



Old Republic Reports Continued Growth in Operating Earnings For 2002 Fourth Quarter And Year

January 28, 2003

Financial Highlights
(unaudited; amounts in millions except per-share data and percentages; all per-share amounts are stated on a diluted basis)

	Quarters Ended December 31, 2002	2001	Change	2002	2001	Change
Total Revenues	\$758.3	\$637.0	19.0%	\$2,756.4	\$2,373.4	16.1%
Net Operating Income	\$91.5	\$85.3	7.2%	\$383.8	\$330.7	16.1%
Net Income	\$93.5	\$88.9	5.1%	\$392.9	\$346.9	13.3%
Diluted Earnings Per Share:						
Net Operating Income	\$0.75	\$0.71	5.6%	\$3.16	\$2.75	14.9%
Net Income	\$0.77	\$0.74	4.1%	\$3.23	\$2.88	12.2%

CHICAGO, Jan. 28 (PRNewswire-FirstCall) -- Old Republic International Corporation (NYSE: ORI), today reported its highest ever fourth quarter and full year operating earnings. In 2002's final quarter most of the earnings progress stemmed from Old Republic's Title and General Insurance lines, while overall earnings growth for 2002 was aided by the combined strength of the Company's General, Title, and Mortgage Guaranty segments. The solid results achieved by Old Republic's consolidated operations demonstrated once again the value of a well balanced and diversified book of business, and of the very strong financial underpinnings that enable the Company to take advantage of market opportunities as they arise," said Al Zucaro, Chairman and CEO.

Net Operating Income and Net Income

Fourth quarter 2002 net operating income, which excludes realized investment gains and losses, was \$91.5 million, or 75 cents per share, versus \$85.3 million, or 71 cents per share in the year-ago period. Full year net operating income was \$383.8 million, or \$3.16 per share in 2002, compared to \$330.7 million, or \$2.75 per share in 2001.

Net income for the fourth quarter of 2002 totaled \$93.5 million, or 77 cents per share, compared to \$88.9 million, or 74 cents per share, for the year-ago quarter. Net income rose to \$392.9 million for all of 2002, or \$3.23 per share, versus \$346.9 million, or \$2.88 per share, for 2001.

Substantially all of the growth in 2002 net operating income stemmed from greater underwriting and service income in Old Republic's three largest segments. Falling investment yields during the past twenty-four months in particular offset the benefits of strong operating cash flows on the invested asset base and resulted in relatively flat investment income trends. Lower net gains from dispositions and permanent reductions in the value of equity and fixed maturity security holdings restrained net income growth rates in both the final quarter and full year 2002 vis-a-vis 2001.

As noted above, fourth quarter 2002 results were penalized by certain mortgage guaranty segment special pretax charges of \$15.7 million that reduced consolidated net operating and net income by \$10.7 million, or 9 cents per share. For the year 2002, these special charges to mortgage guaranty operations aggregated \$20.5 million, or \$13.8 million after tax; these were substantially offset by tax and related interest recoveries of \$10.9 million received by Old Republic's General Insurance segment in the second quarter of the year. The net effect of all such charges and credits was to reduce the Corporation's 2002 consolidated net operating and net income by approximately \$2.9 million, or 2 cents per share.

Consolidated Revenues

Consolidated operating revenues in the fourth quarter of 2002 grew by 20.3 percent to \$758.3 million from \$627.9 million in the same quarter of 2001. Net premiums and fees amounted to \$673.2 million in 2002's final quarter versus \$466.2 million in the same year-ago period. Consolidated net investment income of \$68.9 million for the fourth quarter of 2002 was basically flat with the same period of 2001.

For all of 2002, consolidated operating revenues rose by 17.0 percent to \$2.74 billion when compared to the \$2.34 billion registered in the preceding year. Net premiums and fees for 2002 rose to \$2.42 billion, up 19.4 percent when compared to \$2.02 billion posted in 2001. Consolidated net investment income for 2002 was \$272.6 million, basically level with the amount earned in the preceding year. For both the fourth quarter and full year of 2002, consolidated revenue growth emanated mostly from Old Republic's General and Title Insurance segments.

General Insurance Group

Old Republic's property and liability insurance business, representing approximately 50 percent of total revenues, posted a further improvement in underwriting performance for 2002 as a whole. Net premiums earned in the fourth quarter of 2002 rose by 22.4 percent to \$325.5 million when compared to \$266.0 million for the preceding year. The composite underwriting ratio of claim costs and expenses to premiums for the year's final quarter was 98.6 percent versus 103.4 percent in the same quarter of 2001, and 99.1 percent for the first nine months of 2002.

