

## Old Republic Reports Higher Third Quarter and Year-to-Date Operating Earnings

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All Three Major Segments Show Profit Growth

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### Financial Highlights

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

	Quarters Ended			Nine Months Ended		
	2005	2004	Change	2005	2004	Change
Total Revenues	\$954.7	\$880.3	8.5%	\$2,779.9	\$2,569.8	8.2%
Net Operating Income	\$119.2	\$107.6	10.7%	\$392.3*	\$320.1	22.5%
Net Income	\$121.6	\$109.1	11.5%	\$408.2*	\$334.5	22.0%
Diluted Earnings Per Share:						
Net Operating Income	\$0.64	\$0.58	10.3%	\$2.12*	\$1.73	22.5%
Net Income	\$0.65	\$0.59	10.2%	\$2.20*	\$1.81	21.5%

\* Includes non-recurring income tax and related accumulated interest recovery of \$45.9 after tax, or 25 cents per share.

Old Republic International Corporation (NYSE: ORI) reported operating earnings growth of 10.7 percent for the third quarter of 2005. Net operating income, which excludes realized investment gains or losses, was \$119.2 million, or 64 cents per share in the quarter compared to \$107.6 million, or 58 cents per share, in the same year-ago period. Net income in this year's third quarter totaled \$121.6 million, or 65 cents per share, versus \$109.1 million, or 59 cents per share, for the year-ago quarter.

For the first nine months of 2005, net operating income grew by 22.5 percent to \$392.3 million, or \$2.12 per share in 2005, compared to \$320.1 million, or \$1.73 per share, for 2004. Net income was \$408.2 million, or \$2.20 per share, versus \$334.5 million, or \$1.81 per share, for the same period of 2004. Net operating and net income for the first nine months of 2005 include a non-recurring recovery of income taxes and related accumulated interest of \$57.9 million (\$45.9 million net of tax or 25 cents per share). The recovery stems from a recent favorable resolution of the Company's claim for a permanent Federal income tax refund applicable to the three years ended December 31, 1990. Consolidated pretax earnings for the first nine months of 2004 were affected adversely by required non-recurring stock option compensation charges of \$5.6 million, (or 2 cents per share after tax) representing the expense of a vesting acceleration of stock option costs.

### Consolidated Results

The major components of Old Republic's consolidated operating revenues and income were as follows for the periods shown:

	(\$ in Millions Except Share Data)					
	2005	2004	Change	2005	2004	Change
Operating revenues:						
General insurance	\$510.7	\$471.1	8.4%	\$1,506.5	\$1,341.7	12.3%
Mortgage guaranty	129.3	123.7	4.5	386.6	366.6	5.4
Title insurance	288.6	263.6	9.5	795.3	779.7	2.0
Corporate and other	22.3	19.5	14.4	66.8	58.8	13.6
Total	\$951.0	\$878.0	8.3%	\$2,755.4	\$2,547.0	8.2%
Pretax operating income (loss):						
General insurance	\$87.5	\$87.2	.3%	\$258.8	\$244.9	5.7%
Mortgage guaranty	55.9	53.7	4.1	188.5	170.7	10.4
Title insurance	30.7	21.1	45.6	66.4	65.4	1.5
Corporate and other	1.8	(2.0)		(2.4)	(6.1)	
Realized investment gains (losses):						

From sales	4.9	2.2		31.0	22.7	
From impairments	(1.2)	-		(6.5)	-	
Sub-total	3.7	2.2		24.5	22.7	
Consolidated pretax income	179.8	162.3	10.7	535.9	497.7	7.7
Income taxes	58.1	53.2	9.2	127.6	163.1	(21.8)
Net income	\$121.6	\$109.1	11.5%	\$408.2	\$334.5	22.0%

Consolidated composite ratio:						
Benefits and claims	43.5%	43.3%		43.7%	41.8%	
Expense	44.6	45.1		44.4	46.2	
Composite ratio	88.1%	88.4%		88.1%	88.0%	

Components of diluted earnings per share:						
Net operating income before non-recurring income tax benefit	\$0.64	\$0.58	10.3%	\$1.87	\$1.73	8.1%
Non-recurring income tax benefit	-	-		0.25	-	
Net operating income	0.64	0.58	10.3	2.12	1.73	22.5
Net realized investment gains	0.01	0.01		0.08	0.08	
Net income	\$0.65	\$0.59	10.2%	\$2.20	\$1.81	21.5%

Consolidated results are provided in terms of both operating and net income to highlight the effect of investment gain or loss recognition on period-to-period comparisons. Recognition of such gains or losses can be highly discretionary and arbitrary due to such factors as the timing of individual securities sales, recognition of losses from write-downs of impaired securities, tax-planning considerations, and changes in investment management judgments relative to the direction of securities markets or the future prospects of individual investees or industry sectors.

