



**Old Republic Reports Another Rise in Quarterly and Year-to-Date Operating Earnings**

October 25, 2001

CHICAGO, Oct. 25 /PRNewswire/ - Old Republic International Corporation (NYSE: ORI), reported improved earnings for this year's third quarter and first nine months. All of this growth was due to higher profits in each of the Company's major segments. The latest quarter's general insurance results continued to reflect better underwriting performance while life insurance operations benefited from strong mortgage refinancings and a reasonably good housing market. The Company's mortgage guaranty segment posted a smaller increase in year-over-year earnings for the latest quarter, though nine months results were up appreciably.

Net Income and Net Operating Income

Net income for this year's third quarter totaled \$82.4 million, or 69 cents per share, vs. \$80.0 million, or 67 cents per share, for the year-to-date quarter. Net operating income, which excludes realized investment gains or losses, was \$84.8 million, or 71 cents per share, compared to \$75.4 million, or 63 cents per share in the year-to-date period.

For the first nine months of 2001, net income was \$257.9 million, or \$2.14 per share, vs. \$204.8 million, or \$1.71 per share, for the first nine months of 2000. Net operating income for the first nine months of 2001 was \$245.3 million, or \$2.04 per share, compared to \$199.6 million, or \$1.66 per share, in the same year-to-date period of 2000.

Old Republic's mix of coverages, industries served, and long-standing objective of assuring wide dispersion of risks to selected geographical areas, have likely minimized claim exposures related to the September 11, 2001 terrorist attack on America. The income statements for the quarter and nine months ended September 30, 2001 nonetheless include precautionary charges aggregating \$4.0 million to cover the possibility of isolated property, workers' compensation, trip delay, and life insurance claims. Of this total, pretax claim provisions of \$3.0 million and \$1.0 million have been charged to the General and Life Insurance segments, respectively. Possible reinsurance recoveries contemplated in these reserve provisions are negligible. The resulting aggregate post tax charge of \$2.6 million reduced consolidated net income 2 cents per share for the third quarter and first nine months of 2001.

Realized investment gains or losses, a largely discretionary source of revenues and income affected by market timing and periodic changes in investment values, registered a pretax realized loss of \$2.4 million in this year's third quarter versus a pretax realized gain of \$7.1 million in the same quarter of 2000. Year-to-date, however, realized investment gains were nearly 2.5 times greater at \$20.6 million pretax when compared to a pretax gain of \$8.0 million posted in the nine months ended September 30, 2000.

Consolidated Revenues

Consolidated operating revenues for this year's third quarter amounted to \$602.0 million, compared to \$510.6 million in the same quarter of 2000. Net premiums and fees were \$524.4 million in the current year's third quarter vs. \$436.0 million in the same period one year ago. Consolidated net investment income of \$66.0 million for the third quarter of 2001 was flat when compared to the preceding year.

For the first nine months of 2001, consolidated operating revenues were \$1.71 billion, compared to \$1.50 billion for the first nine months of 2000. Net premiums and fees for the first three quarters of 2001 were \$1.48 billion compared to \$1.29 billion in the same year-to-date period. Consolidated net investment income for the year-to-date period in 2001 was \$205.1 million, up 1.0 percent when compared to the same period of 2000.

General Insurance Group

Old Republic's property and liability insurance business registered pretax operating income of \$36.1 million in this year's third quarter; this compares to \$29.7 million earned in the same period of 2000. Net premiums earned in the latest quarterly period rose by 21.9 percent to \$257.7 million, compared to \$211.3 million a year ago. The statutory composite underwriting ratio for this year's third quarter dropped to 100.3 percent from 105.2 percent in the same quarter one year ago.

For the first nine months of 2001, pretax operating income totaled \$107.7 million compared to \$80.3 million for the first nine months of 2000. Net premiums earned were \$734.2 million vs. \$632.1 million a year ago, for an increase of 16.2 percent; the composite underwriting ratio improved to 101.5 percent when compared to 107.2 percent in the same period last year.

