

FORM 10K/A2

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT TO APPLICATION OR REPORT
Filed Pursuant to Section 12, 13, or 15 (d) of
THE SECURITIES EXCHANGE ACT OF 1934

OLD REPUBLIC INTERNATIONAL CORPORATION

(Exact name of registrant as specified in charter)

AMENDMENT NO. 2

The undersigned registrant hereby amends the following items, financial statements, exhibits or other portions of its ANNUAL REPORT FOR 1997 on Form 10-K as set forth in the pages attached hereto:

(List all such items, financial statements, exhibits or other portions amended).

FORM 11-K

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

OLD REPUBLIC INTERNATIONAL CORPORATION

(Registrant)

Date April 17, 1998

By: /s/ Paul D. Adams

(Signature)
Paul D. Adams
Sr. Vice President
and
Chief Financial Officer

Total Pages: 34

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

For The Fiscal Year Ended December 31, 1997

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

OLD REPUBLIC INTERNATIONAL CORPORATION
307 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administration Committee has duly caused this Annual Report to be signed on behalf of the undersigned, thereunto duly authorized.

THE OLD REPUBLIC INTERNATIONAL CORPORATION EMPLOYEES
SAVINGS AND STOCK OWNERSHIP PLAN

(Registrant)

By: /s/ A.C. Zucaro

A. C. Zucaro, Member of the
Administration Committee

Date: April 17, 1998

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

REPORT ON AUDITS OF FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

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Supplemental Schedules (Required by the Securities Exchange Commission):	
Schedules I, II and III have been omitted because the required information is shown in the financial statements or notes thereto.	
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- ----	
Supplemental schedules required by the Employee Retirement Income Security Act of 1974 that have not been included herein are not applicable.	

REPORT OF INDEPENDENT ACCOUNTANTS

To the Administration Committee
of the Old Republic International Corporation
Employees Savings and Stock Ownership Plan
Chicago, Illinois

We have audited the accompanying statements of net assets available for plan benefits of Old Republic International Corporation Employees Savings and Stock Ownership Plan (the Plan) as of December 31, 1997 and 1996, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based upon our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 1997 and 1996, and the changes in net assets available for plan benefits for the years ended December 31, 1997 and 1996, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the accompanying index are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and by the Securities and Exchange Commission's Regulation S-X. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Coopers & Lybrand, L.L.P.

Chicago, Illinois
April 10, 1998

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

December 31, 1997 and 1996

	1997			1996		
	Employees' Account	Companies' Account	Combined Account	Employees' Account	Companies' Account	Combined Account
ASSETS						
Investments, at fair value:						
Collective Trusts:						
Short-term Investment Fund	\$9,949,785	\$1,917,691	\$11,867,476	\$11,385,002	\$305,182	\$11,690,184
Old Republic International Corporation:						
Series "D" preferred shares	0	0	0	0	174,280,974	174,280,974
Common shares	7,315,413	231,694,897	239,010,310	5,262,180	924,881	6,187,061
United States Government obligations	7,833,076	0	7,833,076	10,549,652	0	10,549,652
Corporate bonds	19,199,137	0	19,199,137	15,332,393	0	15,332,393
Mutual funds	20,568,434	1,775,464	22,343,898	11,065,160	1,230,187	12,295,347
	-----	-----	-----	-----	-----	-----
	64,865,845	235,388,052	300,253,897	53,594,387	176,741,224	230,335,611
Contributions receivable:						
Companies	0	4,137,401	4,137,401	0	3,739,210	3,739,210
Employees	0	0	0	0	0	0
Accrued interest and dividends receivable	773,710	176,635	950,345	501,482	1,021	502,503
	-----	-----	-----	-----	-----	-----
	\$65,639,555	\$239,702,088	\$305,341,643	\$54,095,869	\$180,481,455	\$234,577,324
	=====	=====	=====	=====	=====	=====
LIABILITIES AND NET ASSETS AVAILABLE FOR PLAN BENEFITS						
Notes payable	\$0	\$8,324,234	\$8,324,234	\$0	\$11,109,234	\$11,109,234
Advances from plan sponsor (non-interest bearing)	0	0	0	0	738,895	738,895
Accrued interest payable	0	93,307	93,307	0	119,921	119,921
Unpaid withdrawal and termination benefits	139,847	0	139,847	877,248	0	877,248
Unpaid administrative expenses	165,087	204,262	369,349	33,198	(53,750)	(20,552)
	-----	-----	-----	-----	-----	-----
Total liabilities	304,934	8,621,803	8,926,737	910,446	11,914,300	12,824,746
Net assets available for plan benefits:						
Allocated to participants	65,334,621	207,801,484	273,136,105	53,185,423	148,405,823	201,591,246
Not allocated to participants	0	23,278,801	23,278,801	0	20,161,332	20,161,332
	-----	-----	-----	-----	-----	-----
Total net assets available for plan benefits	65,334,621	231,080,285	296,414,906	53,185,423	168,567,155	221,752,578
	-----	-----	-----	-----	-----	-----
	\$65,639,555	\$239,702,088	\$305,341,643	\$54,095,869	\$180,481,455	\$234,577,324
	=====	=====	=====	=====	=====	=====

See accompanying notes to financial statements.

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

Statements of Changes in Net Assets Available for Plan Benefits

for the years ended December 31, 1997 and 1996

	1997			1996		
	Employees' Account	Companies' Account	Combined Account	Employees' Account	Companies' Account	Combined Account
Additions:						
Employer contributions	\$0	\$4,139,625	\$4,139,625	\$0	\$3,755,042	\$3,755,042
Employee contributions	9,632,853	0	9,632,853	8,890,832	0	8,890,832
Interest income	2,330,229	88,002	2,418,231	2,196,148	59,134	2,255,282
Dividend income	565,336	4,570,820	5,136,156	278,614	2,954,326	3,232,940
Net appreciation in fair value of investments	5,415,241	66,281,217	71,696,458	1,681,389	19,349,816	21,031,205
	-----	-----	-----	-----	-----	-----
	17,943,659	75,079,664	93,023,323	13,046,983	26,118,318	39,165,301
Deductions:						
Termination and withdrawal benefits	5,782,069	11,728,786	17,510,855	6,624,016	14,572,770	21,196,786
Interest expense	0	609,277	609,277	0	777,063	777,063
Administrative expenses	12,392	228,471	240,863	33,199	154,176	187,375
	-----	-----	-----	-----	-----	-----
	5,794,461	12,566,534	18,360,995	6,657,215	15,504,009	22,161,224
NET ADDITIONS	12,149,198	62,513,130	74,662,328	6,389,768	10,614,309	17,004,077
Net assets available for plan benefits, beginning of year	53,185,423	168,567,155	221,752,578	46,795,655	157,952,846	204,748,501
	-----	-----	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS, END OF YEAR	\$65,334,621	\$231,080,285	\$296,414,906	\$53,185,423	\$168,567,155	\$221,752,578
	=====	=====	=====	=====	=====	=====

See accompanying notes to financial statements.