For the third quarter and first nine months of 2005 consolidated operating revenue growth was affected mostly by higher premiums and fees in each of the Company's major segments. Consolidated pretax operating income for these periods benefited from reasonably stable underwriting/service income in these segments, and from higher investment income generated by a greater invested asset base.

### General Insurance Results

The following highlights reflect the progress of Old Republic's General Insurance business for the third quarter and first nine months of 2005.

	(\$ in Millions)					
	Quarters Ended September 30,			Nine Months Ended September 30,		
	2005	2004	Change	2005	2004	Change
Net premiums earned	\$457.4	\$421.3	8.6%	\$1,349.9	\$1,194.2	13.0%
Net investment income	49.1	45.7	7.4	144.8	135.2	7.1
Pretax operating income	\$87.5	\$87.2	0.3%	\$258.8	\$244.9	5.7%
Benefits and claims ratio	67.0%	66.1%		67.1%	66.0%	
Expense ratio	24.5	23.9		24.3	24.7	
Composite ratio	91.5%	90.0%		91.4%	90.7%	

General Insurance earned premiums continued to reflect the positive pricing and risk selection changes effected during the past few years, as well as additional business produced in an environment marked by reasonably stable underwriting discipline on the part of many competitors. Underwriting results in the latest quarter and year-to-date period continued to benefit from fairly stable overall claims ratios, and firm production and administrative expense control. Claim costs attributable to hurricane Katrina added approximately 1.0 percentage point to the composite ratio during the third quarter. The decline in underwriting results during the third quarter of 2005 by comparison to the same period in 2004 was slightly more than offset by the increase in net investment income. The composite underwriting ratio represents the most widely accepted indicator of underwriting performance in the industry, and Old Republic has now registered a favorable general insurance composite ratio below 100 percent for 14 consecutive quarters.

### Mortgage Guaranty Results

Old Republic's Mortgage Guaranty Group performed within expectations for the first nine months of 2005. Performance indicators of this segment follow:

	(\$ in Millions)			
	Quarters Ended		Nine Months Ended	

	September 30,			September 30,		
	2005	2004	Change	2005	2004	Change
Net premiums earned	\$107.6	\$102.3	5.1%	\$321.5	\$301.5	6.7%
Net investment income	17.2	16.9	1.7	52.2	50.2	3.9
Pretax operating income	\$55.9	\$53.7	4.1%	\$188.5	\$170.7	10.4%
Claims ratio	42.4%	41.4%		35.4%	34.4%	
Expense ratio	21.6	22.6		22.2	25.7	
Composite ratio	64.0%	64.0%		57.6%	60.1%	

For both the third quarter and first nine months of 2005, the Company's Mortgage Guaranty segment reflected moderate operating income growth from its underwriting/service functions in particular. Net premiums earned rose by mid-single digits principally due to bulk business growth as well as a higher average premium rate on new traditional primary business production. The composite underwriting ratios for 2005 interim periods were stable to moderately lower in comparison to the same periods of the preceding year. This ratio's generally positive trend in 2005 is mainly due to a decline in the sales and operating expense component.

## Title Insurance Results

Old Republic's Title Insurance segment turned in much improved results this quarter. Major indicators of that performance follow:

	(\$ in Millions)					
	Quarters Ended			Nine Months Ended		
	2005	September 30, 2004	Change	2005	September 30, 2004	Change
Net premiums and fees earned	\$282.0	\$256.9	9.8%	\$775.5	\$759.8	2.1%
Net investment income	6.3	6.4	(1.7)	19.1	18.9	0.8
Pretax operating income	\$30.7	\$21.1	45.6%	\$66.4	\$65.4	1.5%
Claims ratio	5.9%	5.8%		5.9%	5.8%	
Expense ratio	85.4	88.5		87.9	88.1	
Composite ratio	91.3%	94.3%		93.8%	93.9%	

During the first nine months of 2005, housing and mortgage lending trends were relatively uneven in many parts of the nation. Net premiums and fees earned by Old Republic's Title Insurance group reflected this environment. Year over year the Group's revenues were down by 1 percent in the first quarter, down by 2.6 percent in the second quarter, and up by nearly 10 percent in the third quarter. Pretax operating earnings for this segment generally followed these quarterly revenue patterns. While the claims ratio was relatively stable for each of the first three quarters, the expense component of the ratio was impacted favorably by expense control efforts and by production and other costs that rose at a slower pace than revenues.

