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# OLD REPUBLIC INTERNATIONAL CORPORATION

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## FINANCIAL SUPPLEMENT As of September 30, 2010

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The information included in this Financial Supplement is unaudited; amounts are presented in millions except per share data and percentages.



**Old Republic International Corporation**  
**Financial Supplement - Third Quarter 2010**

**General Insurance Operating Statistics**

	2008		2009				2010			
	Year-to-Date	Q1	Q2	Q3	Q4	Year-to-Date	Q1	Q2	Q3	Year-to-Date
<b>Underwriting Performance:</b>										
<b>All Lines Combined</b>										
Net Premiums Earned.....	\$ 1,989.3	\$ 457.3	\$ 440.7	\$ 446.7	\$ 437.6	\$ 1,782.5	\$ 411.8	\$ 401.0	\$ 435.0	\$ 1,247.9
Benefits and Claim Ratio .....	73.0%	74.8%	75.9%	77.5%	77.1%	76.3%	70.6%	79.4%	81.2%	77.1%
Expense Ratio.....	24.2	25.6	26.8	25.8	25.0	25.8	26.7	27.8	26.1	26.9
Composite Ratio .....	<u>97.2%</u>	<u>100.4%</u>	<u>102.7%</u>	<u>103.3%</u>	<u>102.1%</u>	<u>102.1%</u>	<u>97.3%</u>	<u>107.2%</u>	<u>107.3%</u>	<u>104.0%</u>
Paid Loss Ratio.....	<u>69.9%</u>	<u>77.1%</u>	<u>74.1%</u>	<u>73.6%</u>	<u>77.0%</u>	<u>75.5%</u>	<u>69.3%</u>	<u>83.7%</u>	<u>88.4%</u>	<u>80.6%</u>
<b>Experience by Major Coverage:</b>										
<b>Commercial Automobile (Trucking)</b>										
Net Premiums Earned.....	\$ 694.5	\$ 159.4	\$ 161.1	\$ 164.6	\$ 167.6	\$ 652.8	\$ 159.2	\$ 168.1	\$ 171.6	\$ 499.1
Benefits and Claim Ratio.....	76.1%	74.9%	69.2%	72.2%	69.4%	71.5%	76.5%	70.9%	71.1%	72.8%
<b>Workers' Compensation</b>										
Net Premiums Earned.....	\$ 418.4	\$ 101.9	\$ 95.5	\$ 99.5	\$ 90.3	\$ 387.3	\$ 92.7	\$ 78.7	\$ 88.5	\$ 260.0
Benefits and Claim Ratio.....	69.4%	69.6%	76.5%	68.5%	86.0%	74.9%	72.2%	75.9%	66.2%	71.2%
<b>General Liability</b>										
Net Premiums Earned.....	\$ 150.2	\$ 38.3	\$ 35.9	\$ 36.6	\$ 32.2	\$ 143.2	\$ 28.9	\$ 28.7	\$ 29.5	\$ 87.2
Benefits and Claim Ratio.....	64.4%	59.2%	61.7%	76.5%	65.1%	65.6%	52.4%	59.1%	74.4%	62.1%
<b>Three Above Coverages Combined</b>										
Net Premiums Earned.....	\$ 1,263.2	\$ 299.7	\$ 292.6	\$ 300.8	\$ 290.3	\$ 1,183.5	\$ 280.9	\$ 275.6	\$ 289.7	\$ 846.3
Benefits and Claim Ratio.....	72.5%	71.0%	70.7%	71.6%	74.1%	71.9%	72.6%	71.1%	69.9%	71.2%
<b>Financial Indemnity(1)</b>										
Net Premiums Earned.....	\$ 319.7	\$ 65.7	\$ 57.8	\$ 57.0	\$ 60.9	\$ 241.5	\$ 46.6	\$ 40.2	\$ 59.6	\$ 146.5
Benefits and Claim Ratio.....	95.0%	120.0%	120.3%	116.7%	114.3%	117.8%	85.4%	160.4%	149.0%	131.9%
<b>Property(2)</b>										
Net Premiums Earned.....	\$ 192.9	\$ 43.7	\$ 42.4	\$ 42.1	\$ 40.5	\$ 168.8	\$ 38.4	\$ 38.8	\$ 38.4	\$ 115.7
Benefits and Claim Ratio.....	60.5%	57.8%	64.3%	70.0%	59.9%	63.0%	49.7%	63.0%	69.8%	60.9%
<b>Other Coverages(3)</b>										
Net Premiums Earned.....	\$ 215.8	\$ 43.3	\$ 52.3	\$ 52.7	\$ 43.8	\$ 192.3	\$ 39.1	\$ 51.2	\$ 48.9	\$ 139.3
Benefits and Claim Ratio.....	53.9%	58.2%	58.0%	63.6%	60.2%	60.1%	71.6%	63.7%	66.1%	66.8%