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Old Republic International Corporation Employees Savings and Stock Ownership Plan (the Plan) include plan assets for employees of Old Republic International Corporation (the Corporation or Plan Sponsor), and participating subsidiaries (the Companies or Employers). These financial statements and accompanying notes together provide only general information about the Plan. Participants should refer to the Plan agreement for a complete description of the Plan's provision.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

B. Investments

Investments in the Collective Trust-Short-term Investment Fund of the Northern Trust Company (Northern), are valued by the Northern at cost which approximates fair value, and consist of short term obligations. Securities traded over-the-counter, such as common stocks, mutual funds, corporate bonds and U.S. Government obligations, are valued at the final bid price on the valuation date. Temporary investments in short-term securities are carried at cost, which approximates market value. Investment in Old Republic International Corporation Series D preferred stock, which were not registered, were stated at fair value as determined by the Board of Directors, based on appraisals received from an investment banker. However, because of the inherent uncertainty of the valuation, the Board of Directors' estimate of fair value may have differed significantly from the value that would have been used had a ready market existed for the securities, and the differences could have been material. Such preferred shares amounted to \$174,280,974 at December 31, 1996 (74.3% of total plan assets). In August, 1997, the remaining preferred shares were converted into common shares of the Corporation. Old Republic International Corporation common shares are stated at closing market value on the last business day of the year.

The Plan presents in the statements of changes in net assets the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments. For purposes of generally accepted accounting principles, the Plan uses the historical cost method for determining the basis of its investments, whereas, for ERISA reporting purposes, the Plan uses the current value method for determining the basis of its investments. Purchases and sales of securities are reflected on a trade-date basis. Gain or loss on sales of securities are based on the average cost method. Interest income is recorded as earned and dividend income is recorded as earned on the ex-dividend date. The investments in common stock and Series D preferred stock of Old Republic International Corporation have not been adjusted, as to number of shares, to reflect a 50% stock dividend declared on March 13, 1998.

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, Continued

C. Contributions

Employees become participants in the Plan on the first January 1, they are employees and they elect to make contributions to the Plan.

Contributions from employees (savings) are made on a post-tax basis and are recorded in the period in which the Companies make payroll deductions from Plan participants. Participants elect the amount of contribution which ranges from a minimum of 1% to a maximum of 15% of recognized compensation as defined in the Plan. Any employee who does not contribute to the Plan will not receive a Company matching contribution. Employee contributions up to 6% will be matched. However, the maximum amount of contribution which can be matched per employee cannot exceed \$9,000 (6% of \$150,000) per Plan year. The maximum amount which can be withheld is 15% limited to \$22,500 (15% of \$150,000). Contributions are also subject to other Internal Revenue Code limitations (including the limits imposed by Internal Revenue Code Section 415).

There is no penalty to participants for withdrawing a part of accumulated employee savings and earnings thereon if the cumulative withdrawal, in any one year, is the lower of \$15,000 or 50% of the accumulated savings balance as of the most recent calculation date (June 30 or December 31). Such withdrawals are permitted only on January 1 or July 1 of each year. The penalty for withdrawing excess amounts, in any one year, is exclusion from participation in the Plan for one year starting on the January 1, following the date of the excess withdrawal.

The company matching contribution is based on the following formula:

Percentage of Recognized Compen- sation Contributed -----	If the percentage increase in average operating earnings per share for the most recent five year period is: -----				
	Less Than 6%	6.01% to 9%	9.01% to 15%	15.01% to 20%	Over 20%
	The Resulting Employer Matching Contribution on the First 6% of Employee Savings will be: -----				
1.00%	30%	40%	65%	100%	140%
1.01 to 2.00%	28%	38%	63%	98%	138%
2.01 to 3.00%	26%	36%	61%	96%	136%
3.01 to 4.00%	24%	34%	59%	94%	134%
4.01 to 5.00%	22%	32%	57%	92%	132%
5.01 to 6.00%	20%	30%	55%	90%	130%
6.01 to 15.00%	None	None	None	None	None

The percentage increase in average operating earnings per share is obtained by comparing the average operating earnings per share for the Company for the five years ending with the calculation year, with the same average for the five years ending the year prior to the calculation year. Operating earnings per share are determined pursuant to generally accepted accounting principles and are equal to net income per share exclusive of realized capital gains or losses and extraordinary items and income taxes applicable thereto.

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, Continued

C. Contributions, Continued

Company matching contributions are allocated on December 31, and a Plan participant receives a matching contribution only if:

- . the Companies meet certain minimum profit objectives;
- . the participant completes 1,000 or more hours of service during the year; and
- . the participant is employed by one of the Companies on December 31 of that year, died or became fully disabled during the year, or retired during the year after age 65.

Additional amounts from consolidated annual net profits after taxes or accumulated earnings as the Board of Directors of the Companies may determine from time to time may be added to the contributions resulting from the above formula. The amount of the Companies' contributions are subject to the following limitations:

- . No contribution shall be made if the Companies' consolidated annual net profit before extraordinary items and taxes is less than \$2,500,000.
- . No contribution shall be made by any Employer for any fiscal year which exceeds the maximum amount currently deductible by that Employer under section 404 of the Internal Revenue Code.
- . No contribution shall be made by any Employer for any fiscal year which would cause its total contribution to exceed the amount of its annual net profit before taxes and its accumulated earnings.

D. Administrative and Operating Expenses

Office personnel, space and equipment are furnished by the Companies at no charge to the Plan. All other administrative expenses of the Plan are paid by and reflected as expenses of the Plan.

2. Benefits

The benefits a plan participant receives depends upon amounts allocated to his accounts under the Plan. Amounts in his accounts are affected by the amount of employee contributions he makes, his vested interest in his matching contributions and discretionary contributions, forfeitures, and earnings.

When a plan participant makes employee contributions, his employee contributions are allocated to his "Employee Account." Earnings are allocated to each plan participant's Employee Account on a semi-annual basis, based upon the performance of the investment fund that the plan participant has selected. Upon termination of service for any reason, a plan participant receives all amounts in his Employee Account.

