

OLD REPUBLIC INTERNATIONAL CORP

Form 10-K/A

March 28, 2007

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

The undersigned registrant hereby amends the following items, financial  
statements,

exhibits or other portions of its ANNUAL REPORT FOR 2006 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

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(Registrant)

Date: March 28, 2007

By: /s/ Karl W. Mueller

(Signature)

Karl W. Mueller

Senior Vice President and

Chief Financial Officer

Total Pages: 14

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Report of Independent Registered Public Accounting Firm

OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES

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Schedule II - Condensed Financial Information of Registrant as of December 31, 2006 and 2005 and for the years ended December 31, 2006, 2005, and 2004

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Schedule VI - Supplemental Information Concerning Property - Casualty Insurance Operations for the years ended December 31, 2006, 2005 and 2004

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

(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**

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, 2007 appearing in the 2006 Annual Report to the 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 LLP

Chicago, Illinois  
February 28, 2007

**OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**SCHEDULE I - SUMMARY OF INVESTMENTS - OTHER THAN INVESTMENTS IN RELATED PARTIES**

**As of December 31, 2006**

**(\$ in Thousands)**

Column A	Column B	Column C	Column D
Type of investment	Cost (1)	Fair Value	Amount at which shown in balance sheet
Available for sale:			
Fixed maturity securities:			
United States Government and government agencies and authorities	\$ 559,184	\$ 564,084	\$ 564,084
States, municipalities and political subdivisions	2,234,194	2,229,593	2,229,593
Foreign government	149,529	150,649	150,649
Public utilities	936,498	923,883	923,883
Corporate, industrial and all other	2,994,445	2,964,423	2,964,423
	6,873,850	\$ 6,832,634	6,832,634
Equity securities:			
Non-redeemable preferred stocks	965	\$ 1,002	1,002
Common stocks:			
Public utilities	14,692	17,398	17,398
Banks, trusts and insurance companies	94,859	138,120	138,120
Industrial, miscellaneous and all other	424,265	512,604	512,604
	534,781	\$ 669,124	669,124
Short-term investments	493,656		493,656
Miscellaneous investments	52,759		52,759
Total	7,955,046		8,048,174
Held to maturity:			
Other investments	7,971		7,971
Total	7,971		7,971
Total Investments	\$ 7,963,017		\$ 8,056,146

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.

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

	December 31,	
	2006	2005
<b>Assets:</b>		
Bonds and notes	\$ 10,500	\$ 10,500
Cash	454	3,357
Short-term investments	2,686	20,366
Investments in, and indebtedness of related parties	4,488,684	4,131,283
Other assets	37,157	32,726
Total Assets	\$4,539,483	\$4,198,234
<b>Liabilities and Common Shareholders' Equity:</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 36,221	\$ 40,050
Debt and debt equivalents	114,997	114,990
Indebtedness to affiliates and subsidiaries	19,050	19,137
Commitments and contingent liabilities		
Total Liabilities	170,268	174,178
Common Shareholders' Equity:		
Common stock	231,047	229,575
Additional paid-in capital	319,529	288,660
Retained earnings	3,773,977	3,444,975
Accumulated other comprehensive income	44,659	60,844
Total Common Shareholders' Equity	4,369,214	4,024,055
Total Liabilities and Common		
Shareholders' Equity	\$4,539,483	\$4,198,234

**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 December 31,		
	2006	2005	2004
<b>Revenues:</b>			
Investment income from subsidiaries	\$ 15,396	\$ 11,378	\$ 5,833
Real estate and other income	3,909	3,865	4,000
Realized investment gains	---	3	---
Other investment income	1,036	981	582
Total Revenues	20,343	16,228	10,416
<b>Expenses:</b>			
Interest -- subsidiaries	1,047	712	352
Interest -- other	8,155	8,155	8,155
Real estate and other expenses	3,208	3,269	2,872
General expenses, taxes and fees	12,437	10,916	11,622
Total Expenses	24,849	23,054	23,002
Revenues, net of expenses	(4,506)	(6,826)	(12,586)
Federal income tax credits	(1,547)	(2,376)	(4,473)
Loss before equity in earnings of subsidiaries	(2,958)	(4,449)	(8,113)
Equity in Earnings of Subsidiaries:			
Dividends received	362,330	287,275	186,380
Earnings in excess of dividends	105,471	268,595	256,743
<b>Net Income</b>	<b>\$ 464,842</b>	<b>\$ 551,420</b>	<b>\$ 435,010</b>



**OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**OLD REPUBLIC INTERNATIONAL CORPORATION (PARENT COMPANY)**  
**(\$ in Thousands)**