For all of 2002, general insurance pretax operating income increased by 28.8 percent to \$182.1 million when compared to the \$141.4 million posted in 2001. Net premiums earned once again exceeded the billion-dollar mark growing by 18.4 percent to \$1.18 billion in 2002 from \$1.00 billion in 2001. The composite underwriting ratio declined by 3.6 percentage points to 98.4 percent in 2002 from 102.0 percent in 2001.

The Company's General Insurance underwriting performance for 2002 met our expectations. The very focused businesses we run through our Bituminous and Great West carriers, as well as the specialty risk management, aviation, executive protection, fidelity and surety, credit guaranty and home and auto warranty operations we conduct under the Old Republic banner, performed admirably in the context of largely favorable market conditions. In the second half of 2002, in particular, our Canadian truck insurance and Texas-based Employers General operations also made a positive contribution to overall results through improved underwriting performance. The very good General Insurance results posted for 2002 are a reflection of our commitment to the achievement of underwriting profitability through disciplined pricing and risk selection," said Zucaro.

Mortgage Guaranty Group

Old Republic Mortgage Guaranty Group posted greater income from underwriting and related services for the year ended December 31, 2002, when compared to 2001. Pretax mortgage guaranty operating income was \$55.0 million in the fourth quarter of 2002, versus \$68.8 million in the same period one year ago, a decrease of 20.1 percent caused by the posting of certain special operating charges. Net premiums earned in the latest quarter were \$97.6 million, up 7.1 percent from \$91.1 million in the year-ago quarter. The composite underwriting ratio in the fourth quarter was higher due to a rise in claim costs and the inclusion of the special charges noted below, and reached 60.6 percent (or 44.5 percent without the special charges) versus 42.1 percent in the same quarter of 2001.

For all of 2002, pretax mortgage guaranty operating income totaled \$267.7 million compared to \$261.9 million in 2001 an increase of 2.2 percent. Net premiums earned totaled \$376.2 million, an increase of 6.5 percent from \$353.1 million earned in all of 2001. The composite underwriting ratio, inclusive of the special charges noted below, was moderately higher at 46.4 percent (or 40.9 percent without the special charges) in 2002, compared to 43.6 percent a year earlier.

The generally positive performance of Old Republic's Mortgage Guaranty segment for 2002 was mostly the result of record-high new insurance written and slightly lower claim ratios. 2002 operating earnings would have reflected better comparisons were it not for the posting of certain special operating charges. In the fourth quarter of 2002, the Mortgage Guaranty Group ceased the development and marketing of a loan portfolio evaluation service aimed at existing and potential mortgage guaranty insurance customers and re-evaluated certain class action litigation exposures in the light of late emerging developments. As a result, fourth quarter 2002 operations were penalized an aggregate pretax amount of \$15.7 million to cover the loan portfolio evaluation service development and related costs, and the re-evaluation of the class action litigation exposure. In the third quarter of 2002, pretax charges of \$4.8 million were recorded by this segment to cover estimated additional costs of such class action litigation.

Title Insurance Group

Pretax operating income of Old Republic's Title Insurance segment rose 34.3 percent to \$29.3 million in the fourth quarter of 2002 from \$21.8 million earned in the same period of 2001. Net premiums and fees grew by 36.4 percent to \$29.3 million in 2002's fourth quarter, and for the entire year they were up by 30.1 percent. Pretax operating income rose by 31.0 percent to a new high of \$97.8 million in calendar year 2002 from \$74.6 million in 2001.

Throughout 2002, Title Insurance results were enhanced by strong revenue growth driven by a surge in refinancing activity, a strong market for new home purchases, the continuation of relatively low claim experience, and a further drop in the expense ratio.

Life and Health Group

Old Republic's smallest segment, focused on a limited number of life and health insurance offerings, posted basically level earned premiums for the year that declined slightly in the final quarter of 2002. Pretax income, however, was higher in both periods principally due to lower claim costs for most of the coverages underwritten.

Cash, Invested Assets and Shareholders' Equity

Cash and invested assets at December 31, 2002, rose by 10.8 percent to \$6.16 billion, or \$61.15 per share, versus \$5.58 billion, or \$46.96 per share, at December 31, 2001. Consolidated operating cash flow was positive at approximately \$219.7 million in the latest quarter, and reached a new high of \$671.2 million for 2002 as a whole. Comparable figures for the fourth quarter and full year 2001 were \$132.0 million and \$526.7 million, respectively. The increase in operating cash flow for 2002 was once again the result of greater contributions by the Company's three largest operating segments.

