



Old Republic's Second Quarter Earnings Growth Driven By Strong Gains in General Insurance; Net Income Enhanced By Special Tax Recovery

July 25, 2002

Consolidated Operating Earnings Reflect Continued Growth of Three Key Segments

Financial Highlights

(unaudited; amounts in millions except per-share data and

percentages; all per-share amounts are stated on a diluted basis)

	Quarters Ended June 30,			Six Months Ended June 30,		
	2002	2001	Change	2002	2001	Change
Total Revenues	\$657.9	\$589.2	11.7%	\$1,297.0	\$1,136.8	14.1%
Net Operating Income	\$104.6	\$86.0	21.6%	\$193.9	\$160.5	20.8%
Net Income	\$107.5	\$91.5	17.4%	\$203.0	\$175.5	15.7%
Diluted Earnings Per Share:						
Net Operating Income	\$0.86	\$0.71	21.1%	\$1.60	\$1.33	20.3%
Net Income	\$0.88	\$0.76	15.8%	\$1.67	\$1.46	14.4%

CHICAGO, July 25 /PRNewswire-Financial - Old Republic International Corporation's (NYSE:ORI), consolidated net operating income per share for this year's second quarter grew by 21.1 percent when compared to that posted in the same period of 2001. For the first half of 2002 net operating earnings per share grew by 20.3 percent.

Net Income and Net Operating Income

Net income for the second quarter of 2002 totaled \$107.5 million, or 88 cents per share, vs. \$91.5 million, or 76 cents per share, for the year-to-date quarter. Net operating income, which excludes realized investment gains or losses, was \$104.6 million, or 86 cents per share, compared to \$86.0 million, or 71 cents per share in the same quarter of 2001.

For this year's first half, net income was \$203.0 million, or \$1.67 per share, vs. \$175.5 million, or \$1.46 per share, for the first six months of 2001, while net operating income was \$193.9 million, or \$1.60 per share in 2002, compared to \$160.5 million, or \$1.33 per share in 2001.

Second quarter and first half 2002 tax expense was reduced and net earnings were enhanced by tax and related interest recoveries of \$10.9 million, or 9 cents per share, due to the favorable resolution of tax issues dating back to the Company's 1987 tax return.

"Consolidated results for the second quarter reflect the continuation of positive General Insurance underwriting trends, and further improvements in Mortgage Guaranty and Title Insurance income," said Ai Zucaro, Chairman and Chief Executive Officer.

Consolidated Revenues

Consolidated operating revenues in this year's second quarter totaled \$657.9 million, compared to \$589.2 million in the same quarter of 2001. Net premiums and fees were \$575.6 million in the second quarter vs. \$502.5 million in the year-to-date period. Consolidated net investment income was \$67.7 million for the second quarter of 2002, 1.2 percent lower when compared to the same period of the preceding year.

For the first half of 2002, consolidated operating revenues were \$1.29 billion compared to \$1.14 billion for the first six months of 2001. Net premiums and fees for the first six months of 2002 were \$1.12 billion compared to \$958.8 million in the same year-to-date period. Consolidated net investment income for this year's first half was \$134.8 million, down by 1.6 percent.

General Insurance Group

The Old Republic General Insurance Group, which markets and underwrites commercial property and liability insurance coverages, posted an increase of 24.2 percent in pretax operating income for this year's second quarter to \$45.1 million when compared to the same period in 2001. Net premiums earned in the second quarter of 2002 rose by 17.1 percent to \$286.3 million, compared to \$244.5 million a year ago. The statutory composite underwriting ratio for this year's second quarter was 98.7 percent vs. 101.2 percent in the same quarter one year ago.

For the first six months of 2002, General Insurance pretax operating income totaled \$85.3 million vs. \$71.5 million for the first six months of 2001, for an increase of 19.2 percent. Net premiums earned were \$555.1 million vs. \$476.5 million a year ago, and the composite underwriting ratio was 99.4 percent vs. 102.3 percent one year ago. The improved performance in 2002 periods stemmed from slightly lower claim and expense ratios.

Mortgage Guaranty Group

Old Republic's Mortgage Guaranty Group reported a further improvement in underwriting and related services income for the second quarter of 2002. Pretax mortgage guaranty operating income in the second quarter was \$71.5 million vs. \$65.6 million in the year-to-date quarter, an increase of 8.9 percent. Net premiums earned in the quarter were \$91.1 million, up 2.8 percent from \$88.6 million in the year-to-date quarter. The composite underwriting ratio in the second quarter benefited from a lower claim provision, and dropped to 39.6 percent compared to 42.4 percent in the same quarter of 2001.