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

2. Benefits, Continued

Each year, the matching contributions and discretionary contributions are allocated to the "Company Accounts" of plan participants. If a plan participant terminates service with the Companies, the amount that he receives from his Company Account depends upon his vested interest in such account. A plan participant vests in his Company Account based on his "Years of Service," according to the following table:

Years of Service -----	Vesting Schedule -----
1	0%
2	0
3	20
4	40
5	60
6	80
7	100%

A plan participant earns a Year of Service for each calendar year during which he completes 1,000 or more hours of service for the Companies. However, a plan participant will become 100% vested in his Company Account prior to seven years of service if:

- . the plan participant has reached age 65, or
- . termination is caused by death, or
- . termination is caused by total and permanent disability which renders the employee incapable of performing satisfactory service for the Companies.

The amount a plan participant receives from his Company Account is also affected by forfeitures, earnings, and released shares. If a plan participant terminates service prior to full vesting, the non-vested portion of his Company Account is forfeited. Forfeited amounts are re-allocated to remaining participants who made employee contributions, completed 1,000 or more hours of service for the Companies during the year, and are employed by the Companies on December 31 or terminated service due to retirement on or after age 65, death, or total and permanent disability. Forfeitures are allocated based upon the ratio of the plan participant's recognized compensation to the recognized compensation of all plan participants. In addition to forfeitures, the balance in a plan participant's Company Account is affected by the net cash revenues over expenses of the Corporation's stock fund plus the market value of shares released to participants from payment of loan principal and/or interest during the year.

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

2. Benefits, Continued

Unallocated net assets, in the Companies' Account, available for plan benefits at December 31, are comprised of items not allocated to participants, as follows:

Assets - - - - -	1997 -----	1996 -----
Unreleased shares:		
Series D preferred shares:		
5,731,675 shares at \$5.35		\$ 30,664,461
Common Shares:		
853,325 shares at \$37.1875	\$ 31,733,023	
26,801 shares at \$26.75		716,927
	-----	-----
Total	31,733,023	31,381,388
	-----	-----
 Liabilities - - - - -		
Unpaid loan principal at December 31	8,324,234	11,109,234
Accrued interest expense payable on loans at December 31	93,307	119,921
Accrued administrative expenses (prepaid)	36,681	(9,099)
	-----	-----
Total	8,454,222	11,220,056
	-----	-----
 Unallocated net assets available for plan benefits	 \$ 23,278,801 =====	 \$ 20,161,332 =====

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

3. Investments

Investments held by the Plan at December 31, 1997 and 1996 are summarized as follows:

	1997			1996		
	Shares/ Units/ Par Value	Cost	Fair Value	Shares/ Units/ Par Value	Cost	Fair Value
Collective Trusts:						
Short-term Investment Fund	11,867,476	\$11,867,476	\$ 11,867,476	11,690,184	\$11,690,184	\$ 11,690,184*
Old Republic International Corporation:						
Series D-Preferred Stock	-	-	-	32,575,883	38,579,244	174,280,974*
Common Stock	6,427,168	38,332,010	239,010,310*	231,292	1,642,198	6,187,061
United States Government obligations	\$ 7,625,000	7,864,662	7,833,076	\$10,475,000	10,644,997	10,549,652
Corporate bonds	\$18,889,000	19,279,225	19,199,137	\$15,217,000	15,537,593	15,332,393
Mutual funds	702,195	18,527,876	22,343,898	512,862	10,524,927	12,295,347
		\$95,871,249	\$300,253,897		\$88,619,143	\$230,335,611
		=====	=====		=====	=====

* - These investments represent 5% or more of the Plan assets at December 31, 1997 or 1996, as applicable.

Net appreciation (depreciation) in fair value of investments is broken down as follows for the years ended December 31:

	1997	1996
	----	----
Collective Trusts:		
Short-term Investment Fund	\$ -	\$ -
Old Republic International Corporation:		
Series D-Preferred Stock	(135,701,729)	17,216,801
Common Stock	204,077,441	2,614,723
Debentures	-	(4,890)
United States Government obligations	12,173	(212,561)
Corporate bonds	66,677	222,479
Other common stock	-	(364,576)
Mutual funds	3,241,896	1,559,229
	\$ 71,696,458	\$21,031,205
	=====	=====

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

4. ERISA Compliance

The Plan became effective January 1, 1978, and accordingly, in the opinion of the Plan's Sponsor and its Legal Counsel, was drafted, as were subsequent amendments and restatements, to comply with the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA" or "the ACT"), as amended from time to time.

5. Termination Priorities

The Corporation reserves the right, either with or without formal action, to terminate the Plan. Each Employer reserves the right to permanently discontinue its contributions to the Plan. In the event that an Employer permanently discontinues its contributions to the Plan, or the Corporation terminates the Plan, or the Plan is partially terminated under operation of law, the accounts of the affected participants shall be fully vested and non-forfeitable. In addition, because the Plan is a defined contribution plan and not a defined benefit plan, no termination priorities apply to the Plan under ERISA.

6. Notes Payable

The following table sets forth certain data with respect to debt assumed by the Plan and guaranteed by the Corporation:

Original loan principal	\$51,500,000
Cost of shares acquired	\$49,899,963
Unpaid principal balance at December 31, 1997	\$ 8,324,234
Shares acquired:	
Series B	9,881,937
Series D	33,385,023
Common	44,967
Unreleased shares a December 31, 1997:	
Common	853,325
Principal due April 30,	
1998	\$ 3,224,234
1999	2,600,000
2000	2,500,000

	\$ 8,324,234
	=====

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

6. Notes Payable, Continued

Except for loan proceeds of \$100,037, all proceeds were used by the Plan to acquire preferred and common shares of the Corporation, as indicated above, at appraised values. Remaining funds were utilized to meet periodic cash needs or to refinance existing loans. The Series "D" preferred stock had a cumulative annual dividend rate of \$.087 per share, had a minimum redemption value of \$0.87 at the option of the Corporation, had one vote per share and was convertible into common stock of the Corporation at any time at the rate of five shares of Series "D" preferred stock for one common share. During 1997, the Plan exercised its option to convert its holdings of Series "D" preferred stock (32,575,883 shares) into common stock of the Corporation (6,515,176 shares).

It is anticipated that principal and interest payments on the Plan's loans are to be met by the Companies' annual profit sharing contributions, interest on funds invested, and dividends on the Corporation's common stock.

