

OLD REPUBLIC INTERNATIONAL CORP

Form 424B5

March 02, 2011

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell the notes and they are not soliciting an offer to buy the notes in any jurisdiction where the offer or sale is not permitted.

**SUBJECT TO COMPLETION, DATED MARCH 2, 2011**

**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-172558**

**PRELIMINARY PROSPECTUS SUPPLEMENT  
(To prospectus dated March 2, 2011)**

**\$250,000,000**

**% Convertible Senior Notes due 2018**

We are offering \$250,000,000 principal amount of our % Convertible Senior Notes due 2018. The notes will bear interest at a rate of % per year, payable semiannually in arrears on March 15 and September 15 of each year, beginning on September 15, 2011. The notes will mature on March 15, 2018.

Holders may convert their notes at their option into shares of our common stock at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date. The conversion rate will initially be shares of common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$ per share of common stock). The conversion rate will be subject to adjustment in some events but will not be adjusted for accrued interest. In addition, following certain corporate transactions that occur prior to the maturity date, we will increase the conversion rate for a holder who elects to convert its notes in connection with such a corporate transaction in certain circumstances.

We may not redeem the notes prior to the maturity date of the notes.

If we undergo a fundamental change, holders may require us to purchase the notes in whole or in part for cash at a price equal to 100% of the principal amount of the notes to be purchased plus any accrued and unpaid interest to, but excluding, the fundamental change purchase date.

The notes will be our senior unsecured obligations and will rank senior in right of payment to our existing and future indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness and liabilities incurred by our subsidiaries.

The notes will not be listed on any securities exchange. Our common stock is listed on the New York Stock Exchange under the symbol ORI. The last reported sale price of our common stock on the New York Stock Exchange on March 1, 2011 was \$12.23 per share.

Concurrent with the offering of notes pursuant to this prospectus supplement, we are also offering by a separate prospectus supplement \$250,000,000 aggregate principal amount of % Senior Notes due 2021. Neither offering is conditioned on the other.

**Investing in the notes involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement and the risk factors incorporated by reference in this prospectus supplement and the accompanying prospectus, including those appearing in the Risk Factors section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2010.**

	Per Note	Total
Public offering price(1)	%	\$
Underwriting discount	%	\$
Proceeds, before expenses, to us	%	\$

(1) Plus accrued interest from March , 2011.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

We have granted the underwriters the right to purchase within a 30-day period up to an additional \$37,500,000 principal amount of notes, solely to cover over-allotments.

We expect that delivery of the notes will be made to investors in book-entry only form through The Depository Trust Company on or about March , 2011.

**Morgan Stanley**

**UBS Investment Bank**

The date of this prospectus supplement is March , 2011.

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus contain information about Old Republic International Corporation and about the notes. They also refer to information contained in other documents filed by us with the Securities and Exchange Commission and incorporated into this document by reference. References to this prospectus supplement or the prospectus also include the information contained in such other documents. To the extent that information appearing in a later filed document is inconsistent with prior information, the later statement will control. If this prospectus supplement is inconsistent with the prospectus, you should rely on this prospectus supplement.

We have not authorized anyone to provide you with information that is different from, or additional to, the information provided in this prospectus supplement and the accompanying prospectus or in any free writing prospectus filed with the Securities and Exchange Commission. We are not making an offer of these securities in any jurisdiction where the offer is not permitted.

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**INCORPORATION BY REFERENCE**

The Securities and Exchange Commission allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the Securities and Exchange Commission will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the Securities and Exchange Commission under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (other than any portions of such filings that are furnished rather than filed under applicable Securities and Exchange Commission rules) until our offering is completed:

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, filed on February 28, 2011;

The sections of our Definitive Proxy Statement for the 2010 Annual Meeting of Shareholders filed with the SEC on April 13, 2010 that are incorporated by reference in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009; and

The description of our common stock contained in (i) our registration statement on Form 8-A filed with the Securities and Exchange Commission on August 29, 1990, as amended on August 31, 1990, and as further amended on September 10, 1990; and (ii) our registration statement on Form 8-A filed with the Securities and Exchange Commission on September 10, 1990, as amended on May 30, 1997, as further amended on June 20, 2007, and as further amended on November 19, 2007.

You may request a copy of these filings at no cost by writing to or telephoning us at the following address:

Old Republic International Corporation  
307 North Michigan Avenue  
Chicago, Illinois 60601  
Telephone: (312) 346-8100  
Attention: Corporate Secretary

**FORWARD-LOOKING STATEMENTS**

This prospectus supplement and any documents incorporated by reference contain a number of forward-looking statements which relate to anticipated future events rather than actual present conditions or historical events. You can identify forward-looking statements because generally they include words such as may, will, could, would, should, expect, plan, anticipate, intend, believe, estimate, predict, potential or continue or the negative of those words or comparable terminology. Such statements are based upon current expectations of Old Republic International Corporation and speak only as of the date made. These statements are subject to various risks and uncertainties and other factors that could cause results to differ from those set forth in the forward-looking statements. With regard to Old Republic's General Insurance segment, its results can be affected, in particular, by the level of market competition, which is typically a function of available capital and expected returns on such capital among competitors, the levels of interest and inflation rates, and periodic changes in claim frequency and severity patterns caused by natural disasters, weather conditions, accidents, illnesses, work-related injuries, and unanticipated external events. Mortgage Guaranty and Title Insurance results can be affected by similar factors and by changes in national and regional housing demand and values, the availability and cost of mortgage loans, employment trends, and default rates on mortgage loans. Mortgage Guaranty results, in particular, may also be affected by various risk-sharing arrangements with business

producers, as well as the risk management and pricing policies of government sponsored enterprises. Life and health insurance earnings can be affected by the levels of employment and consumer spending, variations in mortality and health trends, and changes in policy lapsation rates. At the parent holding company level, operating earnings or losses are generally reflective of the amount

