OLD REPUBLIC INTERNATIONAL CORP
Form 424B5
April 24, 2009

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Filed Pursuant to Rule 424(B)(5)
Registration No. 333-142462

PROSPECTUS SUPPLEMENT
(To prospectus dated April 30, 2007)

$275,000,000

8.00% Convertible Senior Notes due 2012

We are offering $275,000,000 principal amount of our 8.00% Convertible Senior Notes due 2012. The notes will bear interest at a rate of 8.00% per year, payable semiannually in arrears on May 15 and November 15 of each year, beginning on November 15, 2009. The notes will mature on May 15, 2012.

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 86.8056 shares of common stock per $1,000 principal amount of notes (equivalent to an initial conversion price of approximately $11.52 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 April 23, 2009 was $9.60 per share.

Investing in the notes involves risks, including those described in the Risk Factors section beginning on page S-19 of this prospectus supplement and the Risk Factors section beginning on page 16 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which is incorporated by reference into this prospectus supplement and the accompanying prospectus.

	Per Note	Total
Public offering price(1)	100%	$275,000,000
Underwriting discount	2.75%	$7,562,500
Proceeds, before expenses, to us	97.25%	$267,437,500

(1) Plus accrued interest from April 29, 2009, if settlement occurs after that date

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.

The underwriters may also purchase up to an additional $41,250,000 principal amount of notes at the public offering price, less the underwriting discounts and commissions, to cover overallotments, if any, within the 30-day period beginning on the date of this prospectus supplement. If the underwriters exercise this option in full, the total underwriting discounts and commissions will be $8,696,875, and our total proceeds, before expenses, will be $307,553,125.

We expect that delivery of the notes will be made to investors in book-entry form through The Depository Trust Company on or about April 29, 2009.

Merrill Lynch & Co. **J.P.Morgan**

Fox-Pitt Kelton Cochran Caronia Waller
Keefe, Bruyette & Woods
KeyBanc Capital Markets
Raymond James

The date of this prospectus supplement is April 23, 2009.

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:

1. Annual Report on Form 10-K for the year ended December 31, 2008 filed on February 27, 2009.

2. Current Reports on Form 8-K filed January 22, 2009 and April 22, 2009.

3. Our Proxy Statement for our 2009 Annual Meeting filed April 10, 2009, as revised on April 17, 2009.

4. 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, shoul expect, plan, anticipate, intend, believe, estimate, predict, potential or continue or the negative of tho 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

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policy lapsation rates. At the parent holding company level, operating earnings or losses are generally reflective of the amount 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 2008 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 Part I, Item 1 Business, of our 2008 Form 10-K, which is specifically incorporated herein by reference. Also, 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 an insurance holding company which as of March 31, 2009 ranked among the 50 largest publicly held, independent insurance groups in the United States based on a composite of sales, profits, assets, and market value, according to Forbes Magazine. Our subsidiaries market, underwrite and provide risk management and professional reinsurance services for a wide variety of insurance coverages in the property and liability, mortgage guaranty, title, life and disability insurance fields. In particular, our subsidiaries provide specialty insurance programs to the transportation, coal and energy services, consumer and mortgage credit, banking, commercial construction, and housing industries, and to a variety of other manufacturing and service companies.

The insurance business is distinguished from most others in that the prices (premiums) charged for various coverages 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 revenues are obtained from investable funds generated by those functions as well as from retained 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 ($2,256 million or 60.6% of our fiscal 2008 operating revenue and $524 million or 59.7% of our first quarter 2009 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 83% of our fiscal 2008 premiums). Additionally, approximately 17% of premiums during fiscal 2008 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 on a number of industries, most prominently the transportation (trucking and general aviation), 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 2008, the breakdown of insurance premiums within the General Insurance Group was as follows: approximately 28.5% commercial automobile direct insurance, approximately 19.1% workers compensation direct insurance, approximately 13.4% general liability insurance and approximately 39.0% 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 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 nearly 9,000 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 ($690 million or 18.5% of our fiscal 2008 operating revenue and $171 million or 19.5% of our first quarter 2009 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 underwriting guidelines. In 2008, delegated underwriting approvals accounted for approximately 73% 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 ($681 million or 18.3% of our fiscal 2008 operating revenue and $160 million or 18.2% of our first quarter 2009 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 2008 and the first quarter of 2009, approximately 37% and 43%, respectively, 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 ($97 million or 2.6% of our fiscal 2008 operating revenue and $23 million or 2.6% of our first quarter 2009 operating revenue). 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.

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We had net premiums from life and health insurance of $80.1 million during fiscal 2008. Our life and health insurance product offerings are sold in the U.S. and Canada through financial intermediaries such as 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 $16.8 million in net premiums earned during fiscal 2008.

Recent Developments

First Quarter Performance

Financial Highlights

	Quarters Ended March 31,		
	2009	2008	Change
	(Unaudited; amounts in millions except per share data and percentages)		
Operating Revenues	$ 878.5	$ 950.7	−7.6%
Net Operating Income (Loss)	(53.9)	(19.6)	−174.2
Net Income (Loss)	$ (53.9)	$ (19.0)	−183.0%
Diluted Earnings Per Share:			
Net Operating Income (Loss)	$ (0.23)	$ (0.08)	−187.5%
Net Income (Loss)	$ (0.23)	$ (0.08)	−187.5%
Cash Dividends Per Share	$ 0.17	$ 0.16	6.3%
Ending Book Value Per Share	$ 15.47	$ 18.99	−18.5%

Old Republic s consolidated operating results, which exclude net realized investment gains, declined year over year. The reduced performance stemmed from ongoing weakness in the Company s housing-related mortgage guaranty and title insurance lines, and from lower general insurance profits. As noted in each quarterly report since 2007 s third quarter, the substantial dislocations that have enveloped all businesses with housing and mortgage-lending exposures are likely to exert earnings pressures throughout 2009, and most likely into 2010 as well. In comparison with the final quarter of 2008, however, both mortgage guaranty and title insurance segments registered some improvement in underwriting performance, while year over year loss costs were greater for mortgage guaranty and slightly lower for title. Year over year general insurance earnings were dampened by greater loss costs for nearly all coverages.

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Consolidated Results The major components of Old Republic s consolidated results and other data for the periods reported upon are shown below:

	Quarters Ended March 31,		
	2009	**2008**	**Change**
Operating revenues:			
General insurance	$ 523.7	$ 581.5	−9.9%
Mortgage guaranty	171.2	172.4	−.7
Title insurance	160.2	167.1	−4.1
Corporate and other	23.2	29.6	
Total	$ 878.5	$ 950.7	−7.6%
Pretax operating income (loss):			
General insurance	$ 58.2	$ 89.8	−35.2%
Mortgage guaranty	(144.6)	(122.3)	−18.2
Title insurance	(9.0)	(12.6)	28.7
Corporate and other	2.6	4.6	
Sub-total	(92.8)	(40.5)	−128.6
Realized investment gains (losses):			
From sales		0.9	
From impairments			
Net realized investment gains (losses)		0.9	
Consolidated pretax income (loss)	(92.7)	(39.6)	−134.0
Income taxes (credits)	(38.8)	(20.5)	−88.7
Net income (loss)	$ (53.9)	$ (19.0)	−183.0%
Consolidated underwriting ratio:			
Benefits and claims ratio	83.9%	76.6%	
Expense ratio	39.6	39.1	
Composite ratio	123.5%	115.7%	
Components of diluted earnings per share:			
Net operating income (loss)	$ (0.23)	$ (0.08)	−187.5%
Net realized investment gains (losses)			
Net income (loss)	$ (0.23)	$ (0.08)	−187.5%
Cash dividends paid per share	$ 0.17	$ 0.16	6.3%

Note: In this and all other tables and statements:

Dollar amounts are stated in millions, except per share data.

