LANDAMERICA FINANCIAL GROUP INC
Form 424B3
July 21, 2005

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FILED PURSUANT TO RULE 424(b)(3)

REGISTRATION NO. 333-118024

PROSPECTUS

$125,000,000 Principal Amount of 3.25% Convertible Senior Debentures due 2034

and

2,306,150 Shares of Common Stock Issuable upon Conversion of the Debentures

This prospectus relates to an aggregate principal amount of up to $125,000,000 of our 3.25% Convertible Senior Debentures due 2034 held by the selling securityholders that we identify in this prospectus. This prospectus also relates to up to 2,306,150 shares of our common stock issuable upon conversion of the debentures plus such additional currently indeterminate number of shares of our common stock as are issuable pursuant to the anti-dilution provisions of the debentures. This prospectus will be used by the selling securityholders from time to time to sell their debentures and the shares of our common stock issuable upon conversion of the debentures. We will not receive any proceeds from the sale of these debentures or the underlying shares of our common stock offered by this prospectus.

The principal terms of the debentures include the following:

Interest:	accrues from May 11, 2004 at the rate of 3.25% per annum, payable on each May 15 and November 15, beginning on November 15, 2004.
Maturity Date:	May 15, 2034, unless earlier converted, redeemed or repurchased by us.
Conversion Rate:	18.4492 shares per $1,000 principal amount of debentures, subject to adjustment.
Conversion Options:	by a holder under the following circumstances:

after June 30, 2004, if the last reported sale price of our common stock is greater than or equal to 125% of the conversion price for a period specified in this prospectus;

subject to certain limitations, if for the period specified in this prospectus the trading price per debenture is less than 98% of the product of the conversion rate and the last reported sale price of our common stock;

if we call the debentures for redemption;

upon the occurrence of certain corporate transactions; or

if we obtain credit ratings for the debentures, during any period when the credit ratings assigned to the debentures are below the levels specified in this prospectus; upon conversion, we will deliver cash equal to the lesser of the aggregate principal amount of debentures to be converted and our total conversion obligation and common stock in respect of the remainder, if any, of our conversion obligation.

Redemption Options:	by us, in cash, at any time, on or after May 15, 2014 at a price equal to 100% of the principal amount, plus accrued and unpaid interest; by a holder, at a price set forth in this prospectus for cash on May 15, 2014, 2019, 2024, and 2029, or at any time prior to their maturity following a fundamental change as described in this prospectus.
Ranking:	equal in priority with all of our existing and future unsecured and unsubordinated indebtedness; senior in right of payment to all of our existing and future subordinated indebtedness; effectively junior to any of our secured indebtedness to the extent of the assets securing such indebtedness and any of our indebtedness that is guaranteed by our subsidiaries; and payment of principal and interest will be structurally subordinated to the liabilities of our subsidiaries.

The debentures are not listed on any securities exchange. The debentures are designated for trading in the PORTAL market. Our common stock is listed on the New York Stock Exchange under the symbol LFG. The last reported sale price of our common stock on the New York Stock Exchange on July 1, 2005 was $59.10 per share.

See Risk Factors beginning on page 7 for a discussion of certain risks that you should consider in connection with an investment in the debentures.

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. Any representation to the contrary is a criminal offense.

The date of this prospectus is July 4, 2005

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We have not, and the selling securityholders have not, authorized anyone to provide you with information different from that contained or incorporated by reference in the prospectus. We are not, and the selling securityholders are not, offering to sell or seeking offers to buy, the securities in any jurisdiction other than where an offer or sale is permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the securities.

In this prospectus, LandAmerica, we, us and our refer to LandAmerica Financial Group, Inc. and its subsidiaries, except where the context otherwise requires or as otherwise indicated.

FORWARD-LOOKING STATEMENTS

Certain information contained in this prospectus includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Among other things, these statements relate to our financial condition, results of operation and business. In addition, we and our representatives may from time to time make written or oral forward-looking statements, including statements contained in filings with the Securities and Exchange Commission and in our reports to shareholders. These forward-looking statements are generally identified by the use of words such as we expect, believe, anticipate, estimate or words of similar import. These forward-looking statements involve certain risks and uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Further, any such statement is specifically qualified in its entirety by the cautionary statements and the Risk Factors that appear elsewhere in this prospectus. We do not undertake to update any forward-looking statement that may be made from time to time by or on our behalf.

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SUMMARY

The following summary provides an overview of selected information about us. This summary is qualified in its entirety by the more detailed information, including our consolidated financial statements and related notes thereto, included and incorporated by reference in this prospectus. You should carefully consider the entire prospectus, including the Risk Factors section, before making an investment decision.

Our Company

Overview

We are a national provider of products and services that are used to facilitate the purchase, sale, transfer and financing of residential and commercial real estate. We are one of the largest title insurance underwriters in the United States based on title premium revenues. We also conduct business in Mexico, Canada, the Caribbean, Latin America and Europe.