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of debt outstanding and its cost, interest income on temporary holdings of short-term investments, and period-to-period variations in the costs of administering the Company's widespread operations. A more detailed discussion of all the foregoing risks appears in Part I, Item 1A Risk Factors, of the Company's 2010 Form 10-K, which is specifically incorporated herein by reference.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in these statements. None of Old Republic International Corporation or its subsidiaries have a duty to update any of the forward-looking statements after the date of this prospectus supplement to conform them to actual results except as otherwise required by law.

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**SUMMARY**

*The following summary may not contain all of the information that is important to you. You should read the following summary together with more detailed information regarding us and the notes being sold in this offering and our financial statements and notes thereto which are incorporated by reference in this prospectus supplement and the accompanying prospectus. A more detailed discussion of our business appears in the reports we file with the SEC which are incorporated herein by reference, including in our 2010 Form 10-K and in our subsequently filed Quarterly Reports on Form 10-Q. See *Where You Can Find More Information* in the accompanying prospectus. In this prospectus supplement, unless stated otherwise or the context otherwise requires, the terms *Old Republic*, *our company*, *the Company*, *we*, *us*, and *our* refer to Old Republic International Corporation and its consolidated subsidiaries.*

**The Company**

**Overview**

Old Republic International Corporation is a Chicago based holding company engaged in the single business of insurance underwriting. It conducts its operations through a number of regulated insurance company subsidiaries organized into three major segments, namely, its General (property and liability insurance), Mortgage Guaranty, and Title Insurance Groups. The Company also operates a small life and health insurance business. In particular, our subsidiaries provide specialty insurance programs to the transportation, commercial construction, forest products, energy, general manufacturing, and housing industries.

The insurance business is distinguished from most others in that the prices (premiums) charged for various insurance products are set without certainty of the ultimate benefit and claim costs that will emerge or be incurred, often many years after issuance of a policy. Our business is a long-term undertaking which is managed with a primary focus on the achievement of favorable underwriting results over time. In addition to operating income from basic underwriting and related services functions, significant investment income is earned from investable funds generated by those functions and from shareholders' capital. In managing investable funds we endeavor to assure stability of income from interest and dividends, protection of capital, and sufficient liquidity to meet insurance underwriting and other obligations as they become payable in the future. Securities trading and the realization of capital gains are not objectives. We believe our investment philosophy is best categorized as emphasizing value, credit quality, and relatively long-term holding periods. Our ability to hold both fixed maturity and equity securities for long periods of time is enabled by the scheduling of maturities in contemplation of an appropriate matching of assets and liabilities.

***Business Segments***

Our principal operations are in three business segments: General Insurance Group, Mortgage Guaranty Group and Title Insurance Group, with lesser operations in a fourth Corporate and Other Operations.

*General Insurance Group (\$2,074 million or 52% of our fiscal 2010 operating revenues).* Our General Insurance Group, through its subsidiaries, assumes risks and provides related risk management services that encompass a large variety of property and liability insurance coverages. Our coverage does not include a significant exposure to personal lines of insurance, such as homeowners and private automobile coverages, and does not insure significant amounts of commercial buildings and related property. General Insurance is primarily sold through our independent agency and brokerage channels (approximately 86% of our fiscal 2010 premiums). Additionally, approximately 14% of premiums during fiscal 2010 were sold directly through our production facilities.



We primarily focus on liability coverage underwritten for businesses and public entities in the following classes: commercial automobile (trucks) full coverage protection, workers compensation and general liability (including general liability portion of commercial package policies). Within these insurance classes we focus

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on a number of industries, most prominently the transportation (trucking and general aviation), commercial construction, forest products and energy industries.

Our diversification has been achieved through a combination of internal growth initiatives, establishing new subsidiaries and through selective acquisitions. For fiscal 2010, the breakdown of insurance premiums within the General Insurance Group was as follows: approximately 33.1% commercial automobile direct insurance, approximately 21.6% workers compensation direct insurance, approximately 11.9% general liability insurance and approximately 33.4% other insurance.

Among other liability coverages, we indemnify corporations financial exposures to directors and officers ( D&O ) liability, as well as provide errors and omissions ( E&O ) liability insurance. For over twenty-five years we have been a provider of aviation insurance, including coverage for hull and liability exposures, as well as additional areas such as airports and flight schools.