Calculations of book value and earnings per share exclude certain shares owned by the Company s Employee Savings and Stock Ownership Plan. Refer to Note (a) of the Notes to Accompanying Financial Summaries.

The above table shows both operating and net income to highlight the effects of realized investment gain or loss recognition and any non-recurring items on period-to-period comparisons. Operating income,

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however, does not replace net income computed in accordance with Generally Accepted Accounting Principles (GAAP) as a measure of total profitability.

The recognition of realized investment gains or losses can be highly discretionary and arbitrary due to such factors as the timing of individual securities sales, recognition of estimated losses from write-downs for impaired securities, tax-planning considerations, and changes in investment management judgments relative to the direction of securities markets or the future prospects of individual investees or industry sectors. Likewise, non-recurring items which may emerge from time to time, can distort the comparability of the Company s results from period to period. Accordingly, management uses net operating income, a non-GAAP financial measure, to evaluate and better explain operating performance, and believes its use enhances an understanding of Old Republic s basic business results.

General Insurance Results First quarter 2009 general insurance earnings were mainly affected by a lower earned premium base and the higher claim ratio shown in the following table:

	General Insurance Group Quarters Ended March 31,		
	2009	**2008**	**Change**
Net premiums earned	$ 457.3	$ 512.7	−10.8%
Net investment income	63.4	64.5	−1.6
Pretax operating income (loss)	$ 58.2	$ 89.8	−35.2%
Claims ratio	74.8%	69.9%	
Expense ratio	25.6	24.4	
Composite ratio	100.4%	94.3%	

A moderately declining rate environment for most commercial insurance prices in the past three years or so and the current economic slowdown have precluded meaningful additions to Old Republic s premium base and made business retention more difficult. Most of the latest quarter s decline in earned premiums stemmed from lower volumes of commercial auto (trucking), workers compensation, and consumer credit indemnity coverages. With respect to the latter, new premium production has been effectively curbed by much lower consumer credit extensions in the current recessionary environment.

The lower top line for this year s first quarter was accompanied by an increase in the claims ratio to 74.8 percent from 69.9 percent in the same period last year, and from an average of 67.9 percent for the five most recent calendar years. The higher claims ratio was driven mostly by greater loss costs among Old Republic s financial indemnity coverages, most prominently the consumer credit indemnity (CCI) and directors and officers (D&O) liability lines. As noted in recent quarterly and annual financial reports, the CCI line continues to be impacted by higher loss costs emanating from the loan repayment difficulties encountered by increasingly large numbers of consumers. The rise in D&O claim costs was mainly caused by greater loss provisions on several older claims which the Company does not expect to re-occur in light of currently expected full year results.

The expense ratio of 25.6 percent in the first three months of 2009 increased slightly by comparison with that registered in last year s first quarter, and the average of 24.4 percent for the most recent five calendar years. General Insurance Group net investment income was basically flat in this year s first quarter and was influenced by a slightly lower invested asset base and lower yields on fixed maturity and equity holdings.

Mortgage Guaranty Results The cyclical downturn in the economy and, in particular, in its housing and mortgage lending sectors continued to drive trends in mortgage guaranty earned premium and

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claim costs during this year s first three months. Key indicators of the Mortgage Guaranty Group s first quarter 2009 operating performance are shown in the following table:

	Mortgage Guaranty Group Quarters Ended March 31,		
	2009	2008	Change
Net premiums earned	$ 145.3	$ 147.6	−1.6%
Net investment income	22.4	21.5	4.2
Pretax operating income (loss)	$ (144.6)	$ (122.3)	−18.2%
Claims ratio	199.9%	181.1%	
Expense ratio	13.7	16.4	
Composite ratio	213.6%	197.5%	

The first quarter 2009 reduction in premium volume reflected the combination of more stringent underwriting guidelines we ve imposed gradually since late 2007, a contracting mortgage lending market place, and broader acceptance of competing Federal Housing Administration (FHA) loan guaranty programs. These factors outweighed the favorable effect of higher business persistency, and led to a 3.4 percent decline of risk in force since year-end 2008.

Further declines in home values, diminished availability of mortgage financing, negative employment trends, and rising levels of reported loan defaults and paid claims, were most responsible for an 8.7 percent increase in incurred claim costs in this year s first quarter vis-à-vis the same period of 2008. As of March 31, 2009, net claim reserves of $1.51 billion were 82.6 percent higher than they were twelve months earlier. The effect of varying amounts of periodic paid losses and reserve provisions on reported mortgage guaranty incurred loss ratios is shown in the following table:

	Quarters Ended March 31,	
	2009	2008
Incurred loss ratio from:		
Paid losses	107.1%	55.0%
Reserve provisions	92.8	126.1
Total	199.9%	181.1%

The expense ratio benefited primarily from lower operating costs, particularly those which respond to changes in production volumes and operating results. Positive operating cash flow for the quarter, attributable almost exclusively to the recovery of prepaid federal income taxes, was additive to the high quality and liquid invested asset base which reached $2.35 billion, up 22.8 percent from the level registered as of the end of March, 2008.

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Title Insurance Results Old Republic s title insurance business registered an operating loss somewhat lower than we expected in this year s first quarter. Key indicators of its results are shown in the following table:

	Title Insurance Group Quarters Ended March 31,		
	2009	**2008**	**Change**
Net premiums and fees earned	$ 154.3	$ 160.7	–4.0%
Net investment income	5.8	6.4	–9.0
Pretax operating income (loss)	$ (9.0)	$ (12.6)	28.7%
Claims ratio	6.6%	7.0%	
Expense ratio	102.9	104.5	
Composite ratio	109.5%	111.5%	

The cyclical downturn in the housing and related mortgage lending sectors of the U.S. economy also had a dampening effect on the title segment s premiums and fees revenue. However, recently higher levels of loan refinancing activity and some market share improvements provided a positive offset to top line weakness and operating expense coverage.

Corporate and Other Operations The Company s small life and health insurance business and the net costs associated with the parent holding company and internal services subsidiaries produced a much lower gain in this year s first quarter. Period-to-period variations in the results of these relatively minor elements of Old Republic s operations usually stem from the volatility inherent to the small scale of its life and health business, fluctuations in the costs of external debt, and net interest on intra-system financing arrangements. Substantially all of the year-over-year decline in earnings was due to foreign exchange adjustments for U.S. dollar conversions from the currency of Old Republic s Canadian life and health insurance subsidiary.