(1) Includes Fidelity and Surety, Consumer Credit Indemnity, Executive Indemnity (E&O/D&O), and Guaranteed Asset Protection (GAP) coverages.

(2) Includes Commercial Multi-Peril and Inland Marine coverages.

(3) Includes Home and Auto Warranty, Aviation and Travel Accident coverages.



**Old Republic International Corporation**  
**Financial Supplement - Third Quarter 2010**

**Mortgage Guaranty Operating Statistics**

	2008		2009				2010			
	Year-to-Date	Q1	Q2	Q3	Q4	Year-to-Date	Q1	Q2	Q3	Year-to-Date
<b>New Insurance Written:</b>										
Traditional Primary .....	\$ 20,861.9	\$ 2,212.0	\$ 2,573.2	\$ 1,993.6	\$ 1,120.3	\$ 7,899.2	\$ 748.3	\$ 964.2	\$ 1,097.9	\$ 2,810.5
Bulk .....	3.5	-	-	-	-	-	-	-	-	-
Other .....	1,123.5	0.5	-	-	-	0.5	-	-	-	-
Total .....	<u>\$ 21,989.0</u>	<u>\$ 2,212.6</u>	<u>\$ 2,573.2</u>	<u>\$ 1,993.6</u>	<u>\$ 1,120.3</u>	<u>\$ 7,899.8</u>	<u>\$ 748.3</u>	<u>\$ 964.2</u>	<u>\$ 1,097.9</u>	<u>\$ 2,810.5</u>
<b>New Risk Written:</b>										
Traditional Primary .....	\$ 4,815.0	\$ 468.4	\$ 542.8	\$ 428.1	\$ 242.3	\$ 1,681.7	\$ 168.2	\$ 232.4	\$ 258.7	\$ 659.4
Bulk .....	0.6	-	-	-	-	-	-	-	-	-
Other .....	11.8	-	-	-	-	-	-	-	-	-
Total .....	<u>\$ 4,827.5</u>	<u>\$ 468.4</u>	<u>\$ 542.8</u>	<u>\$ 428.1</u>	<u>\$ 242.3</u>	<u>\$ 1,681.7</u>	<u>\$ 168.2</u>	<u>\$ 232.4</u>	<u>\$ 258.7</u>	<u>\$ 659.4</u>
<b>New Risk Written – Traditional Primary</b>										
<b>By FICO Score:</b>										
FICO less than 620 .....	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FICO 620 to 680 .....	17.2	4.0	1.1	0.3	0.2	1.5	0.3	0.2	0.3	0.3
FICO greater than 680 .....	81.4	96.0	98.9	99.7	99.8	98.5	99.7	99.8	99.7	99.7
Total .....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<b>By Loan to Value:</b>										
LTV 85.0 and below .....	8.9%	11.2%	11.5%	9.5%	7.7%	10.4%	7.8%	6.3%	7.4%	7.1%
LTV 85.01 to 90.0 .....	41.4	50.2	51.1	53.4	53.4	51.7	55.1	51.4	46.3	50.4
LTV 90.01 to 95.0 .....	30.2	36.8	36.4	36.1	37.3	36.6	35.6	40.1	44.4	40.6
LTV greater than 95.0 .....	19.5	1.8	1.0	1.0	1.6	1.3	1.5	2.2	1.9	1.9
Total .....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Full Documentation .....	95.8%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
ARMS with resets < 5 years .....	<u>1.2%</u>	<u>0.4%</u>	<u>0.3%</u>	<u>0.5%</u>	<u>0.9%</u>	<u>0.5%</u>	<u>1.0%</u>	<u>0.3%</u>	<u>0.2%</u>	<u>0.4%</u>
<b>Net Risk in Force:</b>										
Traditional Primary .....	\$ 20,463.0	\$ 19,809.1	\$ 19,202.8	\$ 19,279.6	\$ 18,727.9		\$ 18,209.6	\$ 17,698.1	\$ 17,166.5	
Bulk .....	2,055.0	2,006.8	1,941.5	1,849.1	1,776.7		1,507.4	1,279.5	1,238.8	
Other .....	457.0	386.7	330.3	297.5	297.2		274.8	264.4	260.8	
Total .....	<u>\$ 22,975.1</u>	<u>\$ 22,202.7</u>	<u>\$ 21,474.6</u>	<u>\$ 21,426.4</u>	<u>\$ 20,801.9</u>		<u>\$ 19,991.9</u>	<u>\$ 19,242.1</u>	<u>\$ 18,666.1</u>	
<b>Persistency:</b>										
Traditional Primary .....	83.9%	83.3%	83.3%	83.4%	82.8%		83.6%	84.3%	83.4%	
Bulk .....	<u>88.4%</u>	<u>89.7%</u>	<u>90.8%</u>	<u>89.3%</u>	<u>88.3%</u>		<u>88.3%</u>	<u>87.5%</u>	<u>88.2%</u>	
<b>Risk to Capital Ratio –</b>										
Performing Risk Basis (a) .....	18.8:1	18.6:1	20.1:1	20.9:1	23.1:1		23.2:1	23.0:1	25.5:1	
Total Financial Resources to Risk Ratio (a) .....	<u>11.2%</u>	<u>11.8%</u>	<u>12.0%</u>	<u>12.7%</u>	<u>13.0%</u>		<u>12.6%</u>	<u>12.3%</u>	<u>12.5%</u>	



