class I Directors with each to serve a three year term, and until his successor is duly elected and qualifies. The Nominees currently serve as Directors of the Company. Mr. Webb and Mr. Winmill will be elected by a plurality of the votes cast at the Meeting. Unless otherwise noted, the address of record for the Directors is 11 Hanover Square, New York, New York 10005.

The following table sets forth certain information concerning the Nominees for Class I Directors of the Company:

Name, Principal Occupation, and Business Experience	Director Since
<u>Non-interested Nominee:</u>	
Class I:	
EDWARD G. WEBB, JR. – Mr. Webb has been an Equity Portfolio Manager for Advanced Asset Management Advisors, Inc. since October 2002. Mr. Webb was President of Webb Associates, Ltd. from 1996 to 2004. Mr. Webb was born on March 31, 1939.	2004
<u>Interested Nominee:</u>	
Class I:	
THOMAS B. WINMILL – Mr. Winmill has served as President, Chief Executive Officer and General Counsel of the Company since 1999 and in other capacities since 1996. Since 1999, he has also served as a director, President, Chief Executive Officer and General Counsel of Winmill & Co. Incorporated, its affiliates, and certain of the investment companies managed by its subsidiaries, and in other capacities since 1988. Mr. Winmill has also served as General Counsel of Tuxis Corporation since 2002 and in other capacities since 1988. Mr. Winmill is a member of the New York State Bar and the SEC Rules Committee of the Investment Company Institute. Mr. Winmill was born on June 25, 1959.	1996

The persons named in the accompanying form of proxy intend to vote each such proxy FOR the election of the Nominees listed above unless a stockholder specifically indicates on a proxy the desire to withhold authority to vote for the Nominees. It is not contemplated that the Nominees will be unable to serve as Directors for any reason but, if that should occur prior to the Meeting, the proxy holders reserve the right to substitute another person or persons of their choice as

Nominee. The Nominees listed above have consented to being named in this Proxy Statement and have agreed to serve as Directors if elected.

Vote Required

As set forth in the Company's Bylaws, except as otherwise provided in the charter and notwithstanding any other provision of the Maryland General Corporation Law ("MGCL"), "the election of any director by stockholders requires the affirmative vote of at least eighty percent (80%) of the outstanding shares of all classes of voting stock, voting together, in person or by proxy at a meeting at which a quorum is present, unless such action is approved by the vote of a majority of the Board of Directors, in which case such action requires the affirmative vote of a plurality of the votes cast at the Meeting." Because the Nominees for Directors were approved by a majority of the Board of Directors, a plurality of all the votes cast at the Meeting at which a quorum is present shall be sufficient to elect the Nominees as Directors.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS YOU VOTE FOR THE NOMINEES.

How to Communicate with the Company's Board of Directors

Stockholders who wish to communicate with the Board of Directors or a particular director may send a letter to the Secretary of the Company at 11 Hanover Square, New York, New York 10005. The mailing envelope must contain a clear notation indicating that the enclosed letter is a "Stockholder-Board Communication" or "Stockholder-Director Communication." All such letters must identify the author as a stockholder and clearly state whether the intended recipients are all members of the Board or just certain specified individual directors. The Secretary will make copies of all such letters and circulate them to the appropriate director or directors.

ADDITIONAL INFORMATION

At the Meeting, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the Meeting is sufficient to constitute a quorum. In the event that a quorum is not present at the Meeting, or if a quorum is present but sufficient votes to approve a proposal are not received, the chair of the Meeting may adjourn the Meeting to a later date and time not more than 120 days after the original record date without any other notice other than announcement at the Meeting. A stockholder vote may be taken for one or more proposals prior to any adjournment if sufficient votes have been received for approval. If a proxy is properly executed and returned accompanied by instructions to withhold authority to vote, represents a broker "non-vote" (that is, a proxy from a broker or nominee indicating that such person has not received instructions from the beneficial owner or other person entitled to vote shares of the Company on a particular matter with respect to which the broker or nominee does not have discretionary power) or is marked with an abstention (collectively, "abstentions"), the Company's shares represented thereby will be considered to be present at the Meeting for purposes of determining the existence of a quorum for the transaction of business. Under the MGCL, abstentions do not constitute a vote "for" or "against" a matter and will be disregarded in determining "votes cast" on an issue.