## Corporate and Other Operations

Combined results for Old Republic's small life and health insurance business and net corporate expenses reflected a pretax operating deficit of \$2.4 million and pretax operating income of \$1.8 million in the first nine months and third quarter of 2005, respectively. For the same periods of 2004, the comparable operating deficits amounted to \$6.1 million and \$2.0 million, respectively. These results are reflective of holding company expenses and debt service costs, income on short term investment holdings, and higher earnings from Old Republic's small book of life and accident and health business.

## Cash, Invested Assets and Shareholders' Equity

The following table shows the growth in consolidated cash and invested assets and shareholders' equity, along with the corresponding per share amounts as of the dates shown:

	(\$ in Millions except Share Data)				
	September 2005	December 2004	September 2004	Sept '05/ Dec '04	% Change Sept '05/ Sept '04
Cash and invested assets:					
Total	\$7,957.8	\$7,519.5	\$7,315.9	5.8%	8.8%
Per share	43.43	41.19	40.12	5.4	8.3
Shareholders' equity:					
Total, as reported	4,128.5	3,865.6	3,791.6	6.8	8.9
Per Share:					
as reported	22.53	21.17	20.79	6.4	8.4
at cost	\$22.03	\$20.24	\$19.80	8.8%	11.3%

Consolidated operating cash flow amounted to \$655.8 million for the first nine months of 2005 versus \$605.0 million for the same period of 2004. Each of the Company's major segments sustained positive operating cash flow during 2005.

Old Republic's high quality investment portfolio reflects a current allocation of approximately 87 percent in fixed-income investments and 6 percent in equities. As has been the case for many years, it contains little or no exposure to real estate investments, mortgage-backed securities, derivatives, junk bonds, private placements or mortgage loans. The rise in the shareholders' equity account resulted mostly from earnings retained in excess of cash dividends paid to shareholders. Equity per share as reported is inclusive of unrealized gains or losses on investments whereas the cost basis is exclusive of such gains and losses.

## Conference Call Information

Old Republic has scheduled a conference call today at 2:00 p.m. Central Time to discuss its third quarter 2005 performance and related trends in its business. To access this call, log on to <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 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 primarily in the property and liability, mortgage guaranty, and title insurance fields. One of the nation's 50 largest publicly owned insurance organizations, Old Republic has assets of approximately \$11.3 billion and shareholders' equity of \$4.1 billion or \$22.53 per share. Its current stock market valuation is approximately \$4.7 billion, or \$25.39 per share.

## Safe Harbor Statement

Historical data pertaining to the operating performance, liquidity, and other performance indicators 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 and other 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 management in conference calls following earnings releases, can constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Of necessity, any such forward-looking statements, commentaries, or inferences, involve 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 impacted 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. Additionally, 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 health insurance earnings can be affected by the levels of employment and consumer spending, variations in mortality and health trends, and changes in policy lapsation rates. At the parent company level, operating earnings or losses are generally reflective of the amount of debt outstanding and its cost, interest income on temporary holdings of short-term investments, and period-to-period variations in the costs of administering the Company's widespread operations.

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.

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Financial Tables Follow . . . .

Old Republic International Corporation  
FINANCIAL HIGHLIGHTS  
(\$ in Millions, Except Share Data)

	Quarters Ended September 30,		
	2005	2004	Change
NET INCOME:			
Total	\$121.6	\$109.1	11.5%
Per Share: Basic	\$0.66	\$0.60	10.0%
Diluted	\$0.65	\$0.59	10.2%
Average number of shares outstanding:			
Basic	183,217,078	182,327,380	
Diluted	185,630,338	184,417,471	
COMPOSITION OF EARNINGS PER SHARE:			
Basic Earnings:			
Net operating income	\$0.65	\$0.59	10.2%
Realized investment gains	0.01	0.01	
Net income	\$0.66	\$0.60	10.0%
Diluted Earnings:			
Net operating income	\$0.64	\$0.58	10.3%
Realized investment gains	0.01	0.01	
Net income	\$0.65	\$0.59	10.2%
	Nine Months Ended September 30,		
	2005	2004	Change
NET INCOME:			
Total	\$408.2	\$334.5	22.0%
Per Share: Basic	\$2.23	\$1.84	21.2%
Diluted	\$2.20	\$1.81	21.5%