We have a property insurance business that underwrites commercial physical damage insurance on trucking risks. A very small portion of this business is comprised of fire and other physical perils for commercial properties. In addition to D&O and E&O financial indemnity coverages, we cover fidelity, surety and credit exposures for a wide range of business enterprises. Fidelity and surety policies are issued through independent agents by the Old Republic Surety Company. Surety bonds, such as those covering public officials, license and permit authorizations and contract bonds covering both public and private works, are typically written for exposures of less than \$500,000. Fidelity bonds are also extended to small to medium-sized risks. Old Republic Insured Credit Services, Inc. has underwritten loan and retail installment sales credit indemnity insurance since 1955 through commercial banks, thrifts and other lending institutions. This coverage provides a limited indemnity to lenders on a variety of consumer loans and installment sales contracts.

Extended warranty coverages for new and used automobiles, as well as home warranty policies covering appliances and other mechanical systems in pre-owned homes are marketed by us through our own employees and selected independent agents. Travel insurance is produced through independent travel agents in the U.S. and Canada. The coverages provided under these policies, some of which are also underwritten by one of our life insurance subsidiaries, include trip delay and trip cancellation protection for insureds.

*Mortgage Guaranty Group (\$588 million or 15% of our fiscal 2010 operating revenues).* Our Mortgage Guaranty Group provides private mortgage insurance ( MI ) to lenders and investors to protect against default-related losses on residential mortgage loans made in the U.S. to homebuyers who pay at closing from their own funds less than 20% of the home s purchase price. We only insure first mortgage loans, primarily on residential properties incorporating one to four family dwellings.

There are two principal types of MI coverage: primary and pool. Primary mortgage insurance provides mortgage default protection on individual loans and covers a stated percentage of the unpaid loan amount, delinquent interest and certain expenses associated with the default and subsequent foreclosure. To mitigate losses we may pay the entire claim amount, take title to the mortgaged property and subsequently sell the property in lieu of paying only the stated coverage percentage. Pool insurance is generally used as a credit enhancement for secondary market mortgage transactions. The coverage range is up to 100% of the net loss on each individual loan included in the pool, subject to deductible provisions, caps on individual exposures and aggregate stop loss provisions which limit the aggregate losses to a specified percentage of the total origination balances of all the loans in the pool.

Traditional primary insurance is issued on an individual loan basis to mortgage bankers, brokers, commercial banks and savings institutions through our network of self-managed underwriting sites located throughout the United States. Traditional primary loans are individually reviewed (except for loans insured under delegated approval programs) and

priced according to filed premium rates. In underwriting traditional primary business, we generally adhere to the underwriting guidelines published by the Federal Home Loan Mortgage Corporation ( FHLMC ) or the Federal National Mortgage Association ( FNMA ). FHLMC and FNMA are purchasers of many of the loans we insure. Delegated underwriting programs allow approved lenders to commit on behalf of Old Republic to insure loans provided the loans adhere to predetermined

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underwriting guidelines. In 2010, delegated underwriting approvals accounted for approximately 57% of our new traditional primary risk written.

Bulk and other insurance is issued on groups of loans to mortgage banking customers through a centralized risk assessment and underwriting department. These groups of loans are priced in the aggregate, on a bid or negotiated basis. Insurance issued in this manner can be provided through primary insurance policies (loan level insurance) or pool insurance policies (aggregate coverage). We consider bulk insurance to be exposed to higher risk than those designated as other insurance.

Prior to insuring any loans we issue a master policy to each approved customer outlining the terms and conditions under which the coverage will be provided. Primary business is executed via the issuance of a commitment/certificate for each loan submitted and approved for insurance. A separate pool coverage insurance policy is issued covering the particular loans applicable to each transaction.

The amount of premiums charged generally depends on loan-to-value ratios, level of coverage, the borrower's credit history, type of loan instrument (fixed/floating or adjustable rate/adjustable payment), documentation and use of property (owner occupied/investment property). Coverage is non-cancelable by us, with the exception of non-payment of premium or certain master policy violations, and premiums are paid under single, annual or monthly payment plans. The majority of our premiums are written under monthly premium plans and typically are paid simultaneously with the borrower's monthly mortgage payment and passed through to us by the servicer of the loan. Alternatively, premiums may be paid directly by the originator of, or investor in, the mortgage loan.

*Title Insurance Group (\$1,238 million or 31% of our fiscal 2010 operating revenues).* We primarily issue title insurance to real estate purchasers and investors based on searches of public records. The policy insures against losses arising from defects, liens and encumbrances affecting the insured title and not excluded or exempt from the coverage of the policy. During fiscal 2010, approximately 36% of our Title Insurance Group premiums were derived from direct operations, including our branch offices.

There are two basic types of title insurance: lenders' policies and owners' policies. Both types of title insurance are issued for a one-time premium. Financial institutions secure title insurance policies to protect their mortgagees' interest in real property. Mortgages in the U.S. are primarily made by mortgage bankers, savings and commercial banks, state and federal agencies, and life insurance companies. The policy remains in effect for the length that the mortgagee has an interest in the property. A separate title insurance policy may be issued to the owner of real estate. The owners' policy of title insurance protects interest in the title of the property.