Cash, Invested Assets, and Shareholders Equity The following table reflects Old Republic s consolidated cash and invested assets as well as shareholders equity at the dates shown:

				% Change	
	March 2009	**December 2008**	**March 2008**	**March 09/ Dec 08**	**March 09/ March 08**
Cash and invested assets: fair value basis	$ 9,052.4	$ 8,855.1	$ 8,895.1	2.2%	1.8%
: original cost basis	$ 9,407.1	$ 9,210.0	$ 8,942.1	2.1%	5.2%
Shareholders equity:					
Total	$ 3,643.2	$ 3,740.3	$ 4,376.7	–2.6%	–16.8%
Per common share	$ 15.47	$ 15.91	$ 18.99	–2.8%	–18.5%
Composition of shareholders equity per share:					

Equity before items below	$ 15.69	$ 16.10	$ 19.08	−2.5%	−17.8%
Unrealized investment gains (losses) and other accumulated comprehensive income (loss)	(0.22)	(0.19)	(0.09)		
Total	$ 15.47	$ 15.91	$ 18.99	−2.8%	−18.5%

Consolidated cash flow from operating activities amounted to $263.3 million for the first three months of 2009 versus $199.3 million for the same period in 2008. Other than title insurance, each insurance segment remained cash flow-positive in this year s first quarter, with General Insurance and Mortgage Guaranty contributing $39.4 million and $233.5 million, respectively.

The investment portfolio reflects a current allocation of approximately 84 percent to fixed-maturity securities and 3 percent to equities. As has been the case for many years, Old Republic s invested assets are managed in consideration of enterprise-wide risk management objectives intended to assure solid funding of

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its subsidiaries long-term obligations to insurance policyholders and other beneficiaries, as well as evaluations of their long-term effect on stability of capital accounts. The portfolio contains little or no insurance risk-correlated asset exposures to real estate, mortgage-backed securities, collateralized debt obligations (CDO s), derivatives, junk bonds, hybrid securities, or illiquid private equity investments. In a similar vein, the Company does not engage in hedging or securities lending transactions, nor does it invest in securities whose values are predicated on non-regulated financial instruments exhibiting amorphous counter-party risk attributes.

Substantially all changes in the shareholders equity account reflect the Company s net income or loss, dividend payments to shareholders, and changes in market valuations and impairments of invested assets during the periods shown below:

	Shareholders Equity Per Share Three Months Ended March 31, 2009	2008
Beginning balance	$ 15.91	$ 19.71
Changes in shareholders equity for the periods:		
Net operating income (loss)	(0.23)	(0.08)
Net realized investment gains (losses)		
Net unrealized investment gains (losses)	(0.04)	(0.48)
Total realized and unrealized investment gains (losses)	(0.04)	(0.48)
Cash dividends	(0.17)	(0.16)
Stock issuance, foreign exchange, and other transactions		
Net change	(0.44)	(0.72)
Ending balance	$ 15.47	$ 18.99

Old Republic s significant investments in the stocks of two leading publicly held mortgage guaranty (MI) businesses (MGIC Investment Corp. and The PMI Group) account for a substantial portion of the realized and unrealized investment losses incurred in 2008, and reflected in the above and following tables. Unrealized losses, including losses on securities categorized as other-than-temporarily impaired (OTTI), represent the net difference between the most recently established cost and the market values of the investments at a point in time. The aggregate costs, original and impaired, market value, and latest reported underlying equity values of the aforementioned two mortgage guaranty investments are shown below.

		March 31, 2009	December 31, 2008	2007
Total value of the two investments:	Original cost	$ 416.4	$ 416.4	$ 429.7
	Impaired cost	106.8	106.8	N/A
	Market value	32.1	82.7	375.1
	Underlying equity(*)	$ 496.2	$ 515.9	$ 679.7

(*) Underlying equity based on latest reports (which may lag by one quarter) issued by investees.

When making investment decisions, management considers the Company s ability to retain its holdings for a period sufficient to recover their cost and to obtain a competitive long-term total return. It also considers such factors as balance sheet effects of potential changes in market valuations, asset-liability matching objectives, long term ability to hold securities, tax planning considerations, and the investees reported book values and ability to continue as going concerns. The above-noted mortgage guaranty holdings were acquired as passive long-term investment additions to core segments of Old Republic s business in anticipation of a turn-around for the MI industry in 2010. In management s judgment, the currently depressed market valuations of companies operating in the housing and mortgage-lending sectors of the American economy have been impacted significantly by the cyclical and macroeconomic conditions affecting these sectors, and by the recent dysfunctionality of the banking and mortgage lending industries.

For external GAAP reporting purposes, however, Old Republic uses relatively short time frames in recognizing OTTI adjustments in its income statement. In this context, absent issuer-specific circumstances that would result in a contrary conclusion, all unrealized investment losses pertaining to any equity security reflecting a 20 percent or greater decline for a six month period is considered OTTI. Unrealized losses that are deemed temporary and all unrealized gains are recorded directly as a separate component of the shareholders equity account and in the consolidated statement of comprehensive income. As a result of accounting idiosyncrasies, however, OTTI losses recorded in the income statement of one period can not be offset in the income statement of a subsequent period by market value gains on the previously impaired securities unless the gains are realized through actual sales. Such unrealized market value gains can only be recognized through direct credits in the shareholders equity account and in the consolidated statement of comprehensive income.

Summary financial statements and other summary financial data are included beginning on page F-1 of this prospectus supplement.

Capital Resources

From time to time, in order to assure possible liquidity needs, we may guaranty the timely payment of principal and/or interest on certain intercompany balances, debt, or other securities held by some of our insurance, non-insurance, and ESSOP affiliates. At March 31, 2009, the aggregate principal amount of such guaranties was $289.5 million, $190.0 million of which related to commercial paper borrowings by one of our subsidiaries.

We intend to use the net proceeds of this offering to increase the capital of the general and title insurance business segments, to repay a portion of short-term indebtedness, and for general corporate purposes as described below under Use of Proceeds. As of year end 2008, additional capital funds of $35 million were directed to the title insurance segment to support the expected growth of its business. Additional capital resources of $150 million were also provided to the mortgage guaranty segment as of year end 2008 which, when combined with then existing capital funds, we expect to be more than adequate to support current mortgage insurance risk in force and the new business which we reasonably expect to write over the next 12 to 18 months. If they are not, or if unanticipated new business opportunities should present themselves, we will consider reallocating some of the net proceeds of the offering.

Regulatory Developments

Under state insurance regulations, our mortgage guaranty insurance subsidiaries are required to operate at a maximum risk-to-capital ratio of 25:1. If a subsidiary s risk-to-capital ratio exceeds the limit, it may be prohibited from writing new business until its risk-to-capital ratio falls below the limit. At March 31, 2009, our statutory risk-to-capital ratio was 18.6:1 on a combined basis and all of our mortgage guaranty insurance subsidiaries were within the 25:1 requirement. We invested $150 million of capital in our mortgage guaranty segment during the fourth quarter of 2008. We evaluate the trends in this ratio on a quarterly basis to determine the necessity of possible capital additions.

