

OLD REPUBLIC INTERNATIONAL CORP

Form 10-K/A

April 12, 2006

As in effect

3/1/61

FORM 10-K/A1

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549

AMENDMENT TO APPLICATION OR REPORT  
Filed Pursuant to Sections 12, 13, or 15 (d) of  
THE SECURITIES EXCHANGE ACT OF 1934

OLD REPUBLIC INTERNATIONAL CORPORATION

-----  
(Exact name of registrant as specified in charter)

AMENDMENT NO. 1  
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The undersigned registrant hereby amends the following items, financial statements, exhibits or other portions of its ANNUAL REPORT FOR 2005 ----- on Form 10-K as set forth in the pages attached hereto: (List all such ----- items, financial statements, exhibits or other portions amended)

SEE INDEX

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

OLD REPUBLIC INTERNATIONAL CORPORATION

-----  
(Registrant)

Date: April 14, 2006  
-----

By: /s/ Karl W. Mueller  
-----

(Signature)

Karl W. Mueller  
Senior Vice President and  
Chief Financial Officer

Total Pages: 13  
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FINANCIAL STATEMENT SCHEDULES  
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Report of Independent Registered Public Accounting Firm

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Schedule II - Condensed Financial Information of Registrant as of December 31, 2005 and 2004 and for the years ended December 31, 2005, 2004, and 2003

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Schedule IV - Reinsurance for the years ended December 31, 2005, 2004 and 2003

Schedule V - Valuation and Qualifying Accounts for the years ended December 31, 2005, 2004 and 2003

Schedule VI - Supplemental Information Concerning Property - Casualty Insurance Operations for the years ended December 31, 2005, 2004 and 2003

Schedules other than those listed are omitted for the reason that they are not required, are not applicable or that equivalent information has been included in the financial statements, notes thereto, or elsewhere herein.

EXHIBITS  
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(23) Consent of Independent Registered Public Accounting Firm

(28) Consolidated Schedule P. (\*)

\* Not covered by the Report of Independent Registered Public Accounting Firm.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON  
-----  
FINANCIAL STATEMENT SCHEDULES  
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To the Board of Directors and Shareholders of  
Old Republic International Corporation

Our audits of the consolidated financial statements, of management's assessment of the effectiveness of internal control over financial reporting and of the effectiveness of internal control over financial reporting referred to in our report dated February 28, 2006 appearing in the 2005 Annual Report to Shareholders of Old Republic International Corporation (which report, consolidated financial statements and assessment appear in the Annual Report on Form 10-K) also included an audit of the financial statement schedules listed in the accompanying index of this Form 10-K/A. In our opinion, these financial statement schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers

Chicago, Illinois  
February 28, 2006

OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES  
 SCHEDULE I - SUMMARY OF INVESTMENTS - OTHER THAN INVESTMENTS IN RELATED PARTIES  
 As of December 31, 2005  
 (\$ in Thousands)

Column A -----	Column B -----	Column C -----
Type of investment -----	Cost (1)	Fair Value -----
Available for sale:		
Fixed maturity securities:		
United States Government and government agencies and authorities	\$ 1,114,824	\$ 1,114,824
States, municipalities and political subdivisions	1,976,463	1,976,463
Foreign government	130,222	130,222
Public utilities	924,285	924,285
Corporate, industrial and all other	2,723,710	2,723,710
	-----	-----
	6,869,504	\$ 6,869,504
	-----	=====
Equity securities:		
Non-redeemable preferred stocks	961	\$ 961
Common stocks:		
Public utilities	12,984	12,984
Banks, trusts and insurance companies	79,638	79,638
Industrial, miscellaneous and all other	407,327	407,327
	-----	-----
	500,910	\$ 500,910
	-----	=====
Short-term investments	275,364	
Miscellaneous investments	62,744	
	-----	
Total	7,708,522	
	-----	
Held to maturity:		
Other investments	8,035	
	-----	
Total	8,035	
	-----	
Total Investments	\$ 7,716,557	
	-----	
	=====	

Note: (1) Represents original cost of equity securities, and as to fixed maturities, original cost reduced by repayments and adjusted for amortization of premium or accrual of discount.