In addition to the use of the mails, proxies may be solicited personally, by telephone, or by other means, and the Company may pay persons holding its shares in their names or those of their nominees for their expenses in sending soliciting materials to their beneficial owners. The Company will bear the cost of soliciting proxies. Authorizations to execute proxies may be obtained by telephonic instructions in accordance with procedures designed to authenticate the stockholder's identity. In all cases where a telephonic proxy is solicited, the stockholder will be asked to provide his or her address, social security number (in the case of an individual), taxpayer identification number (in the case of an entity), or other identifying information, and the number of shares owned and to confirm that the stockholder has received the Company's Proxy Statement and proxy card in the mail. Within 72 hours of receiving a stockholder's telephonic voting instructions and prior to the Meeting, a confirmation will be sent to the stockholder to ensure that the vote has been taken in accordance with the stockholder's instructions and to provide a telephone number to call immediately if the stockholder's instructions are not correctly reflected in the confirmation. Stockholders requiring further information with respect to telephonic voting instructions or the proxy generally should contact the Company's transfer agent at 1-800-757-5755. Any stockholder giving a proxy may revoke it at any time before it is exercised by submitting to the Company a written notice of revocation or a subsequently executed proxy or by attending the Meeting and voting in person.

Discretionary Authority; Submission Deadlines for Stockholder Proposals

Although no business may come before the Meeting other than that specified in the Notice of Annual Meeting of Stockholders, shares represented by executed and unrevoked proxies will confer discretionary authority to vote on matters which the Company did not have notice of a reasonable time prior to mailing this Proxy Statement to stockholders. The Company's Bylaws provide that in order for a stockholder to nominate a candidate for election as a Director at an annual meeting of stockholders or propose business for consideration at such meeting, written notice generally must be delivered to the Secretary of the Company, at the principal executive offices, not less than 60 days nor more than 90 days prior to the first anniversary of the mailing of the notice for the preceding year's annual meeting. Proposals should be mailed to the Company, to the attention of the Company's Secretary, 11 Hanover Square, New York, New York 10005. The submission by a stockholder of a proposal for inclusion in the proxy statement or presentation at any stockholder meeting does not guarantee that it will be included or presented. Stockholder proposals are subject to certain requirements under the MGCL and must be submitted in accordance with the Company's Bylaws.

Householding of Proxy Materials

To reduce the expenses of printing and delivering duplicate copies of proxy statements, some banks, brokers, and other nominee record holders may deliver only one copy of these materials to stockholders who share an address unless otherwise requested. If you share an address with another stockholder and have received only one copy of this proxy statement, you may request a separate copy of these materials at no cost to you by or by writing to Bexil Corporation, 11 Hanover Square, New York, New York 10005, Attention: Secretary. For future stockholder meetings, you may request separate copies of these materials, or request that we send only one set of these materials to you if you are receiving multiple copies by calling or writing to us at the number or address given above.

Notice to Banks, Broker/Dealers, and Voting Trustees and Their Nominees

Please advise the Company's transfer agent, Illinois Stock Transfer Company, at 1-800-757-5755 whether other persons are the beneficial owners of the shares for which proxies are being solicited and, if so, the number of copies of this Proxy Statement and other soliciting material you wish to receive in order to supply copies to the beneficial owners of shares.

It is important that proxies be returned promptly. Therefore, stockholders who do not expect to attend the Meeting in person are urged to complete, sign, date and return the enclosed proxy card in the enclosed stamped envelope.

BEXIL CORPORATION

2007 ANNUAL REPORT

BEXIL CORPORATION

11 Hanover Square
New York, New York 10005
Tel. 1-212-785-0400 Fax 1-212-363-1101

March 10, 2008

Fellow Shareholders:

Our objective is simple, straightforward, and sharply focused: to increase book value per share over time. We believe that long term stockholders will benefit from a rising book value as market recognition builds and investors come to appreciate Bexil's intrinsic value as well.

Our book value per share at December 31, 2007 (883,592 shares issued and outstanding) was $43.53, as compared to $42.85 at December 31, 2006. Bexil recorded net income of $257,795 or $0.28 per share on a diluted basis for the year ended December 31, 2007. At December 31, 2007, we had positive working capital of $38,462,447, total assets of $38,601,858, no long term debt, and shareholders equity of $38,462,447. Our primary source of income since the sale of our fifty percent interest in York Insurance Services Group, Inc. ("York") in April 2006 has been from interest and dividends earned from U.S. Treasury securities and money market funds.

How do we propose to further increase book value? Through major equity interests in the best businesses we can find, where we can work with superior managers to grow the value of the business prudently and solidly for the long term.

Since the sale of the York shares, we have been operating to acquire and/or develop one or more businesses. There are no limits on the types of businesses or fields in which we may devote our assets. We have not agreed to acquire any business as of the date of this letter. We have no plans to dissolve and liquidate the Company.