In addition, we and other mortgage insurers have been involved in discussions with the North Carolina Insurance Department regarding risk-to-capital ratio matters including calculation methodologies and the potential need to obtain regulatory forbearance to exceed the 25:1 ratio for a period of time. As a result of rising claim costs, it is possible that the statutory risk-to-capital ratio of certain of our mortgage guaranty insurance subsidiaries could increase and exceed the maximum risk-to-capital ratio of 25:1. If this were to happen, absent regulatory relief, certain of our mortgage guaranty insurance subsidiaries could be prohibited from writing new business until their risk-to-capital ratio fell below the limit.

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Legal Proceedings

A putative national class action suit has been filed against our subsidiary, Old Republic Home Protection Company (ORHP) in the California Superior Court, San Diego, on behalf of all persons who made a claim under an ORHP home warranty contract from March 6, 2003 to the present. The suit alleges breach of contract, breach of the implicit covenant of good faith and fair dealing, violations of certain California consumer protection laws and misrepresentation arising out of ORHP s alleged failure to adopt and implement reasonable standards for the prompt investigation and processing of claims under its home warranty contracts. The suit seeks unspecified damages consisting of the rescission of the class members contracts, restitution of all sums paid by the class members, punitive damages, declaratory and injunctive relief. No class has been certified. ORHP has removed the action to the U.S. District Court for the Southern District of California. It is too early in the proceeding to evaluate ORHP s exposure or the likely outcome of the case. ORHP intends to vigorously oppose class certification and to defend against the action.

Old Republic International Corporation is a Delaware corporation. Our principal executive offices are located at 307 North Michigan Avenue, Chicago, Illinois 60601, and our telephone number at that address is (312) 346-8100. Our website address is http://www.oldrepublic.com. Except for documents incorporated by reference into this prospectus, information included or available through our website does not constitute a part of this prospectus supplement or the prospectus.

The Offering

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	$275,000,000 principal amount of 8.00% Convertible Senior Notes due 2012 (plus up to an additional $41,250,000 principal amount to cover overallotments if any)
Maturity	May 15, 2012, unless earlier repurchased or converted
Issue Price	100% plus accrued interest, if any, from April 29, 2009
Interest	8.00% per year. Interest will accrue from April 29, 2009 and will be payable semiannually in arrears on May 15 and November 15 of each year, beginning on November 15, 2009.
Conversion Rights	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. The conversion rate for the notes is initially 86.8056 shares per $1,000 principal amount of notes (equivalent to an initial conversion price of approximately $11.52 per share of common stock), subject to adjustment as described in this prospectus supplement. 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. 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.
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	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. As of March 31, 2009, our total consolidated indebtedness was approximately $221 million. As of March 31, 2008, our subsidiaries had total policy liabilities and accruals of approximately $8.7 billion to which the notes would have ranked structurally junior, and neither we nor our subsidiaries had any secured indebtedness outstanding. 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.
Use of Proceeds	We estimate that the proceeds from this offering will be approximately $267.4 million ($307.6 million if the underwriters exercise their option to purchase additional notes in full), after deducting fees and before estimated expenses. We intend to use approximately $112.5 million and $30.0 million of the net proceeds of the offering to increase the capital of the general and title insurance business segments, respectively, in order to support future growth opportunities. We also plan to use approximately $100.0 million to repay commercial paper with maturities ranging from 30 to 90 days that as of April 23, 2009, carried interest rates ranging from 1.5% to 3.1%. We expect to use the remaining net proceeds for general corporate purposes. See Use of Proceeds.
Book-entry Form	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.
Absence of a Public Market for the Notes	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

have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so, and

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	they may discontinue any market making with respect to the notes 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-19 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, 2008, 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 March 31, 2009, our total consolidated indebtedness was approximately $221 million. As of March 31, 2008, our subsidiaries had total policy liabilities and accruals of approximately $8.7 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 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, 2008, 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, 2009 without the prior approval of appropriate regulatory authorities is approximately $245.7 million. Dividends declared during the fiscal years ended December 31, 2008, 2007 and 2006 to our company by our subsidiaries amounted to $191.2 million, $175.8 million and $362.3 million, respectively. 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.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our debt, including the notes.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our consolidated operating results, which exclude net investment gains or losses, declined significantly in both the fourth quarter of 2008 compared to the fourth quarter of 2007 and for the year ended December 31, 2008 compared to the year ended December 31, 2007. Substantially all the reduced performance stemmed from continued weakness in our mortgage guaranty and title insurance lines. Given the continuing downtrend in U.S. economic activity and the substantial dislocations that have enveloped all organizations with housing and mortgage-lending exposures, we believe that these factors will exert additional earnings pressures throughout 2009 and, at the least, a part of 2010. Accordingly, our businesses may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

Our commercial paper program is supported by standby credit facilities with five lenders. These credit facilities expire at various times during the second and third quarters of this year. We expect that these credit facilities will be renewed, or replacement facilities obtained, but no assurance can be given that we will be able to renew or obtain these credit facilities. If we are unable to renew or obtain these credit facilities, it could have an adverse effect on our capital resources.

Recent developments in the convertible debt markets may adversely affect the market value of the notes.

The convertible debt markets are currently experiencing unprecedented disruptions resulting from, among other things, the recent instability in the credit and capital markets and the emergency orders issued by the Securities and Exchange Commission on September 17 and 18, 2008 (and extended on October 1, 2008). These orders were issued as a stop-gap measure while Congress worked to provide a comprehensive legislative plan to stabilize the credit and capital markets. Among other things, these orders temporarily imposed a prohibition on effecting short sales of the common stock of certain financial companies. As a result, the SEC orders made the convertible arbitrage strategy that many convertible notes investors employ difficult to execute for outstanding convertible notes of those companies whose common stock was subject to the short sale prohibition. The SEC orders expired at 11:59 p.m., New York City Time, on Wednesday, October 8, 2008. However, the SEC is currently considering instituting other limitations on effecting short sales (such as the up-tick rule) and other regulatory organizations may do the same. Any future governmental actions that interfere with the ability of convertible notes investors to effect short sales on the underlying common stock would significantly affect the market value of the notes.

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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, 2008 and April 23, 2009, the trading price of our common stock on the New York Stock Exchange has ranged from a low of $7.39 per share to a high of $16.50 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.

Although we are not entering into any such transactions at the time we issue the notes, we may in the future engage in derivative transactions with counterparties in order to mitigate in part the potential for dilution associated with conversions of the notes. In connection with establishing initial hedge positions with respect to any such derivative transactions, such counterparties and/or their affiliates may purchase or sell our common stock or enter into various derivative transactions with respect to our common stock concurrently with or shortly after entering into such transactions. In addition, the counterparties and/or their respective affiliates may modify their hedge positions by entering into or unwinding various derivative transactions with respect to our common stock and/or by selling or purchasing our common stock in secondary market transactions following the entry into such derivative transactions and prior to the maturity of the notes (and are likely to do so during periods in which holders will be converting their notes). These activities could affect the market value of our common stock and the value of the consideration that you will receive upon conversion 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.