At year-end 2002, the investment portfolio reflected an allocation of approximately 86 percent to fixed-income investments and 8 percent to equities. It contains little if no exposure to real estate investments, mortgage-backed securities, derivatives, junk bonds, private placements or mortgage loans.

Common shareholders' equity rose by 13.4 percent to \$3.15 billion at December 31, 2002, from \$2.78 billion at December 31, 2001. Book value per share was \$26.17 at year-end 2002 versus \$23.40 at year-end 2001, an increase of 11.8 percent.

Conference Call Information

Old Republic has scheduled a conference call at 2:30 p.m. Central Time today to discuss its fourth 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, life and life and health insurance fields. One of the nation's 50 largest publicly owned insurance organizations, Old Republic has assets of approximately \$8.71 billion and capitalization of \$3.29 billion. Its current stock market valuation is approximately \$3.34 billion.

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

Old Republic International Corporation
FINANCIAL HIGHLIGHTS

	Quarters Ended December 31, 2002	2001	% Change
NET INCOME:			
Total	\$93,548,209	\$88,991,870	5.1%
Per Share: Basic (a)	\$0.78	\$0.75	4.0%
Diluted	\$0.77	\$0.74	4.1%
Average number of common and equivalent shares outstanding:			
Basic	120,594,089	118,972,130	
Diluted	121,453,865	120,265,463	
COMPOSITION OF EARNINGS PER SHARE:			
Basic Earnings:			
Net income, before items below	\$0.76	\$0.72	5.6%
Realized investment gains	0.02	0.03	
Net income	\$0.78	\$0.75	4.0%
Diluted Earnings:			
Net income, before items below	\$0.75	\$0.71	5.6%
Realized investment gains	0.02	0.03	
Net income	\$0.77	\$0.74	4.1%

BOOK VALUE PER SHARE (End of periods):

As Reported	
Amortized Cost Basis of Fixed Maturity Securities	

SEGMENT INFORMATION (\$ in Millions):

Operating Revenues:			
General	\$373.3	\$314.1	18.9%
Mortgage Guaranty	122.2	113.9	7.3%
Title	245.1	182.6	34.2%
Life & Health	12.5	14.0	-10.6%
Other	2.0	3.2	
Consolidated Operating Revenues	755.3	627.9	20.3%
Realized Investment Gains	3.0	9.3	-66.4%
Total Revenues	\$758.3	\$637.0	19.0%
Pretax Operating Income (Loss):			
General	\$50.0	\$33.7	48.5%
Mortgage Guaranty	55.0	68.8	-20.1%
Title	29.3	21.8	34.3%
Life & Health	1.7	0.9	85.0%
Other	(1.8)	--	
Total	134.2	125.3	7.2%
Realized Investment Gains	3.0	9.3	-66.4%
Revenues, Net of Expenses	137.3	134.4	2.2%
Income Taxes	43.7	46.7	-4.4%
Net Income	\$93.5	\$88.9	5.1%

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

preferred dividend requirements of \$667 and \$1,668 for the quarter and year ended December 31, 2002, respectively, and \$7,287 and \$36,811 for the quarter and year ended December 31, 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

	Years Ended		Change
	2002	2001	
NET INCOME:			
Total	\$392,979,191	\$346,971,971	13.2%
Per Share: Basic (a)	\$3.26	\$2.92	11.6%
Diluted	\$3.23	\$2.88	12.2%
Average number of common and equivalent shares outstanding			
Basic	120,575,550	118,957,511	
Diluted	121,548,877	120,327,906	
COMPOSITION OF EARNINGS PER SHARE:			
Basic Earnings:			
Net income, before items below	\$3.18	\$2.78	14.4%
Realized investment gains	0.08	0.14	
Net income	\$3.26	\$2.92	11.6%
Diluted Earnings:			
Net income, before items below	\$3.16	\$2.75	14.9%
Realized investment gains	0.07	0.13	
Net income	\$3.23	\$2.88	12.2%
BOOK VALUE PER SHARE (End of periods)(b):			
As Reported	\$26.17	\$23.40	11.8%
Amortized Cost Basis of Fixed Maturity Securities	\$25.18	\$22.99	9.5%
SEGMENT INFORMATION (\$ in Millions):			
Operating Revenues:			
General	\$1,376.6	\$1,195.0	15.2%
Mortgage Guaranty	467.1	436.0	7.1%
Title	836.5	648.9	28.9%
Life & Health	\$7.0	\$8.4	-2.3%
Other	5.0	5.2	
Consolidated Operating Revenues	2,742.4	2,343.7	17.0%
Realized Investment Gains	13.9	29.7	-53.0%
Total Revenues	\$2,756.4	\$2,373.4	16.1%
Pretax Operating Income (Loss):			
General	\$182.1	\$141.4	28.8%
Mortgage Guaranty	257.7	261.9	2.2%
Title	97.8	74.6	31.0%
Life & Health	6.4	4.9	29.0%
Other	(7.1)	(8.8)	
Total	\$44.9	\$47.2	15.3%
Realized Investment Gains	13.9	29.7	-53.0%
Revenues, Net of Expenses	540.9	503.9	11.3%
Income Taxes	167.7	159.7	5.0%
Net Income	\$382.9	\$346.9	13.3%