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OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES  
 SCHEDULE II - CONDENSED FINANCIAL INFORMATION OF REGISTRANT  
 BALANCE SHEETS  
 OLD REPUBLIC INTERNATIONAL CORPORATION (PARENT COMPANY)  
 (\$ in Thousands)

	2005
<hr style="border-top: 1px dashed black;"/>	
Assets:	
Bonds and notes	\$ 1
Cash	
Short-term investments	2
Investments in, and indebtedness of related parties:	
Subsidiaries and affiliates, at equity	3,91
Indebtedness of affiliates	21
Other assets	3
Total Assets	\$ 4,19
Liabilities, Preferred Stock and Common Shareholders' Equity:	
Liabilities:	
Accounts payable and accrued expenses	\$ 4
Debt and debt equivalents	11
Indebtedness to affiliates and subsidiaries	1
Commitments and contingent liabilities	
Total Liabilities	17
Common Shareholders' Equity:	
Common stock	22
Additional paid-in capital	28
Retained earnings	3,44
Accumulated other comprehensive income	6
Treasury stock (at cost)	

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Total Common Shareholders' Equity	4,02
	-----
Total Liabilities, Preferred Stock and and Common Shareholders' Equity	\$ 4,19
	=====

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OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES  
SCHEDULE II - CONDENSED FINANCIAL INFORMATION OF REGISTRANT  
STATEMENTS OF INCOME  
OLD REPUBLIC INTERNATIONAL CORPORATION (PARENT COMPANY)  
(\$ in Thousands)

	Years Ended De	
	2005	200
	-----	-----
Revenues:		
Investment income from subsidiaries	\$ 11,378	\$
Real estate and other income	3,865	
Realized investment gains	3	
Other investment income	981	
	-----	-----
Total Revenues	16,228	1
	-----	-----
Expenses:		
Interest -- subsidiaries	712	
Interest -- other	8,155	
Real estate and other expenses	3,269	
General expenses, taxes and fees	10,916	1
	-----	-----
Total Expenses	23,054	2
	-----	-----
Revenues, net of expenses	(6,826)	(1
Federal income tax credits	(2,376)	(
	-----	-----
Loss before equity in earnings of subsidiaries	(4,449)	(
Equity in Earnings of Subsidiaries:		

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Dividends received	287,275	18
Earnings in excess of dividends	268,595	25
	-----	-----
Net Income	\$ 551,420	\$ 43
	=====	=====

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OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES  
SCHEDULE II - CONDENSED FINANCIAL INFORMATION OF REGISTRANT  
STATEMENTS OF CASH FLOWS  
OLD REPUBLIC INTERNATIONAL CORPORATION (PARENT COMPANY)  
(\$ in Thousands)

	Years Ended De	
	2005	2004
	-----	-----
Cash flows from operating activities:		
Net income	\$ 551,420	\$ 43
Adjustments to reconcile net income to net cash provided by operating activities:		
Accounts receivable	146	(
Income taxes - net	(3,461)	
Excess of equity in net income of subsidiaries over dividends received	(268,595)	(25
Realized investment gains	(3)	
Accounts payable, accrued expenses and other	(2,846)	
	-----	-----
Total	276,660	18
	-----	-----

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Cash flows from investing activities:

Sales of fixed maturity securities	1,103	
Sales of other investments	473	
Purchases of fixed assets for company use	(1,670)	
Net decrease (increase) in short-term investments	(13,164)	

Total	(13,257)	
-------	----------	--

Cash flows from financing activities:

Repayment of notes receivable from related parties	19,869	
Repayment of notes and loans to related parties	(42)	
Issuance of notes receivable to related parties	---	(11)
Issuance of preferred and common stock	18,493	1
Dividends on common shares	(300,723)	(9)
Dividends on preferred shares	---	
Purchase of treasury stock	---	

Total	(262,402)	(19)
-------	-----------	------

Increase (decrease) in cash	1,000	
Cash, beginning of year	2,356	

Cash, end of year	\$ 3,357	\$
-------------------	----------	----

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OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES  
 SCHEDULE III - SUPPLEMENTARY INSURANCE INFORMATION  
 For the years ended December 31, 2005, 2004 and 2003  
 (\$ in Thousands)