In addition to our core business of providing title insurance, we provide a range of other products and services for residential and commercial real estate transactions, including title search, examination, escrow and closing. Home inspections and warranties are available for residential real estate transactions. For commercial real estate transactions, we provide property appraisal and valuation, building and site assessments and other due diligence services, survey coordination, construction disbursement, coordination of national multi-state transactions, tax-deferred real property exchanges pursuant to Section 1031 of the Internal Revenue Code, commercial mortgage loans and Uniform Commercial Code products insuring personal property. Specialized services, such as real estate tax processing, flood zone certifications, consumer mortgage credit reporting, default management services and mortgage loan subservicing, are provided primarily to our mortgage lending customers.

Business Strategy

Our long-term objective is to enhance our position as a premier provider and manager of integrated real estate transaction services while maximizing our profitability throughout the real estate market cycle. To accomplish this objective, we are pursuing various business initiatives designed to broaden our market position and provide the framework to enhance growth and maximize profitability.

> *Focusing on the Customer* In 2004, we implemented a customer-focused strategy to increase intimacy with our customers. In conjunction with that strategy, we created leadership positions and teams to support our primary customer groups: agents, residential, commercial and national lenders. With the objective of fostering customer loyalty, these leaders and teams are responsible for ensuring consistent service quality and operational excellence by providing common support platforms and structures for the various markets in which we operate. Further, in 2004, we organized our shared support resources to provide direct support to our customer-focused operations. Production and Process Improvement is a shared resource providing title production services to our teams that support our primary customer groups. Technology resources focuses on providing superior customer service and increasing our operational efficiency through electronic business solutions and technology support. Our other shared resources, such as human resources and legal, provide direct support to our internal customers through dedicated business partners.

Expanding Title Insurance Distribution Capabilities and Broadening Real Estate Transaction Services Offerings We seek to increase our share of the title insurance market by expanding and enhancing our distribution channels through the hiring and retention of experienced industry professionals with strong

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local relationships, the opening of new offices in markets with the potential for significant transaction volume, acquisitions of title insurance agencies or underwriters and selectively engaging in joint ventures with title insurance agencies in order to strengthen our presence in particularly attractive markets. In the case of the acquisition of agencies or small to medium-size underwriters, we review the agency s or underwriter s profitability, location, growth potential in our existing market, claims experience and, in the case of an underwriter, the adequacy of our reserves. In 2004, we acquired six title agencies, three escrow companies and one recording service company. Throughout our title customer base, there is demand for providers of multiple, diverse real estate transaction services. In particular, the large national mortgage lenders expect that necessary services related to the mortgage financing process be available from and billed by a single source. Our strategy is to continue to expand our array of real estate transaction products and services available to lenders and other title customers and the distribution channels through which they are offered.

Maintaining Commercial Real Estate Market Strength Participation in the commercial real estate market partially offsets some of the cyclicality of the residential real estate market, where transaction volumes are more susceptible to changes in interest rates. We maintain our presence in the commercial real estate market primarily due to the financial strength ratings of our underwriting subsidiaries, our strong capital position, the high quality service that we provide and our expertise in handling complex transactions. In particular, the combined capital position of our three principal underwriting subsidiaries enables us to underwrite large commercial policies while purchasing less facultative reinsurance, thus increasing profitability.

Reducing Costs and Expenses Losses resulting from claims under title insurance policies represent a relatively small part of our overall costs. Operating costs constitute the largest portion of expenses relating to providing title insurance and are relatively high compared to other types of insurers. We continue to implement the concept of service centers, in which our three principal title operating subsidiaries share a single back office processing center in a geographic region while continuing to market from separate storefronts under different operating names. This concept has reduced our cost per order in the markets where it is operational. In addition, we have several pilot projects underway to automate title production and workflow in our service centers. We provide escrow support from several centralized locations, thereby increasing service levels and improving efficiency. We are also implementing out-sourcing and off-shoring initiatives to streamline operations in areas where it has been determined that the cost\benefit of these initiatives will improve customer service and provide value to our shareholders.

Enhancing Cost Control Flexibility We manage our personnel and other operational expenses to reflect changes in the level of activity in the real estate market. As a result, our employee base expands and contracts over time. Personnel and administrative costs in the Title Insurance segment do not decrease as rapidly as transaction volumes decrease due to our inability to change headcount in direct correlation to volume changes. Any acquisition also expands our employee base. In order to manage personnel costs more efficiently throughout the real estate cycle, we use temporary or part time employees where appropriate to staff operations so we can respond more rapidly to changes in real estate activity.

Our principal executive offices are located at 101 Gateway Centre Parkway, Richmond, Virginia 23235-5153. Our telephone number is (804) 267-8000.

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The Offering

Securities Offered by the Selling Securityholders	Up to $125,000,000 principal amount of 3.25% Convertible Senior Debentures due 2034 and up to 2,306,150 shares of our common stock issuable upon conversion of the debentures plus such additional currently indeterminate number of shares of our common stock as are issuable pursuant to the anti-dilution provisions of the debentures. The applicable conversion rate is 18.4492 shares per $1,000 principal amount of debentures.
Use of Proceeds	We will not receive any proceeds from the sale of the debentures or shares, if any, of our common stock issuable on conversion of the debentures by the selling securityholders.
NYSE Common Stock Symbol	LFG
Registration Rights	We filed a shelf registration statement of which this prospectus is a part pursuant to a registration rights agreement, dated May 11, 2004, among the initial purchasers of the debentures and us. We agreed to use our best efforts to keep the registration statement effective until either of the following has occurred: the second anniversary of the original date of issuance of the debentures; or all of the debentures and the common stock issuable upon conversion thereof cease to be outstanding or have been sold either pursuant to the shelf registration statement or pursuant to Rule 144 under the Securities Act or any similar provision then in force.