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

preferred dividend requirements of \$667 and \$2,668 for the quarter and year ended December 31, 2002, respectively, and \$7,287 and \$36,811 for the quarter and year ended December 31, 2001, respectively.

(b) "As Reported" in financial statements with certain fixed maturity

securities carried at market values; 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 Earned		Net Investment Income		Other Income	Operating Revenues	Benefits & Claims
	2002	2001	2002	2001			
Quarter Ended December 31, 2002							
General	\$325.5	\$43.0	\$4.7	\$373.3	\$229.6		
Mortgage	97.6	16.5	8.0	122.2	17.8		
Title	239.3	5.7	0.1	245.1	12.9		
Life	10.7	1.6	---	12.5	6.0		
Other	---	1.9	---	2.0	---		
Consolidated	\$673.2	\$68.9	\$13.0	\$755.3	\$266.5		
Quarter Ended December 31, 2001							
General	\$266.0	\$42.7	\$5.2	\$314.1	\$201.1		
Mortgage	91.1	16.2	6.5	113.9	12.8		
Title	176.7	5.6	0.2	182.6	7.0		
Life	12.2	1.7	---	14.0	7.4		
Other	---	3.2	---	3.2	---		
Consolidated	\$546.2	\$68.6	\$11.0	\$627.9	\$228.5		
Year Ended December 31, 2002							
General	\$1,184.1	\$172.5	\$19.9	\$1,376.6	\$852.1		
Mortgage	376.2	65.8	24.9	467.1	52.9		
Title	813.4	22.5	0.5	836.5	40.7		
Life	50.1	6.7	0.2	57.0	29.0		
Other	---	5.0	---	5.0	---		
Consolidated	\$2,423.9	\$272.6	\$45.8	\$2,742.4	\$974.8		
Year Ended December 31, 2001							
General	\$1,000.2	\$175.7	\$18.9	\$1,195.0	\$748.0		
Mortgage	353.1	63.3	19.4	436.0	57.0		
Title	626.3	22.7	0.8	648.9	25.1		
Life	50.6	7.6	0.1	58.4	30.2		
Other	---	5.2	---	5.2	---		
Consolidated	\$2,029.5	\$274.7	\$39.4	\$2,343.7	\$860.5		

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

Segment	Sales & Other Expenses		Pretax Operating Income (Loss)		Composite Underwriting Ratio
	2002	2001	2002	2001	
Quarter Ended December 31, 2002					
General	\$93.5	\$323.2	\$50.0	\$6.8	96.8%
Mortgage	49.4	67.2	55.0	60.6%	
Title	202.8	215.8	29.3	90.1%	
Life	4.7	10.8	1.7	99.8%	
Other	3.8	3.8	(1.8)	---	
Consolidated	\$354.5	\$621.0	\$134.2	89.8%	
Quarter Ended December 31, 2001					
General	\$79.2	\$280.3	\$33.7	103.4%	
Mortgage	32.2	45.1	68.8	42.1%	
Title	153.7	160.7	21.8	90.5%	
Life	5.6	13.1	0.9	106.8%	
Other	3.2	3.2	---	---	
Consolidated	\$274.0	\$502.6	\$125.3	88.8%	
Year Ended December 31, 2002					
General	\$342.4	\$1,194.5	\$182.1	98.4%	
Mortgage	146.4	199.3	267.7	46.4%	
Title	637.9	738.7	97.8	90.8%	
Life	21.5	50.6	6.4	100.5%	
Other	12.2	12.2	(7.1)	---	
Consolidated	\$1,220.6	\$2,195.4	\$546.9	88.1%	
Year Ended December 31, 2001					
General	\$305.4	\$1,053.5	\$141.4	102.0%	
Mortgage	117.1	174.1	261.9	43.6%	
Title	549.1	574.2	74.6	91.2%	
Life	23.1	53.4	4.9	105.1%	
Other	14.0	14.0	(8.8)	---	
Consolidated	\$1,008.9	\$1,869.5	\$474.2	88.9%	

SOURCE Old Republic International Corporation