Column A	Column B	Column C	Column D	Column E
Segment	Deferred Policy Acquisition Costs	Losses, Claims and Settlement Expenses	Unearned Premiums	Other Policyholders' Benefits and Funds
Year Ended December 31, 2005:				
Insurance Underwriting:				
General Insurance Group	\$141,575	\$2,507,076	\$825,799	\$86,129



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Mortgage Insurance Group	50,341	214,844	45,508	---
Title Insurance Group	---	295,808	---	1,748
Corporate & Other (1)	48,111	19,937	---	63,282
Reinsurance Recoverable (2)	---	1,902,193	167,999	37,665
Consolidated	\$240,028	\$4,939,860	\$1,039,306	\$188,825

Year Ended December 31, 2004:

Insurance Underwriting:				
General Insurance Group	\$129,368	\$2,269,763	\$743,343	\$75,076
Mortgage Insurance Group	55,130	200,070	42,517	---
Title Insurance Group	---	277,086	---	1,903
Corporate & Other (1)	47,846	16,979	---	62,656
Reinsurance Recoverable (2)	---	1,639,627	117,278	36,349
Consolidated	\$232,345	\$4,403,527	\$903,140	\$175,985

Year Ended December 31, 2003:

Insurance Underwriting:				
General Insurance Group	\$107,998	\$2,047,828	\$663,779	\$68,723
Mortgage Insurance Group	63,710	180,610	47,482	---
Title Insurance Group	---	259,092	---	2,389
Corporate & Other (1)	50,211	12,611	---	59,486
Reinsurance Recoverable (2)	---	1,522,568	103,559	41,707
Consolidated	\$221,920	\$4,022,712	\$814,822	\$172,306

Note:(1) Represents amounts for Old Republic's holding company parent, minor internal services subsidiaries and a small life & health insurance operation.

(2) Statement of Financial Accounting Standards (FAS) No. 113 "Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts" eliminates the reporting of assets and liabilities relating to reinsured contracts net of reinsurance ceded balances. Accordingly, reinsured losses and unearned premiums are to be reported as assets. Assets and liabilities were, as a result, increased by corresponding amounts of approximately \$2.1 billion at December 31, 2005, \$1.7 billion at December 31, 2004 and \$1.6 billion at December 31, 2003. FAS No. 113 does not have any effect on the Company's results of operations.

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OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES  
 SCHEDULE III - SUPPLEMENTARY INSURANCE INFORMATION  
 For the years ended December 31, 2005, 2004 and 2003  
 (\$ in Thousands)

Column A	Column H	Column I	Column J	Column K
	Benefits, Claims,	Amortization of Deferred		

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Segment	Losses and Settlement Expenses	Policy Acquisition Costs	Other Operating Expenses	Premiums Written
-----				
Year Ended December 31, 2005:				
-----				
Insurance Underwriting:				
General Insurance Group	\$1,206,859	\$319,504	\$141,223	\$1,889,361
Mortgage Insurance Group	159,708	41,486	71,104	432,557
Title Insurance Group	64,863	---	955,003	757,203
Corporate & Other (1)	34,063	18,908	45,804	71,249
Reinsurance Recoverable (2)	---	---	---	---
	-----	-----	-----	-----
Consolidated	\$1,465,494	\$379,898	\$1,213,135	\$3,150,371
	=====	=====	=====	=====
Year Ended December 31, 2004:				
-----				
Insurance Underwriting:				
General Insurance Group	\$1,069,599	\$290,888	\$129,047	\$1,701,149
Mortgage Insurance Group	143,187	47,883	74,253	398,242
Title Insurance Group	59,752	---	929,514	714,016
Corporate & Other (1)	35,431	21,747	39,423	66,961
Reinsurance Recoverable (2)	---	---	---	---
	-----	-----	-----	-----
Consolidated	\$1,307,969	\$360,519	\$1,172,239	\$2,880,370
	=====	=====	=====	=====
Year Ended December 31, 2003:				
-----				
Insurance Underwriting:				
General Insurance Group	\$932,945	\$251,874	\$129,026	\$1,460,323
Mortgage Insurance Group	90,902	51,042	80,303	406,037
Title Insurance Group	63,801	---	934,579	749,987
Corporate & Other (1)	25,178	12,360	34,014	49,275
Reinsurance Recoverable (2)	---	---	---	---
	-----	-----	-----	-----
Consolidated	\$1,112,828	\$315,277	\$1,177,923	\$2,665,623
	=====	=====	=====	=====

Note: (1) Represents amounts for Old Republic's holding company parent, minor internal services subsidiaries and a small life & health insurance operation.

