



A.M. Best Upgrades Ratings of Bituminous Insurance Companies and Two Affiliates in the Old Republic General Insurance Group

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OLDWICK, N.J.—(BUSINESS WIRE)—Jan. 22, 2003—A.M. Best Co. has upgraded the financial strength ratings of Bituminous Insurance Companies to A+ (Superior) from A (Excellent), Old Republic Union Insurance Company to A (Excellent) from B++ (Very Good) (both of Illinois) and Old Republic Minnehoma Insurance Company (Arizona) to A- (Excellent) from B+ (Very Good). Each of the ratings have been assigned stable outlooks.

Bituminous' rating reflects its strong capitalization and solid operating profitability derived from its disciplined underwriting approach and emphasis on loss control, claims handling and other insurance related services. The rating also considers Bituminous' expertise in underwriting specialty risk transfer programs for the forest products, oil and gas and construction industries. Bituminous' capital position is largely reflective of additional economic value embedded in loss reserves and moderate underwriting leverage. It also benefits from the financial flexibility and operational support afforded by its ultimate parent, Old Republic International Corporation (NYSE:ORS).

These strengths are moderately offset by exposure to fluctuating market values from common stock investments and reduced favorable loss reserve development in recent years. The exposure to equity investments was evident in the increased level of unrealized capital losses in 2002. However, given Bituminous' strong capitalization, proven track record of favorable earnings and solid market position as it benefits from hardening rates, A.M. Best views the rating outlook as stable.

Old Republic Union's rating reflects its strategic role within the Old Republic General Insurance Group and excellent capitalization. It will continue to write a small book of surplus lines business for Great West Casualty Company (Nebraska), where it retains a small portion and will begin to write a commercial liability book of business currently written by Old Republic Insurance Company (Pennsylvania).

Old Republic Minnehoma's rating reflects its solid capitalization and favorable operating results. The rating also recognizes the company's strategic role within the Old Republic General Insurance Group, writing collateral protection and auto warranty business and its expertise within these specialized businesses.

Finally, A.M. Best has affirmed the financial strength ratings of the remaining subsidiaries of the Old Republic General Insurance Group.

For a complete listing of the companies with affected financial strength ratings, visit www.ambest.com/press/oldrepublic.pdf.

A.M. Best Co., established in 1899, is the world's oldest and most authoritative insurance rating and information source. For more information, visit A.M. Best's Web site at www.ambest.com.

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