For this year's first half, pretax mortgage guaranty operating income rose by 11.6 percent to \$141.9 million compared to \$127.2 million in the first six months of 2001. Net premiums earned totaled \$182.7 million, an increase of 4.4 percent from \$175.0 million earned in the first half of 2001. The composite underwriting ratio was 40.3 percent compared to 44.9 percent one year earlier. The improvement in the underwriting ratio for this year's first half also stemmed from lower claim provisions.

Title Insurance Group

The Old Republic Title Insurance Group posted slightly higher pretax operating income of \$21.3 million in the second quarter of 2002 from \$20.5 million a year earlier. Premium and fee revenues rose by 18.8 percent to \$188.3 million in this year's second quarter, while operating expenses reflected a similar 19.0 percent increase. Claim provisions were moderately higher quarter over quarter, as was the case in this year's first three months, and reflected mostly a higher premium volume.

For the first half of the year, premium and fee revenues increased by 29.3 percent to \$364.8 million vs. \$282.1 million in 2001. First half pretax operating income was \$41.5 million up 31.8 percent from \$31.5 million in the same period last year. Claim and expense ratio trends for this year's first half were affected by the same factor that applied to the year's second quarter.

Life and Health Group

Old Republic's life and health insurance operations, which represent approximately 2 percent of total revenues, benefited from higher travel accident profitability and lower term life claims experience in the second quarter and first six months of this year. Premium revenues declined slightly in this year's second quarter and first six months due to the lower net sales volume in certain specialty products.

Cash, Invested Assets and Shareholders' Equity

Cash and invested assets at June 30, 2002, totaled \$5.77 billion, or \$47.92 per share, vs. \$5.59 billion, or \$46.96 per share, at December 31, 2001, and \$5.29 billion, or \$44.84 per share, at June 30, 2001. Consolidated operating cash flow was positive at approximately \$100.0 million in the latest quarter and \$249.7 million for the first half of 2002. The investment portfolio reflects a current allocation of approximately 86 percent in fixed-income investments and 14 percent in equities. 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 \$2.97 billion at June 30, 2002, vs. \$2.78 billion at December 31, 2001, and \$2.59 billion at June 30, 2001. Book value per share was \$24.70 at the end of this year's second quarter, vs. \$23.40 at year-end 2001, and \$21.83 at June 30, 2001.

Conference Call Information

Old Republic has scheduled a conference call at 2:00 p.m. Central Time today to discuss its second quarter 2002 performance and review ongoing trends. To access this call, log on to 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, title and life and health insurance fields. One of the nation's 50 largest publicly owned insurance organizations, Old Republic has assets of approximately \$8.20 billion and capitalization of \$1.11 billion. Its current book market valuation is approximately \$3.15 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) claim 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		%
	June 30, 2002	2001	
NET INCOME:			
Total	\$107,517,961	\$91,561,710	17.4%
Per Share: Basic (a)	\$0.89	\$0.77	15.6%
Diluted	\$0.88	\$0.76	15.8%
Average number of common and equivalent shares outstanding:			
Basic	120,456,722	118,793,068	
Diluted	121,727,917	120,354,542	
COMPOSITION OF EARNINGS PER SHARE:			
Basic Earnings:			
Net income, before items below	\$0.87	\$0.72	20.8%
Realized investment gains	0.02	0.05	
Net income	\$0.89	\$0.77	15.6%
Diluted Earnings:			
Net income, before items below	\$0.86	\$0.71	21.1%
Realized investment gains	0.02	0.05	
Net income	\$0.88	\$0.76	15.8%

BOOK VALUE PER SHARE (End of

periods):

As Reported	
Amortized Cost Basis of Fixed Maturity Securities	

SEGMENT INFORMATION (\$ in Millions):

Operating Revenues:			
General	\$335.1	\$294.0	14.0%
Mortgage Guaranty	112.2	108.7	3.2%
Title	194.0	164.3	18.1%
Life & Health	11.4	12.9	-11.4%
Other	0.6	0.7	
Consolidated Operating Revenues	657.9	589.2	12.5%
Realized Investment Gains	4.4	8.4	-47.4%
Total Revenues	\$657.9	\$589.2	11.7%
Pretax Operating Income (Loss):			
General	\$45.1	\$36.3	24.2%
Mortgage Guaranty	71.5	65.6	8.9%
Title	21.3	20.5	4.3%
Life & Health	1.7	1.2	43.7%
Other	(2.4)	(3.0)	
Total	137.3	123.7	13.8%
Realized Investment Gains	4.4	8.4	-47.4%
Revenues, Net of Expenses	141.8	129.2	9.7%
Income Taxes	34.2	38.0	-9.9%
Net Income	\$107.5	\$91.5	17.4%
Underwriting Ratios:			
General (Statutory)	98.7%	101.2%	
Mortgage Guaranty (GAAP)	39.6%	42.4%	
Title (OMB)	91.7%	90.8%	