Improved general insurance underwriting performance in this year's third quarter and year-to-date periods resulted largely from the beneficial effect of a continued rise in premium rates for most of the insurance coverages provided by this segment of the Company's business. While Old Republic expects a continuation of high claims severity as well as inflation-driven increases in the cost of medical care and repairs pertaining to most of its commercial insurance coverages, it believes that further strengthening of underwriting standards and premium rates should provide a greater offsetting benefit.

Mortgage Guaranty Group

Pretax mortgage guaranty operating income in the third quarter increased slightly to \$65.9 million from \$65.6 million in the same period one year ago. Net premiums earned in the quarter were \$86.9 million, up 4.9 percent from \$82.9 million in the year-to-date quarter. The composite underwriting ratio in the third quarter was 42.3 percent compared to 37.7 percent in the same quarter of 2000. The claims portion of this ratio compared favorably with that posted in the first two quarters of the current year, but was much higher than the unsustainably low claim ratio registered in last year's third quarter.

For the first nine months of 2001, pretax mortgage guaranty operating income totaled \$193.1 million vs. \$176.5 million in the first nine months of 2000, an increase of 9.4 percent. Net premiums earned totaled \$262.0 million, an increase of 6.9 percent from \$245.1 million earned in the same period of 2000. The composite underwriting ratio was quite stable at 44.1 percent when compared to the 44.3 percent recorded one year earlier.

For the third quarter and year-to-date periods of 2001, a high level of refinancing activity led to new insurance written growth of 78 percent and 66 percent, respectively. Year to date, direct primary insurance in force rose by nearly 7 percent to \$64.8 billion. Growing mortgage guaranty investment income in both the third quarter and first nine months of 2001 reflects a rising invested asset base driven by historically high levels of operating cash flow.

Title Insurance Group

The Company's Title Insurance Group posted a substantial increase in pretax operating income to \$21.3 million in the third quarter of 2001; this compares to \$13.9 million earned in the same period in 2000. Premium and fee revenues rose by 28.5 percent to \$166.5 million in this year's third quarter. For the first nine months of 2001, premium and fee revenues were up by 22.7 percent, while pretax operating income increased to \$62.8 million from \$30.4 million in the like period of 2000.

For each period of the current year, title insurance underwriting results were aided by a continuation of relatively low claim ratios accompanied by a drop in the ratio of production and operating costs.

Life and Health Group

Life and health operating revenues were \$15.1 million in this year's third quarter and \$44.4 million in the first nine months of the year. Pretax operating income was \$1.2 million in the third quarter and \$4.0 million in the first nine months of this year, both including the aforementioned \$1.0 million charge related to the events of September 11, 2001. These results compare to pretax operating income of \$1.5 million and \$3.7 million in the same respective periods of 2000.

Cash, Invested Assets and Equity

Cash and invested assets at September 30, 2001, totaled \$5.50 billion, or \$46.28 per share, vs. \$5.14 billion, or \$43.02 per share, at December 31, 2000, and \$4.97 billion, or \$42.20 per share, at September 30, 2000. Excluding the temporary benefit of \$34.7 million resulting from a recent modification in the federal income tax payment schedule, consolidated operating cash flow grew by 111.9 percent to \$144.4 million in this year's third quarter, and by 71.4 percent to \$359.9 million for the first nine months of 2001. Consolidated cash flow growth in the first nine months of 2001 resulted mostly from significant contributions by the Company's mortgage guaranty segment, while general and life insurance provided a greater boost to this element of the Company's business.

Old Republic investment portfolio reflects a current allocation of approximately 85 percent in fixed-income investments and 6 percent in equities. As in the past, it contains little or no exposure to real estate investments, mortgage-backed securities, derivatives, junk bonds, private placements or mortgage loans. During the current year, a higher commitment was made to equity securities that typically yield lower current income.

Common shareholders' equity was \$2.68 billion at September 30, 2001, versus \$2.43 billion at December 31, 2000, and \$2.32 billion at September 30, 2000. Book value per share was \$22.59 at the end of the third quarter of 2001, vs. \$20.62 at year-end 2000, and \$19.77 at September 30, 2000.