We charge a varying rate for title insurance policies based generally on the amount and type of the policy issued. The premium is collected in full when the real estate transaction is closed and there are no recurring fees. In many instances premiums charged on subsequent policies on the same property may be reduced, depending on the elapsed time between issuance of the prior policy and the nature of the transactions for which the policies are issued. Most charges associated with title services are in conjunction with the issuance of a policy and not due to the possibility of risk of loss due to insured risks. The cost of service performed by a title insurer relates, for the most part, to the prevention of loss rather than to the assumption of risk of loss. Claim losses that do occur result primarily from title search and examination mistakes, fraud, forgery, incapacity, missing heirs and escrow processing errors.

We are also a provider of escrow closing and construction disbursement services, as well as real estate information products and services pertaining to real estate transfers and loan transactions.

*Corporate and Other Operations (\$91 million or 2% of our fiscal 2010 operating revenues).* Corporate and other operations include the accounts of a small life and health insurance business, as well as those of the parent holding

company and several minor corporate services that perform investment, payroll, administrative and minor marketing services.

We had net premiums from life and health insurance of \$81 million during fiscal 2010. Our life and health insurance product offerings are sold in the U.S. and Canada through financial intermediaries such as

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finance companies, automobile dealerships, travel agents and marketing channels that are also utilized in some of our general insurance operations. In 2004, we terminated and placed in run off our term life insurance portfolio. Production of term life insurance accounted for \$17 million in net premiums earned during fiscal 2010.

## **Recent developments**

On October 1, 2010, a subsidiary of ours merged with PMA Capital Corporation ( PMA ), an insurance holding company with interests in the commercial property and liability insurance field. The consideration transferred of \$247.2 million included the issuance of 17,754,047 shares of Old Republic common stock and the replacement value of PMA stock options. As a result of the merger, PMA and its subsidiaries became our wholly-owned subsidiaries. We expect the addition of PMA to our insurance group to further diversify our General Insurance business.

PMA's insurance products include workers' compensation and other commercial property and casualty lines of insurance. Fee-based services include third party administrator ( TPA ), managing general agent and program administrator services. The operating subsidiaries are marketed under PMA Companies and include The PMA Insurance Group, PMA Management Corp., PMA Management Corp. of New England, Inc., and Midlands Management Corporation ( Midlands ). PMA's insurance products are marketed primarily in the eastern part of the United States. These products are written through The PMA Insurance Group, PMA's property and casualty insurance segment. The PMA Insurance Group primarily includes the operations of PMA's principal insurance subsidiaries, Pennsylvania Manufacturers' Association Insurance Company, Manufacturers Alliance Insurance Company and Pennsylvania Manufacturers Indemnity Company. PMA's Fee-based Business includes the operations of PMA Management Corp., PMA Management Corp. of New England, Inc., and Midlands. PMA Management Corp. is a TPA that provides various claims administration, risk management, loss prevention and related services, primarily to self-insured clients under fee for service arrangements. PMA Management Corp. of New England, Inc. is a provider of risk management and TPA services. Midlands is a managing general agent, program administrator and provider of TPA services. PMA also has a Corporate and Other segment, which primarily includes corporate expenses and debt service.

It is the opinion of our management and board of directors that the merger will enhance our growth prospects. We believe that long-term growth can be achieved through the greater geographic spread and industry specialization offered by PMA's current business model.

## **Concurrent Offering**

Concurrent with the offering of notes pursuant to this prospectus supplement, we are also offering by a separate prospectus supplement \$250,000,000 aggregate principal amount of % Senior Notes due 2021. Neither offering is conditioned on the other.

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*The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. You should read this prospectus supplement and the accompanying prospectus before making an investment in the notes. The Description of Notes section of this prospectus supplement contains a more detailed description of the terms and conditions of the notes. As used in this section, we, our and us refer to Old Republic International Corporation and not to any of its consolidated subsidiaries.*

Issuer	Old Republic International Corporation, a Delaware corporation
Securities	\$250,000,000 principal amount of % Convertible Senior Notes due 2018 (plus up to an additional \$37,500,000 principal amount to cover over-allotments if any)
Maturity	March 15, 2018, unless earlier repurchased or converted
Issue price	100% plus accrued interest, if any, from March , 2011.
Interest	% per year. Interest will accrue from March , 2011 and will be payable semiannually in arrears on March 15 and September 15 of each year, beginning on September 15, 2011.
Conversion Rights	<p>Holders may convert their notes at their option at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date in multiples of \$1,000 principal amount.</p> <p>The conversion rate for the notes is initially shares per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$ per share of common stock), subject to adjustment as described in this prospectus supplement.</p> <p>In addition, following certain corporate transactions that occur prior to maturity, we will increase the conversion rate for a holder who elects to convert its notes in connection with such a corporate transaction in certain circumstances as described under Description of Notes Conversion Rights Adjustment to Shares Delivered Upon Conversion Upon a Make-whole Fundamental Change.</p> <p>You will not receive any additional cash payment or additional shares representing accrued and unpaid interest upon conversion of a note, except in limited circumstances. Instead, interest will be deemed paid by the shares of our common stock, together with any cash payment for any fractional share, into which a note is convertible.</p>
Fundamental Change	If we undergo a fundamental change (as defined in this prospectus supplement under Description of Notes Fundamental Change Permits Holders to Require Us to Purchase Notes ), subject to certain conditions, you will have the option to require us to purchase all or any portion of

your notes for cash. The fundamental change purchase price will be 100% of the principal amount of the notes to be purchased, plus any accrued and unpaid interest to, but excluding, the fundamental change purchase date.