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Summary of the Debentures

The following summary contains basic information about the debentures and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the debentures, please refer to the section of this prospectus entitled Description of Debentures. For purposes of the description of debentures included in this prospectus, references to the company, issuer, LandAmerica, us, we and our refer only to LandAmerica Financial Group, Inc. and do not include our subsidiaries.

Maturity Date	May 15, 2034, unless earlier converted, redeemed or repurchased.
Ranking	The debentures are our direct, unsecured and unsubordinated obligations and rank equal in priority with all of our existing and future unsecured and unsubordinated indebtedness and senior in right of payment to all of our existing and future subordinated indebtedness. The debentures effectively rank junior to any of our existing and future secured indebtedness and any of our future indebtedness that is guaranteed by our subsidiaries. The debentures are structurally subordinated to all liabilities of our subsidiaries.
Interest	3.25% per annum on the principal amount, payable semiannually in arrears on May 15 and November 15 of each year, beginning November 15, 2004.
Conversion Rights	Holders may convert the debentures into shares of our common stock at the applicable conversion rate of 18.4492 shares per $1,000 principal amount of debentures (equal to a conversion price of approximately $54.20 per share), subject to adjustment, only under the following circumstances:

- during any calendar quarter (and only during such calendar quarter) commencing after June 30, 2004 and before June 30, 2029, if the last reported sale price of our common stock is greater than or equal to 125% of the conversion price for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter;
- at any time on or after July 1, 2029 if the last reported sale price of our common stock on any date on or after June 30, 2029 is greater than or equal to 125% of the conversion price;
- subject to certain limitations, during the five business day period after any five consecutive trading day period in which the trading price per debenture for each day of that period was less than 98% of the product of the conversion rate and the last reported sale price of our common stock;
- if the debentures have been called for redemption by us;
- upon the occurrence of specified corporate transactions described under Description of Debentures Conversion Rights Conversion Upon Specified Corporate Transactions ; or

if we obtain credit ratings with respect to the debentures from Moody s Investors Service, Inc. (Moody s) or Standard & Poor s Rating Services (Standard & Poor s) or both, at any time

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when (i) the long-term credit rating assigned to the debentures by both Moody s and Standard & Poor s (or by either of them if we obtain a credit rating from only one of Moody s or Standard & Poor s) is two or more levels below the credit rating initially assigned to the debentures, (ii) both Moody s and Standard & Poor s have (or either of them has, if we obtain a credit rating from only one of Moody s or Standard & Poor s) discontinued, withdrawn or suspended their ratings with respect to the debentures or (iii) either Moody s or Standard & Poor s has discontinued, withdrawn or suspended its rating with respect to the debentures and the remaining rating is two or more levels below the credit rating initially assigned to the debentures.

Holders will not receive any cash payment or additional shares representing accrued and unpaid interest upon conversion of a debenture, except in limited circumstances. Instead, interest will be deemed paid by the cash and shares, if any, of common stock issued to the holder upon conversion. Debentures called for redemption may be surrendered for conversion prior to the close of business on the second business day immediately preceding the redemption date.

Upon any conversion, we will deliver cash equal to the lesser of the aggregate principal amount of debentures to be converted and our total conversion obligation and shares of our common stock in respect of the remainder, if any, of our conversion obligation. See Description of the Debentures Conversion Rights Payment Upon Conversion.

Sinking Fund	None.
Optional Redemption	Prior to May 15, 2014, the debentures will not be redeemable. On or after May 15, 2014, we may redeem for cash some or all of the debentures, at any time and from time to time, upon at least 30 and no more than 60 days notice for a price equal to 100% of the principal amount of the debentures to be redeemed plus any accrued and unpaid interest to but excluding the redemption date.
Repurchase of Debentures By Us at the Option of the Holder	You may require us to repurchase some or all of your debentures for cash on May 15, 2014, at a repurchase price equal to 100.25%, and on May 15, 2019, May 15, 2024 and May 15, 2029 at a repurchase price equal to 100%, of the principal amount of the debentures being repurchased, plus any accrued and unpaid interest to but excluding the applicable repurchase date.
Fundamental Change	If we undergo a fundamental change (as defined in this prospectus) prior to maturity, holders will have the right, at their option, to require us to repurchase some or all of your debentures for cash at a repurchase price equal to 100% of the principal amount of the debentures being repurchased, plus any accrued and unpaid interest to but excluding the applicable repurchase date.