During 1988, a number of loans with an aggregate outstanding principal balance of \$23,374,234 were refinanced. \$11,084,234 was refinanced with the Corporation and \$12,290,000 was refinanced with a bank.

The interest rate on loans with the Corporation is set at 1.5% in excess of the current rate on six month certificates of deposit. The interest rates on the bank loans range from 75% to 85% of the Prime Rate.

The carrying amounts of the notes payable approximates their fair value.

In April 1996, the Plan received a non-interest bearing advance of \$1,738,895, from the Plan Sponsor. The Plan paid back \$1,000,000 in June 1996, and the remaining \$738,895 in January, 1997.

7. Tax Status

The Internal Revenue Service on April 25, 1995, issued a determination letter stating that the Plan, as amended through December 1, 1994, was qualified under Section 401 of the Internal Revenue Code and the Plan was exempt under the provisions of Section 501(a). The Plan has not been amended since the determination letter was received. The Plan's Sponsor and Tax Counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

8. Contributions

Contributions by the Participants and by Participating Companies were as follows for the years shown:

	1997		1996	
	Partici- pants	Company	Partici- pants	Company
Old Republic International Corporation	\$ 46,787	\$ 14,850	\$ 45,133	\$ 13,464
Old Republic Life Insurance Company	61,335	26,001	55,997	24,104
Old Republic Insurance Company	156,884	65,330	172,727	75,762
International Business & Mercantile REassurance Company	-	-	39,646	8,419
Old Republic National Title Insurance Company & its Subsidiaries and Affiliates	1,457,167	582,423	1,314,204	493,518
Old Republic Insured Credit Services, Inc.	91,654	36,729	100,460	44,889
Brummel Brothers, Inc.	38,175	19,015	35,579	17,956
J. Huell Briscoe & Associates, Inc.	19,254	10,793	19,800	10,488
Old Republic General Services, Inc.	283,846	100,892	302,470	107,100
Old Republic Union Insurance Company	13,629	7,226	16,816	9,011
Old Republic Mortgage Guaranty Group, Inc. & its Subsidiaries	1,098,381	491,411	1,053,287	449,076
Old Republic Title Holdings, Inc. & its Subsidiaries and affiliates	3,166,976	1,307,000	2,922,322	1,210,866
Old Republic Asset Management Co.	22,612	11,978	23,091	10,639
Old Republic Dealer Service Corp.	17,527	8,082	13,742	5,009
Phoenix Aviation Managers, Inc.	158,432	59,405	135,401	50,867
Chicago Underwriting Group	89,610	45,178	107,296	42,247
Old Republic Risk Mgmt. Corp.	273,319	104,182	134,959	57,719
Bitco Corp. & its Subsidiaries	627,702	315,736	582,340	286,392
Great West Casualty and Agencies	746,961	406,825	655,089	358,647
Old Republic RE	119,901	43,934	110,797	38,597
Old Republic Home Protection	112,582	51,000	76,459	36,214
Old Republic Surety Group	392,814	142,191	361,880	132,366
Old Republic Standard Group	142,783	49,760	123,414	42,041
Employers General Insurance Group	404,508	202,525	397,506	195,145
Old Republic Minnehoma Insurance Co.	38,310	20,469	40,440	16,023
ORDESCO Inc.	13,288	6,771	14,068	7,731
Church Rickards, Whitlock & Co.	38,416	9,919	35,909	10,752
	-----	-----	-----	-----
	\$9,632,853	\$4,139,625	\$8,890,832	\$3,755,042
	=====	=====	=====	=====

9. Alternative Investment Funds

In November, 1982, the Plan was amended to permit participants to transfer monies from Fund "A", the primary goal of which is protection of capital and stability of income through investments in high-grade, liquid investments, into a newly created Fund "O", and to elect to have their future contributions to the Plan invested, in whole or in part, in Fund "O".

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

9. Alternative Investment Funds, Continued

Under the terms of the Plan, Fund "O" may be invested by the Trustee upon the direction of the Plan's Administration Committee ("Committee") in any property, real or personal and shares of stock, whether common or preferred, voting trust certificates, bonds, mortgages, secured or unsecured obligations, notes, annuity and life insurance contracts, whether group or individual, and other securities and property of every kind and description as the Committee selects (including securities of the Company or any Employer under the Plan and any subsidiary or affiliate of the Company or an Employer). Fund "O" may, as a result, be more speculative and may incur a higher degree of risk than Fund "A" since the Committee is permitted to direct the Trustee to invest in private offerings, joint ventures, small, unseasoned or embryonic companies without a record of earnings, companies not traded on an established market, and other investments. The Committee has the authority to direct the Trustee to borrow by pledging Fund "O" assets.

At December 31, 1997 there were 2,472 participants in Fund "A" and 1,620 participants in Fund "O".

The Plan also has other Funds which offer participants the opportunity to further diversify their future and accumulated contributions (savings) and earnings thereon. The Funds are designated as "H", "I", "J", "K", "L" and "M". Directions to change the Funds to which savings can be directed or transfers from Fund "A" and "O" can be done on January 1, or July 1 of each year. At December 31, 1997, there were 715; 802; 1,140; 587; 120; and 493 participants in Funds "H", "I", "J", "K", "L" and "M", respectively.

A description of these investment options are as follows:

Fund "H" - Oakmark Fund seeks long-term capital appreciation and invests in common stocks and other equity-type securities seeking long-term capital appreciation.

Fund "I" - Fidelity Fund seeks long-term capital growth with current income and invests mainly in common stocks and securities that are convertible into common stock.

Fund "J" - Vanguard/Windsor II seeks to provide long-term growth of capital and income with a secondary objective to provide current income.

Fund "K" - T. Rowe Price International Stock Fund seeks long-term growth of capital through investments primarily in common stocks of established, non-U.S. companies.

Fund "L" - Benchmark Short-Intermediate Bond Portfolio Fund invests in a broad range of short to intermediate term bonds and other fixed income securities.

Fund "M" - Vanguard 500 Stock Index Fund seeks to establish and manage its assets to track very closely to the Standard and Poor's 500 Stock Index. This Fund became effective January 1, 1997.

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

9. Alternative Investment Funds, Continued

Effective January 1, 1989, the Tax Reform Act provided that plan participants who reach age 55 and have 10 years of service in the Plan are provided with the option of diversifying a portion of their companies' account balance out of company stock and into alternative investment funds. The diversification is limited to 25% of all company stock acquired after December 31, 1986. After age 60 (and with 10 years of service in the Plan), such participants have the right to diversify up to 50% of all company stock acquired after December 31, 1986. The period to make the election to diversify is during the first 90 days of the calendar year in which a participant attains age 55 and has completed 10 years of service in the plan.