**Old Republic International Corporation**  
**Financial Supplement - Third Quarter 2010**

**Mortgage Guaranty Operating Statistics**

	2008	2009				2010		
	Year-to-Date	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Risk in Force by FICO Scores:								
Traditional Primary:								
FICO less than 620 .....	7.0%	6.8%	6.7%	6.6%	6.5%	6.5%	6.4%	6.4%
FICO 620 to 680.....	30.5	30.2	29.7	29.1	28.8	28.5	28.1	27.8
FICO greater than 680 .....	60.5	61.2	61.9	62.7	63.1	63.4	63.9	64.3
Unscored/Unavailable .....	2.0	1.8	1.7	1.6	1.6	1.6	1.6	1.5
Total .....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Bulk (b):								
FICO less than 620 .....	18.2%	18.0%	17.8%	17.7%	17.6%	20.2%	22.8%	22.9%
FICO 620 to 680.....	33.7	33.7	33.3	33.2	33.1	33.4	31.9	32.0
FICO greater than 680 .....	47.9	48.1	48.7	48.9	49.2	46.3	45.2	45.0
Unscored/Unavailable .....	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Total .....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Risk in Force by Original LTV Ratio:								
Traditional Primary:								
LTV 85.0 and below .....	5.1%	5.2%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
LTV 85.01 to 90.0.....	35.5	35.8	36.1	36.4	36.4	36.5	36.5	36.6
LTV 90.01 to 95.0.....	31.6	31.4	31.4	31.5	31.6	31.6	31.8	32.1
LTV greater than 95.0 .....	27.8	27.6	27.2	26.8	26.7	26.6	26.4	26.0
Total .....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Bulk (b):								
LTV 85.0 and below .....	63.5%	64.0%	65.6%	65.5%	65.9%	61.8%	57.2%	57.5%
LTV 85.01 to 90.0.....	20.1	19.8	18.6	18.6	18.4	20.6	22.8	22.8
LTV 90.01 to 95.0.....	8.6	8.4	7.8	7.9	7.8	8.7	9.8	9.7
LTV greater than 95.0 .....	7.8	7.8	8.0	8.0	7.9	8.9	10.2	10.0
Total .....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Risk in Force by:								
Type of Loan Documentation:								
Traditional Primary:								
Full Documentation .....	90.0%	90.1%	90.4%	90.8%	91.1%	91.4%	91.8%	92.1%
Reduced Documentation.....	10.0%	9.9%	9.6%	9.2%	8.9%	8.6%	8.2%	7.9%
Bulk (b):								
Full Documentation .....	49.1%	49.0%	49.2%	49.5%	49.4%	53.1%	57.1%	57.4%
Reduced Documentation.....	50.9%	51.0%	50.8%	50.5%	50.6%	46.9%	42.9%	42.6%