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Book-Entry Form	The debentures were issued in book-entry form and are represented by 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 debentures are shown on, and transfers are 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.
Convertible Bond Hedge and Warrant Option Transactions	We have entered into a convertible bond hedge transaction with JPMorgan Chase Bank, which is expected to reduce the potential dilution upon any conversion of the debentures. We also have entered into a warrant option transaction and a dividend floor protection agreement with JPMorgan Chase Bank, which we refer to collectively as the warrant option transaction. In connection with hedging these transactions, JPMorgan Chase Bank or its affiliates: purchased our common stock in secondary market transactions prior to the pricing of the debentures; has entered into various over-the-counter derivative transactions with respect to our common stock concurrently with the pricing of the debentures; and may continue to purchase our common stock in secondary market transactions following the pricing of the debentures. Such activities could have had the effect of increasing the price of our common stock prior to and may continue to have such effect following the pricing of the debentures. JPMorgan Chase Bank or its affiliates is likely to modify its hedge positions from time to time prior to any conversion or maturity of the debentures by purchasing and selling shares of our common stock, other of our securities or other instruments it may wish to use in connection with such hedging. In particular, we intend to exercise options we hold under the convertible bond hedge transaction upon any conversion of the debentures. In order to unwind its hedge position with respect to those exercised options, JPMorgan Chase Bank expects to sell shares of our common stock in secondary market transactions or unwind various over-the-counter derivative transactions with respect to our common stock during the cash settlement averaging period for the converted debentures. The effect, if any, of any of these transactions and activities on the market price of our common stock or the debentures will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of our common stock and the value of the debentures and, as a result, the number of shares and value of the common stock you will receive upon the conversion of the debentures.

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RISK FACTORS

You should consider the following risk factors, in addition to the other information presented in this prospectus and the documents incorporated by reference in this prospectus, in evaluating us, our business and an investment in the debentures. Any of the following risks, as well as other risks and uncertainties, could seriously harm our business and financial results and cause the value of the debentures and common stock issuable upon conversion of the debentures to decline, which in turn could cause you to lose all or part of your investment.

Risks Related to Our Business

Our results of operations and financial condition are susceptible to changes in mortgage interest rates and general economic conditions.

The demand for our title insurance and other real estate transaction products and services is dependent upon, among other things, the volume of commercial and residential real estate transactions, including mortgage refinancing transactions. The volume of these transactions has historically been influenced by factors such as interest rates and the state of the overall economy. For example, when interest rates are increasing or during an economic downturn or recession, real estate activity typically declines and we tend to experience lower revenues and profitability. The cyclical nature of our business has caused fluctuations in revenues and profitability in the past and is expected to do so in the future. In addition, changes in interest rates may have an adverse impact on our return on invested cash, the market value of our investment portfolio and interest paid on our bank debt.

Our operating revenues for the year ended December 31, 2003 increased by 32.0% over the prior year, primarily due to a favorable residential mortgage interest rate environment and a large volume of mortgage refinancing transactions. However, except during brief periods in 2004, mortgage interest rates generally have risen, beginning in the third quarter of 2003, and we have experienced a decline in refinancing transactions since that time. For fiscal year 2005, we expect that the level of refinancing transactions will be substantially below the levels experienced in recent years. We began the implementation of a cost reduction program in the fourth quarter of 2003 aimed at reducing staffing and cost levels to a level more consistent with anticipated transaction volumes. In the first quarter of 2004, we announced plans to reduce our cost structure by at least $70 million on an annualized basis. We have implemented reductions to achieve at least the targeted cost savings. Operating results for our 2003 and 2004 fiscal years, including interim periods, should not be viewed as indicative of results for 2005 or any future period.

Our inability to manage successfully our acquisitions of complementary businesses could adversely affect our business, operating results and financial condition.

An element of our business strategy is to expand the services we provide through acquisitions of complementary businesses. During 2003 and 2004, we acquired several companies outside of our traditional business operations, including LandAmerica Tax & Flood Services, Inc., LandAmerica Credit Services, Inc., Centennial Bank, Buyers Home Warranty Company and LoanCare Servicing Center, Inc. These businesses are different from each other and from the business of providing title insurance and related services. We also may in the future acquire other businesses outside of our traditional business operations, although no assurances can be given that we will do so or that we will continue to acquire such companies at the levels previously experienced. Such acquisitions involve a number of special risks, including our inexperience in managing businesses that provide products and services beyond our traditional business, new regulatory requirements, diversion of management s attention, failure to retain key acquired personnel, failure to effectively integrate operations, company cultures and services, increased costs to improve managerial, operational, financial and administrative systems, legal liabilities, and amortization of acquired intangible assets. In addition, there can be no assurance that acquired businesses will achieve anticipated levels of revenues, earnings or performance. Our failure to manage our acquisitions successfully could materially and adversely affect our business, operating results and financial condition.

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Competition in our industry affects our revenues.

The business of providing real estate transaction products and services is very competitive. Competition for residential title insurance business is based primarily on price and quality of service. With respect to national and regional mortgage lenders, service quality includes a large distribution network and the ability to deliver a broad array of real estate services quickly, efficiently and through a single point of contact. Competition for commercial title business is based primarily on price, service, expertise in complex transactions and the size and financial strength of the insurer. Title insurance underwriters also compete for agents on the basis of service and commission levels. Although we are one of the largest providers of real estate transaction products and services in the United States, four other companies Fidelity National Financial, Inc., The First American Corporation, Old Republic International Corporation and Stewart Information Services, Inc. have the size, capital base and agency networks to compete effectively with our products and services. In addition, some of our competitors may have, or will have in the future, greater capital and other resources than us. Competition among the major providers of real estate transaction products and services and any new entrants could adversely affect our revenues and profitability.