Conference Call Information

Old Republic has scheduled a conference call today at 2:00 p.m. Central Time to discuss its third quarter 2001 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 the Company

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 \$7.7 billion and capitalization of \$2.9 billion. Its current stock market valuation is approximately \$3.1 billion.

Safe Harbor Statement

Some of the statements made in this News Release, as well as statements made by the Company in periodic press releases, oral statements made by the Company's officials to analysts and shareholders in the course of presentations about the Company and 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 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 SEC.

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Old Republic International Corporation  
FINANCIAL HIGHLIGHTS

	Quarters Ended September 30,		% Change
	2001	2000	
<b>NET INCOME:</b>			
Total	\$82,450,856	\$80,097,782	2.9%
Per Share: Basic (a)	\$0.69	\$0.68	1.5%
Diluted	\$0.69	\$0.67	3.0%
Average number of common and equivalent shares outstanding			
Basic	118,928,107	117,788,947	
Diluted	120,260,624	119,262,876	
<b>COMPOSITION OF EARNINGS PER SHARE:</b>			
<b>Basic Earnings:</b>			
Net income, before items below	\$0.71	\$0.64	10.9%
Realized investment gains (losses)	(0.02)	0.04	
Net income	\$0.69	\$0.68	1.5%
<b>Diluted Earnings:</b>			
Net income, before items below	\$0.71	\$0.63	12.7%
Realized investment gains (losses)	(0.02)	0.04	
Net income	\$0.69	\$0.67	3.0%
<b>BOOK VALUE PER SHARE (End of period)(b):</b>			
As Reported			
Amortized Cost Basis of Fixed Maturity Securities			
<b>SEGMENT INFORMATION (\$ in Millions):</b>			
<b>Operating Revenues:</b>			
General	\$305.8	\$260.5	17.4%
Mortgage Guaranty	107.9	98.9	9.1%
Title	172.4	135.7	27.0%
Life & Health	15.1	14.2	6.3%
Other	0.6	1.0	
Consolidated Operating Revenues	602.0	510.6	17.9%
Realized Investment Gains (Losses)	(2.4)	7.1	
Total Revenues	\$599.5	\$517.8	15.8%
<b>Pre-Tax Operating Income (Loss):</b>			
General	\$36.1	\$29.7	21.5%
Mortgage Guaranty	65.9	65.6	0.4%
Title	21.3	13.9	52.6%
Life & Health	1.2	1.5	-16.4%
Other	(2.5)	(2.4)	
Total	122.1	108.4	12.6%
Realized Investment Gains (Losses)	(2.4)	7.1	
Revenues, Net of Expenses	119.6	115.6	3.5%
Income Taxes	38.2	36.1	5.7%
Net Income	\$82.4	\$80.0	2.9%
<b>Underwriting Ratios:</b>			
General (Statutory)	100.3%	105.2%	
Mortgage Guaranty (GAAP)	42.3%	37.7%	
Title (CRS)	90.8%	93.9%	

(a) Basic earnings per share are calculated after deduction of applicable

preferred dividend requirements of \$7,288 and \$29,524 for the quarter and nine months ended September 30, 2001, respectively, and \$31,943 and \$88,246 for the quarter and nine months ended September 30, 2000, 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  
FINANCIAL HIGHLIGHTS

	Nine Months Ended September 30,		% Change
	2001	2000	
<b>NET INCOME:</b>			
Total	\$257,980,101	\$204,880,310	25.9%

