



Old Republic Announces Higher First Quarter 2001 Results

April 26, 2001
CHICAGO, April 26 /PRNewswire/ -

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,		
	2001	2000	Change
Total Revenues	\$547.5	\$493.2	11.0%
Net Operating Income	\$74.4	\$54.7	36.0%
Net Income	\$83.9	\$55.3	51.7%
Diluted Earnings Per Share:			
Net Operating Income	\$0.62	\$0.45	37.8%
Net Income	\$0.70	\$0.46	52.2%

Citing continued improvement in its General Insurance business, Old Republic International Corporation, (NYSE: ORI), today announced that its net operating earnings grew by 37.8 percent per diluted share in this year's first quarter. The positive effect of the general insurance turnaround was accentuated by favorable year-over-year comparisons for Old Republic's mortgage guaranty and title insurance lines.

Net Income and Net Operating Income

Excluding realized investment gains and losses, consolidated net operating earnings amounted to \$74.4 million, or 62 cents per share, for the first quarter of 2001, versus \$54.7 million, or 45 cents per share, for the same period of 2000. Net income, which includes realized investment gains and losses, was \$83.9 million, or 70 cents per share, for the first three months of 2001, compared to \$55.3 million, or 46 cents per share, in last year's first quarter. Post-tax realized investment gains amounted to \$9.3 million in this year's first quarter compared to \$9.6 million in the same period of 2000.

Earnings per share statistics herein are stated on a diluted basis and reflect a decline in the number of average shares outstanding due to the Company's stock buy-back program that extended through the first half of 2000. The decline of almost one percent in average diluted shares outstanding in this year's first quarter was mostly the result of this program.

'Old Republic's first quarter improvement reflects much better performance by the Company's General Insurance lines, which benefited from continuing improvements in underwriting margins. Lower combined underwriting ratios and greater top line growth also enhanced earnings of the Company's two other major segments, Mortgage Guaranty and Title Insurance,' said A. C. Zucaro, Chairman and Chief Executive Officer.

Consolidated Revenues

Consolidated operating revenues in this year's first quarter totaled \$532.9 million, up 8.2 percent from \$492.3 million in the same quarter of 2000. Net premiums and fees were \$456.2 million in the latest quarter versus \$419.3 million in the year-ago period. Consolidated net investment income of \$68.4 million for the first quarter of 2001 was up slightly when compared to the preceding year due to a slightly higher invested asset base.

General Insurance Group

The Old Republic General Insurance Group, which consists of Old Republic's property and liability insurance subsidiaries, reported a 61.2 percent increase in pre-tax operating income to \$30.2 million for this year's first quarter compared to \$21.8 million during the same period in 2000. Net premiums earned in the first quarter of 2001 were \$231.0 million, up 10.1 percent from \$210.7 million a year ago. The statutory composite underwriting ratio for the most recent quarter dropped to a much more favorable 103.4 percent when compared to 110.8 percent registered in the same quarter one year earlier, and 108.0 percent for all of 2000. The Company believes these positive trends reflect the pricing and risk selection improvements it has been effecting for the past two years or so.

Mortgage Guaranty Group

The Company's Mortgage Guaranty Group continued to report greater underwriting and related service income. Pre-tax mortgage guaranty operating income for the first quarter of 2001 was \$61.5 million versus \$52.7 million in the same quarter of 2000, an increase of 16.7 percent. Net premiums earned in this year's first quarter were \$86.3 million, up 6.3 percent from \$81.2 million in the year-ago quarter. The composite underwriting ratio in the first three months of 2001 was 46.6 percent compared to 51.1 percent in the same quarter of 2000. Both claims and expense ratios were lower in the first three months of this year. A greater invested asset base in this segment produced an investment income contribution that was 18.1 percent higher in the latest quarter when compared to the same quarter of 2000.

Title Insurance Group

First quarter 2001 earnings of Old Republic's Title Insurance segment benefited from a rise in premium and fee revenues of almost 11 percent as a result of higher mortgage financing and refinancing activity. The composite underwriting ratio was 95.8 percent in the first quarter of 2001, down from 102.6 percent in the same period of 2000. The continuation of a relatively low loss ratio and a reduction in the operating expense ratio were jointly responsible for this improvement.