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Ranking	<p>The notes will be our senior unsecured obligations and will rank:</p> <ul style="list-style-type: none"><li>senior in right of payment to our existing and future indebtedness that is expressly subordinated in right of payment to the notes;</li><li>equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated;</li><li>junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and</li><li>structurally junior to all existing and future indebtedness and liabilities incurred by our subsidiaries.</li></ul> <p>As of December 31, 2010, our total consolidated indebtedness was approximately \$475 million. As of December 31, 2010, our subsidiaries had total policy liabilities and accruals of approximately \$10.2 billion to which the notes would have ranked structurally junior, and neither we nor our subsidiaries had any secured indebtedness outstanding.</p> <p>The base indenture governing the notes, as supplemented by the supplemental indenture to be entered into in connection with this notes offering (which we refer to collectively as the indenture ), does not limit the amount of debt that we or our subsidiaries may incur.</p>
Use of Proceeds	<p>We estimate that the proceeds from this offering will be approximately \$ million (\$ million if the underwriters exercise their option to purchase additional notes in full), and that the proceeds from the concurrent senior note offering will be approximately \$ million, each after deducting fees and before estimated expenses. We intend to use approximately \$107.4 million of such net proceeds to repay certain indebtedness that we assumed in connection with our acquisition of PMA. We intend to use the remainder of the net proceeds for general corporate purposes, including the making of additional capital contributions to our insurance company subsidiaries as may be necessary. See Use of Proceeds.</p>
Book-entry Form	<p>The notes will be issued in book-entry form and will be represented by permanent global certificates deposited with, or on behalf of, The Depository Trust Company ( DTC ) and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.</p>
Absence of a Public Market for the Notes	<p>The notes will be new securities and there is currently no established market for the notes. Accordingly, we cannot assure you as to the development or liquidity of any market for the notes. The underwriters</p>

have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so, and they may discontinue any market making with respect to the notes

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without notice. We do not intend to apply for a listing of the notes on any securities exchange or any automated dealer quotation system.

NYSE Trading Symbol

Our common stock is listed on the New York Stock Exchange under the symbol ORI.

Certain U.S. Federal Income Tax Considerations

You should consult your tax advisor with respect to the U.S. federal income tax consequences of the purchase, ownership, disposition and conversion of the notes, and the ownership and disposition of shares of our common stock received upon a conversion of the notes in light of your own particular situation and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction. See Certain U.S. Federal Income Tax Considerations.

Trustee, Paying Agent and Conversion Agent

Wilmington Trust Company

Risk Factors

See Risk Factors beginning on page S-8 of this prospectus supplement and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of the factors you should carefully consider before deciding to invest in the notes.

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**RISK FACTORS**

*Any investment in the notes and our common stock involves a high degree of risk. You should carefully consider the risks described below and all of the information contained herein or incorporated by reference into this prospectus supplement and the accompanying prospectus before deciding whether to purchase the notes. In addition, you should carefully consider, among other things, the matters discussed under Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, and in other documents that we subsequently file with the Securities and Exchange Commission, all of which are incorporated by reference into this prospectus supplement and the accompanying prospectus. The risks and uncertainties described in such incorporated documents and described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition and results of operations would suffer. In that event, the trading price of our common stock could decline, which could adversely affect your investment in the notes. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See Forward-Looking Statements. As used in this section, we, our and us refer to Old Republic International Corporation and not to any of its consolidated subsidiaries.*

**Risks Related to the Notes and our Common Stock**

***The notes are effectively subordinated to our secured debt and any liabilities of our subsidiaries.***

The notes will be our senior unsecured obligations and will rank senior in right of payment to our existing and future indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment to our existing and future indebtedness that is not so subordinated; junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness and liabilities incurred by our subsidiaries. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure any of our secured debt will be available to pay obligations on the notes only after the secured debt has been repaid in full from these assets. There may not be sufficient assets remaining to pay amounts due on any or all of the notes then outstanding. The indenture governing the notes does not prohibit us from incurring additional senior debt or secured debt, nor does it prohibit any of our subsidiaries from incurring additional liabilities.

As of December 31, 2010, our total consolidated indebtedness was approximately \$475 million. As of December 31, 2010, our subsidiaries had total policy liabilities and accruals of approximately \$10.2 billion to which the notes would have ranked structurally junior, and neither we nor our subsidiaries had any secured indebtedness outstanding.

***The notes are obligations of Old Republic International Corporation only, and our status as a holding company with no direct operations could adversely affect our ability to pay dividends to our stockholders and to service our debt, including the notes.***

Old Republic International Corporation is a holding company that transacts business through its operating subsidiaries. Our primary assets are the capital stock of these operating subsidiaries. Thus, our ability to pay dividends to our stockholders and to service the indebtedness of Old Republic International Corporation, including the notes, depends upon the surplus and earnings of our subsidiaries and their ability to pay dividends to the holding company. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to make payments on the notes or to make any funds available for that purpose.