Our acquisition parameters for a public company and private business are:

- A proven track record with demonstrated earning power.
- A seasoned business with solid customer relations.
- Good return on equity, little or no debt.
- Solid management. Audited financials required.
- Particularly interested in a "spin-off" from a larger company.

We generally are not interested in acquiring (but we may develop) start-ups, turnarounds, or high tech. We will sign a confidentiality agreement and will protect a broker's sell agreement. If the seller quotes a price, we will respond promptly.

Having the value of your investment in Bexil grow is as important to us as it is to you -- management and affiliates own approximately 30% of Bexil's shares.

For more information on Bexil, please visit www.Bexil.com. We hope you find our web site useful and informative, whether you are a current stockholder or considering becoming one. If you have any questions or comments about Bexil Corporation, please do not hesitate to contact me personally at twinmill@bexil.com.

Thank you for investing in Bexil Corporation.

Sincerely,

Thomas B. Winmill
President

This Annual Report contains forward looking statements about the Company, including its business operations, strategy and expected financial performance and conditions. Forward looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” or similar expressions. Such statements are based on the current expectations of management, and inherently involve numerous risks and uncertainties, both known and unknown. These forward looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in this Annual Report. The forward looking statements that are contained in this Annual Report are made as of March 10, 2008, and, except as may be required by applicable law, the Company does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events, or otherwise. The reader is cautioned not to place undue reliance on forward looking statements.

BEXIL CORPORATION
BALANCE SHEETS

	December 31, 2007	December 31, 2006
Assets		
Current assets:		
Cash and cash equivalents	$ 958,481	$ 458,032
Investment securities, available-for-sale	36,820,771	36,498,576
Receivables:		
Interest receivable	609,375	599,679
Refundable taxes	213,231	360,964
Other	-	29,130
Total current assets	38,601,858	37,946,381
Deferred taxes	-	125,329
Total assets	$ 38,601,858	$ 38,071,710
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 135,234	$ 206,829
Deferred taxes	4,177	-
Total current liabilities	139,411	206,829
Commitments and contingencies (Note 9)	-	-
Shareholders' equity		
Common stock, $0.01 par value, 9,900,000 shares authorized, 883,592 shares issued and outstanding	8,836	8,836
Series A participating preferred stock, $0.01 par value, 100,000 shares authorized, -0- shares issued and outstanding	-	-
Additional paid-in capital	12,972,549	12,863,641
Accumulated other comprehensive income (loss)	185,319	(45,544)
Retained earnings	25,295,743	25,037,948
Total shareholders' equity	38,462,447	37,864,881
Total liabilities and shareholders' equity	$ 38,601,858	$ 38,071,710

See notes to financial statements.

BEXIL CORPORATION
STATEMENTS OF INCOME
Years Ended December 31, 2007 and 2006

	2007	2006
Revenues		
Consulting and other	$ -	$ 5,000
	-	5,000
Expenses		
Compensation and benefits	746,440	2,586,952
Professional	388,174	656,600
Occupancy	99,451	187,183
Communications	39,550	21,597
	1,273,615	3,452,332
Other income		
Dividends and interest	1,789,342	1,619,269
Realized gain on investments	-	682
Gain on sale of equity interest in York Insurance Services Group, Inc.	-	37,471,143
	1,789,342	39,091,094
Income before income taxes and equity in loss of York Insurance Services Group, Inc.	515,727	35,643,762
Income tax expense	257,932	12,608,481
Equity in loss of York Insurance Services Group, Inc.	-	(733,748)
Net income	$ 257,795	$ 22,301,533
Per share net income:		
Basic	$ 0.29	$ 25.26
Diluted	$ 0.28	$ 24.23
Average shares outstanding:		
Basic	884,126	882,803
Diluted	931,045	920,499

See notes to financial statements.