Holders 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 surrendered notes 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 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 them to the extent our conversion obligation includes shares of 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 $50.00 per share or less than $9.60 per share (in each case, subject to adjustment), no adjustment will be made to the

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conversion rate. Moreover, in no event will the conversion rate as a result of this adjustment exceed 104.1666 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 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 2009 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 transactions or events that do not constitute a fundamental change but that could nevertheless adversely affect the notes. For example, transactions such as leveraged recapitalizations, refinancings, restructurings, or acquisitions initiated by us may not constitute a fundamental change requiring us to repurchase the notes or providing you with the right to convert your notes at an increased conversion rate. In the event of any such transaction, the holders would not have the right to require us to repurchase the notes or to convert the notes with an increased conversion rate, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings or otherwise adversely affect the value of the notes.

We cannot assure you that an active trading market will develop for the notes.

Prior to this offering, there has been no trading market for the notes. We do not intend to apply for listing of the notes on any securities exchange or to arrange for quotation on any interdealer quotation system. We have been informed by the underwriters that they intend to make a market in the notes after the offering is completed. However, the underwriters have no obligation to make a market in the notes and may cease their market making at any time without notice. In addition, the liquidity of the trading market in the notes, and the market price quoted for the notes, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, we cannot assure you that an active trading market will develop for the notes. If an active trading market does not develop or is not maintained, the market price and liquidity of the notes may be adversely affected. In that case you may not be able to sell your notes at a particular time or you may not be able to sell your notes at a favorable price.

You may be subject to tax if we make or fail to make certain adjustments to the conversion rate of the notes even though you do not receive a corresponding cash distribution.

The conversion rate of the notes is subject to adjustment in certain circumstances, including the payment of cash dividends. If the conversion rate is adjusted as a result of a distribution that is taxable to our common stockholders, such as a cash dividend, you may be deemed to have received a dividend subject to U.S. federal income tax without the receipt of any cash. In addition, a failure to adjust (or to adjust adequately) the conversion rate after an event that increases your proportionate interest in us could be treated as a deemed taxable dividend to you. If a make-whole fundamental change occurs on or prior to the maturity date of the notes, under some circumstances, we will increase the conversion rate for notes converted in connection with the make-whole fundamental change. Such increase may also be treated as a distribution subject to U.S. federal income tax. See Certain U.S. Federal Income Tax Considerations.

If you are a non-U.S. Holder (as defined in Certain U.S. Federal Income Tax Considerations), any deemed dividend would be subject to U.S. federal withholding tax at a 30% rate, or such lower rate as may be specified by an applicable treaty, which may be set-off against subsequent payments. Under the terms of the supplemental indenture, we are not obligated to pay you any additional amounts in respect of such withheld taxes. See Certain U.S. Federal Income Tax Considerations.

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A downgrade in our ratings from A.M. Best Company, Standard & Poor s Corporation, Moody s or Fitch Ratings Service could negatively affect our business.

Ratings are an important factor in establishing the competitive position of insurance companies. Our insurance companies are rated by A.M. Best, Standard & Poor s, Moody s, and Fitch. These ratings reflect the rating companies opinions of an insurance company s and insurance holding company s financial strength, operating performance, strategic position and ability to meet its obligations to policyholders, and are not evaluations directed to investors. Our ratings are subject to periodic review, and we cannot assure the continued maintenance of our current ratings. The principal companies in our General Insurance segment are rated either A+ (Superior) or A (Excellent) by A.M. Best. Republic Mortgage Insurance Company, or RMIC, our principal mortgage insurance subsidiary, is rated BBB by Fitch, Baa2 by Moody s and A- by Standard & Poor s. Our Title Insurance group is rated A or higher by each of A.M. Best, Fitch, Moody s and Standard & Poor s.

In February, Moody s downgraded all of the mortgage guaranty insurance companies in the industry, including RMIC, which was downgraded four notches to Baa2 with a developing outlook. In April, Standard & Poor s also downgraded all of the mortgage guaranty insurance companies, including RMIC, which was downgraded one notch to A- with a stable outlook. On April 23, 2009, Fitch downgraded RMIC four notches to BBB with a negative outlook.

There can be no assurance, particularly in the current economic environment, that our insurance subsidiaries will be able to maintain their current ratings. If the ratings of any of our insurance companies are reduced from their current levels, our business could be adversely affected.

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USE OF PROCEEDS

We estimate that the proceeds from this offering will be approximately $267.4 million ($307.6 million if the underwriters exercise their option to purchase additional notes in full), after deducting fees and before estimated expenses. We intend to use approximately $112.5 million and $30.0 million of the net proceeds of the offering to increase the capital of the general and title insurance business segments, respectively, in order to support future growth opportunities. We also plan to use approximately $100.0 million to repay commercial paper with maturities ranging from 30 to 90 days that as of April 23, 2009, carried interest rates ranging from 1.5% to 3.1%. We expect to use the remaining net proceeds for general corporate purposes.

Pending application for the foregoing purposes, the net proceeds from this offering will be invested in short-term interest bearing instruments or other investment grade securities.

MARKET FOR OUR COMMON STOCK AND DIVIDENDS

Our common stock is listed on the New York Stock Exchange under the symbol ORI . The following table sets forth the high and low sales prices of the common stock on the New York Stock Exchange Composite Tape for the calendar periods indicated, and cash dividends declared for each quarterly period:

		Closing Price		Cash
		High	Low	Dividends
1st quarter	2007	$ 23.51	$ 21.68	$ .15
2nd quarter	2007	22.38	21.06	.16
3rd quarter	2007	21.73	17.70	.16
4th quarter	2007	$ 19.46	$ 13.73	$ .16
1st quarter	2008	$ 15.91	$ 12.31	$ .16
2nd quarter	2008	15.46	11.84	.17
3rd quarter	2008	16.50	9.32	.17
4th quarter	2008	$ 12.07	$ 7.39	$ .17
1st quarter	2009	$ 12.61	$ 7.40	$ .17
2nd quarter	2009 (through April 23, 2009)	$ 12.17	$ 9.60	

As of January 30, 2009, there were 2,742 stockholders of record. See Risk Factors Risks Related to the Notes 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 pay dividends to our stockholders and to service our debt, including the notes and Note 3(c) of the Notes to Consolidated Financial Statements included in our 2008 Form 10-K for a description of certain regulatory restrictions on the payment of dividends by Old Republic s insurance subsidiaries.

RATIO OF EARNINGS TO FIXED CHARGES
(in millions, except for ratios)

Our ratios of earnings to fixed charges for the periods indicated are as follows :

	Quarter Ended March 31,	Year Ended December 31,				
	2009	2008	2007	2006	2005	2004
Actual	NM(1)	NM(1)	56.10	71.26	79.13	75.94
Pro Forma(2)	NM(1)	NM(1)				

footnotes on following page

(1) Not meaningful. For the year ended December 31, 2008 and the quarter ended March 31, 2009, earnings were insufficient to cover fixed charges by $794.8 million and $92.8 million, respectively. On a pro forma basis, for the year ended December 31, 2008 and the quarter ended March 31, 2009, earnings were insufficient to cover fixed charges by $795.5 million and $93.6 million, respectively. Such shortfalls are due primarily to the ongoing weakness in the Company s housing-related mortgage guaranty and title insurance lines. 2008 was further negatively impacted by other than temporary impairments of invested assets.