In addition, payment of dividends by our insurance subsidiaries is restricted by state insurance laws or subject to approval of the insurance regulatory authorities in the jurisdictions in which they are domiciled. These authorities recognize only statutory accounting practices for determining financial position, results of operations and the ability of an insurer to pay dividends to its shareholders. The specific rules governing the payment of dividends by our insurance subsidiaries vary from jurisdiction to jurisdiction. Our insurance subsidiaries are domiciled in seventeen different jurisdictions. Generally, under applicable insurance laws and

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regulations, our insurance subsidiaries are prohibited from paying dividends to the holding company in excess of either the greater or lesser of (depending upon the state involved) 10% of statutory surplus or a portion of statutory net income, without the prior approval of the applicable insurance regulatory authority. Based on financial data for the fiscal year ended December 31, 2010, the maximum amount of dividends payable to Old Republic International Corporation by its insurance and non-insurance company subsidiaries during the fiscal year ended December 31, 2011 without the prior approval of appropriate regulatory authorities is approximately \$306.5 million. Dividends declared during the fiscal years ended December 31, 2010, 2009 and 2008 to our company by our subsidiaries amounted to \$181.1 million, \$181.5 million and \$191.2 million, respectively. For example, as a result of the continuing deterioration of the statutory surplus levels in our Mortgage Guaranty Group during 2010, it is unlikely that some or all of our mortgage guaranty subsidiaries will be able to pay dividends to the holding company in 2011 without prior regulatory approval. Of the approximately \$306.5 million in 2010 dividend capacity referred to above, none was attributable to our mortgage guaranty subsidiaries. There can be no assurance that our subsidiaries will be able to continue to pay such dividends to us in the future. If our subsidiaries are unable to pay dividends to us in amounts necessary to satisfy our obligations, our ability to pay dividends to our stockholders, and to service our debt, including the notes, could be adversely affected.

***We have terminated the standby credit facility that supports our commercial paper program and as a result will not access our commercial paper program until we replace that credit facility, which could adversely affect our liquidity and capital resources.***

Since September 2010, we have maintained a commercial paper program supported by a syndicated standby credit facility scheduled to mature in September 2011. On March 1, 2011, we notified the agent under that credit facility of our election to terminate the facility effective March 4, 2011. Upon termination of that credit facility, we will no longer access our commercial paper program until we obtain a new standby credit facility. However, there can be no assurance that we will be able to obtain such a credit facility, or as to the terms of any such facility we are able to obtain, and our inability to obtain such a credit facility could have an adverse effect on our liquidity and capital resources.

***Recent regulatory actions may adversely affect the trading price and liquidity of the notes.***

We expect that many investors in, and potential purchasers of, the notes will employ, or seek to employ, a convertible arbitrage strategy with respect to the notes. Investors that employ a convertible arbitrage strategy with respect to convertible debt instruments typically implement that strategy by selling short the common stock underlying the convertible notes and dynamically adjusting their short position while they hold the notes. Investors may also implement this strategy by entering into swaps on the common stock in lieu of or in addition to short selling the common stock. As a result, any specific rules regulating equity swaps or short selling of securities or other governmental action that interferes with the ability of market participants to effect short sales or equity swaps with respect to our common stock could adversely affect the ability of investors in, or potential purchasers of, the notes to conduct the convertible arbitrage strategy that we believe they will employ, or seek to employ, with respect to the notes. This could, in turn, adversely affect the trading price and liquidity of the notes.

At an open meeting on February 24, 2010, the Securities and Exchange Commission, or SEC adopted a new short sale price test through an amendment to Rule 201 of Regulation SHO. The amendments to Rule 201 became effective on May 10, 2010 and restrict short selling when the price of a covered security has triggered a circuit breaker by falling at least 10% in one day, at which point short sale orders can be displayed or executed only if the order price is above the current national best bid, subject to certain limited exceptions. Compliance with the amendments to Rule 201 was required by November 10, 2010. Because our common stock is a covered security, the new restrictions may interfere with the ability of investors in, and potential purchasers of, the notes, to effect short sales in our common stock and conduct the convertible arbitrage strategy that we believe they will employ, or seek to employ, with respect to the

notes.

In addition, on June 10, 2010 the SEC approved a six-month pilot, or the circuit breaker pilot, pursuant to which several national securities exchanges and the Financial Industry Regulatory Authority, Inc., or FINRA,

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adopted rules to halt trading in securities included in the S&P 500 Index if the price of any such security moves 10% or more from a sale in a five-minute period. On September 10, 2010, the SEC approved an expansion of the circuit breaker pilot to include component securities of the Russell 1000 Index and over 300 exchange traded funds. Our common stock is included in the Russell 1000 Index and therefore is subject to the circuit breaker pilot at this time. In addition, the SEC could further expand the circuit breaker pilot in the future or adopt other rules that limit trading in response to market volatility. Any such additional regulatory actions may decrease or prevent an increase in the market price or liquidity of our common stock or interfere with the ability of investors in, and potential purchasers of, the notes, to effect hedging transactions in or relating to our common stock and conduct the convertible arbitrage strategy that we believe they will employ, or will seek to employ, with respect to the notes.