BEXIL CORPORATION
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Years Ended December 31, 2007 and 2006

	Common Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at December 31, 2005, 879,592 common shares	$ 8,796	$ 12,642,163	$ 3,620,007	$ -	$ 16,270,966
Comprehensive income					
Net income	-	-	22,301,533	-	22,301,533
Unrealized security holding losses, net of taxes	-	-	-	(45,544)	- (45,544)
Total comprehensive income					22,255,989
4,000 common shares issued upon option exercise under incentive compensation plan	40	86,320	-	-	86,360
Share-based compensation expense	-	135,158	-	-	135,158
Dividends paid	-	-	(883,592)	-	(883,592)
Balance at December 31, 2006, 883,592 common shares	8,836	12,863,641	25,037,948	(45,544)	37,864,881
Comprehensive income					
Net income	-	-	257,795	-	257,795
Unrealized security holding income, net of taxes	-	-	-	230,863	230,863
Total comprehensive income					488,658
3,000 restricted common shares issued	30	98,460	-	-	98,490
3,000 restricted common shares rescinded	(30)	(98,460)	-	-	(98,490)
Share-based compensation expense	-	108,908	-	-	108,908
Balance at December 31, 2007, 883,592 common shares	$ 8,836	$ 12,972,549	$ 25,295,743	$ 185,319	$ 38,462,447

See notes to financial statements.

BEXIL CORPORATION
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2007 and 2006

	2007	2006
Cash flows from operating activities		
Net income	$ 257,795	$ 22,301,533
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Gain on sale of equity interest in York Insurance Services Group, Inc.	-	(37,471,143)
Equity in loss of York Insurance Services Group, Inc.	-	733,748
Realized gain on sale of investments	-	(682)
(Increase) decrease in deferred taxes	(356)	1,002,737
Share-based compensation expense	108,908	135,158
Accretion of discount on investment in security	-	(839,400)
Increase in interest receivable	(9,696)	(599,679)
Decrease (increase) in refundable income taxes	147,733	(360,964)
Decrease in other assets	71,294	11,710
Decrease in accounts payable and accrued expenses	(75,229)	(381,330)
Decrease in income taxes payable	-	(228,118)
Net cash provided by (used in) operating activities	500,449	(15,696,430)
Cash flows from investing activities		
Purchases of investment securities	-	(85,963,231)
Proceeds from sale/maturity of investment securities	-	50,223,469
Proceeds from sale of equity interest in York Insurance Services Group, Inc., net of transaction costs	-	38,602,621
Net cash provided by investing activities	-	2,862,859
Cash flows from financing activities		
Dividend paid	-	(883,592)
Proceeds from exercise of common stock options	-	86,360
Net cash used in financing activities	-	(797,232)
Net increase (decrease) in cash and cash equivalents	500,449	(13,630,803)
Cash and cash equivalents		
Beginning of year	458,032	14,088,835
End of year	$ 958,481	$ 458,032
Supplemental disclosure		
Income taxes paid	$ 110,555	$ 13,006,714

See notes to financial statements.

1. NATURE OF BUSINESS AND ORGANIZATION

Bexil Corporation ("Bexil" or the "Company") is a holding company incorporated in Maryland in 1996.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The financial statements are prepared in accordance with generally accepted accounting principles in the United States of America. In 2006 and prior to the consummation of the sale of York, the Company accounted for its fifty percent interest in York using the equity method and, therefore, our financial results were not consolidated with York's.

Cash and Cash Equivalents
Investments in money market funds and short term investments and other marketable securities maturing in 90 days or less are considered to be cash equivalents. At December 31, 2007 and 2006, the Company held approximately $930,000 and $400,000, respectively, in money market fund investments.

Earnings Per Share
Basic earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by dividing net income by the weighted average number of common shares used in the basic earnings per share calculation plus the dilutive effect of stock options. The dilutive effect of stock options is determined using the treasury stock method, whereby exercise is assumed at the beginning of the reporting period, the proceeds from such exercise are assumed to be used to purchase common stock at the average market price during the period, and the incremental shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) are included in the denominator of the diluted earnings per share calculation.

The following table sets forth the computation of basic and diluted earnings per share for the years ended December 31, 2007 and 2006:

	2007	2006
Net income	$ 257,795	$ 22,301,533
Weighted average common shares outstanding:		
Weighted average shares used in per share calculation - basic	884,126	882,803
Effect of dilutive securities:		
Stock options	46,919	37,696
Weighted average shares used in per share calculation - diluted	931,045	920,499
Per share net income:		
Basic	$ 0.29	$ 25.26
Diluted	$ 0.28	$ 24.23

Stock options will have a dilutive effect under the treasury method only when the average market price of the common stock during the period exceeds the exercise price of the option ("in the money options").

Stock options outstanding with an exercise price higher than the average stock price for the periods presented ("out of the money options") are excluded from the calculation of diluted net income per share since the effect would have been anti-dilutive under the treasury stock method.

The following table sets forth potential shares of common stock that are not included in the diluted net income per share calculations above because to do so would be anti-dilutive for the years ended December 31 2007 and 2006:

	2007	2006
Stock options outstanding:		
In the money options	-	-
Out of the money options	4,000	-
	4,000	-

Income Taxes
The Company's method of accounting for income taxes conforms to the Financial Accounting Standards Board's ("FASB") Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"). 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.