(2) The pro forma ratio gives effect to the issuance of the notes offered hereby and the use of proceeds as described under Use of Proceeds, as well as the retirement of a portion of our commercial paper borrowings with such net proceeds, in each case as if they occurred on January 1, 2008.

For purposes of computing these ratios, earnings consist of net income. Fixed charges consist of interest expense and amortization of capitalized debt expenses.

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CAPITALIZATION

The following table sets forth our cash position and capitalization as of March 31, 2009, on an actual basis and on an as adjusted basis to give effect to the issuance and sale of the notes in this offering, after deducting the underwriting discounts and commissions and before estimated offering expenses (assuming no exercise of the underwriters over-allotment option to purchase additional notes). The table should be read in conjunction with the more detailed information contained in the consolidated financial statements and notes thereto and Management Analysis of Financial Position and Results of Operations included in Old Republic International Corporation s annual report on Form 10-K for the period ended December 31, 2008 incorporated by reference into this prospectus supplement.

	March 31, 2009	
	Actual	As Adjusted
	(In millions)	
Cash	$ 59.7	$ 227.1
Debt:		
Commercial paper due within 180 days with an average yield of 2.08%[(1)]	$ 189.6	$ 89.6
Convertible senior notes due 2012		275.0
Other	31.5	31.5
Total debt	221.1	396.1
Preferred Stock:		
Convertible preferred stock[(2)]		
Common shareholders equity:		
Common stock[(2)]	240.5	240.5
Additional paid-in capital	407.2	407.2
Retained earnings	3,092.7	3,092.7
Accumulated other comprehensive income (loss)	(51.0)	(51.0)
Unallocated ESSOP shares (at cost)	(46.1)	(46.1)
Treasury stock (at cost)[(2)]		
Total common shareholders equity	3,643.2	3,643.2
Total capitalization	$ 3,864.3	$ 4,039.3

(1) As of April 22, 2009 we had $215 million of outstanding commercial paper borrowings.

(2) At March 31, 2009 and 2008 there were 75,000,000 shares of $0.01 par value preferred stock authorized, of which no shares were outstanding. As of the same dates, there were 500,000,000 shares of common stock, $1.00 par value, authorized, of which 240,554,385 and 232,078,666 were issued as of March 31, 2009 and 2008, respectively. At March 31, 2009 and 2008, there were 100,000,000 shares of Class B Common Stock, $1.00 par value, authorized, of which no shares were issued. Common shares classified as treasury stock were 0 and 1,566,100 as of March 31, 2009 and 2008, respectively.

REINSURANCE

We purchase reinsurance in order to reduce our retention on individual risks. For larger risks, we may purchase reinsurance to enable us to write policies with sufficient limits to meet policyholder needs. The ceding of insurance does not legally discharge us from our primary liability for the full amount of the policies, and we will be required to pay the loss and bear collection risk if the reinsurer fails to meet its obligations under the reinsurance agreement.

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The following table displays liabilities in thousands reinsured by our ten largest reinsurers at December 31, 2008. These ten reinsurers represented approximately 61% of our approximately $2.3 billion reinsured liabilities at December 31, 2008.

Reinsurer	A.M. Best Rating	Reinsurance Recoverable on Paid Losses	Claims Reserves	Total Exposure to Reinsurer	% of Total Reinsured Liabilities
Munich Re America, Inc.	A+	$ 9,097	$ 671,494	$ 680,591	29.9%
Swiss Reinsurance America Corporation	A+	2,659	161,206	163,865	7.2
National WC Reinsurance Pool	unrated	3,600	101,394	104,994	4.6
Muenchener Ruckversicherungs	A+	5,486	80,202	85,688	3.8
General Reinsurance Corporation	A++	(311)	85,700	85,389	3.7
Westport Insurance Corp (formerly Employers Re)	A+	950	63,866	64,816	2.8
School Boards Ins. Co. of PA	unrated	0	63,122	63,122	2.8
KY WC Reins Pool for CM Risks	unrated	2,112	54,338	56,450	2.5
Transatlantic Reinsurance Company	A	1,134	43,161	44,295	1.9
CPS Insurance Company, Ltd.	unrated	0	42,105	42,105	1.8
		$ 24,727	$ 1,366,588	$ 1,391,315	61.0%

Reinsurance recoverable balances for the ten largest reinsurers are shown before consideration of balances owed to reinsurers and any potential rights of offset, any collateral held by us and allowances for bad debts.

Reinsurance recoverable balances represent amounts due from or credited by assuming reinsurers for paid and unpaid claims and premium reserves. Such reinsurance balances as are recoverable from non-admitted foreign and certain other reinsurers such as captive insurance companies owned by assureds, as well as similar balances or credits arising from policies that are retrospectively rated or subject to assureds high deductible retentions, are generally substantially collateralized by letters of credit, securities, and other financial instruments. We evaluate on a regular basis the financial condition of our assuming reinsurers and assureds who purchase our retrospectively rated or self-insured deductible policies. Estimates of unrecoverable amounts totaling $28.2 million as of December 31, 2008 are included in our net claim and claim expense reserves since reinsurance, retrospectively rated, and self-insured deductible policies and contracts do not relieve us from our direct obligations to assureds or their beneficiaries. See note 4(a) of the Notes to Consolidated Financial Statements and Management Analysis of Financial Condition and Results of Operations included in our 2008 Form 10-K for additional information about our reinsurance programs and exposures.

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DESCRIPTION OF NOTES

The Company will issue the notes under a base indenture dated as of August 15, 1992, between itself and Wilmington Trust Company, as supplemented by a supplemental indenture with respect to the notes. In this section, we refer to the base indenture (the base indenture), as supplemented by the supplemental indenture (the supplemental indenture), collectively as the indenture. The terms of the notes include those expressly set forth in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended (the Trust Indenture Act).

You may request a copy of the indenture from us as described under Where You Can Find More Information in the accompanying prospectus.

The following description is a summary of the material provisions of the notes and the indenture and does not purport to be complete. This summary is subject to and is qualified by reference to all the provisions of the notes and the indenture, including the definitions of certain terms used in the indenture. We urge you to read these documents because they, and not this description, define your rights as a holder of the notes.

For purposes of this description, references to the Company, we, our and us refer only to Old Republic International Corporation and not to any of its subsidiaries.