The investment options available for diversification at December 31, 1997 are:

Fund "E" - Short-term investment fund composed of high grade money market investments with very short-term maturities.

Fund "F" - Intermediate-term fund composed of high-grade securities with maturities of five years or less.

Fund "G" - Open ended no load mutual fund with primary objective being capital appreciation.

At December 31, 1997, there were 24 participants in Fund "E", 33 participants in Fund "F" and 94 participants in Fund "G".

Statements for each fund described above follow (Fund "B" is employer directed only and is included for informational purposes only):

9. Alternative Investment Funds, Continued

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

Allocation of Net Assets Available for Plan Benefits
Employee's Account by Investment Program

December 31, 1997

	Fund "A"	Fund "O"	Fund "H"	Fund "I"	
ASSETS					
Investments, at fair value:					
Collective Trusts:					
Short-term Investment Fund	\$4,690,066	\$5,090,259	\$32,424	\$30,384	
Old Republic International Corporation:					
Common shares	0	7,315,413	0	0	
United States Government obligations	4,455,934	3,377,142	0	0	
Corporate bonds	19,199,137	0	0	0	
Mutual funds	0	338,366	4,745,614	4,073,981	
	28,345,137	16,121,180	4,778,038	4,104,365	
Contributions receivable:					
Employee	187	1,453	176	(176)	
Accrued interest and dividends receivable	471,945	96,590	81	202,355	
	\$28,817,269	\$16,219,223	\$4,778,295	\$4,306,544	
LIABILITIES AND NET ASSETS AVAILABLE FOR PLAN BENEFITS					
Unpaid withdrawal and termination benefits	\$62,382	\$18,301	\$28,462	\$10,323	
Other payables (receivables)	38,375	(28,955)	710	640	
Total liabilities	100,757	(10,654)	29,172	10,963	
Net assets available for plan benefits	28,716,512	16,229,877	4,749,123	4,295,581	
	\$28,817,269	\$16,219,223	\$4,778,295	\$4,306,544	
	=====	=====	=====	=====	
	Fund "J"	Fund "K"	Fund "L"	Fund "M"	Combined
ASSETS					
Investments, at fair value:					
Collective Trusts:					
Short-term Investment Fund	\$58,268	\$21,683	\$2,995	\$23,706	\$9,949,785
Old Republic International Corporation:					
Common shares	0	0	0	0	7,315,413
United States Government obligations	0	0	0	0	7,833,076
Corporate bonds	0	0	0	0	19,199,137
Mutual funds	6,675,703	2,885,485	346,342	1,502,943	20,568,434
	6,733,971	2,907,168	349,337	1,526,649	64,865,845
Contributions receivable:					
Employee	(1,145)	1,011	(1,480)	(26)	0
Accrued interest and dividends receivable	152	54	15	2,518	773,710
	\$6,732,978	\$2,908,233	\$347,872	\$1,529,141	\$65,639,555
	=====	=====	=====	=====	=====
LIABILITIES AND NET ASSETS AVAILABLE FOR PLAN BENEFITS					
Unpaid withdrawal and termination benefits	\$18,110	\$1,585	\$0	\$684	\$139,847
Other payables (receivables)	(429,322)	551,377	32,167	95	165,087
Total liabilities	(411,212)	552,962	32,167	779	304,934
Net assets available for plan benefits	7,144,190	2,355,271	315,705	1,528,362	65,334,621
	\$6,732,978	\$2,908,233	\$347,872	\$1,529,141	\$65,639,555
	=====	=====	=====	=====	=====

9. Alternative Investment Funds, Continued

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

Allocation of Net Assets Available for Plan Benefits
Employee's Account by Investment Program

December 31, 1996

	Fund "A"	Fund "O"	Fund "H"	Fund "I"
ASSETS				
Investments, at fair value:				
Collective Trusts:				
Short-term Investment Fund	\$9,073,766	\$2,220,347	\$22,353	\$18,053
Old Republic International Corporation:				
Common shares	0	5,262,180	0	0
United States Government obligations	4,651,918	5,897,734	0	0
Corporate bonds	15,332,393	0	0	0
Mutual funds	0	287,220	2,624,798	2,437,266
	29,058,077	13,667,481	2,647,151	2,455,319
Contributions receivable:				
Employee	0	1,505	0	0
Accrued interest and dividends receivable	406,522	94,647	54	99
	\$29,464,599	\$13,763,633	\$2,647,205	\$2,455,418
LIABILITIES AND NET ASSETS AVAILABLE FOR PLAN BENEFITS				
Unpaid withdrawal and termination benefits	\$310,837	\$228,537	\$85,129	\$93,666
Other payables (receivables)	19,439	8,234	1,336	1,306
Total liabilities	330,276	236,771	86,465	94,972
Net assets available for plan benefits	29,134,323	13,526,862	2,560,740	2,360,446
	\$29,464,599	\$13,763,633	\$2,647,205	\$2,455,418
	=====	=====	=====	=====
	Fund "J"	Fund "K"	Fund "L"	Combined
ASSETS				
Investments, at fair value:				
Collective Trusts:				
Short-term Investment Fund	\$32,646	\$15,435	\$2,402	\$11,385,002
Old Republic International Corporation:				
Common shares	0	0	0	5,262,180
United States Government obligations	0	0	0	10,549,652
Corporate bonds	0	0	0	15,332,393
Mutual funds	3,738,894	1,706,886	270,096	11,065,160
	3,771,540	1,722,321	272,498	53,594,387
Contributions receivable:				
Employee	(1,011)	1,011	(1,505)	0
Accrued interest and dividends receivable	84	63	13	501,482
	\$3,770,613	\$1,723,395	\$271,006	\$54,095,869
	=====	=====	=====	=====
LIABILITIES AND NET ASSETS AVAILABLE FOR PLAN BENEFITS				
Unpaid withdrawal and termination benefits	\$102,973	\$51,805	\$4,301	\$877,248
Other payables (receivables)	1,855	887	141	33,198
Total liabilities	104,828	52,692	4,442	910,446
Net assets available for plan benefits	3,665,785	1,670,703	266,564	53,185,423
	\$3,770,613	\$1,723,395	\$271,006	\$54,095,869
	=====	=====	=====	=====