Life and Health Group

Earnings for the Company's Life and Health Group, its smallest segment, grew measurably in this year's first quarterly period. The improvement was largely due to better claims experience in Old Republic's Canadian travel accident book of business and ordinary life products.

Cash, Invested Assets and Shareholders' Equity

Cash and invested assets at March 31, 2001, totaled \$5.21 billion, or \$43.99 per share, compared to \$5.14 billion, or \$43.50 per share, at December 31, 2000, and \$4.85 billion, or \$40.99 per share, at March 31, 2000. Consolidated operating cash flow continued in a positive vein in the latest quarter. The investment portfolio reflects a current allocation of approximately 87 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.

Common shareholders' equity was \$2.61 billion at March 31, 2001, compared to \$2.43 billion at December 31, 2000, and \$2.18 billion at March 31, 2000. Book value per share was \$21.25 at the end of March 2001, versus \$20.42 at year-end 2000 and \$18.48 at March 31, 2000. The latest quarter's change in book value reflects principally the retention of earnings in excess of dividend requirements and an increase in the value of bonds and stocks carried at market values.

Conference Call Information

Old Republic has scheduled a conference call today at 2:00 p.m. Central Time to discuss its first quarter 2001 performance and review ongoing trends. To listen, log on to <http://www.streetevents.com> 15 minutes before the call to download the necessary software. Individual investors may listen to the call through CCBN's individual investor center at <http://www.companyboardroom.com>. Replays will be available through these websites.

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, title and life and health fields. One of the nation's 50 largest publicly owned insurance organizations, Old Republic has assets of approximately \$7.4 billion and capitalization of \$2.7 billion. Its current stock market capitalization is approximately \$3.3 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. For the latest news releases and other corporate documents on Old Republic International, free of charge via fax, simply dial 1-800-PRO-INFO, follow the voice mail menu prompts and enter the company's ticker symbol ORI on any touch-tone phone, or access FRB's web site at: <http://www.frbinc.com>.

Visit Old Republic at: <http://www.oldrepublic.com>

Old Republic International Corporation
FINANCIAL HIGHLIGHTS

	Quarters Ended March 31,			% Change
	2001	2000		
NET INCOME:				
Total	\$83,967,535	\$55,362,709	51.7%	
Per Share: Basic (a)	\$0.71	\$0.46	54.3%	
Diluted	\$0.70	\$0.46	52.2%	
Average number of common and equivalent shares outstanding:				
Basic	118,536,809	120,878,888		
Diluted	120,150,401	121,196,969		
COMPOSITION OF EARNINGS PER SHARE:				
Basic Earnings:				
Net income, before items below	\$0.62	\$0.45	40.0%	
Realized investment gains	0.08	0.01		
Net Income	\$0.71	\$0.46	54.3%	
Diluted Earnings:				
Net income, before items below	\$0.62	\$0.45	37.8%	
Realized investment gains	0.08	0.01		
Net Income	\$0.70	\$0.46	52.2%	
BOOK VALUE PER SHARE (End of period)(b):				
As Reported	\$21.25	\$18.48	15.0%	
Amortized Cost Basis of Fixed Maturity Securities	\$20.98	\$18.66	12.4%	
SEGMENT INFORMATION (\$ in Millions)				
Operating Revenues:				
General	\$281.1	\$259.8	8.2%	
Mortgage Guaranty	105.4	95.7	10.1%	
Title	129.4	117.5	10.1%	
Life & Health	16.3	18.0	-9.6%	
Other	0.6	1.2		
Consolidated Operating Revenues	\$52.9	\$49.3	8.2%	
Realized Investment Gains	14.6	0.9		
Total Revenues	\$547.5	\$493.2	11.0%	
Pre-Tax Operating Income (Loss):				
General	\$35.2	\$21.8	61.2%	
Mortgage Guaranty	61.5	\$2.7	16.7%	
Title	10.9	3.2	242.3%	
Life & Health	1.5	0.9	61.7%	
Other	(3.2)	(1.8)		
Total	106.0	76.8	38.0%	
Realized Investment Gains	14.6	0.9		
Revenues, Net of Expenses	120.6	77.7	55.1%	
Income Taxes	37.6	23.0	63.3%	
Net Income	\$83.9	\$55.3	51.7%	
Underwriting Ratios:				
General (Statutory)	103.4%	110.8%		
Mortgage Guaranty (GAAP)	46.6%	51.1%		
Title (GAAP)	95.8%	102.6%		

(a) Basic earnings per share are calculated after deduction of applicable preferred dividend requirements of \$11,118 and \$28,352 for the quarters ended March 31, 2001 and 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.