General

The notes:

- will be general unsecured, senior obligations of the Company;
- will initially be limited to an aggregate principal amount of $275,000,000 (or $316,250,000 if the underwriters over-allotment option is exercised in full);
- will bear cash interest from April 29, 2009 at an annual rate of 8.00% payable on May 15 and November 15 of each year, beginning on November 15, 2009;
- will be subject to purchase by us for cash at the option of the holders following a fundamental change (as defined below under Fundamental Change Permits Holders to Require Us to Purchase Notes), at a price equal to 100% of the principal amount of the notes to be purchased, plus accrued and unpaid interest to, but excluding, the fundamental change purchase date;
- will mature on May 15, 2012 unless earlier converted or repurchased;
- will be issued in denominations of $1,000 and multiples of $1,000; and
- will be represented by one or more registered notes in global form, but in certain limited circumstances may be represented by notes in definitive form. See Book-entry, Settlement and Clearance.

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. The notes may be converted into shares of our common stock initially at a conversion rate of 86.8056 shares of common stock per $1,000 principal amount of notes (equivalent to a conversion price of approximately $11.52 per share of common stock). The conversion rate is subject to adjustment if certain events occur. You will not receive any separate cash payment for interest accrued and unpaid to the conversion date except under the limited circumstances described below.

The indenture does not limit the amount of debt which may be issued by the Company or its subsidiaries under the indenture or otherwise. The indenture does not contain any financial covenants and does not restrict us from paying dividends or issuing or repurchasing our other securities. Other than restrictions described under Fundamental Change Permits Holders to Require Us to Purchase Notes and Consolidation, Merger and Sale of Assets below and except for the provisions set forth under Conversion Rights Adjustment to Shares Delivered Upon Conversion Upon a Make-whole Fundamental Changes the indenture does not contain any covenants or other provisions designed to afford holders of the notes protection in the event of a highly leveraged transaction involving the Company or in the event of a decline in the credit rating of the Company as a result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving the Company that could adversely affect such holders.

We may, without the consent of the holders, issue additional notes under the indenture with the same terms and with the same CUSIP number as the notes offered hereby in an unlimited aggregate principal amount; *provided* that such additional notes must be part of the same issue as the notes offered hereby for U.S. federal income tax purposes. We may also from time to time repurchase notes in open market purchases or negotiated transactions without giving prior notice to holders.

The Company does not intend to list the notes on a national securities exchange or interdealer quotation system.

Payments on the Notes; Paying Agent and Registrar; Transfer and Exchange

We will pay the principal of and interest on notes in global form registered in the name of or held by The Depository Trust Company (DTC) or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such global note.

We will pay the principal of any certificated notes at the office or agency designated by the Company for that purpose. We have initially designated the trustee as our paying agent and registrar and its agency in New York City, New York as a place where notes may be presented for payment or for registration of transfer. We may, however, change the paying agent or registrar without prior notice to the holders of the notes, and the Company may act as paying agent or registrar. Interest on certificated notes will be payable (i) to holders having an aggregate principal amount of $5,000,000 or less, by check mailed to the holders of these notes and (ii) to holders having an aggregate principal amount of more than $5,000,000, either by check mailed to each holder or, upon application by a holder to the registrar not later than the relevant record date, by wire transfer in immediately available funds to that holder s account within the United States, which application shall remain in effect until the holder notifies, in writing, the registrar to the contrary.

A holder of certificated notes may transfer or exchange notes at the office of the registrar in accordance with the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by the Company, the trustee or the registrar for any registration of transfer or exchange of notes, but the Company may require a holder to pay a sum sufficient to cover any transfer tax or other similar governmental charge required by law or permitted by the indenture. The Company is not required to transfer or exchange any note surrendered for conversion.

The registered holder of a note will be treated as the owner of it for all purposes.

Interest

The notes will bear cash interest at a rate of 8.00% per year until maturity. Interest on the notes will accrue from April 29, 2009 or from the most recent date on which interest has been paid or duly provided for. Interest will be payable semiannually in arrears on May 15 and November 15 of each year, beginning on November 15, 2009.

Interest will be paid to the person in whose name a note is registered at the close of business on May 1 or November 1, as the case may be, immediately preceding the relevant interest payment date. Interest on the notes will be computed on the basis of a 360-day year composed of twelve 30-day months.

If any interest payment date or the stated maturity date or any earlier required repurchase date would fall on a day that is not a business day, the required payment will be made on the next succeeding business day and no interest on such payment will accrue in respect of the delay. The term business day means any day other than a Saturday, a Sunday or any other day on which banks or trust companies in The City of New York are authorized or required by law or executive order to be closed.

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References to interest in this prospectus supplement include additional interest, if any, payable upon our election to pay additional interest as the sole remedy during the first 180 days after the occurrence of an event of default relating to the failure to comply with our reporting obligations as described under Events of Default.

Ranking

The notes will be senior unsecured obligations of the Company that rank senior in right of payment to all existing and future indebtedness that is expressly subordinated in right of payment to the notes. The notes will rank equally in right of payment with all existing and future indebtedness of the Company that is not so subordinated. The notes will effectively rank junior to any secured indebtedness of the Company to the extent of the value of the assets securing such indebtedness. The notes will be structurally junior to all existing and future indebtedness and liabilities incurred by our subsidiaries. In the event of bankruptcy, liquidation, reorganization or other winding up of the Company, the assets of the Company that secure secured debt will be available to pay obligations on the notes only after all indebtedness under such secured debt has been repaid in full from such assets. We advise you that there may not be sufficient assets remaining to pay amounts due on any or all the notes then outstanding.

As of March 31, 2009, our total consolidated indebtedness was approximately $221 million. As of March 31, 2008, our subsidiaries had total policy liabilities and accruals of approximately $8.7 billion to which the notes would have ranked structurally junior, and neither we nor our subsidiaries had any secured indebtedness outstanding.

The ability of our subsidiaries to pay dividends and make other payments to us is restricted by, among other things, applicable corporate and other laws and regulations as well as agreements to which our subsidiaries may become a party. We may not be able to pay the fundamental change purchase price if a holder requires us to repurchase notes as described below. See Risk Factors Risks Related to 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.

Conversion Rights

General

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. The notes may be converted into shares of our common stock initially at a conversion rate of 86.8056 shares of common stock per $1,000 principal amount of notes (equivalent to a conversion price of approximately $11.52 per share of common stock). The trustee will initially act as the conversion agent.

Upon conversion, you will not receive any separate cash payment for accrued and unpaid interest, except as described below. We will not issue fractional shares of our common stock upon conversion of notes. Instead, we will pay cash in lieu of fractional shares based on the last reported sale price (as defined below) of the common stock on the relevant conversion date. Our delivery to you of the full number of shares of our common stock, together with any cash payment for any fractional share, into which a note is convertible will be deemed to satisfy in full our obligation to pay:

- the principal amount of the note; and
- accrued and unpaid interest to, but not including, the conversion date.

As a result, accrued and unpaid interest to, but not including, the conversion date will be deemed to be paid in full rather than cancelled, extinguished or forfeited.

Notwithstanding the preceding paragraph, if notes are converted after 5:00 p.m., New York City time, on a regular record date for the payment of interest, holders of such notes at 5:00 p.m., New York City time, on such record date will receive the interest payable on such notes on the corresponding interest payment date notwithstanding the conversion. Notes, upon surrender for conversion during the period from 5:00 p.m., New

York City time, on any regular record date to 9:00 a.m., New York City time, on the immediately following interest payment date, must be accompanied by funds equal to the amount of interest payable on the notes so converted; *provided* that no such payment need be made:

- for conversions following the record date immediately preceding the maturity date;
- if we have specified a fundamental change purchase date that is after a record date and on or prior to the corresponding interest payment date; or
- to the extent of any overdue interest, if any overdue interest exists at the time of conversion with respect to such note.

