



Old Republic Announces Purchase of Large Risk Management Account Renewal Rights From Kemper

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CHICAGO, Jan. 15 /PRNewswire-Financial/ -- Old Republic International Corporation (NYSE: ORI) today announced that its wholly owned subsidiary, Old Republic Insurance Company, has reached a definitive agreement to purchase the renewal rights to certain large risk national accounts of the Kemper Insurance Companies.

Old Republic is purchasing the renewal rights to Kemper's unbundled risk management accounts and will not be assuming any liabilities incurred prior to any of its renewals. With unbundled accounts, the underwriting and policy issuance portion of a program is purchased from one insurer while ancillary services in support of that program can be obtained from another provider, usually a non-affiliated third party administrator (TPA). Based on a preliminary review, Old Republic understands that the subject book of business incorporates slightly more than 100 assureds and that gross premium volume before reinsurance cessations for the aggregate of most such accounts totals approximately \$140 million on an annualized basis.

Through Old Republic Risk Management, Old Republic is a leader in the unbundled risk management area. "The acquisition is in line with our Company's commitment to the large account risk management business," said Jim Kellogg, President of Old Republic's property and liability insurance segment. "We're excited about this opportunity. Although there is no assurance we'll renew each of the accounts, we feel that this book of business represents a good strategic fit for Old Republic. Customers renewing their accounts with Old Republic can expect to receive excellent service, as they have with Kemper, and we plan to effect a seamless transition for each account transferred."

About Old Republic

Chicago-based Old Republic International Corporation is an insurance holding company whose subsidiaries market, underwrite and provide risk management services for a wide variety of coverages in the property and liability, mortgage guaranty, life and life and health insurance fields. One of the nation's 50 largest publicly owned insurance organizations, Old Republic International Corporation currently has assets of approximately \$8.4 billion and capitalization of \$3.4 billion. Its current stock market valuation is approximately \$3.5 billion. Old Republic Insurance Company, its flagship property and liability insurance carrier, is rated A+ by A.M. Best, Aa2 by Moody's and AA by Standard & Poor's.

Safe Harbor Statement

Historical data pertaining to the operating performance, liquidity, and other financial matters applicable to an insurance enterprise such as Old Republic are not necessarily indicative of results to be achieved in succeeding years. In addition to the factors cited below, the long-term nature of the insurance business, seasonal and annual patterns in premium production and incidence of claims, changes in yields obtained on invested assets, changes in government policies and free markets affecting inflation rates and general economic conditions, and changes in legal precedents or the application of law affecting the settlement of disputed claims can have a bearing on period-to-period comparisons and future operating results.

Some of the statements made in this News Release and Company published reports, as well as oral statements or commentaries made by the Company's officials in conference calls following earnings releases, can constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Any forward-looking statements, commentaries, or inferences therefrom involve, of necessity, assumptions, uncertainties, and risks that may affect the Company's future performance. 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 most particularly 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 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 disability insurance results can be impacted by the levels of employment and consumer spending, as well as mortality and health trends. At the parent company level, operating earnings or losses are generally affected by the amount of debt outstanding and its cost, as well as interest income on temporary holdings of short-term investments.

Any forward-looking statements or commentaries speak only as of their dates. Old Republic undertakes no obligation to publicly update or revise all such comments, whether as a result of new information, future events or otherwise, and accordingly they may not be unduly relied upon.

For the latest news releases and other corporate documents on Old Republic International visit: www.oldrepublic.com. SOURCE Old Republic International Corporation

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