(2) Statement of Financial Accounting Standards (FAS) No. 113 "Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts" eliminates the reporting of assets and liabilities relating to reinsured contracts net of reinsurance ceded balances. Accordingly, reinsured losses and unearned premiums are to be reported as assets. Assets and liabilities were, as a result, increased by corresponding amounts of approximately \$2.1 billion at December 31, 2005, \$1.7 billion at December 31, 2004 and \$1.6 billion at December 31, 2003. FAS No. 113 does not have any effect on the Company's results of operations.

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SCHEDULE IV - REINSURANCE  
For the years ended December 31, 2005, 2004 and 2003  
(\$ in Thousands)

Column A	Column B	Column C	Column D
	Gross amount	Ceded to other companies	Assumed from other companies
<hr style="border-top: 1px dashed black;"/>			
Year Ended December 31, 2005:			
<hr style="border-top: 1px dashed black;"/>			
Life insurance in force	\$ 15,226,144	\$ 7,937,659	\$ ---
	=====	=====	=====
Premium Revenues:			
General Insurance	\$ 2,291,915	\$ 522,680	\$ 35,974
Mortgage Insurance	508,093	79,336	809
Title Insurance	753,732	101	3,572
Life and Health Insurance:			
Life insurance	36,357	15,943	---
Accident and health insurance	62,688	12,777	1
	-----	-----	-----
Total Life & Health Insurance	99,045	28,721	1
	-----	-----	-----
Consolidating adjustments	---	(1)	(1)
	-----	-----	-----
Consolidated	\$ 3,652,787	\$ 630,837	\$ 40,356
	=====	=====	=====
<hr style="border-top: 1px dashed black;"/>			
Year Ended December 31, 2004:			
<hr style="border-top: 1px dashed black;"/>			
Life insurance in force	\$ 15,624,497	\$ 8,189,223	\$ ---
	=====	=====	=====
Premium Revenues:			
General Insurance	\$ 2,140,930	\$ 548,128	\$ 30,227
Mortgage Insurance	483,619	81,456	1,044
Title Insurance	711,735	(64)	2,216
Life and Health Insurance:			
Life insurance	39,286	19,453	---
Accident and health insurance	57,929	13,223	74
	-----	-----	-----
Total Life & Health Insurance	97,215	32,677	74
	-----	-----	-----
Consolidating adjustments	---	(74)	(74)
	-----	-----	-----
Consolidated	\$ 3,433,501	\$ 662,123	\$ 33,488
	=====	=====	=====
<hr style="border-top: 1px dashed black;"/>			
Year Ended December 31, 2003:			
<hr style="border-top: 1px dashed black;"/>			
Life insurance in force	\$ 14,502,127	\$ 7,070,922	\$ ---
	=====	=====	=====
Premium Revenues:			
General Insurance	\$ 1,837,689	\$ 491,522	\$ 33,397
Mortgage Insurance	467,349	67,705	1,283

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Title Insurance	748,287	96	1,796
Life and Health Insurance:			
Life insurance	34,265	12,833	---
Accident and health insurance	55,199	25,081	73
Total Life & Health Insurance	89,464	37,914	73
Consolidating adjustments	---	(73)	(73)
Consolidated	\$ 3,142,790	\$ 597,164	\$ 36,476

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OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES  
SCHEDULE V - VALUATION AND QUALIFYING ACCOUNTS  
For the years ended December 31, 2005, 2004 and 2003  
(\$ in Thousands)

Column A	Column B	Column C	
Description	Balance Beginning of Period	Charged to Costs Expenses	Charged to Other Accounts - Describe
Year Ended December 31, 2005:			
Deducted from Asset Accounts:			
Reserve for unrecoverable reinsurance	\$ 45,652	\$ (8,838)	\$ ---
Year Ended December 31, 2004:			
Deducted from Asset Accounts:			
Reserve for unrecoverable reinsurance	\$ 27,300	\$ 18,352	\$ ---
Year Ended December 31, 2003:			
Included in Claim Liability Accounts:			
Reserve for unrecoverable reinsurance	\$ 10,550	\$ 16,750	\$ ---