Per Share: Basic (a)	\$2.17	\$1.72	26.2%
Diluted	\$2.14	\$1.71	25.1%
Average number of common and equivalent shares outstanding			
Basic	118,917,122	119,224,170	
Diluted	120,336,152	120,004,117	
<b>COMPOSITION OF EARNINGS PER SHARE:</b>			
<b>Basic Earnings:</b>			
Net income, before items below	\$2.06	\$1.67	23.4%
Realized investment gains (Losses)	0.11	0.05	
Net income	\$2.17	\$1.72	26.2%
<b>Diluted Earnings:</b>			
Net income, before items below	\$2.04	\$1.66	22.9%
Realized investment gains (Losses)	0.10	0.05	
Net income	\$2.14	\$1.71	25.1%
<b>BOOK VALUE PER SHARE (End of periods)(b):</b>			
As Reported	\$22.59	\$19.77	14.3%
Amortized Cost Basis of Fixed Maturity Securities	\$22.09	\$19.84	11.3%
<b>SEGMENT INFORMATION (\$ in Millions) :</b>			
<b>Operating Revenues:</b>			
General	\$880.9	\$780.2	12.9%
Mortgage Guaranty	322.1	290.5	10.9%
Title	466.3	384.1	21.4%
Life & Health	44.4	47.3	-6.2%
Other	1.9	2.9	
Consolidated Operating Revenues	1,715.7	1,505.1	14.0%
Realized Investment Gains (Losses)	20.6	8.0	
Total Revenues	\$1,736.3	\$1,513.2	14.7%
<b>Pre-Tax Operating Income (Loss):</b>			
General	\$107.7	\$80.3	34.1%
Mortgage Guaranty	193.1	176.5	9.4%
Title	52.8	30.4	73.3%
Life & Health	4.0	3.7	10.0%
Other	(8.8)	(7.8)	
Total	348.9	283.2	23.2%
Realized Investment Gains (Losses)	20.6	8.0	
Revenues, Net of Expenses	369.5	291.3	26.8%
Income Taxes	113.9	88.2	29.1%
Net Income	\$257.9	\$204.8	25.9%
<b>Underwriting Ratios:</b>			
General (Statutory)	101.5%	107.2%	
Mortgage Guaranty (GMAP)	44.1%	44.3%	
Title (GMAP)	52.1%	56.8%	

(a) Basic earnings per share are calculated after deduction of applicable

preferred dividend requirements of \$7,288 and \$29,534 for the quarter and nine months ended September 30, 2001, respectively, and \$31,943 and \$88,246 for the quarter and nine months ended September 30, 2000, 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 Written	Net Investment Income Earned	Net Investment Income
<b>Quarter Ended September 30, 2001</b>			
General	\$294.1	\$257.7	\$43.8
Mortgage	88.8	86.9	15.9
Title	166.5	166.5	5.7
Life	14.3	13.2	1.8
Other	---	---	0.6
Total	\$563.8	\$524.4	\$68.0
<b>Quarter Ended September 30, 2000</b>			
General	\$229.4	\$211.3	\$44.6
Mortgage	83.0	82.9	14.1
Title	129.6	129.6	6.0
Life	11.6	12.1	2.1
Other	---	---	1.1
Total	\$453.7	\$436.0	\$68.0
<b>Nine Months Ended September 30, 2001</b>			
General	\$811.3	\$734.2	\$133.0
Mortgage	240.8	242.0	47.1
Title	448.6	448.6	17.1
Life	32.7	38.4	5.8
Other	---	---	1.9
Total	\$1,553.4	\$1,483.2	\$205.1
<b>Nine Months Ended September 30, 2000</b>			
General	\$653.9	\$632.1	\$134.5
Mortgage	245.6	245.1	40.4
Title	365.6	365.6	17.9
Life	31.7	40.8	6.3
Other	---	---	3.6
Total	\$1,297.0	\$1,283.7	\$203.0
<b>Fiscal Year Ended September 30, 2001</b>			
General	\$1,042.4	\$959.9	\$178.3
Mortgage	350.4	348.3	63.4
Title	\$770.0	\$770.0	23.1
Life	46.4	50.9	8.0
Other	---	---	3.0
Total	\$2,016.5	\$1,936.3	\$276.0
<b>Fiscal Year Ended September 30, 2000</b>			
General	\$864.1	\$849.6	\$179.6
Mortgage	321.9	321.5	52.8
Title	456.9	456.9	23.6
Life	48.4	54.7	8.5
Other	---	---	4.8
Total	\$1,731.4	\$1,722.8	\$269.5