Investment Securities, Available-for-Sale
Investment securities, available-for-sale are carried at fair value. Realized gains and losses are included in investment income based on specific identification. Unrealized gains and losses are recorded net of tax as part of accumulated other comprehensive income until realized. We regularly review investment securities for other-than-temporary impairment based on both quantitative and qualitative criteria that include the extent to which cost exceeds market value, the duration of that market decline, our intent and ability to hold to maturity or until forecasted recovery, and the financial health of and specific prospects for the issuer. Unrealized losses that are other-than-temporary are recognized in earnings. At December 31, 2007 and 2006, substantially all of the investment securities value was in a U.S. Treasury Note.

Reporting Segment
The Company accounts for its operations in accordance with FASB Statement of Financial Accounting Standard No. 131, "Disclosures about Segments of an Enterprise and Related Information." No segment disclosures have been made as the Company considers its business activities as a single segment.

Share-based Compensation
The Company accounts for share-based compensation in accordance with FASB Statement of Financial Accounting Standards No. 123R "Share-Based Payment" ("SFAS 123R"). Under SFAS 123R, share-based compensation expense reflects the fair value of share-based awards measured at grant date, is recognized over the relevant service period, and is adjusted each period for anticipated forfeitures. The compensation cost recorded for share-based compensation, which includes stock options, is based on the grant date fair value as required by SFAS 123R.

The Company has issued stock options in accordance with its 2004 Incentive Compensation Plan. All stock options granted have exercise prices equal to the market value of stock on the date of grant. Accordingly, the Company records compensation expense based on the fair value of the stock options using a Black-Scholes option pricing model. The Black-Scholes option pricing model takes into account variables such as volatility, dividend yield, and the risk-free interest rate. Although the initial fair value of stock options is not adjusted after the grant date, changes in the Company's assumptions may change the value and, therefore, the expense related to future grants of stock options.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain items, including the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are primarily used in the determination of investment impairment, valuation of share-based compensation, and expenses allocation. Actual results may differ from those estimates.

Recent Accounting Pronouncements
The Company adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement 109" ("FIN 48") on January 1, 2007. FIN 48 provides guidance on how uncertain tax positions should be recognized, measured, presented, and disclosed in the financial statements. FIN 48 requires an evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. The Company has analyzed its tax positions taken on federal, state, and local income tax returns for all open tax years (tax years ended December 31, 2004 – 2007) and has concluded that no additional adjustments are required in the financial statements.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157") to address inconsistencies in the definition and determination of fair value pursuant to generally accepted accounting principals ("GAAP"). SFAS 157 provides a single definition of fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements in an effort to increase comparability related to the recognition of market-based assets and liabilities and their impact on earnings. SFAS 157 is effective for interim financial statements issued during the fiscal year beginning after November 15, 2007.

3. SALE OF YORK INSURANCE SERVICES GROUP, INC.

On April 27, 2006, the Company's stockholders voted to approve the sale of its fifty percent interest in York to a newly formed entity controlled by a private equity fund and certain other investors; the sale was consummated on April 28, 2006. The Company recognized a gain from the sale of $37,471,143 before taxes consisting of the cash proceeds paid by the buyer of $38,864,121 plus a consulting fee and expense reimbursement received from York of $138,500 less the Company's carrying value in York of $1,131,478 and closing costs of $400,000. Included in compensation and benefits were bonus award payments of $1,909,228 paid to the Chief Executive Officer, Executive Chairman, and other employees upon the consummation of the sale of York in 2006. Prior to the sale, the Company's fifty percent interest in York was accounted for using the equity method and, therefore, York's financial results were not consolidated with ours. Summarized unaudited condensed financial information for York for the period January 1, 2006 to April 28, 2006 was as follows:

York Insurance Services Group, Inc. Summarized Condensed Financial Information (Unuadited)		**For the Period January 1, 2006 to April 28, 2006**
Revenues	$	30,345,914
Expenses	$	25,131,225
Net income	$	(1,467,496)

The Company earned fees of $5,000 from York for service on York's board of directors and incurred expenses of approximately $165,000 relating to an expense sharing agreement for the period January 1, 2006 to April 28, 2006.