9. Alternative Investment Funds, Continued

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

Allocation of Net Assets Available for Plan Benefits
Companies' Account by Investment Program

December 31, 1997

	Fund "B"	Fund "E"	Fund "F"	Fund "G"	Combined
ASSETS					
Investments, at fair value:					
Collective Trusts:					
Short-term Investment Fund	\$1,772,382	\$145,029	\$176	\$104	\$1,917,691
Old Republic International Corporation:					
Series "D" preferred shares	0	0	0	0	0
Common shares	231,694,897	0	0	0	231,694,897
United States Government obligations	0	0	0	0	0
Corporate bonds	0	0	0	0	0
Mutual funds	0	0	312,601	1,462,863	1,775,464
	233,467,279	145,029	312,777	1,462,967	235,388,052
Contributions receivable:					
Employee	4,137,401	0	0	0	4,137,401
Accrued interest and dividends receivable	9,158	697	3	166,777	176,635
	\$237,613,838	\$145,726	\$312,780	\$1,629,744	\$239,702,088
LIABILITIES AND NET ASSETS AVAILABLE FOR PLAN BENEFITS					
Notes payable	\$8,324,234	\$0	\$0	\$0	\$8,324,234
Advances from plan sponsor (non-interest bearing)	0	0	0	0	0
Accrued interest payable	93,307	0	0	0	93,307
Unpaid(recoverable) administrative expenses	37,111	32	49	167,070	204,262
Total liabilities	8,454,652	32	49	167,070	8,621,803
Net assets available for plan benefits					
Allocated to participants	205,880,385	145,694	312,731	1,462,674	207,801,484
Not allocated to participants	23,278,801	0	0	0	23,278,801
Total net assets available for plan benefits	229,159,186	145,694	312,731	1,462,674	231,080,285
	\$237,613,838	\$145,726	\$312,780	\$1,629,744	\$239,702,088

9. Alternative Investment Funds, Continued

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

Allocation of Net Assets Available for Plan Benefits
Companies' Account by Investment Program

December 31, 1996

	Fund "B"	Fund "E"	Fund "F"	Fund "G"	Combined
ASSETS					
Investments, at fair value:					
Collective Trusts:					
Short-term Investment Fund	\$173,502	\$131,586	\$65	\$29	\$305,182
Old Republic International Corporation:					
Series "D" preferred shares	174,280,974	0	0	0	174,280,974
Common shares	924,881	0	0	0	924,881
United States Government obligations	0	0	0	0	0
Corporate bonds	0	0	0	0	0
Mutual funds	0	0	127,619	1,102,568	1,230,187
	175,379,357	131,586	127,684	1,102,597	176,741,224
Contributions receivable:					
Employee	3,739,210	0	0	0	3,739,210
Accrued interest and dividends receivable	412	601	0	8	1,021
	\$179,118,979	\$132,187	\$127,684	\$1,102,605	\$180,481,455
LIABILITIES AND NET ASSETS AVAILABLE FOR PLAN BENEFITS					
Notes payable	\$11,109,234	\$0	\$0	\$0	\$11,109,234
Advances from plan sponsor (non-interest bearing)	738,895	0	0	0	738,895
Accrued interest payable	119,921	0	0	0	119,921
Unpaid(recoverable) administrative expenses	(54,551)	70	86	645	(53,750)
Total liabilities	11,913,499	70	86	645	11,914,300
Net assets available for plan benefits					
Allocated to participants	147,044,148	132,117	127,598	1,101,960	148,405,823
Not allocated to participants	20,161,332	0	0	0	20,161,332
Total net assets available for plan benefits	167,205,480	132,117	127,598	1,101,960	168,567,155
	\$179,118,979	\$132,187	\$127,684	\$1,102,605	\$180,481,455

9. Alternative Investment Funds, Continued

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

Allocation of Changes in Net Assets Available for Plan Benefits
Employee's Account by Investment Program

for the year ended December 31, 1997

	Fund "A"	Fund "O"	Fund "H"	Fund "I"	
Additions:					
Employee contributions	\$3,657,894	\$1,980,080	\$780,132	\$733,592	
Interfund transfers	(2,510,984)	(724,631)	630,041	348,584	
Interest income	1,796,980	520,925	2,443	2,250	
Dividend income	0	105,441	42,959	240,474	
Net appreciation (depreciation) in fair value of investments	66,454	2,109,693	980,557	872,775	
	<u>3,010,344</u>	<u>3,991,508</u>	<u>2,436,132</u>	<u>2,197,675</u>	
Deductions:					
Termination and withdrawal benefits	3,421,885	1,285,343	247,043	261,896	
Administrative expenses	6,270	3,150	706	644	
	<u>3,428,155</u>	<u>1,288,493</u>	<u>247,749</u>	<u>262,540</u>	
NET ADDITIONS (DEDUCTIONS)	(417,811)	2,703,015	2,188,383	1,935,135	
Net assets available for plan benefits, beginning of year	29,134,323	13,526,862	2,560,740	2,360,446	
NET ASSETS AVAILABLE FOR PLAN BENEFITS, END OF YEAR	\$28,716,512	\$16,229,877	\$4,749,123	\$4,295,581	
	=====	=====	=====	=====	
	Fund "J"	Fund "K"	Fund "L"	Fund "M"	Combined
Additions:					
Employee contributions	\$1,245,208	\$581,012	\$75,417	\$579,518	\$9,632,853
Interfund transfers	1,039,816	465,343	(1,249)	753,080	0
Interest income	3,228	2,149	281	1,973	2,330,229
Dividend income	135,249	0	21,848	19,365	565,336
Net appreciation (depreciation) in fair value of investments	1,345,760	(167,596)	(1,502)	209,100	5,415,241
	<u>3,769,261</u>	<u>880,908</u>	<u>94,795</u>	<u>1,563,036</u>	<u>17,943,659</u>
Deductions:					
Termination and withdrawal benefits	289,843	195,887	45,593	34,579	5,782,069
Administrative expenses	1,013	453	61	95	12,392
	<u>290,856</u>	<u>196,340</u>	<u>45,654</u>	<u>34,674</u>	<u>5,794,461</u>
NET ADDITIONS (DEDUCTIONS)	3,478,405	684,568	49,141	1,528,362	12,149,198
Net assets available for plan benefits, beginning of year	3,665,785	1,670,703	266,564	0	53,185,423
NET ASSETS AVAILABLE FOR PLAN BENEFITS, END OF YEAR	\$7,144,190	\$2,355,271	\$315,705	\$1,528,362	\$65,334,621
	=====	=====	=====	=====	=====