**Old Republic International Corporation**  
**Financial Supplement - Third Quarter 2010**

**Mortgage Guaranty Operating Statistics**

	2008	2009				2010		
	Year-to-Date	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Risk in Force by Loan Type:								
Traditional Primary:								
Fixed Rate & ARMS								
with resets >= 5 years.....	95.8%	95.8%	95.9%	96.1%	96.3%	96.4%	96.6%	96.7%
ARMS with resets < 5 years .....	4.2%	4.2%	4.1%	3.9%	3.7%	3.6%	3.4%	3.3%
Bulk (b):								
Fixed Rate & ARMS								
with resets >= 5 years.....	74.4%	74.8%	75.3%	75.4%	75.4%	72.6%	69.3%	69.7%
ARMS with resets < 5 years .....	25.6%	25.2%	24.7%	24.6%	24.6%	27.4%	30.7%	30.3%
Risk in Force by Policy Year:								
Traditional Primary:								
2003 and prior.....	15.6%	14.1%	13.6%	13.2%	12.9%	12.7%	12.5%	12.2%
2004.....	8.8	8.3	8.1	7.8	7.7	7.6	7.5	7.4
2005.....	11.9	11.6	11.4	11.1	11.0	10.9	10.7	10.6
2006.....	13.0	12.8	12.4	12.1	11.9	11.8	11.6	11.4
2007.....	30.1	30.1	29.4	28.7	28.3	28.0	27.6	27.0
2008.....	20.6	20.8	20.4	20.1	19.8	19.7	19.5	19.2
2009.....		2.3	4.7	7.0	8.4	8.4	8.5	8.5
2010.....						0.9	2.1	3.7
Total.....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Bulk (b):								
2003 and prior.....	7.4%	7.3%	7.2%	5.9%	5.0%	6.6%	7.7%	7.8%
2004.....	7.4	7.5	7.7	8.0	8.2	9.6	11.1	11.4
2005.....	23.5	23.6	23.6	23.9	23.9	26.8	28.2	28.0
2006.....	43.3	43.1	42.8	43.3	43.6	40.5	39.3	39.2
2007.....	18.4	18.5	18.7	18.9	19.3	16.5	13.7	13.6
Total.....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