4. RELATED PARTIES

Certain officers of the Company also serve as officers and/or directors of Winmill & Co. Incorporated ("Winco"), Tuxis Corporation ("Tuxis"), and their affiliates (collectively with Bexil, the "Affiliates"). At December 31, 2007, Winco's wholly owned subsidiary, Investor Service Center, Inc., owned 222,644 shares of the Company and 234,665 shares of Tuxis, or 25% and 24%, respectively, of the outstanding common stock. Winco's wholly owned subsidiary, Midas Management Corporation ("MMC"), acts as "master" payer of compensation and benefits of Affiliate employees. At December 31, 2007 and 2006, the Company had a payable of $3,633 and a receivable of $9,130, respectively, to MMC relating to compensation and benefit expenses.

Rent expense of jointly used office space and overhead expense for various jointly used administrative and support functions jointly incurred by the Affiliates are allocated among them. The Company incurred allocated rent and overhead costs of $89,599 and $172,183 for the years ended December 31, 2007 and 2006, respectively, and had a payable related to these costs of $7,303 and $23,253 at December 31, 2007 and 2006, respectively.

The Company participates in a 401(k) retirement plan for substantially all of its qualified employees. Company matching expense is based upon a percentage of contributions to the plan by eligible employees and are accrued and funded on a current basis. In 2006 and through January 31, 2007, the plan was sponsored by Winco. Matching expense to the Winco plan for the years ended December 31, 2007 and 2006 was $12,218 and $17,081, respectively. Effective February 1, 2007, the Company began participating in a non-affiliated 401(k) plan and incurred matching expense of $10,466 for the year ended December 31, 2007.

The Company has investments in Midas Dollar Reserves, Inc. ("MDR"), a money market fund advised by MMC and in Global Income Fund, Inc. ("GIFD"), a closed end investment company advised by CEF Advisers, Inc., a wholly owned subsidiary of Winco. The Company's investment balance in MDR was $105,260 and $101,222 at December 31, 2007 and 2006, respectively, and dividends earned were $4,038 and $1,222 for the years ended December 31, 2007 and 2006, respectively. The Company's carrying value in GIFD was $1,396 and $1,496 at December 31, 2007 and 2006, respectively, and dividends earned were $79 and $125 for the years ended December 31, 2007 and 2006, respectively. Certain officers and directors of the Company are officers and/or directors of MDR and GIFD.

5. INVESTMENT IN SECURITIES

Investment securities at December 31, 2007 and 2006 consisted of the following:

	Amortized	Gross Unrealized		Fair
2007	**Cost**	**Gains**	**Losses**	**Value**
Investment securites, available-for-sale				
U.S.Treasury Note due August 2008	$ 36,529,602	$289,773	$ -	$ 36,819,375
Global Income Fund, Inc.	1,605	-	(209)	1,396
Total	$ 36,531,207	$289,773	$ (209)	$ 36,820,771
2006				
Investment securites, available-for-sale				
U.S.Treasury Note due August 2008	$ 36,568,133	$ -	$ (71,053)	$ 36,497,080
Global Income Fund, Inc.	1,605	-	(109)	1,496
Total	$ 36,569,738	$ -	$ (71,162)	$ 36,498,576

6. INCENTIVE COMPENSATION PLAN

In 2004, the Company's shareholders approved the adoption of the 2004 Incentive Compensation Plan (the "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 affiliates. 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. The vesting period is three years of service. Under certain conditions participants have 3 months after the employment relationship ends to exercise all vested options.

The Company accounts for the cost of its stock options under SFAS 123R and recognizes compensation expense for its share-based payments based on the fair value of the awards. Share-based payments include stock option grants under the Plan. SFAS 123R requires share-based compensation expense recognized since January 1, 2006, to be based on the following: a) grant date fair value estimated in accordance with the original provisions of SFAS 123 for unvested options granted prior to the adoption date; and b) grant date fair value estimated in accordance with the provisions of SFAS 123R for unvested options granted subsequent to the adoption date. Under SFAS 123R forfeitures are estimated at the time of valuation and reduce expense ratably over the vesting period. This estimate is adjusted periodically based on the extent to which actual forfeitures differ, or are expected to differ, from the previous estimate. SFAS 123R's fair value method has resulted in additional share-based expense (affecting compensation expenses and taxes) in the amount of $108,908 and $135,158 related to stock options for the years ended December 31, 2007 and 2006, respectively. For the years ended December 31, 2007 and 2006, this additional share-based expense lowered pre-tax earnings by $108,908 and $135,158, respectively, lowered net income by $69,701 and $86,501, respectively, and lowered basic earnings per share by $0.08 and $0.10, respectively.

The following schedule shows all options granted, exercised, expired, and exchanged under the Plan as of December 31, 2007 and 2006.