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OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES  
 SCHEDULE VI - SUPPLEMENTAL INFORMATION CONCERNING PROPERTY-CASUALTY INSURANCE OPERATIONS  
 For the years ended December 31, 2005, 2004 and 2003  
 (\$ in Thousands)

Column A	Column B	Column C	Column D	Column E	Column F
Affiliation With Registrant	Deferred Policy Acquisition Costs	Reserves for Unpaid Claims and Claim Adjustment Expenses	Discount, If Any, Deducted in Column C	Unearned Premiums	Estimated Premiums
Year Ended December 31, 2005:					
(a) Consolidated property-casualty entities (1)	\$141,575	\$2,507,076	\$138,301	\$825,799	\$1,800,000
(b) Unconsolidated property-casualty subsidiaries (2)					
(c) Proportionate share of registrant and its subsidiaries' 50%-or-less owned property-casualty equity investees (2)					
	\$141,575	\$2,507,076	\$138,301	\$825,799	\$1,800,000
Year Ended December 31, 2004:					
(a) Consolidated property-casualty entities (1)	\$129,368	\$2,269,763	\$139,362	\$743,343	\$1,600,000
(b) Unconsolidated property-casualty subsidiaries (2)					
(c) Proportionate share of registrant and its subsidiaries' 50%-or-less owned property-casualty equity investees (2)					
	\$129,368	\$2,269,763	\$139,362	\$743,343	\$1,600,000
Year Ended December 31, 2003:					
(a) Consolidated property-casualty entities (1)	\$107,998	\$2,047,828	\$142,904	\$663,779	\$1,300,000
(b) Unconsolidated property-casualty subsidiaries (2)					
(c) Proportionate share of registrant and its subsidiaries' 50%-or-less owned property-casualty equity investees (2)					
	\$107,998	\$2,047,828	\$142,904	\$663,779	\$1,300,000

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Note: (1) See note (2) to Schedule III.  
 (2) These amounts are immaterial and have, therefore, been omitted from this schedule.

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OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES  
 SCHEDULE VI - SUPPLEMENTAL INFORMATION CONCERNING PROPERTY-CASUALTY INSURANCE OPERATIONS  
 For the years ended December 31, 2005, 2004 and 2003  
 (\$ in Thousands)

Column A	Column H		Column I	Column J	Column K
Affiliation With Registrant	Claims and Claim Adjustment Expenses Incurred Related to		Amortization of Deferred Policy Acquisition Costs	Paid Claims and Claim Adjustment Expenses	Prepaid Reinsurance
	Current Year	Prior Years			
Year Ended December 31, 2005:					
(a) Consolidated property-casualty entities (1)	\$1,254,488	(\$52,969)	\$319,504	\$964,205	\$1,000,000
(b) Unconsolidated property-casualty subsidiaries (2)					
(c) Proportionate share of registrant and its subsidiaries' 50%-or-less owned property-casualty equity investees (2)					
	\$1,254,488	(\$52,969)	\$319,504	\$964,205	\$1,000,000
Year Ended December 31, 2004:					
(a) Consolidated property-casualty entities (1)	\$1,122,998	(\$55,695)	\$290,888	\$845,368	\$1,000,000
(b) Unconsolidated property-casualty subsidiaries (2)					
(c) Proportionate share of registrant and its subsidiaries' 50%-or-less owned property-casualty equity investees (2)					
	\$1,122,998	(\$55,695)	\$290,888	\$845,368	\$1,000,000
Year Ended December 31, 2003:					
(a) Consolidated property-casualty entities (1)	\$943,610	(\$25,804)	\$251,874	\$751,090	\$1,000,000
(b) Unconsolidated property-casualty					

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subsidiaries (2)  
(c) Proportionate share of registrant  
and its subsidiaries' 50%-or-less  
owned property-casualty equity  
investees (2)

-----	-----	-----	-----	-----
\$943,610	(\$25,804)	\$251,874	\$751,090	\$1,
=====	=====	=====	=====	=====

Note: (1) See note (2) to Schedule III.

(2) These amounts are immaterial and have, therefore, been omitted from this schedule.