9. Alternative Investment Funds, Continued

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

Allocation of Changes in Net Assets Available for Plan Benefits
Employee's Account by Investment Program

for the year ended December 31, 1996

	Fund "A"	Fund "O"	Fund "H"	Fund "I"
Additions:				
Employee contributions	\$4,245,128	\$1,985,824	\$641,920	\$679,165
Interfund transfers	(2,006,271)	247,603	538,703	281,396
Interest income	1,849,624	339,700	1,464	1,546
Dividend income	0	100,144	26,197	31,415
Net appreciation (depreciation) in fair value of investments	(483,970)	785,064	304,813	329,850
	<u>3,604,511</u>	<u>3,458,335</u>	<u>1,513,097</u>	<u>1,323,372</u>
Deductions:				
Termination and withdrawal benefits	4,105,814	1,525,730	223,148	296,450
Administrative expenses	19,439	8,235	1,337	1,306
	<u>4,125,253</u>	<u>1,533,965</u>	<u>224,485</u>	<u>297,756</u>
NET ADDITIONS (DEDUCTIONS)	(520,742)	1,924,370	1,288,612	1,025,616
Net assets available for plan benefits, beginning of year	29,655,065	11,602,492	1,272,128	1,334,830
NET ASSETS AVAILABLE FOR PLAN BENEFITS, END OF YEAR	\$29,134,323	\$13,526,862	\$2,560,740	\$2,360,446
	=====	=====	=====	=====
	Fund "J"	Fund "K"	Fund "L"	Combined
Additions:				
Employee contributions	\$848,190	\$419,300	\$71,305	\$8,890,832
Interfund transfers	643,707	221,170	73,692	0
Interest income	1,782	849	1,183	2,196,148
Dividend income	87,011	21,445	12,402	278,614
Net appreciation (depreciation) in fair value of investments	566,444	181,190	(2,002)	1,681,389
	<u>2,147,134</u>	<u>843,954</u>	<u>156,580</u>	<u>13,046,983</u>
Deductions:				
Termination and withdrawal benefits	281,883	162,247	28,744	6,624,016
Administrative expenses	1,854	887	141	33,199
	<u>283,737</u>	<u>163,134</u>	<u>28,885</u>	<u>6,657,215</u>
NET ADDITIONS (DEDUCTIONS)	1,863,397	680,820	127,695	6,389,768
Net assets available for plan benefits, beginning of year	1,802,388	989,883	138,869	46,795,655
NET ASSETS AVAILABLE FOR PLAN BENEFITS, END OF YEAR	\$3,665,785	\$1,670,703	\$266,564	\$53,185,423
	=====	=====	=====	=====

9. Alternative Investment Funds, Continued

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

Allocation of Changes in Net Assets Available for Plan Benefits
Companies' Account by Investment Program

for the year ended December 31, 1997

	Fund "B"	Fund "E"	Fund "F"	Fund "G"	Combined
Additions:					
Employer contributions	\$4,139,625	\$0	\$0	\$0	\$4,139,625
Interfund transfers	(610,225)	27,580	184,470	398,175	0
Interest income	77,996	7,975	605	1,426	88,002
Dividend income	4,386,491	0	17,559	166,770	4,570,820
Net appreciation (depreciation) in fair value of investments	66,322,478	0	(452)	(40,809)	66,281,217
	74,316,365	35,555	202,182	525,562	75,079,664
Deductions:					
Termination and withdrawal benefits	11,525,291	21,946	17,001	164,548	11,728,786
Interest expense	609,277	0	0	0	609,277
Administrative expenses	228,091	32	48	300	228,471
	12,362,659	21,978	17,049	164,848	12,566,534
NET ADDITIONS (DEDUCTIONS)	61,953,706	13,577	185,133	360,714	62,513,130
Net assets available for plan benefits, beginning of year	167,205,480	132,117	127,598	1,101,960	168,567,155
NET ASSETS AVAILABLE FOR PLAN BENEFITS, END OF YEAR	\$229,159,186	\$145,694	\$312,731	\$1,462,674	\$231,080,285

9. Alternative Investment Funds, Continued

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

Allocation of Changes in Net Assets Available for Plan Benefits
Companies' Account by Investment Program

for the year ended December 31, 1997

	Fund "B"	Fund "E"	Fund "F"	Fund "G"	Combined
Additions:					
Employer contributions	\$3,755,042	\$0	\$0	\$0	\$3,755,042
Interfund transfers	(475,253)	92,460	43,870	338,923	0
Interest income	45,974	5,490	7,243	427	59,134
Dividend income	2,946,154	0	0	8,172	2,954,326
Net appreciation (depreciation) in fair value of investments	19,219,562	0	(1,146)	131,400	19,349,816
	25,491,479	97,950	49,967	478,922	26,118,318
Deductions:					
Termination and withdrawal benefits	14,446,481	2,608	25,798	97,883	14,572,770
Interest expense	777,063	0	0	0	777,063
Administrative expenses	153,376	70	85	645	154,176
	15,376,920	2,678	25,883	98,528	15,504,009
NET ADDITIONS (DEDUCTIONS)	10,114,559	95,272	24,084	380,394	10,614,309
Net assets available for plan benefits, beginning of year	157,090,921	36,845	103,514	721,566	157,952,846
NET ASSETS AVAILABLE FOR PLAN BENEFITS, END OF YEAR	\$167,205,480	\$132,117	\$127,598	\$1,101,960	\$168,567,155

SUPPLEMENTAL SCHEDULES

OLD REPUBLIC INTERNATIONAL CORPORATION
 EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN
 ASSETS AND LIABILITIES
 AT DECEMBER 31, 1996 and 1997

31. Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Allocate the value of the plan's interest in a comingled trust containing the assets of more than one plan on a line-by-line basis unless the trust meets one of the specific exceptions described in the instructions. Do not enter the value of that portion of an insurance contract that guarantees, during this plan year, to pay specific dollar benefit at a future date. ROUND OFF AMOUNTS TO THE NEAREST DOLLAR; ANY OTHER AMOUNTS ARE SUBJECT TO REJECTION. Plans with no assets at the beginning and the end of the plan year, enter -0- on line 31f.