Significant industry changes and new product and service introductions require timely and cost-effective responses.

As a national provider of real estate transaction products and services, we participate in an industry that is subject to significant change, frequent new product and service introductions and evolving industry standards. In addition, alternatives to traditional title insurance, such as lien protection products, have emerged in recent years. We believe that our future success will depend on our ability to anticipate changes in technology and customer preferences and to offer products and services that meet evolving standards on a timely and cost-effective basis. The development and implementation of new products and services may require significant capital expenditures and other resources. There is a risk that customers may not accept our new product and service offerings and we may not successfully identify new product and service opportunities nor develop and introduce new products and services in a timely and cost-effective manner. In addition, products and services that our competitors and other real estate industry participants develop or introduce may render certain of our products and services obsolete or noncompetitive. Advances in technology could also reduce the useful lives of our products, preventing us from recovering fully our investment in particular products and services. As a result, our inability to anticipate industry changes and to respond with competitive and profitable products and services may have a material adverse effect on our business, operating results or financial condition.

We may not succeed in implementing our strategy of becoming a major provider of real estate transaction management services.

One of our business strategies is to expand our capabilities to manage the delivery of multiple services required in real estate transactions through a centralized source, and to significantly grow the volume of transactions that we manage. There is a risk that our transaction management services may fail to gain market acceptance, particularly from the large national mortgage originators. Furthermore, there are relatively low barriers to entry into the market for real estate transaction management, as opposed to the regulated title insurance business, which may result in a large number of competitors, including large national mortgage originators and others having substantially greater financial resources.

Our insurance and banking subsidiaries are subject to government regulation.

Our insurance subsidiaries are subject to regulation by the state insurance authorities of the various states in which they transact business. These regulations are generally intended for the protection of policyholders rather than security holders. The nature and extent of these regulations vary from jurisdiction to jurisdiction, but typically involve:

regulation of dividend payments and other transactions between affiliates;

prior approval of the acquisition and control of an insurance company or of any company controlling an insurance company;

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- regulation of certain transactions entered into by an insurance company with any of its affiliates;
- approval of premium rates for insurance;
- standards of solvency and minimum amounts of capital surplus that must be maintained;
- limitations on types and amounts of investments;
- restrictions on the size of risks that may be insured by a single company;
- licensing of insurers and agents;
- deposits of securities for the benefit of policyholders;
- approval of policy forms;
- methods of accounting;
- establishing reserves for losses and loss adjustment expenses;
- regulation of underwriting and marketing practices;
- regulation of reinsurance; and
- filing of annual and other reports with respect to financial condition and other matters.

These regulations may impede, or impose burdensome conditions on, rate increases or other actions that we might want to take to enhance our operating results. In addition, state regulatory examiners perform periodic examinations of insurance companies. We are and have in the past been subject to information requests and subpoenas from the states relating to investigations of our business practices and the title industry. Multiple states are specifically investigating captive reinsurance. Any restrictions imposed or actions taken by states with respect to us or the title insurance industry in general arising out of such information requests or subpoenas may adversely affect our business, financial position or results of operations.

Centennial Bank is subject to regulation and supervision by the Federal Reserve Bank, the Federal Deposit Insurance Corporation and the California Department of Financial Institutions. Banking regulations are intended primarily to protect depositors and the federal deposit insurance funds and not stockholders. Regulatory requirements affect, among other things, our banking subsidiaries practices, capital level, investment practices, dividend policies and growth.

Our litigation risks include substantial claims by large classes of claimants.

From time to time we are involved in litigation arising in the ordinary course of our business. In addition, we currently are and have in the past been subject to claims and litigation not arising in the ordinary course of business from large classes of claimants seeking substantial damages. Material pending legal proceedings not arising in the ordinary course of business are disclosed in our filings with the Securities and Exchange Commission and are incorporated by reference in this prospectus. An unfavorable outcome in any class action suit or other claim, inquiry, investigation or litigation against us could have a material adverse effect on our financial position or results of operations.

Risks Related to the Debentures

We may not have the ability to raise the funds necessary to repurchase the debentures upon a fundamental change or on any other repurchase date, as required by the indenture governing the debentures.

On May 15, 2014, May 15, 2019, May 15, 2024 and May 15, 2029, or following a fundamental change as described under Description of Debentures Repurchase of Debentures by Us at the Option of the Holder Upon a Fundamental Change, holders of debentures may require us to repurchase their debentures for cash. A fundamental change may also constitute an event of default or prepayment under, and result in the acceleration of the maturity of, our then-existing indebtedness. In addition, we believe the repurchase of the debentures upon a fundamental change could constitute an event of default under our outstanding notes due 2006, 2008 and 2011 and our credit facility. We cannot assure you that we will have sufficient financial resources, or will be able to arrange financing, to pay the repurchase price in cash with respect to any debentures tendered by holders for repurchase on any of these dates or upon a fundamental change. In addition, restrictions in our then-existing credit facilities or other indebtedness may not allow us to repurchase the debentures. Our failure to repurchase the debentures when required would result in an event of default with respect to the debentures.

