



**Old Republic Announces Record Quarterly Earnings**

April 25, 2002  
 CHICAGO, Apr 25, 2002 (PRNewswire-FirstCall via COMEX) --

**Each Business Segment Contributes to Earnings Growth Financial Highlights (unaudited; amounts in millions except per-share data and percentages; all per-share amounts are stated on a diluted basis) Quarters Ended March 31, 2002 2001 Change Net Operating Income \$89.3 \$74.4 19.9% Net Income \$95.5 \$83.9 13.8% Diluted Earnings Per Share: Net Operating Income \$0.74 \$0.62 19.4% Net Income \$0.79 \$0.70 12.9%**

Old Republic International Corporation (NYSE: ORI), today announced that its net operating earnings grew by 19.4 percent per diluted share in this year's first quarter. The greatest contributions to the latest quarter's earnings growth came from the Company's life business whose pretax earnings rose by 83.1 percent, quarter over quarter, and mortgage guaranty which posted pretax earnings growth of 14.5 percent. This was followed by Old Republic's general insurance line with pretax income growing by 14.0 percent.

**Net Operating Income and Net Income**

Excluding realized investment gains and losses, Old Republic's consolidated net operating earnings amounted to \$89.3 million, or 74 cents per share, for the first quarter of 2002, versus \$74.4 million, or 62 cents per share, for the same period of 2001. Net income, which includes realized investment gains and losses, was \$95.5 million, or 79 cents per share, for the first three months of 2002, compared to \$83.9 million, or 70 cents per share, in last year's first quarter. Post tax realized investment gains amounted to \$6.2 million in this year's first quarter compared to \$9.5 million in the same period of 2001.

**Consolidated Revenues**

Consolidated operating revenues in this year's first quarter totaled \$620.3 million, up 18.1 percent from \$532.9 million in the same quarter of 2001. Net premiums and fees earned were \$551.6 million in the latest quarter versus \$456.2 million in the year-ago period. Consolidated net investment income of \$67.0 million for the first quarter of 2002 was down slightly when compared to the preceding year due to the prevailing lower yield environment.

**General Insurance Group**

Old Republic's General Insurance Group, responsible for the Company's property and liability insurance underwriting operations, reported a 14.0 percent increase in pretax operating income to \$40.1 million for this year's first quarter compared to \$35.2 million during the same period in 2001. Net premiums earned in the first quarter of 2002 were \$268.7 million, up 15.8 percent from \$231.9 million a year ago. The statutory composite underwriting ratio for the most recent quarter reflected a decline of 3.3 percentage points to 100.1 percent when compared to 103.4 percent posted in the first quarter of 2001, and 102.0 percent for all of last year. The Company believes these more positive underwriting results reflect the improved pricing and risk selection steps that have been undertaken in the past three years.

**Mortgage Guaranty Group**

The Old Republic Mortgage Guaranty Group's pretax earnings in this year's first quarter were driven mostly by improved underwriting and related services income. Pretax mortgage guaranty operating earnings were \$70.3 million in the first three months of 2002, versus \$61.5 million in the same quarter of 2001, an increase of 14.5 percent. Net premiums earned in this year's first quarter were \$91.6 million, up 6.0 percent from \$86.3 million in the year-ago quarter. The composite underwriting ratio in the first three months of 2002 was 41.0 percent compared to 40.6 percent in the same quarter of 2001. Better than expected trends in loan default rates and resumption of payments on loans temporarily in default led to a significant drop in the claim portion of the composite ratio in this year's first quarter. A greater invested asset base in this segment produced 5.9 percent higher investment income contribution when compared to the same quarter of 2001.

**Title Insurance Group**

In this year's first quarter, Old Republic's Title operations registered a 42.8 percent increase in premium and fee revenues from the first quarter of 2001 results. Operating results were also favorably affected by reasonably low claim costs and good controls on operating expenses. The composite underwriting ratio was 91.8 percent in the first quarter of 2002, down from 95.8 percent in the same period of 2001.

**Life and Health Group**

Earnings for the Company's Life and Health Group, its smallest segment, grew slightly in this year's first quarterly period. Stable claims experience and a slightly lower expense level were totally responsible for the improvement.