	Years Ended December 31,		
	2006	2005	2004
<b>Cash flows from operating activities:</b>			
Net income	\$ 464,842	\$ 551,420	\$ 435,010
Adjustments to reconcile net income to net cash provided by operating activities:			
Accounts receivable	982	146	(1,350)
Income taxes - net	(6,922)	(3,461)	9,992
Excess of equity in net income of subsidiaries over dividends received	(105,471)	(268,595)	(256,743)
Realized investment gains	---	(3)	---
Accounts payable, accrued expenses and other	(14,681)	(2,846)	1,443
Total	338,749	276,660	188,352
<b>Cash flows from investing activities:</b>			
Sales of fixed maturity securities	---	1,103	---
Sales of other investments	---	473	10
Purchases of fixed assets for company use	(1,056)	(1,670)	(503)
Net repayment (issuance) of notes receivable with related parties	(243,859)	19,869	(115,116)
Net decrease (increase) in short-term investments	17,680	(13,164)	5,644
Total	(227,236)	6,612	(109,964)
<b>Cash flows from financing activities:</b>			
Repayment of notes and loans to related parties	(105)	(42)	(67)
Issuance of preferred and common stock	18,987	18,493	14,600
Dividends on common shares	(135,841)	(300,723)	(91,690)
Other - net	2,543	---	---
Total	(114,416)	(282,271)	(77,159)
<b>Increase (decrease) in cash</b>	(2,903)	1,000	1,229
Cash, beginning of year	3,357	2,356	1,126
Cash, end of year	\$ 454	\$ 3,357	\$ 2,356

**OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**SCHEDULE II - CONDENSED FINANCIAL INFORMATION OF REGISTRANT**  
**NOTES TO CONDENSED FINANCIAL STATEMENTS**

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The accompanying condensed financial statements of Old Republic International Corporation should be read in conjunction with the consolidated financial statements and notes thereto of Old Republic International Corporation and Subsidiaries included in its Annual Report on Form 10-K.

**Note 1 - Summary of Significant Accounting Policies**

Old Republic International Corporation's condensed financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Accordingly, actual results could differ from those estimates. Old Republic International Corporation has appropriately classified its net issuance of notes receivable with related parties as an investing activity in the 2006 Statement of Cash Flows and has made conforming revisions to prior periods.

**Note 2 - Debt**

Old Republic International Corporation has access to the commercial paper market through a wholly-owned subsidiary for up to \$150.0 million of which \$131.0 remains unused as of December 31, 2006. The average yield of the commercial paper outstanding at December 31, 2006 and 2005 was 5.51% and 4.48%, respectively. Old Republic International Corporation also has publicly traded 7% debentures maturing in 2007 with a carrying value of \$114.9 million as of December 31, 2006 and 2005.

**Note 3 - Investments in Consolidated Subsidiaries**

Old Republic International Corporation's investments in consolidated subsidiaries are reflected in the condensed financial statements in accordance with the equity method of accounting. Undistributed earnings in excess of dividends and dividends received are recorded as separate line items in the condensed statements of income.

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**OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**SCHEDULE III - SUPPLEMENTARY INSURANCE INFORMATION**  
**For the years ended December 31, 2006, 2005 and 2004**  
**(\$ in Thousands)**

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J
Segment	Deffered Policy Acquisition Costs	Losses, Claims and Settlement Expenses	Unearned Premiums	Other Policyholders' Benefits and Funds	Premium Revenue	Net Investment Income	Benefits, Claims, Losses and Settlement Expenses	Amortization of Deferred Policy Acquisition Costs	Other Operating Expenses
Year Ended December 31, 2006:									
Insurance Underwriting:									
General Insurance Group	\$174,621	\$3,022,670	\$955,842	\$87,386	\$1,902,112	\$221,599	\$1,254,229	\$305,832	\$170,000
Mortgage Insurance Group	46,053	249,584	55,206	---	444,317	74,302	189,927	40,342	70,000
Title Insurance Group	---	304,106	---	1,670	733,622	26,984	58,160	---	918,000
Corporate & Other (1)	44,227	21,666	---	61,953	74,122	18,739	37,383	20,859	40,000
Reinsurance Recoverable (2)	---	1,936,675	198,432	37,650	---	---	---	---	---
Consolidated	\$264,901	\$5,534,703	\$1,209,480	\$188,661	\$3,154,175	\$341,626	\$1,539,699	\$367,034	\$1,200,000
Year Ended December 31, 2005:									
Insurance Underwriting:									
General Insurance Group	\$141,575	\$2,507,076	\$825,799	\$86,129	\$1,805,209	\$197,076	\$1,206,859	\$319,504	\$140,000
Mortgage Insurance Group	50,341	214,844	45,508	---	429,567	70,120	159,708	41,486	70,000
Title Insurance Group	---	295,808	---	1,748	757,203	26,024	64,863	---	950,000
Corporate & Other (1)	48,111	19,937	---	63,282	70,325	16,918	34,063	18,908	40,000
	---	1,902,193	167,999	37,665	---	---	---	---	---

