

OLD REPUBLIC INTERNATIONAL CORP

Form 10-K/A

May 05, 2003

As in effect
3/1/61

FORM 10K/A

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

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

OLD REPUBLIC INTERNATIONAL CORPORATION

(Exact name of registrant as specified in charter)

AMENDMENT NO. 4

The undersigned registrant hereby amends the following items, financial statements, exhibits or other portions of its ANNUAL REPORT FOR 2002 on Form 10-K as set forth in the pages attached hereto: (List all such items, financial statements, exhibits or other portions amended)

FORM 11-K

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

OLD REPUBLIC INTERNATIONAL CORPORATION

(Registrant)

Date: May 5, 2003

By: /s/ John S. Adams

(Signature)

John S. Adams
Senior Vice President and
Chief Financial Officer

Total Pages: 13

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

For The Fiscal Year Ended December 31, 2002

GREAT WEST CASUALTY COMPANY
PROFIT SHARING PLAN

OLD REPUBLIC INTERNATIONAL CORPORATION
307 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Committee has duly caused this annual report to be signed on behalf of the undersigned, thereunto duly authorized.

GREAT WEST CASUALTY COMPANY
PROFIT SHARING PLAN, Registrant

By, /s/ Hugh H. Fugleberg

Hugh H. Fugleberg, Plan Committee Member

By, /s/ Michael P. Krehbiel

Michael P. Krehbiel, Plan Committee Member

By, /s/ R.S. Rager

R. Scott Rager, Plan Committee Member

By, /s/ Gaylen L. TenHulzen

Gaylen L. TenHulzen, Plan Committee Member

By, /s/ Scott A. Wilson

Scott A. Wilson, Plan Committee Member

Dated: March 31, 2003

GREAT WEST CASUALTY COMPANY

PROFIT SHARING PLAN

REPORT ON AUDITS OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE
for the years ended December 31, 2002 and 2001

GREAT WEST CASUALTY COMPANY PROFIT SHARING PLAN

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REPORT TO INDEPENDENT ACCOUNTANTS

To the Participants and Administrative Committee of the
Great West Casualty Company Profit Sharing Plan:

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Great West Casualty Company Profit Sharing Plan (the "Plan") at December 31, 2002 and 2001, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

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March 31, 2003
Chicago, Illinois

GREAT WEST CASUALTY COMPANY PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2002 AND 2001

| | De |
|---|------------------------|
| | ----- 2002 ----- |
| ASSETS: | |
| Investments, at fair value: | |
| Old Republic International Corporation (ORI) common stock | \$3,863, |
| Pooled separate accounts | 15,091, |
| Participant loans | 901, |
| Investments, at contract value: | |
| CGLIC general account | 17,286, |
| | ----- |
| Net assets available for benefits | \$37,142, ===== |

The accompanying notes are an integral part of these financial statements.

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GREAT WEST CASUALTY COMPANY PROFIT SHARING PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

| | Years En |
|---|------------------------|
| | ----- 2002 ----- |
| Additions: | |
| Contributions: | |
| Employer | \$2,722, |
| Employee | 1,377, |
| | ----- |
| Total contributions | 4,099, |
| | ----- |
| Investment Income (Loss): | |
| Interest from CGLIC general account | 735, |
| Dividends from ORI common stock | 83, |
| Net appreciation (depreciation) of ORI common stock | 47, |

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| | |
|---|-----------|
| Net investment loss from pooled separate accounts | (3,571, |
| Interest from participant loans | 69, |
| | ----- |
| Total investment loss | (2,635, |
| | ----- |
| Total additions | 1,463, |
| | ----- |
| Deductions: | |
| Benefits paid to participants | 2,936, |
| Administrative expenses | 6, |
| Participant loans | 64, |
| | ----- |
| Total deductions | 3,006, |
| | ----- |
| Net decrease | (1,543, |
| Net assets available for benefits: | |
| Beginning of year | 38,685, |
| | ----- |
| End of year | \$37,142, |
| | ===== |

The accompanying notes are an integral part of these financial statements.

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GREAT WEST CASUALTY COMPANY PROFIT SHARING PLAN
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

NOTE 1 - DESCRIPTION OF PLAN

The following brief description of the Great West Casualty Company Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution profit-sharing plan sponsored by Great West Casualty Company (the "Company"), covering all eligible employees of the Company, as well as its affiliates. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

(b) Contributions and Participant Accounts

Participants may contribute 1/2% to 15% of their annual wages to the Plan. In 2002 and 2001, the Company made matching contributions to the Plan equal to 25% of the first 6% of the employees' pre-tax contribution amount. Participants may elect to have their contributions invested in any one or more of seventeen separate investment funds. The Company may also contribute an additional, nonmatching amount out of its current or accumulated profits, if any, as determined by the Company.

Each participant's account is credited with the participant's contributions and

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an allocation of (a) the Company's contributions as described above and (b) Plan earnings. Allocations are based on participant account balances as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

(c) Eligibility and Vesting

Under the terms of the Plan, an employee shall become eligible for inclusion in the Plan 30 days following the first day he/she completes an hour of service and upon reaching age 21. An employee shall become eligible for employer discretionary contributions upon reaching age 21 and after completion of 1,000 hours of service in any one Plan year, beginning with the date of hire. Minimum age for vesting service is 18 years.

All employee and employer matching contributions are immediately 100% vested. Participants become fully vested in the value of the discretionary contributions after 7 years of credited service for participants starting before January 1, 2002, and after 6 years of credited service for participants starting on or after January 1, 2002.