**Cash, Invested Assets and Shareholders' Equity**

Cash and invested assets at March 31, 2002, totaled \$5.70 billion, or \$47.40 per share, compared to \$5.68 billion, or \$46.96 per share, at December 31, 2001, and \$5.24 billion, or \$43.99 per share, at March 31, 2001. Consolidated operating cash flow continued to be positive in the latest quarter, growing by 71.0 percent to \$149.7 million quarter over quarter. The investment portfolio reflects a current allocation of approximately 86 percent in fixed-income investments and 14 percent in equities. As in the past, it continues to be fully exposed to real estate investments, mortgage-backed securities, derivatives, junk bonds, private placements or mortgage loans.

Common shareholders' equity was \$2.87 billion at March 31, 2002, compared to \$2.78 billion at December 31, 2001, and \$2.51 billion at March 31, 2001. Book value per share was \$23.90 at the end of March 2002, versus \$23.40 at year-end 2001 and \$21.25 at March 31, 2001. The latest quarter's change in book value reflects principally the retention of earnings in excess of dividend requirements, partially offset by a decrease in the value of bonds and stocks carried at market values.

**Conference Call Information**

Old Republic has scheduled a conference call at 2:00 p.m. Central Time today to discuss its first quarter 2002 performance and review ongoing trends. To access this call, log on to [www.oldrepublic.com](http://www.oldrepublic.com) 15 minutes before the call to download the necessary software. Replays will be available through this website for 30 days.

**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 has assets of approximately \$8.07 billion and capitalization of \$3.02 billion. Its current stock market valuation is approximately \$4.00 billion.

**Safe Harbor Statement**

Some of the statements made in this News Release and Company published reports, as well as oral statements 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. Such forward-looking statements involve known and unknown risks, estimates subject to changes in circumstances, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among other things, changes in (i) general economic and business conditions; (ii) interest rate changes; (iii) competition and the regulatory environment in which the Company operates; (iv) claims frequency and/or severity trends; (v) the number of new and renewal policy applications submitted by the Company's agents or produced directly by the Company's sales staff; and (vi) other factors noted from time to time in the Company's published reports and filings with the Securities and Exchange Commission.

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Old Republic International Corporation  
 FINANCIAL HIGHLIGHTS

	Quarters Ended		%
	March 31, 2002	2001	
<b>NET INCOME:</b>			
Total	\$95,554,720	\$83,967,525	12.0%
Per Share: Basic(a)	\$0.79	\$0.71	11.3%
Diluted	\$0.79	\$0.70	12.9%
Average number of common and equivalent shares outstanding			
Basic	120,226,110	118,536,809	
Diluted	121,323,388	120,150,401	
<b>COMPOSITION OF EARNINGS PER SHARE:</b>			
<b>Basic Earnings:</b>			
Net income, before items below	\$0.74	\$0.63	17.5%
Realized investment gains	0.05	0.08	
Net income	\$0.79	\$0.71	11.3%
<b>Diluted Earnings:</b>			
Net income, before items below	\$0.74	\$0.62	19.4%
Realized investment gains	0.05	0.08	
Net income	\$0.79	\$0.70	12.9%
<b>BOOK VALUE PER SHARE (End of period)(b):</b>			
As Reported	\$23.90	\$21.25	12.5%
Amortized Cost Basis of Fixed Maturity Securities	\$23.67	\$20.98	12.8%
<b>SEGMENT INFORMATION (\$ in Millions):</b>			
<b>Operating Revenues:</b>			
General	\$316.3	\$281.1	12.5%
Mortgage Guaranty	133.4	105.4	7.4%
Title	182.2	129.4	40.8%
Life & Health	16.6	16.3	2.1%
Other	0.5	0.6	
Consolidated Operating Revenues	\$629.3	\$529.9	18.1%
Realized Investment Gains	9.7	14.6	-33.3%
Total Revenues	\$639.0	\$544.5	16.7%
<b>Pretax Operating Income (Loss):</b>			
General	\$40.1	\$35.2	14.0%
Mortgage Guaranty	70.3	61.5	14.5%
Title	20.1	10.9	83.1%
Life & Health	1.6	1.5	3.8%
Other	(1.9)	(3.2)	
Total	\$130.3	\$106.0	23.0%
Realized Investment Gains	9.7	14.6	-33.3%
Revenues, Net of Expenses	\$40.1	\$120.6	16.0%
Income Taxes	44.5	37.6	18.1%
Net Income	\$95.5	\$83.9	13.8%
<b>Underwriting Ratios:</b>			
General (Statutory)	100.1%	103.4%	
Mortgage Guaranty (GAAP)	41.0%	40.6%	
Title (GAAP)	91.8%	95.8%	

(a) Basic earnings per share are calculated after deduction of applicable preferred dividend requirements of \$667 and \$11,118 for the quarters ended March 31, 2002 and 2001, respectively.  
 (b) "As Reported" in financial statements with certain fixed maturity securities carried at market value; the "Amortized Cost" book value calculation includes all such securities at their currently amortized original cost.