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

preferred dividend requirements of \$667 and \$1,334 for the quarter and six months ended June 30, 2002, respectively, and \$1,118 and \$22,236 for the quarter and six months ended June 30, 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
FINANCIAL HIGHLIGHTS**

	Six Months Ended		%
	June 30, 2002	2001	
NET INCOME:			

Total	\$203,072,681	\$175,529,245	15.7%
Per Share: Basic (a)	\$1.69	\$1.48	14.2%
Diluted	\$1.67	\$1.46	14.4%
Average number of common and equivalent shares outstanding			
Basic	120,431,510	118,774,400	
Diluted	121,557,490	120,309,880	
COMPOSITION OF EARNINGS PER SHARE:			
Basic Earnings:			
Net income, before items below	\$1.61	\$1.35	19.3%
Realized investment gains	0.08	0.13	
Net income	\$1.69	\$1.48	14.2%
Diluted Earnings:			
Net income, before items below	\$1.60	\$1.33	20.3%
Realized investment gains	0.07	0.13	
Net income	\$1.67	\$1.46	14.4%
BOOK VALUE PER SHARE (End of periods)(b):			
As Reported	\$24.70	\$21.83	13.1%
Amortized Cost Basis of Fixed Maturity Securities	\$24.16	\$21.68	11.4%
SEGMENT INFORMATION (\$ in Millions):			
Operating Revenues:			
General	\$651.5	\$575.1	13.3%
Mortgage Guaranty	225.6	214.1	5.4%
Title	376.3	293.8	28.1%
Life & Health	28.0	29.2	-3.9%
Other	1.2	1.3	
Consolidated Operating Revenues	1,282.8	1,113.7	15.2%
Realized Investment Gains	14.1	23.0	-38.5%
Total Revenues	\$1,297.0	\$1,136.8	14.1%
Pretax Operating Income (Loss):			
General	\$85.3	\$71.5	19.2%
Mortgage Guaranty	141.9	127.2	11.6%
Title	41.5	31.5	31.8%
Life & Health	3.3	2.7	21.1%
Other	(4.3)	(6.2)	
Total	267.7	228.7	18.1%
Realized Investment Gains	14.1	23.0	-38.5%
Revenues, Net of Expenses	281.9	249.8	12.8%
Income Taxes	78.7	75.7	4.1%
Net Income	\$203.0	\$175.5	15.7%
Underwriting Ratios:			
General (Statutory)	99.4%	102.3%	
Mortgage Guaranty (GMAP)	40.3%	44.9%	
Title (GMAP)	51.8%	93.0%	

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

preferred dividend requirements of \$467 and \$1,334 for the quarter and six months ended June 30, 2002, respectively, and \$1,118 and \$22,236 for the quarter and six months ended June 30, 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 Written	Net Earned	Net Investment Income
Quarter Ended June 30, 2002			
General	\$307.1	\$286.3	\$43.4
Mortgage	91.2	91.1	16.5
Title	189.3	189.3	15.6
Life	8.1	9.8	3.5
Other	---	---	0.6
Total	\$594.9	\$575.6	\$67.7
Quarter Ended June 30, 2001			
General	\$270.3	\$244.5	\$44.4
Mortgage	87.1	88.6	15.7
Title	158.4	158.4	5.6
Life	9.1	10.9	1.9
Other	---	---	0.7
Total	\$525.1	\$502.5	\$68.6
Six Months Ended June 30, 2002			
General	\$599.9	\$555.1	\$86.2
Mortgage	182.2	182.7	32.8
Title	364.8	364.8	11.1
Life	18.9	24.6	3.2
Other	---	---	1.2
Total	\$1,165.9	\$1,127.3	\$134.8
Six Months Ended June 30, 2001			
General	\$517.1	\$476.5	\$89.1
Mortgage	171.9	175.0	31.1
Title	282.1	282.1	11.3
Life	18.3	25.1	3.9
Other	---	---	1.3
Total	\$989.6	\$958.8	\$137.0
Fiscal Year Ended June 30, 2002			
General	\$1,161.3	\$1,078.9	\$172.8
Mortgage	364.3	360.9	65.0
Title	708.1	708.1	22.6
Life	47.0	50.1	6.9
Other	---	---	5.0
Total	\$2,280.8	\$2,198.1	\$272.9
Fiscal Year Ended June 30, 2001			
General	\$977.7	\$913.5	\$179.1
Mortgage	344.8	344.3	61.6
Title	540.1	540.1	23.4
Life	43.6	49.8	8.2
Other	---	---	3.5
Total	\$1,906.4	\$1,847.9	\$276.0