	Shares Under Option	Weighted Average Exercise Price		Total Price	
Balance, December 31, 2005	144,000	$	21.45	$	3,088,800
Granted	3,000	$	27.90	$	83,700
Exercised	(4,000)	$	21.59	$	(86,360)
Forfeited	(1,000)	$	21.59	$	(21,590)
Balance, December 31, 2006	142,000	$	21.58	$	3,064,360
Granted	4,000	$	32.46	$	129,840
Exercised	-	$	-	$	-
Forfeited	-	$	-	$	-
Balance, December 31, 2007	146,000	$	21.88	$	3,194,480

The fair value of each option grant is separately estimated for each grant date. The fair value of each option is amortized into compensation expense on a straight-line basis between the grant date for the award and each vesting date. The Company has estimated the fair value of all stock option awards as of the date of the grant by applying the Black-Scholes option pricing valuation model. The application of this valuation model involves assumptions that are judgmental and highly sensitive in the determination of compensation expense. The Company granted 4,000 and 3,000 options for the years ended December 31, 2007 and 2006, respectively, and the weighted average fair value of the options granted using the Black-Scholes option pricing valuation model was $11.94 and $9.84 for the years ended December 31, 2007 and 2006, respectively.

The key assumptions used in determining the fair value of options granted by applying the Black-Scholes option pricing valuation model in 2007 and 2006 and a summary of the methodology applied to develop each assumption are as follows:

	Years Ended December 31,	
	2007	2006
Expected price volatility	35.9 - 35.7%	36.5%
Risk-free interest rate	4.9 – 4.5%	4.6%
Weighted average expected lives in years	4	4
Forfeiture rate	10%	10%
Dividend yield	0%	0%

Expected Price Volatility - The Company estimates the volatility of its common stock at the date of grant based solely on the historical volatility of its common stock. The volatility factor used in the Black-Scholes option pricing valuation model is based on the Company's historical stock prices over the most recent period commensurate with the estimated expected life of the award.

Risk Free Interest Rate - This is the U.S Treasury yield in effect at the time of the grant having a term equal to the expected life of the option. An increase in the risk free interest rate will increase compensation expense.

Expected Lives - This is the period of time over which the options granted are expected to remain outstanding giving consideration to vesting schedules and historical exercise and forfeiture patterns. The Company uses the simplified method outlined in SEC Staff Accounting Bulletin No. 107 to estimate expected lives for options granted during the period. Options granted have a maximum term of 5 years. An increase in the expected life will increase compensation expense.

Forfeiture Rate - This is the estimated percentage of options granted that are expected to be forfeited or canceled before becoming fully vested. This estimate is based on historical experience. An increase in the forfeiture rate will decrease compensation expense.

Expected Dividend Yield - Since the adoption of the Plan, the Company has paid one special dividend, although at the time the options were granted management did not anticipate paying a dividend in the foreseeable future. Consequently, the dividend yield assumption was zero. The expected dividend yield is based on the Company's current dividend yield and the best estimate of projected dividend yields for future periods within the expected life of the option.

The following table summarizes information about stock options outstanding at December 31, 2007:

Range of Exercise Price	Options Outstanding	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price	Options Exercisable	Weighted-Average Exercise Price of Exercisable Options
\$16.30 - \$19.50	28,000	2.0	\$17.04	23,000	\$16.50
\$21.59 - \$32.83	118,000	1.5	\$23.03	107,738	\$22.87
	146,000	1.6	\$21.88	130,738	\$21.75

At December 31, 2007, the aggregate intrinsic value of all outstanding options was \$1,550,620 with a weighted average remaining contractual term of 1.5 years. The total compensation cost related to non-vested awards not yet recognized was \$20,994 with an expense recognition period of approximately 2 years.

7. INCOME TAXES

The income tax provision (benefit) is comprised of the following:

	December 31, 2007	December 31, 2006
Current provision:		
Federal	\$ 253,105	\$ 10,334,497
State and local	5,183	1,271,247
Total current provision	258,288	11,605,744
Deferred provision (benefit):		
Share-based compensation	(51,410)	(48,657)
Accrued expenses	51,054	(51,054)
Net operating loss and capital loss	-	1,102,448
Total deferred provision (benefit)	(356)	1,002,737
Total provision for income taxes	\$ 257,932	\$ 12,608,481

Deferred tax assets (liabilities) are comprised of the following at December 31, 2007 and 2006:

	2007	2006
Unrealized (gain) loss on investments	\$ (104,244)	\$ 25,618
Share-based compensation	100,067	48,657
Accrued expenses	-	51,054
Total deferred tax assets (liabilities)	\$ (4,177)	\$ 125,329

In 2007 and 2006, the difference between the U.S. federal statutory income tax rate and our effective rate is due to non-deductible compensation and reversal of state and local income tax accruals.