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SUMMARY OF SEGMENT INFORMATION
(\$ in Millions)

Quarter Ended March 31, 2001	Net Premiums & Fees		Net Investment Income
	Written	Earned	
General	\$246.7	\$231.9	\$44.6
Mortgage	84.8	86.3	15.4
Title	123.6	122.6	5.6
Life	9.1	14.2	2.0
Other	---	---	0.6
Total	\$464.4	\$456.2	\$68.4
Quarter Ended March 31, 2000			
General	\$209.2	\$210.7	\$45.0
Mortgage	80.6	81.2	13.1
Title	111.4	111.4	5.9

Life	10.4	15.8	2.1
Other	---	---	1.5
Total	\$411.8	\$419.3	\$67.8

Fiscal Year Ended March 31, 2001

General	\$922.6	\$879.0	\$179.3
Mortgage	339.7	336.5	59.1
Title	506.2	506.2	23.7
Life	41.0	51.8	3.4
Other	---	---	3.8
Total	\$1,812.6	\$1,773.8	\$274.5

Fiscal Year Ended March 31, 2000

General	\$852.8	\$850.2	\$181.5
Mortgage	306.3	305.9	47.7
Title	538.8	538.8	22.9
Life	54.3	52.6	8.7
Other	---	---	4.7
Total	\$1,752.3	\$1,747.5	\$265.7

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

	Other Income	Operating Revenues	Benefits & Claims
Quarter Ended March 31, 2001			
General	\$4.5	\$281.1	\$172.9
Mortgage	3.5	105.4	16.4
Title	0.1	129.4	4.4
Life	---	16.3	7.7
Other	---	0.6	---
Total	\$8.2	\$532.9	\$201.7

Quarter Ended March 31, 2000

General	\$4.0	\$259.8	\$168.2
Mortgage	1.3	95.7	17.6
Title	0.1	117.5	3.6
Life	---	38.0	9.2
Other	(0.3)	1.2	(0.2)
Total	\$5.1	\$492.3	\$198.6

Fiscal Year Ended March 31, 2001

General	\$20.0	\$1,078.4	\$669.7
Mortgage	9.3	405.1	48.3
Title	0.5	530.6	18.5
Life	---	60.3	27.9
Other	(0.7)	3.0	(0.2)
Total	\$29.2	\$2,077.5	\$764.5

Fiscal Year Ended March 31, 2000

General	\$17.1	\$1,048.9	\$714.4
Mortgage	8.1	361.7	62.7
Title	0.9	562.6	23.6
Life	---	61.4	30.5
Other	(1.2)	3.5	(0.5)
Total	\$25.1	\$2,038.4	\$830.6

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

	Other Expenses	Total Expenses	Pre-Tax Operating (Loss)
Quarter Ended March 31, 2001			
General	\$72.9	\$245.9	\$35.2
Mortgage	27.5	43.9	61.5
Title	113.7	118.4	10.9
Life	7.0	14.7	1.5
Other	3.9	3.9	(3.2)
Total	\$225.1	\$426.9	\$106.0

Quarter Ended March 31, 2000

General	\$69.7	\$237.9	\$21.8
Mortgage	25.3	43.0	52.7
Title	110.6	114.3	3.2
Life	7.7	37.0	0.9
Other	3.3	3.1	(1.8)
Total	\$216.9	\$429.4	\$76.8

Fiscal Year Ended March 31, 2001

General	\$278.3	\$948.1	\$130.3
Mortgage	107.7	156.1	248.9
Title	463.9	462.5	48.0
Life	26.3	54.3	5.9
Other	14.7	14.5	(11.4)
Total	\$889.1	\$1,655.6	\$421.8

Fiscal Year Ended March 31, 2000

General	\$278.2	\$992.7	\$56.2
Mortgage	108.8	171.5	190.2
Title	508.5	532.1	30.4
Life	27.2	57.7	3.6
Other	11.2	10.5	(6.9)
Total	\$934.0	\$1,764.7	\$273.6

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