**Old Republic International Corporation**  
**Financial Supplement - Third Quarter 2010**

**Mortgage Guaranty Operating Statistics**

	2008	2009				2010		
	Year-to-Date	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Risk in Force by State (Top 10 States ranked by risk in force as of most recent quarter):								
Traditional Primary:								
Texas .....	8.1%	8.1%	8.3%	8.4%	8.5%	8.5%	8.6%	8.6%
Florida .....	8.3	8.3	8.2	8.1	8.1	8.0	7.8	7.6
California .....	5.5	5.7	5.7	5.6	5.5	5.4	5.3	5.2
Georgia .....	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2
Illinois .....	5.2	5.1	5.1	5.1	5.1	5.1	5.0	5.0
North Carolina .....	4.4	4.3	4.4	4.5	4.5	4.5	4.6	4.7
Pennsylvania .....	3.8	3.9	3.9	3.9	4.0	4.0	4.1	4.2
Ohio .....	3.2	3.1	3.1	3.1	3.2	3.2	3.2	3.2
New Jersey .....	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Virginia .....	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Bulk (b):								
California .....	18.2%	18.2%	17.8%	17.8%	17.8%	16.2%	16.2%	16.0%
Florida .....	10.0	10.1	10.1	10.3	10.4	9.9	9.9	10.0
New York .....	5.4	5.4	5.5	5.3	5.4	5.8	5.7	5.9
Texas .....	4.6	4.6	4.7	4.7	4.6	5.1	5.2	5.2
Georgia .....	4.0	4.0	4.0	4.0	4.0	4.1	4.3	4.3
Illinois .....	3.9	3.9	3.9	4.0	4.0	4.0	4.0	4.0
Ohio .....	3.1	3.1	3.2	3.2	3.2	3.5	3.8	3.8
Arizona .....	4.3	4.3	4.2	4.2	4.1	3.9	3.7	3.6
New Jersey .....	3.4	3.5	3.4	3.4	3.5	3.5	3.2	3.3
Colorado .....	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%	3.1%	3.0%
Delinquent Loan Counts:								
Traditional Primary .....	57,879	62,905	69,390	79,289	86,422	84,451	80,382	75,249
Bulk .....	23,574	28,832	31,744	34,648	37,518	25,650	13,999	13,017
Other .....	769	912	937	1,156	1,388	1,509	1,690	1,699
Total .....	82,222	92,649	102,071	115,093	125,328	111,610	96,071	89,965
Delinquency Rates:								
Traditional Primary .....	10.3%	11.5%	12.9%	15.0%	16.8%	16.9%	16.6%	16.0%
Bulk .....	17.2	21.7	24.6	27.6	30.8	28.7	25.5	24.3
Other .....	1.0	1.4	1.8	3.0	3.9	5.0	5.6	5.8
Total .....	10.6%	12.4%	14.2%	16.7%	18.7%	18.0%	16.8%	16.3%



**Old Republic International Corporation**  
**Financial Supplement - Third Quarter 2010**

**Mortgage Guaranty Operating Statistics**

	2008		2009				2010			
	Year-to-Date	Q1	Q2	Q3	Q4	Year-to-date	Q1	Q2	Q3	Year-to-date
Delinquency Rates by State (Top 10 States ranked by risk in force as of most recent quarter):										
Traditional Primary:										
Texas .....	7.1%	6.9%	7.7%	9.2%	10.6%		10.5%	10.2%	10.1%	
Florida .....	21.9	25.4	27.9	31.2	34.1		34.5	34.2	33.3	
California .....	19.8	23.7	25.3	28.5	30.5		30.5	28.0	24.9	
Georgia .....	11.1	12.1	13.7	16.2	18.8		19.1	18.6	18.2	
Illinois .....	10.8	12.2	14.2	17.1	19.5		19.8	19.9	19.4	
North Carolina .....	7.6	8.0	9.0	10.8	12.3		12.8	12.3	12.2	
Pennsylvania .....	7.7	8.2	9.1	10.6	11.6		11.4	11.3	11.3	
Ohio .....	11.0	11.4	12.5	14.7	16.4		16.2	16.3	16.1	
New Jersey .....	11.4	13.9	15.8	18.9	21.1		21.4	21.1	21.0	
Virginia .....	8.1%	9.3%	10.7%	12.5%	13.9%		14.2%	13.4%	12.6%	
Bulk:										
California .....	22.4%	30.0%	34.2%	37.5%	41.3%		35.1%	29.0%	27.9%	
Florida .....	27.0	34.3	38.5	42.5	46.5		42.9	37.8	36.4	
New York .....	13.8	18.0	20.6	23.7	26.8		27.4	22.6	22.1	
Texas .....	10.2	12.2	13.0	14.5	16.3		16.6	16.8	14.5	
Georgia .....	16.3	19.5	20.8	23.6	27.6		27.6	24.9	23.9	
Illinois .....	19.1	22.8	27.0	31.3	35.7		34.9	30.1	28.8	
Ohio .....	17.1	19.1	19.9	21.1	23.4		23.7	22.0	20.9	
Arizona .....	18.2	25.1	29.8	34.0	37.5		33.1	27.9	25.4	
New Jersey .....	16.0	22.0	25.8	30.0	33.3		34.2	27.4	27.6	
Colorado .....	9.8%	11.6%	13.1%	15.2%	17.0%		17.3%	18.2%	17.6%	
Average Paid Claim Amount (in whole \$):										
Traditional Primary .....	\$ 43,532	\$ 48,968	\$ 50,212	\$ 45,919	\$ 48,779	\$ 48,492	\$ 47,874	\$ 48,062	\$ 45,657	\$ 46,754
Bulk .....	\$ 56,481	\$ 61,806	\$ 61,270	\$ 59,640	\$ 55,728	\$ 59,386	\$ 61,878	\$ 54,439	\$ 56,469	\$ 57,787
Claim Ratio .....	199.3%	199.9%	197.7%	134.2%	195.8%	176.0%	127.2%	119.0%	179.1%	140.6%
Expense Ratio .....	15.7	13.7	14.2	10.9	12.8	12.6	13.5	13.8	14.8	14.0
Composite Ratio .....	215.0%	213.6%	211.9%	145.1%	208.6%	188.6%	140.7%	132.8%	193.9%	154.6%
Paid Loss Ratio .....	74.8%	107.1%	111.6%	36.3%	115.7%	85.5%	236.5%	234.1%	145.2%	207.2%