Upon any conversion of the debentures, you may receive less proceeds than expected because the value of our common stock may decline between the day that you exercise your conversion right and the day the conversion value of your debentures is determined.

The conversion value that you will receive upon any conversion of your debentures is determined by the average of the closing prices per share of our common stock on the New York Stock Exchange for ten consecutive trading days. If we have issued a notice of redemption, this ten-trading day period will end on the redemption date. Accordingly, if you exercise your conversion rights soon after our issuance of a notice of redemption, the ten consecutive trading days may not begin for several weeks thereafter. If you exercise your conversion rights prior to our having issued a notice of redemption, the ten trading day period will begin on the second trading day immediately following the day you deliver your conversion notice to the conversion agent. If the price of our common stock decreases after we receive your notice of conversion and prior to the end of the applicable ten-trading day period, the conversion value you receive will be adversely affected.

In addition, in connection with the convertible bond hedge transaction, we intend to exercise options thereunder whenever debentures are converted. In order to unwind its hedge position with respect to those exercised options, JPMorgan Chase Bank expects to sell shares of our common stock in secondary market transactions or unwind various over-the-counter derivative transactions with respect to our common stock during the cash settlement averaging period for the converted debentures. These sales may adversely affect the value of our common stock and, as a result, the conversion value you receive for your converted debentures.

The trading prices of the debentures could be significantly affected by the trading prices of our common stock.

We expect that the trading prices of the debentures in the secondary market, if such market develops, will be significantly affected by the trading prices of our common stock, the general level of interest rates and our credit quality. This may result in greater volatility in the trading prices of the debentures than would be expected for nonconvertible debt securities.

It is impossible to predict whether the price of our common stock or interest rates will rise or fall. Trading prices of our common stock will be influenced by our operating results and prospects and by economic, financial, regulatory and other factors. In addition, general market conditions, including the level of, and fluctuations in, the trading prices of stocks generally, and sales of substantial amounts of common stock by us in the market after the offering of the debentures, or the perception that such sales may occur, could affect the price of our common stock.

Our holding company structure may adversely affect our ability to meet our debt service obligations under the debentures.

Substantially all of our consolidated assets are held by our subsidiaries. Accordingly, our cash flow and our ability to service our debt, including the debentures, depends on the results of operations of our subsidiaries and upon the ability of our subsidiaries to provide us cash, whether in the form of dividends, loans or otherwise, to pay amounts due on our obligations, including the debentures. Certain of our subsidiaries are subject to state insurance laws and regulations that restrict their ability to pay dividends to us. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to make payments on the debentures or to make any funds available for that purpose. In addition, dividends, loans or other distributions from our subsidiaries to us may be subject to contractual and other restrictions and are subject to other business considerations.

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In a number of states, certain of our insurance subsidiaries are subject to regulations that require minimum amounts of statutory surplus. Under these and other such statutory regulations, approximately $83.0 million of the net assets of our consolidated insurance subsidiaries are available for dividends, loans or advances to us during 2005. We have received approximately $15.0 million of this 2005 amount in dividends from our insurance subsidiaries as of May 9, 2005. In addition to the minimum statutory surplus requirements described above, these insurance subsidiaries are also subject to state regulations that require that the payment of any extraordinary dividends receive prior approval of the insurance regulators of such states. See Dividend Policy.

Our banking subsidiaries also are subject to regulations that require minimum capital levels and restrict their ability to pay dividends and make loans to us. In addition, as a condition to our receipt of regulatory approval for our acquisition of Orange County Bancorp, the Federal Deposit Insurance Corporation required that Centennial Bank be prohibited from paying dividends until May 2006 and that we contribute $8.0 million of capital to Centennial Bank over a two year period.

The debentures will be effectively subordinated to the liabilities of our subsidiaries and any of our future secured indebtedness and future indebtedness that is guaranteed by our subsidiaries.

The debentures will be effectively subordinated to all existing and future liabilities of our subsidiaries and any of our future indebtedness that is guaranteed by our subsidiaries. These liabilities may include indebtedness, trade payables, guarantees, lease obligations and letter of credit obligations. As of March 31, 2005, our subsidiaries had approximately $1,460.4 million in liabilities, including approximately $53.6 million of borrowings from the Federal Home Loan Bank and $9.0 million in trust preferred stock that are secured by subsidiary assets, and our subsidiaries did not guaranty any of our debt. In addition, the debentures are not secured by any of our assets or those of our subsidiaries and will be effectively subordinated to any of our future secured debt. The debentures do not restrict us from incurring secured debt in the future or having our subsidiaries guaranty our indebtedness.

An active trading market for the debentures may not develop.

The debentures are a new issue of securities for which there is currently no public market. We do not intend to list the debentures on any national securities exchange or automated quotation system. Although the debentures were sold to qualified institutional buyers under Rule 144A, which means the debentures are eligible for trading on the PORTAL market, we cannot assure you that an active or sustained trading market for the debentures will develop or that the holders will be able to sell their debentures. The initial purchasers have informed us that they intend to make a market in the debentures. However, the initial purchasers may cease their marketmaking at any time.