Average number of shares outstanding:

Basic	183,202,689	182,317,511
Diluted	185,295,639	184,474,671

COMPOSITION OF EARNINGS PER SHARE:

Basic Earnings:			
Net operating income	\$2.14	\$1.76	21.6%
Realized investment gains	0.09	0.08	
Net income	\$2.23	\$1.84	21.2%
Diluted Earnings:			
Net operating income	\$2.12	\$1.73	22.5%
Realized investment gains	0.08	0.08	
Net income	\$2.20	\$1.81	21.5%

FINANCIAL POSITION SUMMARY:

	September 30, 2005	December 31, 2004	September 30, 2004
<b>Assets:</b>			
Cash and fixed maturity securities	\$7,338.1	\$6,905.2	\$6,666.0
Equity securities	455.5	459.0	503.7
Other invested assets	164.1	155.2	146.1
Accounts and premiums receivable	636.6	543.9	549.3
Reinsurance balances recoverable	2,075.5	1,846.5	1,834.5
Sundry assets	672.5	660.7	686.1
Total	\$11,342.6	\$10,570.8	\$10,386.0
<b>Liabilities and Shareholders' Equity:</b>			
Policy liabilities	\$1,169.7	\$1,079.1	\$1,079.8
Benefit and claim reserves	4,838.3	4,403.5	4,342.5
Federal income tax payable: deferred	551.6	554.5	557.1
Debt	142.8	143.0	142.7
Sundry liabilities	511.4	524.9	472.1
Shareholders' equity	4,128.5	3,865.6	3,791.6
Total	\$11,342.6	\$10,570.8	\$10,386.0
Number of shares outstanding	183,225,447	182,563,545	182,335,518

Old Republic International Corporation  
SEGMENTED OPERATING SUMMARY  
(\$ in Millions)

Segment	Net Premiums & Fees Earned	Net Invest- ment Income	Other Income	Operating Revenues	Benefits & Claims
<b>Quarter Ended September 30, 2005</b>					
General	\$457.4	\$49.1	\$4.1	\$510.7	\$306.4
Mortgage	107.6	17.2	4.4	129.3	45.6
Title	282.0	6.3	0.2	288.6	16.6
Other	16.7	5.4	0.1	22.3	7.2
Consolidated	\$863.8	\$78.0	\$9.0	\$951.0	\$376.0
<b>Quarter Ended September 30, 2004</b>					
General	\$421.3	\$45.7	\$4.1	\$471.1	\$278.4
Mortgage	102.3	16.9	4.4	123.7	42.3
Title	256.9	6.4	0.1	263.6	14.8
Other	15.6	3.7	0.2	19.5	8.9
Consolidated	\$796.3	\$72.8	\$8.9	\$878.0	\$344.5
<b>Nine Months Ended September 30, 2005</b>					
General	\$1,349.9	\$144.8	\$11.7	\$1,506.5	\$905.8
Mortgage	321.5	52.2	12.8	386.6	113.7
Title	775.5	19.1	0.6	795.3	45.8
Other	53.3	13.1	0.3	66.8	26.3
Consolidated	\$2,500.4	\$229.3	\$25.6	\$2,755.4	\$1,091.8
<b>Nine Months Ended September 30, 2004</b>					
General	\$1,194.2	\$135.2	\$12.3	\$1,341.7	\$787.8
Mortgage	301.5	50.2	14.8	366.6	103.6
Title	759.8	18.9	0.8	779.7	44.1
Other	48.1	10.1	0.6	58.8	27.1
Consolidated	\$2,303.7	\$214.6	\$28.6	\$2,547.0	\$962.7
<b>Fiscal Twelve Months Ended September 30, 2005</b>					
General	\$1,778.7	\$193.0	\$15.5	\$1,987.3	\$1,187.5
Mortgage	423.2	69.7	16.8	509.8	153.3
Title	1,040.9	25.7	0.7	1,067.4	61.5
Other	69.8	17.0	0.5	87.4	34.6
Consolidated	\$3,312.8	\$305.5	\$33.6	\$3,652.0	\$1,437.0
<b>Fiscal Twelve Months Ended September 30, 2004</b>					
General	\$1,561.7	\$179.2	\$16.4	\$1,757.4	\$1,030.0
Mortgage	403.4	66.9	19.7	490.1	136.2
Title	1,054.4	24.9	0.9	1,080.3	62.8
Other	61.1	14.1	0.7	76.0	33.0
Consolidated	\$3,080.8	\$285.2	\$37.9	\$3,404.0	\$1,262.2
<b>Segment</b>					
	Sales & Other Expenses	Total Expenses	Pretax Oper- ating Income (Loss)	Comp- osite Under- writing Ratios	
<b>Quarter Ended September 30, 2005</b>					
General	\$116.7	\$423.1	\$87.5	91.5%	
Mortgage	27.7	73.3	55.9	64.0%	
Title	241.2	257.9	30.7	91.3%	
Other	13.1	20.4	1.8	---	
Consolidated	\$398.8	\$774.8	\$176.1	88.1%	
<b>Quarter Ended September 30, 2004</b>					
General	\$105.4	\$383.9	\$87.2	90.0%	
Mortgage	27.6	70.0	53.7	64.0%	
Title	227.6	242.4	21.1	94.3%	
Other	12.5	21.5	(2.0)	---	
Consolidated	\$373.3	\$717.9	\$160.1	88.4%	
<b>Nine Months Ended September 30, 2005</b>					
General	\$341.8	\$1,247.6	\$258.8	91.4%	
Mortgage	84.3	198.1	188.5	57.6%	
Title	682.9	728.8	66.4	93.8%	
Other	43.0	69.3	(2.4)	---	