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

Segment	Other Income	Operating Revenues	Benefits & Claims
<b>Quarter Ended September 30, 2001</b>			
General	\$4.1	\$305.8	\$193.0
Mortgage	5.0	107.9	13.4
Title	0.2	172.4	6.9
Life	---	15.1	8.6
Other	---	0.6	---
Total	\$9.5	\$602.0	\$222.1
<b>Quarter Ended September 30, 2000</b>			
General	\$4.5	\$260.5	\$162.5
Mortgage	1.9	98.9	7.1
Title	0.1	138.7	4.7
Life	---	14.2	6.4
Other	---	1.0	---
Total	\$6.4	\$510.6	\$180.8
<b>Nine Months Ended September 30, 2001</b>			
General	\$13.7	\$880.9	\$546.9
Mortgage	12.9	322.1	44.1
Title	0.6	466.3	18.0
Life	---	44.4	22.8
Other	---	1.9	---
Total	\$27.3	\$1,715.7	\$631.9
<b>Nine Months Ended September 30, 2000</b>			
General	\$13.5	\$780.2	\$494.8
Mortgage	4.9	290.5	36.7
Title	0.5	384.1	12.4
Life	---	47.3	22.2
Other	(0.7)	2.9	(0.5)
Total	\$18.2	\$1,505.1	\$565.9
<b>Fiscal Year Ended September 30, 2001</b>			
General	\$19.6	\$1,157.8	\$717.1
Mortgage	15.1	426.9	57.0
Title	0.6	600.8	22.9
Life	---	59.1	30.0
Other	(0.3)	2.7	---
Total	\$35.2	\$2,247.6	\$827.2
<b>Fiscal Year Ended September 30, 2000</b>			
General	\$17.5	\$1,046.8	\$686.1
Mortgage	6.5	380.9	53.2

Title	0.9	521.5	17.9
Life	---	63.3	28.0
Other	(0.9)	3.8	(0.5)
Total	\$24.1	\$2,016.5	\$784.9

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

Segment	Other Expenses	Total Expenses	Pre-Tax Operating Income (Loss)
<b>Quarter Ended September 30, 2001</b>			
General	\$76.6	\$269.6	\$36.1
Mortgage	28.5	42.0	65.9
Title	144.2	151.1	21.3
Life	5.2	13.9	1.2
Other	3.1	3.1	(2.5)
Total	\$257.7	\$479.9	\$122.1
<b>Quarter Ended September 30, 2000</b>			
General	\$68.2	\$230.8	\$29.7
Mortgage	26.1	33.3	65.6
Title	117.0	121.8	13.9
Life	6.3	12.7	1.5
Other	3.4	3.4	(2.4)
Total	\$221.3	\$402.1	\$108.4
<b>Nine Months Ended September 30, 2001</b>			
General	\$226.2	\$773.2	\$107.7
Mortgage	86.8	126.9	193.1
Title	395.3	413.4	52.8
Life	17.5	40.3	4.0
Other	10.8	10.8	(8.8)
Total	\$734.8	\$1,366.8	\$348.9
<b>Nine Months Ended September 30, 2000</b>			
General	\$205.0	\$699.8	\$80.3
Mortgage	77.2	113.9	176.5
Title	340.3	353.6	30.4
Life	21.3	43.6	3.7
Other	11.2	10.7	(7.8)
Total	\$655.8	\$1,221.8	\$283.2
<b>Fiscal Year Ended September 30, 2001</b>			
General	\$296.4	\$1,013.5	\$144.3
Mortgage	113.1	170.2	266.6
Title	515.2	538.2	62.6
Life	23.3	53.3	5.7
Other	15.7	13.7	(11.0)
Total	\$963.9	\$1,789.2	\$458.3
<b>Fiscal Year Ended September 30, 2000</b>			
General	\$276.3	\$962.5	\$84.2
Mortgage	104.2	157.4	221.4
Title	463.6	481.5	39.9
Life	26.5	54.6	8.6
Other	13.4	11.9	(9.0)
Total	\$884.3	\$1,665.2	\$347.3

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