Moreover, even if you are able to sell your debentures, we cannot assure you as to the price at which any sales will be made. Future trading prices of the debentures will depend on many factors, including, among other things, prevailing interest rates, our operating results, the price of our common stock and the market for similar securities. Historically, the market for convertible debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the debentures will be subject to disruptions which may have a negative effect on the holders of the debentures, regardless of our prospects or financial performance.

We may issue additional shares of common stock and thereby materially and adversely affect the price of our common stock.

We are not restricted from issuing additional common stock, or securities convertible into or exchangeable for common stock, prior to maturity of the debentures. If we issue additional shares of common stock or such convertible or exchangeable securities, the price of our common stock and, in turn, the price of the debentures may be materially and adversely affected.

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Our articles of incorporation and bylaw provisions, and several other factors, could limit another party s ability to acquire us and could deprive you of the opportunity to obtain a takeover premium for your shares of common stock.

Provisions in our articles of incorporation and bylaws, and under Virginia corporation law, may make it difficult for another company to acquire us and for you to receive any related takeover premium for our common stock. See Description of Capital Stock.

These provisions include a staggered Board of Directors, the absence of cumulative voting in the election of directors, the authorization by our board of directors of 200,000 shares of Series A Junior Participating Preferred Stock in connection with our rights agreement and the ability of our board of directors to issue up to 4,800,000 additional shares of preferred stock, the terms of which may be determined by the board at the time of issuance without further action by shareholders. The terms of the Series A Junior Participating Preferred Stock include, and the terms of any other preferred stock may include, voting rights, including the right to vote as a series on particular matters, conversion and redemption rights and preferences as to dividends and liquidation. No shares of preferred stock are currently outstanding and we have no present plans for the issuance of any preferred stock. The issuance of any preferred stock, however, could materially adversely affect the rights of holders of our common stock, and therefore could reduce its value. In addition, specific rights granted to future holders of preferred stock could be used to restrict our ability to merge with, or sell assets to, a third party. The ability of the board of directors to issue preferred stock could delay, discourage, prevent or make it more difficult or costly to acquire us or effect a change in control in our board of directors.

Our bylaws contain provisions regulating the introduction of business at annual shareholders meetings by anyone other than the board of directors.

The conditional conversion features of the debentures could result in you receiving less than the value of the cash and shares, if any, of common stock into which a debenture is convertible.

The debentures are convertible into cash and shares, if any, of common stock only if specified conditions are met. If the specific conditions for conversion are not met, you may not be able to receive the value of the cash and shares, if any, of common stock into which the debentures would otherwise be convertible.

Conversion of the debentures will dilute the ownership interest of existing shareholders.

The conversion of some or all of the debentures will dilute the ownership interests of existing shareholders. Any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the debentures may encourage short selling by market participants because the conversion of the debentures could depress the price of our common stock.

The convertible bond hedge and warrant option transactions may affect the value of the debentures and our common stock.

We have entered into a convertible bond hedge transaction with JPMorgan Chase Bank, which is expected to reduce the potential dilution upon conversion of the debentures. We also have entered into a warrant option transaction with JPMorgan Chase Bank. In connection with hedging these transactions, JPMorgan Chase Bank or its affiliates:

- purchased our common stock in secondary market transactions prior to the pricing of the debentures;

- has entered into various over-the-counter derivative transactions with respect to our common stock concurrently with the pricing of the debentures; and

- may continue to purchase our common stock in secondary market transactions following the pricing of the debentures.

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Such activities could have had the effect of increasing the price of our common stock prior to and may continue to have such effect following the pricing of the debentures. JPMorgan Chase Bank or its affiliates is likely to modify its hedge positions from time to time prior to conversion or maturity of the debentures by purchasing and selling shares of our common stock, other of our securities or other instruments it may wish to use in connection with such hedging. In particular, we intend to exercise options we hold under the convertible bond hedge transaction whenever debentures are converted. In order to unwind its hedge position with respect to those exercised options, JPMorgan Chase Bank expects to sell shares of our common stock in secondary market transactions or unwind various over-the-counter derivative transactions with respect to our common stock during the cash settlement averaging period for the converted debentures. The effect, if any, of any of these transactions and activities on the market price of our common stock or the debentures will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of our common stock and the value of the debentures and, as a result, the number of shares and value of the common stock you will receive upon the conversion of the debentures.

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RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges is computed by dividing fixed charges into earnings. Earnings is defined as pre-tax income from continuing operations before adjustment for minority interests in consolidated subsidiaries or income or loss from equity investees, adjusted by adding fixed charges and distributed income of equity investees. Fixed charges are composed of interest expensed and the estimated interest component of rental expense.

The following table presents our historical ratios of earnings to fixed charges for each of the periods indicated:

	Three months ended March 31,	Years ended December 31,				
	2005	2004	2003	2002	2001	2000
Ratio	5.2x	5.6x	10.2x	9.1x	4.3x	(1)

(1) In 2000, our earnings were not sufficient to cover our fixed charges due to non-cash charges to earnings of $177.8 million associated with a change in our method of assessing the recoverability of goodwill. The amount of the earnings deficiency was $70.5 million.