Old Republic International Corporation  
 SUMMARY OF SEGMENT INFORMATION  
 (\$ in Millions)

Segment	Net Premiums & Fees		Investment	Other
	Written	Earned		
<b>Quarter Ended March 31, 2002</b>				
General	\$292.8	\$268.7	\$42.7	\$4.9
Mortgage	90.9	91.6	16.3	5.4
Title	176.5	176.5	5.5	0.1
Life	10.7	14.8	1.7	---
Other	---	---	0.5	---
Total	\$671.0	\$551.6	\$67.0	\$10.5
<b>Quarter Ended March 31, 2001</b>				
General	\$246.7	\$231.9	\$44.6	\$4.5
Mortgage	84.8	86.3	15.4	3.5
Title	123.6	123.6	5.6	0.1
Life	9.1	14.2	2.0	---
Other	---	---	0.6	---
Total	\$464.4	\$456.2	\$68.4	\$8.2
<b>Fiscal Year Ended March 31, 2002</b>				
General	\$1,124.6	\$1,037.0	\$173.8	\$19.3
Mortgage	360.1	358.4	64.2	21.3
Title	678.2	678.2	22.6	0.8
Life	48.0	51.2	7.3	0.1
Other	---	---	5.1	---
Total	\$2,211.1	\$2,124.9	\$273.3	\$41.7
<b>Fiscal Year Ended March 31, 2001</b>				
General	\$922.6	\$879.0	\$179.3	\$20.0
Mortgage	339.7	336.5	59.3	9.3
Title	506.2	506.2	23.7	0.5
Life	44.0	51.8	8.4	---
Other	---	---	3.8	(0.7)
Total	\$1,812.6	\$1,773.8	\$274.5	\$29.2

Old Republic International Corporation  
 SUMMARY OF SEGMENT INFORMATION  
 (\$ in Millions)

Segment	Operating Revenues	Benefits & Claims	Other Expenses	Pretax Operating Income	
				Total Expenses	(Loss)
<b>Quarter Ended March 31, 2002</b>					
General	\$316.3	\$197.1	\$79.0	\$276.2	\$40.1
Mortgage	313.4	11.4	31.6	43.0	70.3
Title	182.2	8.3	153.8	162.1	20.1
Life	16.6	8.0	6.9	14.9	1.6
Other	0.5	--	2.5	2.5	(1.9)
Total	\$629.3	\$224.9	\$273.9	\$498.9	\$130.3
<b>Quarter Ended March 31, 2001</b>					
General	\$281.1	\$172.9	\$72.9	\$245.9	\$35.2
Mortgage	105.4	16.4	27.5	43.9	61.5
Title	129.4	6.6	113.7	118.4	10.9
Life	16.3	7.7	7.0	14.7	1.5
Other	0.6	--	3.9	3.9	(8.2)
Total	\$532.9	\$201.7	\$225.1	\$426.9	\$106.0
<b>Fiscal Year Ended March 31, 2002</b>					
General	\$1,230.3	\$772.3	\$311.6	\$1,083.9	\$146.3
Mortgage	846.0	52.0	131.7	133.2	270.8
Title	701.7	28.7	589.1	617.9	83.8
Life	98.7	30.5	23.1	53.7	5.0
Other	5.1	--	32.6	32.6	(7.4)
Total	\$2,440.1	\$883.7	\$1,057.7	\$1,941.5	\$498.5
<b>Fiscal Year Ended March 31, 2001</b>					
General	\$1,078.4	\$669.7	\$278.3	\$948.1	\$130.3
Mortgage	405.1	48.3	107.7	156.1	248.9
Title	530.6	18.5	463.9	482.5	48.0
Life	60.3	27.9	26.3	54.3	5.9
Other	3.0	(0.2)	14.7	14.5	(11.4)
Total	\$2,077.5	\$764.5	\$891.1	\$1,655.6	\$421.8

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