Reinsurance  
Recoverable  
(2)

Consolidated	\$240,028	\$4,939,860	\$1,039,306	\$188,825	\$3,062,305	\$310,139	\$1,465,494	\$379,898	\$1,213,000
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Year Ended December 31,  
2004:

Insurance Underwriting:

General

Insurance

Group

\$129,368	\$2,269,763	\$743,343	\$75,076	\$1,623,030	\$183,495	\$1,069,599	\$290,888	\$129,368
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Mortgage

Insurance

Group

55,130	200,070	42,517	---	403,207	67,764	143,187	47,883	74,343
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Title

Insurance

Group

---	277,086	---	1,903	714,016	25,578	59,752	---	92,343
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Corporate &

Other (1)

47,846	16,979	---	62,656	64,612	14,036	35,431	21,747	35,431
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Reinsurance

Recoverable

(2)	---	1,639,627	117,278	36,349	---	---	---	---
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Consolidated	\$232,345	\$4,403,527	\$903,140	\$175,985	\$2,804,866	\$290,875	\$1,307,969	\$360,519	\$1,172,000
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Note: (1) Represents amounts for Old Republic's holding company parent, minor corporate services subsidiaries and a small life 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 balances. Accordingly, reinsured losses and unearned premiums are to be reported as assets. Assets and Liabilities were increased by corresponding amounts of approximately \$2.1 billion at December 31, 2006, \$2.1 billion at December 31, 2005, and \$1.7 billion at December 31, 2004. FAS No. 113 does not have any effect on the Company's results of operations.

**OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**SCHEDULE IV - REINSURANCE**  
**For the years ended December 31, 2006, 2005 and 2004**  
**(\$ in Thousands)**

Column A	Column B	Column C	Column D	Column E	Column F
	Gross amount	Ceded to other companies	Assumed from other companies	Net amount	Percentage of amount assumed to net
Year Ended December 31, 2006:					
Life insurance in force	\$ 14,536,463	\$ 7,539,546	\$ ---	\$ 6,996,917	---%
Premium Revenues:					
General Insurance	\$ 2,345,442	\$ 474,084	\$ 30,754	\$ 1,902,112	1.6%
Mortgage Insurance	524,729	81,022	609	444,317	0.1
Title Insurance	729,633	101	4,091	733,622	0.6
Life and Health Insurance:					
Life insurance	35,378	15,896	---	19,481	---
Accident and health insurance	68,681	14,041	---	54,640	---
Total Life & Health Insurance	104,059	29,937	---	74,122	---
Consolidating adjustments	---	---	---	---	---
Consolidated	\$ 3,703,865	\$ 585,145	\$ 35,455	\$ 3,154,175	1.1%
Year Ended December 31, 2005:					
Life insurance in force	\$ 15,226,144	\$ 7,937,659	\$ ---	\$ 7,288,485	---%
Premium Revenues:					
General Insurance	\$ 2,291,915	\$ 522,680	\$ 35,974	\$ 1,805,209	2.0%
Mortgage Insurance	508,093	79,336	809	429,567	0.2
Title Insurance	753,732	101	3,572	757,203	0.5
Life and Health Insurance:					
Life insurance	36,357	15,943	---	20,413	---
Accident and health insurance	62,688	12,777	1	49,912	---
Total Life & Health Insurance	99,045	28,721	1	70,325	---
Consolidating adjustments	---	(1)	(1)	---	---
Consolidated	\$ 3,652,787	\$ 630,837	\$ 40,356	\$ 3,062,305	1.3%
Year Ended December 31, 2004:					
Life insurance in force	\$ 15,624,497	\$ 8,189,223	\$ ---	\$ 7,435,274	---%
Premium Revenues:					
General Insurance	\$ 2,140,930	\$ 548,128	\$ 30,227	\$ 1,623,030	1.9%
Mortgage Insurance	483,619	81,456	1,044	403,207	0.3