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GREAT WEST CASUALTY COMPANY PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS, Continued
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

NOTE 1 - DESCRIPTION OF PLAN, Continued

(d) Payment of Benefits

On termination of service, retirement or death, a participant or his/her beneficiary may elect to leave funds in the Plan or receive either a single-sum payment or purchase of a single premium life annuity contract. Net assets at December 31, 2002 and 2001, include funds totaling \$896,800 and \$3,713,505, respectively, which represent the account balance of retired and terminated participants who have elected to leave the funds in the Plan upon retirement or termination.

(e) Forfeitures

All forfeitures are segregated until the employee has attained a break(s) in service totaling five years. At that time, forfeitures are allocated pro-rata to each participant account according to their respective earnings for that year. There were unallocated assets of \$1,189,695 and \$1,123,029, respectively at December 31, 2002 and 2001, related to these forfeitures.

(f) Loans

Participants may elect to borrow from the Plan based upon specified conditions. A participant may have two outstanding loans at any time. Minimum single loan amount is \$1,000. In no case shall the aggregate amount loaned to a participant exceed the lesser of the following: (a) \$50,000 reduced by the excess of the highest outstanding balance of loans from the Plan during the one year period ending on the date before the date of the loan to the participant; or (b) 50% of the participant's vested account balance. The interest rate on such loans is the prime rate as declared in the Wall Street Journal plus 1%. Principal and interest is repaid ratably through bi-weekly payroll deductions.

(g) Administrative Expenses

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The Company provides administrative support for the Plan and pays for certain administrative and trustee fees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and disclosure of contingent assets and liabilities at the date of the financial statements and the changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

(c) Risks and Uncertainties

The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near

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GREAT WEST CASUALTY COMPANY PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS, Continued
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

(c) Risks and Uncertainties (continued)

term could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

(d) Investments

The Plan has a contract with Connecticut General Life Insurance Company (CGLIC), where CGLIC maintains contributions in a contractholder's account and such contributions are allocated to seventeen separate investment funds according to participant elections. The accounts are credited with earnings on the underlying investments and charged for Plan benefits paid and deductions for investment expenses, risk, profit and annual management fees charged by CGLIC.

The CGLIC general account is included in the financial statements at contract value. The other separate investment funds are included in the financial statements at fair market value at December 31, 2002 and 2001, as reported to the Plan by CGLIC. Realized investment gains and losses in the separate investment funds are recognized in the year of sale. Four pooled separate accounts are included in the financial statements at market value at December

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31, 2002 and 2001, and are no longer investment options.

ORI common stock is stated at the closing market value on the last business day of the year. The Plan presents in the statements of changes in net assets available for benefits the net appreciation (depreciation) in the fair value of the ORI stock account, which consists of realized gains or losses and the unrealized appreciation (depreciation) of this investment.

NOTE 3 - ASSETS GREATER THAN 5% OF PLAN ASSETS

Investments that represent 5% or more of plan assets at December 31, 2002 and 2001, are as follows:

| | 2002 ---- |
|---|--------------|
| CIGNA Guaranteed Long-Term Account | \$17,286, |
| Pooled CIGNA Stock Market Index Account | 3,134, |
| Pooled CIGNA Separate Account - Fidelity Advisor Growth Opportunities Account | |
| ORI Stock Account | 3,863, |
| Pooled CIGNA Separate Account - Janus Worldwide Account | 1,962, |
| Pooled CIGNA Separate Account - Small Value I Berger | 2,265, |
| Pooled CIGNA Separate Account - Large Value Levin & Co | 2,551, |
| Pooled CIGNA Separate Account - Alliance Balanced Shares Fund | 2,314, |

NOTE 4 - TAX STATUS

The Internal Revenue Service has issued a determination letter, dated October 23, 2002, stating that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan's Committee Members believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

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GREAT WEST CASUALTY COMPANY PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS, Continued
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

NOTE 5 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants shall become 100 percent vested in their accounts and are entitled to a distribution of their account balances.

NOTE 6 - RELATED PARTY TRANSACTIONS

The ORI stock account is invested in common or preferred stock of Old Republic International Corporation, the ultimate parent of the Company.

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GREAT WEST CASUALTY COMPANY PROFIT SHARING PLAN
 SUPPLEMENTAL SCHEDULE
 December 31, 2002

 SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Description

| | |
|--|--|
| CIGNA Guaranteed Long-Term Account | Long-term investment fund |
| CIGNA Stock Market Index Account | Short-term investment fund |
| ORI Stock Account | Common Stock |
| CIGNA Separate Account - Janus Worldwide Account | Pooled separate account |
| CIGNA Separate Account - Corporate Bond Fund | Pooled separate account |
| CIGNA Separate Account - Small Value I Berger | Pooled separate account |
| CIGNA Separate Account - Janus Account | Pooled separate account |
| CIGNA Separate Account - LG Cap Value/John A. Levin & Co. Fund | Pooled separate account |
| CIGNA Separate Account - Alliance Balanced Shares Fund | Pooled separate account |
| CIGNA Separate Account - Oakmark Select Fund | Pooled separate account |
| CIGNA Separate Account - Mid Cap Growth/Artisan Partners | Pooled separate account |
| CIGNA Separate Account - Small Cap Growth/TimesSquare Fund | Pooled separate account |
| CIGNA Separate Account - Lifetime 20 | Pooled separate account |
| CIGNA Separate Account - Lifetime 30 | Pooled separate account |
| CIGNA Separate Account - Lifetime 40 | Pooled separate account |
| CIGNA Separate Account - Lifetime 50 | Pooled separate account |
| CIGNA Separate Account - Lifetime 60 | Pooled separate account |
| Participant Loans | Participant loans, interest range from 5.75% to 10.5% |

Total Assets Held For Investment