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

Segment	Other Income	Operating Revenues	Benefits & Claims
Quarter Ended June 30, 2002			
General	\$5.2	\$335.1	\$205.0
Mortgage	4.5	112.2	10.6
Title	0.1	194.0	9.1
Life	---	11.4	5.4
Other	---	0.6	---
Total	\$10.0	\$653.5	\$230.3
Quarter Ended June 30, 2001			
General	\$4.9	\$294.0	\$180.9
Mortgage	4.3	108.7	14.2
Title	0.2	164.3	6.4
Life	---	12.9	6.3
Other	---	0.7	---
Total	\$9.6	\$580.7	\$208.0
Six Months Ended June 30, 2002			
General	\$10.2	\$651.5	\$402.2
Mortgage	10.0	225.6	22.0
Title	0.3	376.3	17.4
Life	0.1	28.0	13.5
Other	---	1.2	---
Total	\$20.6	\$1,282.8	\$455.2
Six Months Ended June 30, 2001			
General	\$9.5	\$575.1	\$353.9
Mortgage	7.9	214.1	30.6
Title	0.3	293.8	11.1
Life	---	29.2	14.1
Other	---	1.3	---
Total	\$17.8	\$1,113.7	\$409.8
Fiscal Year Ended June 30, 2002			
General	\$19.6	\$1,271.4	\$796.3
Mortgage	21.5	447.5	48.4
Title	0.7	731.4	31.4
Life	0.1	57.2	29.6
Other	---	5.0	---
Total	\$42.1	\$2,512.8	\$905.9
Fiscal Year Ended June 30, 2001			
General	\$19.9	\$1,112.6	\$686.7
Mortgage	12.0	417.9	50.7
Title	0.5	564.1	20.7

Life	---	\$8.2	27.8
Other	(0.4)	3.1	---
Total	\$32.2	\$2,156.2	\$786.0

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

Segment	Other Expenses	Total Expenses	Pretax Operating Income (Loss)
Quarter Ended June 30, 2002			
General	\$84.9	\$290.0	\$45.1
Mortgage	30.0	40.7	71.5
Title	163.5	172.6	23.3
Life	4.2	9.6	1.7
Other	3.0	3.0	(2.4)
Total	\$285.6	\$516.1	\$137.3
Quarter Ended June 30, 2001			
General	\$76.6	\$257.6	\$36.3
Mortgage	28.7	43.0	65.6
Title	137.4	143.8	20.5
Life	5.2	11.6	1.2
Other	3.7	3.7	(3.0)
Total	\$251.6	\$499.7	\$120.7
Six Months Ended June 30, 2002			
General	\$164.0	\$566.2	\$85.3
Mortgage	61.7	83.7	141.9
Title	317.3	334.8	41.5
Life	11.1	24.6	3.3
Other	5.5	5.5	(4.3)
Total	\$559.6	\$1,015.0	\$267.7
Six Months Ended June 30, 2001			
General	\$149.6	\$503.5	\$71.5
Mortgage	56.2	86.9	127.2
Title	251.1	262.3	31.5
Life	12.3	26.4	2.7
Other	7.6	7.6	(6.2)
Total	\$477.0	\$886.9	\$226.7
Fiscal Year Ended June 30, 2002			
General	\$319.9	\$1,116.3	\$155.1
Mortgage	122.5	170.9	276.6
Title	615.2	646.7	84.6
Life	22.0	51.7	5.5
Other	11.9	11.9	(6.8)
Total	\$1,091.7	\$1,997.6	\$515.2
Fiscal Year Ended June 30, 2001			
General	\$287.9	\$974.7	\$137.9
Mortgage	110.8	161.5	256.4
Title	488.1	509.8	59.3
Life	24.4	52.2	6.0
Other	14.1	14.1	(10.9)
Total	\$925.3	\$1,711.5	\$444.7

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