USE OF PROCEEDS

We will not receive any proceeds from the sale of the debentures or the shares, if any, of our common stock issuable upon conversion of the debentures by the selling securityholders.

The selling securityholders will pay any underwriting discounts and commissions and expenses incurred by the selling securityholders for brokerage, accounting, tax or legal services or any other expenses incurred by the selling securityholders in disposing of the shares. We will bear all other costs, fees and expenses incurred in effecting the registration of the shares covered by this prospectus, including, without limitation, all registration and filing fees, New York Stock Exchange listing fees, if any, and fees and expenses of our counsel and our accountants.

DIVIDEND POLICY

Our current dividend policy anticipates the payment of quarterly dividends in the future. The declaration and payment of dividends to holders of our common stock will be in the discretion of our Board of Directors, will be subject to contractual restrictions contained in a loan agreement, as described below, and will be dependent upon our future earnings, financial condition and capital requirements, as well as other factors. The payment of quarterly dividends in the future under our current dividend policy will result in adjustments to the applicable conversion rate. See Description of Debentures Conversion Rate Adjustment.

Because we are a holding company, our ability to pay dividends will depend largely on the earnings of, and cash flow available from, our subsidiaries. In a number of states, certain of our insurance subsidiaries are subject to regulations that require minimum amounts of statutory surplus. Under these and other such statutory regulations, approximately $83.0 million of the net assets of our consolidated insurance subsidiaries are available for dividends, loans or advances to us during 2005. We have received approximately $15.0 million of this 2005 amount in dividends from our insurance subsidiaries as of May 9, 2005.

The following table summarizes the insurance laws and regulations that restrict the amount of dividends that Commonwealth Land Title Insurance Company, Lawyers Title Insurance Corporation and Transnation Title Insurance Company are permitted to distribute to us in the 12-month period ending December 31, 2005 without prior regulatory approval:

Subsidiary	Regulatory Agency	Regulatory Limitation	Financial Limitation (1)
Commonwealth	Pennsylvania Department of Insurance	Payment of dividends or distributions may not exceed the greater of: 10% of such insurer s surplus as of the preceding year end, or the net income of such insurer for such preceding year.	$ 52.2 million
Lawyers Title	Virginia Bureau of Insurance	Payment of dividends or distributions is limited to the lesser of: 10% of such insurer s surplus as of the preceding December 31, or the net income, not including realized capital gains, of such insurer for the preceding calendar year.	$ 23.2 million

Transnation	Arizona Department of Insurance	Payment of dividends or distributions is limited to the lesser of: 10% of such insurer s surplus as of the preceding December 31, or such insurer s net investment income for the preceding calendar year.	$ 5.9 million

(1) Based on statutory financial results for the year ended December 31, 2004.

In addition to regulatory restrictions, our ability to declare dividends is subject to restrictions under a Revolving Credit Agreement, dated as of November 6, 2003 between us and a syndicate of banks led by SunTrust Bank, and amended by the First Amendment to Revolving Credit Agreement dated as of March 17, 2004, the Second Amendment to Revolving Credit Agreement dated as of April 30, 2004, and the Third Amendment to Revolving Credit Agreement dated as of October 27, 2004 (as amended, the Revolving Credit Agreement), that generally limit the aggregate amount of all cash dividends and stock repurchases by us to 40% of our cumulative consolidated net income arising after December 31, 2002. As of March 31, 2005, approximately $74.5 million was available for the payment of dividends by us under the Revolving Credit Agreement. Management does not believe that the restrictions contained in the Revolving Credit Agreement will, in the foreseeable future, adversely affect our ability to pay cash dividends at the current dividend rate.

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SELLING SECURITYHOLDERS

We issued the debentures covered by this prospectus in private placements on May 11, 2004. The debentures were resold by the initial purchasers to qualified institutional buyers under Rule 144A under the Securities Act. These qualified institutional buyers are the selling securityholders, and they may offer and sell the debentures and the shares of our common stock into which the debentures are convertible pursuant to this prospectus.

The following table sets forth information with respect to the selling securityholders and the principal amount of debentures and the number of shares of our common stock issuable upon conversion of the debentures that are beneficially owned by each selling securityholder and that may be offered and sold from time to time pursuant to this prospectus. We will set forth updated information, including information about substitute or additional selling securityholders, in prospectus supplements or amendments to this prospectus, as appropriate.

Unless otherwise indicated, none of the selling securityholders has held any position or office with, or has otherwise had a material relationship with us, or any of our subsidiaries, within the past three years. From time to time the selling securityholders may hold other securities that we have issued.

	Debentures		Common Stock (Issuable Upon Conversion of the Debentures)	
Full Legal Name of Selling Securityholder	**Principal Amount Beneficially Owned Prior to this Offering**	**Principal Amount Beneficially Owned After Completion of this Offering(1)**	**Shares Beneficially Owned Prior to this Offering(2)**	**Shares Beneficially Owned After Completion of this Offering(1)**
Akela Capital Master Fund, Ltd.	$ 12,500,000	$ 0	230,615	0