**Old Republic International Corporation**  
**Financial Supplement - Third Quarter 2010**

**Title Insurance Operating Statistics**

	2008		2009				2010			
	Year-to-Date	Q1	Q2	Q3	Q4	Year-to-date	Q1	Q2	Q3	Year-to-date
Direct Orders Opened.....	257,743	89,837	98,225	83,018	87,855	358,935	80,523	92,326	111,945	284,794
Direct Orders Closed.....	183,117	61,868	73,717	68,824	69,780	274,189	60,034	67,830	75,752	203,616
Reserves to Paid Losses Ratio (a) .....	5.4:1	5.2:1	5.0:1	5.0:1	4.7:1		4.6:1	4.5:1	4.5:1	
Claim Ratio .....	7.0%	6.6%	7.6%	8.3%	8.6%	7.9%	7.4%	7.7%	8.3%	7.8%
Expense Ratio .....	103.6	102.9	92.2	91.1	92.5	93.8	98.5	93.5	91.9	94.4
Composite Ratio .....	110.6%	109.5%	99.8%	99.4%	101.1%	101.7%	105.9%	101.2%	100.2%	102.2%
Paid Loss Ratio.....	9.2%	10.4%	8.6%	5.6%	10.0%	8.5%	7.6%	7.6%	6.1%	7.0%

**Consolidated Operating Statistics**

Claim Ratio .....	81.8%	83.9%	78.8%	71.5%	73.9%	76.7%	59.6%	60.4%	68.3%	62.9%
Expense Ratio .....	39.1	39.6	42.3	40.5	44.7	41.8	47.4	48.8	48.3	48.2
Composite Ratio .....	120.9%	123.5%	121.1%	112.0%	118.6%	118.5%	107.0%	109.2%	116.6%	111.1%
Paid Loss Ratio.....	58.4%	68.9%	63.4%	45.8%	61.1%	59.2%	77.1%	80.7%	66.3%	74.5%





## Notes to Financial Supplement

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- (a) Old Republic monitors certain balance sheet leverage and trends therein through these ratios with respect to its mortgage guaranty (a – 1 & 2) and title (a – 3) segments:

**1 - Risk to Capital Ratio – Performing risk basis:** This ratio measures the Company's outstanding net risk in force only on those mortgage loans that are current as to principal and interest in relation to total statutory capital. This ratio therefore excludes non-performing risk exposures (i.e. the outstanding risk on reported loans in default) for which the expected ultimate loss cost has been recognized through the establishment of claim reserves. The Company believes this ratio better matches available statutory capital with the portion of the risk in force for which no claim reserves are required.

**2 - Total Financial Resources to Risk Ratio:** This ratio measures all of the claim resources available to the Company, including statutory capital, and claim and unearned premium reserves in relation to total net risk in force. The Company believes this ratio is conceptually similar to a banking institution's capital to assets leverage ratio, whereby the non-balance sheet value of a mortgage guaranty insurer's net risk in force is related to total balance sheet resources available to meet estimated losses from outstanding risk exposures.

**3 - The Title Reserves to Paid Losses Ratio** represents average paid losses for the most recent five years divided into claim reserves at the end of any one year or interim period. The higher this ratio, the greater is a title insurer's expected ability to meet obligations to its assureds.

- (b) Bulk pool risk in-force, which represented 32.1% of total bulk risk in-force at September 30, 2010, has been allocated pro-rata based on insurance in-force.