On July 21, 2010, the United States enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act. This new legislation may require many over-the-counter swaps to be centrally cleared and traded on exchanges or comparable trading facilities. In addition, swap dealers and major market participants may be required to comply with margin and capital requirements as well as public reporting requirements to provide transaction and pricing data on both cleared and uncleared swaps. These requirements could adversely affect the ability of investors in, or potential purchasers of, the notes to implement a convertible arbitrage strategy with respect to the notes (including increasing the costs incurred by such investor in implementing such strategy). This could, in turn, adversely affect the trading price and liquidity of the notes. The legislation will become effective on the later of 360 days following the enactment of the legislation and 60 days after the publication of the final rule. However, it is unclear whether the margin requirements will apply retroactively to existing swap transactions. We cannot predict how this legislation will be implemented by the SEC or the magnitude of the effect that this legislation will have on the trading price or liquidity of the notes.

Although the direction and magnitude of the effect that the amendments to Regulation SHO, the circuit breaker pilot, the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any additional regulations may have on the trading price and the liquidity of the notes will depend on a variety of factors, many of which cannot be determined at this time, past regulatory actions have had a significant impact on the trading prices and liquidity of convertible debt instruments. For example, in September 2008, the SEC issued emergency orders generally prohibiting short sales in the common stock of a variety of financial services companies while Congress worked to provide a comprehensive legislative plan to stabilize the credit and capital markets. The orders made the convertible arbitrage strategy that many convertible debt investors employ difficult to execute and adversely affected both the liquidity and trading price of convertible notes issued by many of the financial services companies subject to the prohibition. Any governmental actions that restrict the ability of investors in, or potential purchasers of, the notes to effect short sales in our common stock or to implement hedging strategies, including the recently adopted amendments to Regulation SHO or the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act, could similarly adversely affect the trading price and the liquidity of the notes.

### ***Regulatory developments and recently enacted legislation could adversely affect our business and holders of our securities.***

The recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act makes sweeping changes to the financial services industry and its regulation. We cannot currently predict how those changes might affect us or the holders of the notes, especially since many of the regulations required by the legislation have yet to be promulgated. In particular, we note that the legislation contains an alternative resolution regime for certain failing, systemically important financial companies, including certain insurance holding companies and their non-insurance company subsidiaries. Such regime, which would only replace the normal insolvency regime for such companies and subsidiaries if certain governmental determinations are made, could alter the rights of securities holders of institutions made subject to it.





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***The market price of our common stock may be volatile, which could cause the value of your investment to decline.***

The market price of our common stock has experienced, and may continue to experience, significant volatility. Between January 1, 2010 and March 1, 2011, the trading price of our common stock on the New York Stock Exchange has ranged from a low of \$10.02 per share to a high of \$15.50 per share. Numerous factors, including many over which we have no control, may have a significant impact on the market price of our common stock. These risks include those described or referred to in this Risk Factors section and in the other documents incorporated herein by reference as well as, among other things:

- our operating and financial performance and prospects;
- our ability to repay our debt;
- investor perceptions of us and the industry and markets in which we operate;
- our dividend policy;
- future sales of equity or equity-related securities;
- changes in earnings estimates or buy/sell recommendations by analysts; and
- general financial, domestic, international, economic and other market conditions.

In addition, the stock market in recent years has experienced significant price and trading volume fluctuations that often have been unrelated or disproportionate to the operating performance of individual companies. These broad market fluctuations may adversely affect the price of our common stock, regardless of our operating performance. Furthermore, stockholders may initiate securities class action lawsuits if the market price of our stock drops significantly, which may cause us to incur substantial costs and could divert the time and attention of our management. As a result of these factors, among others, the value of your investment may decline because a decrease in the market price of our common stock would likely adversely impact the trading price of the notes.

***We may not have the ability to raise the funds necessary to purchase the notes upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon repurchase of the notes.***

Holder of the notes will have the right to require us to repurchase the notes upon the occurrence of a fundamental change at 100% of their principal amount plus accrued and unpaid interest as described under Description of Notes Fundamental Change Permits Holders to Require Us to Purchase Notes. However, we may not have enough available cash or be able to obtain financing at the time we are required to repurchase notes, particularly if the fundamental change requires us to retire other indebtedness. In addition, our ability to repurchase the notes may be limited by law, by regulatory authority or by the agreements governing our indebtedness that exist at the time of the repurchase. Our failure to repurchase notes tendered for repurchase at a time when the repurchase is required by the indenture would constitute a default under the indenture. A default under the indenture or the fundamental change itself could also lead to a default under the agreements governing our other indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the notes.

***Future sales of shares of our common stock may depress its market price.***

In the future, we may sell additional shares of our common stock to raise capital. Sales of substantial amounts of additional shares of common stock, including shares of common stock underlying the notes and shares issuable upon exercise of outstanding options as well as sales of shares that may be issued in connection with future acquisitions or for other purposes, including to finance our operations and business strategy or to adjust our ratio of debt-to-equity, or the perception that such sales could occur, may have a harmful effect on prevailing market prices for our common stock and our ability to raise additional capital in

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the financial markets at a time and price favorable to us. The price of our common stock could also be affected by possible sales of our common stock by investors who view the notes being offered in this offering as a more attractive means of equity participation in our company and by hedging or arbitrage trading activity that we expect will develop involving our common stock.

