

OLD REPUBLIC INTERNATIONAL CORP
Form 10-Q
July 31, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

Quarterly report pursuant to section 13 or 15(d) of the Security Exchange Act of 1934
for the quarterly period ended: June 30, 2015 or

Transition report pursuant to section 13 or 15(d) of the Security Exchange Act of 1934
Commission File Number: 001-10607

OLD REPUBLIC INTERNATIONAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

No. 36-2678171
(IRS Employer Identification No.)

307 North Michigan Avenue, Chicago,
Illinois
(Address of principal executive office)

60601
(Zip Code)

Registrant's telephone number, including area code: 312-346-8100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes: No:

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes: No:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "accelerated filer", "large accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one).

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes: No:

Class

Shares Outstanding
June 30, 2015

Common Stock / \$1 par value

261,306,701

There are 47 pages in this report

OLD REPUBLIC INTERNATIONAL CORPORATION

Report on Form 10-Q / June 30, 2015

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Old Republic International Corporation and Subsidiaries
Consolidated Balance Sheets
(\$ in Millions, Except Share Data)

	(Unaudited) June 30, 2015	December 31, 2014
Assets		
Investments:		
Available for sale:		
Fixed maturity securities (at fair value) (amortized cost: \$8,196.4 and \$8,126.5)	\$8,431.5	\$8,417.2
Equity securities (at fair value) (cost: \$1,767.8 and \$1,726.5)	1,956.1	2,011.7
Short-term investments (at fair value which approximates cost)	654.2	609.4
Miscellaneous investments	25.1	24.7
Total	11,067.1	11,063.2
Held to maturity:		
Fixed maturity securities (at amortized cost) (fair value: \$61.1 and \$-)	62.4	—
Other investments	3.8	5.5
Total investments	11,133.4	11,068.8
Other Assets:		
Cash	128.1	136.7
Securities and indebtedness of related parties	24.3	17.7
Accrued investment income	87.2	86.1
Accounts and notes receivable	1,405.2	1,287.6
Federal income tax recoverable: Current	16.6	29.2
Deferred	83.5	37.0
Prepaid federal income taxes	63.3	45.7
Reinsurance balances and funds held	151.1	148.7
Reinsurance recoverable: Paid losses	68.0	66.9
Policy and claim reserves	3,391.2	3,355.6
Deferred policy acquisition costs	250.8	230.8
Sundry assets	473.8	476.8
Total Other Assets	6,143.6	5,919.3
Total Assets	\$17,277.0	\$16,988.1
Liabilities, Preferred Stock, and Common Shareholders' Equity		
Liabilities:		
Losses, claims, and settlement expenses	\$9,131.6	\$9,122.0
Unearned premiums	1,800.6	1,627.7
Other policyholders' benefits and funds	200.9	205.0
Total policy liabilities and accruals	11,133.1	10,954.7
Commissions, expenses, fees, and taxes	425.6	454.6
Reinsurance balances and funds	578.1	473.8
Debt	961.7	965.0
Sundry liabilities	240.9	215.8
Commitments and contingent liabilities		
Total Liabilities	13,339.5	13,064.0
Preferred Stock (1)	—	—
Common Shareholders' Equity:		
Common stock (1)	261.3	260.9
Additional paid-in capital	686.6	681.6

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Retained earnings	2,816.4	2,706.7
Accumulated other comprehensive income	187.9	292.3
Unallocated ESSOP shares (at cost)	(14.8) (17.6
Total Common Shareholders' Equity	3,937.4	3,924.0
Total Liabilities, Preferred Stock and Common Shareholders' Equity	\$17,277.0	\$16,988.1

At June 30, 2015 and December 31, 2014, 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 (1) stock, \$1.00 par value, authorized, of which 261,306,701 and 260,946,810 were issued as of June 30, 2015 and December 31, 2014, respectively. At June 30, 2015 and December 31, 2014, there were 100,000,000 shares of Class B Common Stock, \$1.00 par value, authorized, of which no shares were issued.

See accompanying Notes to Consolidated Financial Statements.

Old Republic International Corporation and Subsidiaries
 Consolidated Statements of Income (Unaudited)
 (\$ in Millions, Except Share Data)

	Quarters Ended		Six Months Ended	
	June 30, 2015	2014	June 30, 2015	2014
Revenues:				
Net premiums earned	\$1,158.2	\$1,075.4	\$2,261.2	\$