If a holder converts notes, we will pay any documentary, stamp or similar issue or transfer tax due on the issue of any shares of our common stock upon the conversion, unless the tax is due because the holder requests any shares to be issued in a name other than the holder s name, in which case the holder will pay that tax.

The last reported sale price of our common stock on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal U.S. securities exchange on which our common stock is traded. If our common stock is not listed for trading on a U.S. national or regional securities exchange on the relevant date, the last reported sale price will be the last quoted bid price for our common stock in the over-the-counter market on the relevant date as reported by Pink Sheets LLC or similar organization. If our common stock is not so quoted, the last reported sale price will be the average of the mid-point of the last bid and ask prices for our common stock on the relevant date from each of at least three nationally recognized independent investment banking firms selected by us for this purpose.

Scheduled trading day means a day that is scheduled to be a trading day on the principal United States national or regional securities exchange or market on which our common stock is listed or admitted for trading. If our common stock is not so listed or admitted for trading, scheduled trading day means a business day.

Trading day means a day on which (i) trading in our common stock generally occurs on the New York Stock Exchange or, if our common stock is not then listed on the New York Stock Exchange, on the principal other United States national or regional securities exchange on which our common stock is then listed or, if our common stock is not then listed on a United States national or regional securities exchange, in the principal other market on which our common stock is then traded, and (ii) a last reported sale price for our common stock is available on such securities exchange or market. If our common stock (or other security for which a closing sale price must be determined) is not so listed or traded, trading day means a business day.

Conversion Procedures

If you hold a beneficial interest in a global note, to convert you must comply with DTC s procedures for converting a beneficial interest in a global note and, if required, pay funds equal to interest payable on the next interest payment date to which you are not entitled and, if required, pay all taxes or duties, if any.

If you hold a certificated note, to convert you must:

- complete and manually sign the conversion notice on the back of the note, or a facsimile of the conversion notice;

deliver the conversion notice, which is irrevocable, and the note to the conversion agent;

if required, furnish appropriate endorsements and transfer documents;

if required, pay all transfer or similar taxes; and

if required, pay funds equal to interest payable on the next interest payment date to which you are not entitled.

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The date you comply with the relevant procedures described above is the conversion date under the indenture.

If a holder has already delivered a purchase notice as described under Fundamental Change Permits Holders to Require Us to Purchase Notes with respect to a note, the holder may not surrender that note for conversion until the holder has withdrawn the notice in accordance with the indenture.

Payment Upon Conversion

Upon conversion of the notes, we will deliver to a converting holder a number of shares equal to (i) the aggregate principal amount of notes to be converted divided by $1,000, multiplied by (ii) the applicable conversion rate. We will deliver such shares of common stock on the third business day immediately following the relevant conversion date. We will deliver cash in lieu of any fractional share of common stock issuable upon conversion based upon the last reported sale price on the relevant conversion date.

Each conversion will be deemed to have been effected as to any notes surrendered for conversion on the date the requirements set forth in the indenture have been satisfied as to such notes; *provided, however,* that a converting noteholder will become the record holder of any shares of our common stock due upon such conversion as of the relevant conversion date.

Conversion Rate Adjustments

The conversion rate will be adjusted as described below, except that we will not make any adjustments to the conversion rate if holders of the notes participate, as a result of holding the notes, in any such transactions under clauses (1) (but only with respect to stock dividends or distributions), (2), (3), (4A) and (4B) below without having to convert their notes as if they held the full number of shares underlying their notes.

(1) If we exclusively issue shares of our common stock as a dividend or distribution on shares of our common stock, or if we effect a share split or share combination, the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

CR_0 = the conversion rate in effect immediately prior to the open of business on the ex-dividend date of such dividend or distribution, or immediately prior to the open of business on the effective date of such share split or combination, as applicable;

CR_1 = the conversion rate in effect immediately after the open of business on such ex-dividend date or effective date;

OS_0 = the number of shares of our common stock outstanding immediately prior to the open of business on such ex-dividend date or effective date; and

OS_1 = the number of shares of our common stock outstanding immediately after giving effect to such dividend, distribution, share split or share combination.

(2) If we issue to all or substantially all holders of our common stock any rights or warrants entitling them for a period of not more than 60 calendar days after the announcement date of such issuance to subscribe for or purchase shares of our common stock, at a price per share less than the average of the last reported sale prices of our common stock for the 10 consecutive trading-day period ending on the trading day immediately preceding the date of announcement of such issuance, the conversion rate will be adjusted based on the following formula (*provided* that the conversion rate will be readjusted to the extent that such rights or warrants are not exercised prior to their expiration to the conversion rate that would be in effect had the

adjustment been made on the basis of delivery of only the number of shares of common stock actually delivered):

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

CR_0 = the conversion rate in effect immediately prior to the open of business on the ex-dividend date for such issuance;

CR_1 = the conversion rate in effect immediately after the open of business on such ex-dividend date;

OS_0 = the number of shares of our common stock outstanding immediately prior to the open of business on such ex-dividend date;

X = the total number of shares of our common stock issuable pursuant to such rights or warrants; and

Y = the number of shares of our common stock equal to the aggregate price payable to exercise such rights or warrants divided by the average of the last reported sale prices of our common stock over the 10 consecutive trading-day period ending on the trading day immediately preceding the date of announcement of the issuance of such rights or warrants.

(3) If we distribute shares of our capital stock, evidences of our indebtedness, other assets or property of ours or rights or warrants to acquire our capital stock or other securities, to all or substantially all holders of our common stock, excluding

- dividends or distributions and rights or warrants as to which an adjustment was effected pursuant to clause (1) or (2) above;
- dividends or distributions paid exclusively in cash; and
- spin-offs to which the provisions set forth below in this clause (3) shall apply;

then the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

CR_0 = the conversion rate in effect immediately prior to the open of business on the ex-dividend date for such distribution;

CR_1 = the conversion rate in effect immediately after the open of business on such ex-dividend date;

SP_0 =	the average of the last reported sale prices of our common stock over the 10 consecutive trading-day period ending on the trading day immediately preceding the ex-dividend date for such distribution; and
FMV =	the fair market value (as determined by our board of directors) of the shares of capital stock, evidences of indebtedness, assets, property, rights or warrants distributed with respect to each outstanding share of our common stock on the ex-dividend date for such distribution.

If the then fair market value of the portion of the shares of capital stock, evidences of indebtedness or other assets or property so distributed applicable to one share of common stock is equal to or greater than the average of the last reported sales prices of our common stock over the 10 consecutive trading-day period ending on the trading day immediately preceding the ex-dividend date for such distribution, in lieu of the foregoing adjustment, each holder of a note shall receive, at the same time and upon the same terms as holders of our common stock, the amount and kind