***Holders of notes will not be entitled to any rights with respect to our common stock, but will be subject to all changes made with respect to our common stock.***

Holders of notes will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock) prior to the conversion date relating to such notes, but holders of notes will be subject to all changes affecting our common stock. For example, if an amendment is proposed to our certificate of incorporation or by-laws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the conversion date related to a holder's conversion of its notes, such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes affecting our common stock.

***The notes are not protected by restrictive covenants.***

The indenture does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. The indenture contains no covenants or other provisions to afford protection to holders of the notes in the event of a fundamental change involving Old Republic International Corporation, except to the extent described under Description of Notes Fundamental Change Permits Holders to Require Us to Purchase Notes, Description of Notes Conversion Rights Adjustment to Shares Delivered Upon Conversion Upon a Make-whole Fundamental Change and Description of Notes Consolidation, Merger and Sale of Assets.

***The adjustment to the conversion rate for notes converted in connection with a make-whole fundamental change may not adequately compensate you for any lost value of your notes as a result of such transaction.***

If a make-whole fundamental change occurs prior to maturity, under certain circumstances, we will increase the conversion rate by a number of additional shares of our common stock for notes converted in connection with such make-whole fundamental change. The increase in the conversion rate will be determined based on the date on which the make-whole fundamental change becomes effective and the price paid (or deemed paid) per share of our common stock in such transaction, as described below under Description of Notes Conversion Rights Adjustments to Shares Delivered Upon Conversion Upon a Make-whole Fundamental Change. The adjustment to the conversion rate for notes converted in connection with a make-whole fundamental change may not adequately compensate you for any lost value of your notes as a result of such transaction. In addition, if the price of our common stock in the transaction is greater than \$ per share or less than \$ per share (in each case, subject to adjustment), no adjustment will be made to the conversion rate. Moreover, in no event will the conversion rate as a result of this adjustment exceed per \$1,000 principal amount of notes, subject to adjustments in the same manner as the conversion rate as set forth under Description of Notes Conversion Rights Conversion Rate Adjustments.

Our obligation to increase the conversion rate upon the occurrence of a make-whole fundamental change could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

***The conversion rate of the notes may not be adjusted for all dilutive events.***

The conversion rate of the notes is subject to adjustment for certain events, including, but not limited to, the issuance of stock dividends on our common stock, the issuance of certain rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness, or assets, cash dividends and certain issuer tender or

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exchange offers as described under Description of Notes Conversion Rights Conversion Rate Adjustments. However, the conversion rate will not be adjusted for other events, such as a third-party tender or exchange offer or an issuance of common stock for cash, that may adversely affect the trading price of the notes or the common stock. An event that adversely affects the value of the notes may occur, and that event may not result in an adjustment to the conversion rate.

***Provisions in our organizational documents, our rights agreement, certain of our employee benefit plans and state law could delay or prevent a change in control of our company, or cause a change in control of our company to have adverse regulatory consequences, any of which could adversely affect the price of our common stock.***

Our certificate of incorporation and bylaws contain provisions that could have the effect of discouraging, delaying or making it more difficult for someone to acquire us through a tender offer, a proxy contest or otherwise, even though such an acquisition might be economically beneficial to our shareholders. These provisions include dividing our board of directors into three classes and specifying advance notice procedures for shareholders to nominate candidates for election as members of our board of directors and for shareholders to submit proposals for consideration at shareholders meetings. In addition, these provisions may make the removal of management more difficult, even in cases where removal would be favorable to the interests of our shareholders.

Each currently outstanding share of our common stock includes, and each share of our common stock issuable upon conversion of the notes will include, a common share purchase right. The rights are attached to and trade with the shares of common stock and currently are not exercisable. The rights will become exercisable if a person or group acquires, or announces an intention to acquire, 20% or more of our outstanding common stock. The rights have some anti-takeover effects and generally will cause substantial dilution to a person or group that attempts to acquire control of us without conditioning the offer on either redemption of the rights or amendment of the rights to prevent this dilution, each of which requires our board's approval. The rights could have the effect of delaying, deferring or preventing a change of control.

We have established various employee benefit plans as more fully described in the Proxy Statement for our 2010 Annual Meeting, portions of which are incorporated by reference into this prospectus supplement. A change in control of our company would accelerate the vesting of benefits under certain of our benefit plans and would require the immediate payment of all deferred balances under certain of these plans. This could have the effect of deterring or preventing a change of control.

In addition, Section 203 of the Delaware General Corporation Law may limit the ability of an interested shareholder to engage in business combinations with us. An interested shareholder is defined to include persons owning 15% or more of any class of our outstanding voting stock.

We are also subject to the insurance regulations in the jurisdictions in which our insurance subsidiaries are licensed. Under the insurance laws of most jurisdictions, advance approval by the state insurance department is required for any change of control of an insurer. Control is presumed to exist through the direct or indirect ownership of 10% or more of the voting securities of a domestic insurance company or any entity that controls a domestic insurance company. Obtaining these approvals may result in the material delay of, or deter, any such acquisition of our common stock.

***Some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the notes or to increase the conversion rate of the notes.***

Upon the occurrence of a fundamental change, you have the right to require us to repurchase your notes and may have the right to convert your notes with an increased conversion rate. However, the definition of the term fundamental change is limited to only certain transactions or events. Therefore the fundamental change provisions will not afford

protection to holders of notes in the event of other transact