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Title Insurance	711,735	(64)	2,216	714,016	0.3
Life and Health Insurance:					
Life insurance	39,286	19,453	---	19,833	---
Accident and health insurance	57,929	13,223	74	44,779	0.2
Total Life & Health Insurance	97,215	32,677	74	64,612	0.1
Consolidating adjustments	---	(74)	(74)	---	---
Consolidated	\$ 3,433,501	\$ 662,123	\$ 33,488	\$ 2,804,866	1.2%

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**OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**SCHEDULE V - VALUATION AND QUALIFYING ACCOUNTS**  
**For the years ended December 31, 2006, 2005 and 2004**  
**(\$ in Thousands)**

Column A	Column B	Column C		Column D	Column E
Description	Balance	Charged to	Charged to Other	Deductions - Describe	Balance
	Beginning of Period	Costs Expenses	Accounts - Describe		at End of Period
Year Ended December 31, 2006:					
Deducted from Asset Accounts:					
Reserve for unrecoverable reinsurance	\$ 36,813	\$ (6,591)	\$ ---	\$ ---	\$ 30,222
Year Ended December 31, 2005:					
Deducted from Asset Accounts:					
Reserve for unrecoverable reinsurance	\$ 45,652	\$ (8,838)	\$ ---	\$ ---	\$ 36,813
Year Ended December 31, 2004:					
Deducted from Asset Accounts:					
Reserve for unrecoverable reinsurance	\$ 27,300	\$ 18,352	\$ ---	\$ ---	\$ 45,652

**OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**SCHEDULE VI - SUPPLEMENTAL INFORMATION CONCERNING PROPERTY-CASUALTY**  
**INSURANCE OPERATIONS**

**For the years ended December 31, 2006, 2005 and 2004**

(\$ in Thousands)

Column A	Column B	Column C	Column D	Column E	Column F	Column G
		Reserves for Unpaid Claims and Claim	Discount, If Any, Deducted in Column C			Net
Affiliation With Registrant Year Ended December 31, 2006:	Deferred Policy Acquisition Costs	Adjustment Expenses		Unearned Premiums	Earned Premiums	Investment Income
(a) Consolidated property-casualty entities (1)	\$174,621	\$3,022,670	\$151,065	\$955,842	\$1,902,112	\$221,599
(b) Unconsolidated property-casualty subsidiaries (2)						
(c) Proportionate share of registrant and its subsidiaries' 50%-or-less owned property-casualty equity investees (2)	\$174,621	\$3,022,670	\$151,065	\$955,842	\$1,902,112	\$221,599
Year Ended December 31, 2005:						
(a) Consolidated property-casualty entities (1)	\$141,575	\$2,507,076	\$138,301	\$825,799	\$1,805,209	\$197,076
(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	\$1,805,209	\$197,076



Year Ended December 31,  
2004:

Consolidated							
(a)	property-casualty entities (1)	\$129,368	\$2,269,763	\$139,362	\$743,343	\$1,623,030	\$183,495
Unconsolidated							
(b)	property-casualty subsidiaries (2)						
Proportionate share							
(c)	of registrant and its subsidiaries' 50%-or-less owned property-casualty equity investees (2)	\$129,368	\$2,269,763	\$139,362	\$743,343	\$1,623,030	\$183,495

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

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

**OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**SCHEDULE VI - SUPPLEMENTAL INFORMATION CONCERNING PROPERTY-CASUALTY**  
**INSURANCE OPERATIONS**

**For the years ended December 31, 2006, 2005 and 2004**

(\$ in Thousands)

Column A		Column H		Column I	Column J	Column K
		Claims and Claim Adjustment Expenses Incurred Related to		Amortization of Deferred Policy Acquisition Costs	Paid Claims and Claim Adjustment Expenses	Premiums Written
		Current Year	Prior Years			
Affiliation With Registrant Year Ended December 31, 2006:						
(a)	Consolidated					
	property-casualty entities (1)	\$1,363,791	(\$116,881)	\$305,832	\$731,313	\$2,022,801
(b)	Unconsolidated					
	property-casualty subsidiaries (2)					
(c)	Proportionate share of registrant and its subsidiaries'					
	50%-or-less owned property-casualty equity investees (2)	\$1,363,791	(\$116,881)	\$305,832	\$731,313	\$2,022,801
Year Ended December 31, 2005:						
(a)	Consolidated					
	property-casualty entities (1)	\$1,254,488	(\$52,969)	\$319,504	\$964,205	\$1,889,361
(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	\$1,889,361
Year Ended December 31, 2004:						
(a)	Consolidated					
	property-casualty entities (1)	\$1,122,998	(\$55,695)	\$290,888	\$845,368	\$1,701,149

(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 \$1,701,149

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

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