8. SHAREHOLDERS' EQUITY

Stockholder Rights Plan

The Board of Directors has adopted a stockholder rights plan. To implement the rights plan, the Board of Directors declared a dividend distribution of one right for each outstanding share of Bexil common stock, par value $.01 per share, to holders of record of the shares of common stock at the close of business on November 21, 2005. Each right entitles the registered holder to purchase from Bexil one one-thousandth of a share of preferred stock, par value $.01 per share. The rights were distributed as a non-taxable dividend and will expire on November 21, 2015. The rights are evidenced by the underlying Bexil common stock, and no separate preferred stock purchase rights certificates were distributed. The rights to acquire preferred stock will become exercisable only if a person or group, other than certain exempt persons, acquires or commences a tender offer for 10% or more of Bexil's common stock. If a person or group, other than certain exempt persons, acquires or commences a tender offer for 10% or more of Bexil's common stock, each holder of a right, except the acquirer, will be entitled, subject to Bexil's right to redeem or exchange the right, to exercise, at an exercise price of $67.50, the right for one one-thousandth of a share of Bexil's newly created Series A Participating Preferred Stock, or the number of shares of Bexil common stock equal to the holder's number of rights multiplied by the exercise price and divided by 50% of the market price of Bexil's common stock on the date of the occurrence of such an event. Bexil's Board of Directors may terminate the rights plan at any time or redeem the rights, for $0.01 per right, at any time before a person acquires 10% or more of Bexil's common stock.

In conjunction with the stockholder rights plan, the Board of Directors authorized the reclassification of 100,000 unissued shares of common stock of the Company (from among 1,000,000,000 shares of common stock, $0.01 par value, of the Company which are authorized) into 100,000 shares of Series A Participating Preferred Stock, par value $0.01 per share, of the Company.

Restricted Stock

On June 26, 2007, the Board of Directors rescinded the grant of 3,000 shares of restricted common stock previously awarded to the non-employee directors on March 28, 2007. The shares were rescinded in order to comply with the Company's listing agreement then in effect with the American Stock Exchange. The awards were valued at the grant date fair value of $98,490, which was the market price of the underlying common stock. In lieu of the restricted stock grant awards, the Board of Directors approved a cash bonus award to the non-employee directors totaling $98,490, which was the fair value of the original restricted stock grant award.

9. COMMITMENTS AND CONTINGENCIES

At December 31, 2007, there were no contingent obligations or events occurring that could reasonably be expected to have a material adverse impact on the Company's financial statements.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors and Shareholders of
Bexil Corporation

We have audited the accompanying balance sheets of Bexil Corporation as of December 31, 2007 and 2006, and the related statements of income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Bexil Corporation at December 31, 2007 and 2006, and the results of its operations and cash flows for each of the two years in the period ended December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
April 25, 2008

The Company's common stock is publicly traded in the over the counter market under the symbol BXLC. Prior to October 1, 2007, the Company's common stock traded on the American Stock Exchange and thereafter in the Pink Sheets.

The high and low sales prices of the common stock during each quarterly period over the last two fiscal years were as follows:

	2007		2006	
	High	**Low**	**High**	**Low**
First Quarter	$33.48	$32.65	$34.70	$30.05
Second Quarter	$34.40	$32.00	$31.90	$26.80
Third Quarter	$33.30	$29.60	$29.00	$26.12
Fourth Quarter	$34.90	$30.00	$33.40	$25.93

Unaudited

DIRECTORS

BASSETT S. WINMILL
Executive Chairman

THOMAS B. WINMILL, Esq.
President

CHARLES A. CARROL

EDWARD G. WEBB, JR.

DOUGLAS WU

OFFICERS AND STAFF

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President, Chief Executive Officer

ROBERT D. ANDERSON
Vice Chairman

THOMAS O'MALLEY
Treasurer, Chief Financial Officer,
Vice President

JOHN F. RAMIREZ
Secretary, Chief Compliance Officer,
Vice President

HEIDI KEATING
Vice President

VICTORIA CHANG
Assistant Treasurer, Controller

ANNE M. CHI
Accounting Coordinator

TONY TILLER
Director of Marketing

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JUSTIN MacGREGOR
Compliance Assistant

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