Consolidated	\$1,152.1	\$2,244.0	\$511.3	88.1%
Nine Months Ended September 30, 2004				
General	\$308.9	\$1,096.8	\$244.9	90.7%
Mortgage	92.3	195.9	170.7	60.1%
Title	670.1	714.2	65.4	93.9%
Other	37.9	65.0	(6.1)	---
Consolidated	\$1,109.3	\$2,072.0	\$474.9	88.0%
Fiscal Twelve Months Ended September 30, 2005				
General	\$452.7	\$1,640.3	\$346.9	91.3%
Mortgage	114.1	267.4	242.3	59.2%
Title	942.3	1,003.8	63.5	96.3%
Other	66.2	100.9	(13.5)	---
Consolidated	\$1,575.5	\$3,012.6	\$639.3	89.3%
Fiscal Twelve Months Ended September 30, 2004				
General	\$410.0	\$1,440.1	\$317.2	91.1%
Mortgage	121.7	258.0	232.1	59.1%
Title	927.4	990.3	90.0	93.9%
Other	47.5	80.5	(4.5)	---
Consolidated	\$1,506.8	\$2,769.0	\$634.9	88.0%

Old Republic International Corporation  
SEGMENTED OPERATING STATISTICS  
(\$ in Millions)

	Quarters Ended		Nine Months Ended	
	September 30, 2005	2004	September 30, 2005	2004
General Insurance:				
Benefits and claims ratio	67.0%	66.1%	67.1%	66.0%
Expense ratio	24.5%	23.9%	24.3%	24.7%
Composite ratio	91.5%	90.0%	91.4%	90.7%
Paid loss ratio	52.7%	50.5%	51.2%	50.9%
Mortgage Guaranty:				
New insurance written:				
Traditional Primary	\$5,553.0	\$5,998.0	\$15,585.5	\$19,080.7
Bulk	1,701.1	1,804.9	7,465.9	3,136.1
Other	19.8	360.0	63.2	6,801.1
Total	\$7,274.0	\$8,163.0	\$23,114.7	\$29,018.0
Net risk in force:				
Traditional Primary			\$14,882.4	\$15,474.4
Bulk			1,482.2	813.9
Other			575.8	576.1
Total			\$16,940.5	\$16,864.4
Earned premiums: Direct	\$127.0	\$122.4	\$379.7	\$360.8
Net	\$107.6	\$102.3	\$321.5	\$301.5
Persistency/Traditional Primary			65.2%	62.8%
Delinquency ratio:				
Traditional Primary			4.14%	3.90%
Bulk			3.41%	4.84%
Claims ratio	42.4%	41.4%	35.4%	34.4%
Expense ratio	21.6%	22.6%	22.2%	25.7%
Composite ratio	64.0%	64.0%	57.6%	60.1%
Paid loss ratio	37.5%	34.7%	33.2%	30.0%
Title Insurance:				
Direct orders opened	104,659	99,248	310,961	315,186
Direct orders closed	89,293	82,166	253,639	261,464
Claims ratio	5.9%	5.8%	5.9%	5.8%
Expense ratio	85.4%	88.5%	87.9%	88.1%
Composite ratio	91.3%	94.3%	93.8%	93.9%
Paid loss ratio	3.9%	2.9%	4.7%	3.5%

SOURCE Old Republic International Corporation

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