ASSETS		(a) Beginning of Year	(b) End of Year
a	Total noninterest-bearing cash	0	0
b	Receivables: (1) Employer contributions	3,739,210	4,137,401
	(2) Participant contributions	0	0
	(3) Income	502,503	950,345
	(4) Other	0	0
	(5) Less allowance for doubtful accounts	0	0
	(6) Total. Add lines 31b(1) through 31b(4) and subtract line 31b(5) >	4,241,713	5,087,746
c	General investments: (1) Interest-bearing cash (including money market funds)	0	0
	(2) Certificates of deposit	0	0
	(3) U.S. Government securities	10,549,652	7,833,076
	(4) Corporate debt instruments: (A) Preferred	15,332,393	19,199,137
	(B) All other	0	0
	(5) Corporate stocks: (A) Preferred	0	0
	(B) Common	0	0
	(6) Partnership/joint venture interests	0	0
	(7) Real estate: (A) Income-producing	0	0
	(B) Nonincome-producing	0	0
	(8) Loans (other than to participants) secured by mortgages:		
	(A) Residential	0	0
	(B) Commercial	0	0
	(9) Loans to participants: (A) Mortgages	0	0
	(B) Other	0	0
	(10) Other loans	0	0
	(11) Value of interest in common/collective trusts	11,690,184	11,867,476
	(12) Value of interest in pooled separate accounts	0	0
	(13) Value of interest in master trusts	0	0
	(14) Value of interest in 103-12 investment entities	0	0
	(15) Value of interest in registered investment companies	0	0
	(16) Value of funds held in insurance company general account (unallocated contracts)	0	0
	(17) Other MUTUAL FUNDS	12,295,347	22,343,898
	(18) Total. Add lines 31c(1) through 31c(17) >	49,867,576	61,243,587
d	Employer-related investments: (1) Employer securities	180,468,035	239,010,310
	(2) Employer real property	0	0
e	Buildings and other property used in plan operation	0	0
f	TOTAL assets. Add lines 31a, 31b(6), 31c(18), 31d(1), 31d(2), and 31e >	234,577,324	305,341,643
LIABILITIES			
g	Benefit claims payable	877,248	139,847
h	Operating payables	838,264	462,656
i	Acquisition indebtedness	11,109,234	8,324,234
j	Other liabilities	0	0
k	TOTAL liabilities. Add lines 31g through 31j >	12,824,746	8,926,737
NET ASSETS			
l	Subtract line 31k from line 31f. >	221,752,578	296,414,906

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN
INCOME, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1997

32. Plan income, expenses, and changes in net assets for the plan year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s), and any payments/receipts to/from insurance carriers. ROUND OFF AMOUNTS TO THE NEAREST DOLLAR; ANY OTHER AMOUNTS ARE SUBJECT TO REJECTION.

	INCOME		(a) Amount	(b) Total
a	Contributions:			
	(1) Received or receivable from:			
	(A) Employers	a(1)(A)	4,139,625	
	(B) Participants	(B)	9,632,853	
	(C) Others	(C)	0	
	(2) Noncash contributions	(2)	0	
	(3) Total contributions. Add lines 32a(1)(A),(B),(C) and line 32a(2). >	(3)		13,772,478
b	Earnings on investments:			
	(1) Interest:			
	(A) Interest-bearing cash (including money market funds)	b(1)(A)	676,984	
	(B) Certificates of deposit	(B)	0	
	(C) U.S. Government securities	(C)	630,211	
	(D) Corporate debt instruments	(D)	1,111,036	
	(E) Mortgage loans	(E)	0	
	(F) Other loans	(F)	0	
	(G) Other interest	(G)	0	
	(H) Total interest. Add lines 32b(1)(A) through (G) >	(H)		2,418,231
	(2) Dividends: (A) Preferred stock	b(2)(A)	2,706,055	
	(B) Common stock	(B)	2,430,101	
	(C) Total dividends. Add lines 32b(2)(A) and (B). >	(C)		5,136,156
	(3) Rents	(3)		
	(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	(4)(A)	19,202,382	
	(B) Aggregate carrying amount (see instructions)	(B)	10,172,104	
	(C) Subtract (B) from (A) and enter result	(C)		9,030,278
	(5) Unrealized appreciation (depreciation) of assets	(5)		62,666,180
	(6) Net investment gain (loss) from common/collective trusts	(6)		0
	(7) Net investment gain (loss) from pooled separate accounts	(7)		0
	(8) Net investment gain (loss) from master trusts	(8)		0
	(9) Net investment gain (loss) from 103-12 investment entities	(9)		0
	(10) Net investment gain (loss) from registered investment companies	(10)		0
c	Other income	c		0
d	Total income. Add all amounts in column (b) and enter total. >	d		93,023,323
	EXPENSES			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries	e(1)	17,510,855	
	(2) To insurance carriers for the provision of benefits	(2)	0	
	(3) Other	(3)	0	
	(4) Total payments. Add lines 32e(1) through 32e(3) >	(4)		17,510,855
f	Interest expense	f		609,277
g	Administrative expenses: (1) Salaries and allowances	g(1)	0	
	(2) Accounting fees	(2)	57,343	
	(3) Actuarial fees	(3)	0	
	(4) Contract administrator fees	(4)	0	
	(5) Investment advisory and management fees	(5)	162,568	
	(6) Legal fees	(6)	18,452	
	(7) Valuation/appraisal fees	(7)	2,500	
	(8) Trustees fees/expenses (including travel, seminars, meetings, etc.)	(8)	0	
	(9) Other	(9)	0	
	(10) Total administrative fees. Add lines 32g(1) through 32g(9). >	(10)		240,863
h	Total expenses. Add lines 32e(4), 32f, and 32g(10). >	h		18,360,995
i	Net income (loss). Subtract line 32h from line 32d. >	i		74,662,328
j	Transfers to (from) the plan (see instructions)	j		0
k	Net assets at beginning of year (line 311, column (a)).	k		221,752,578
l	Net assets at end of year (line 311, column (b)). >	l		296,414,906

(a)	(b) IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	(c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL, PAR OR MATURITY VALUE			SHARES, PAR, OR MATURITY VALUE	(d) COST	(e) CURRENT VALUE
		MATURITY DATE	RATE OF INTEREST	COLLATERAL			
COLLECTIVE TRUSTS:							
	SHORT-TERM INVESTMENT FUND	N/A	VARIABLE	N/A	11,867,476sh =====	\$11,867,476	\$11,867,476
EMPLOYER SECURITIES:							
	OLD REPUBLIC INTERNATIONAL CORP.: COMMON STOCK	N/A	N/A	N/A	6,427,168sh =====	\$38,332,010	\$239,010,310
UNITED STATES GOVERNMENT OBLIGATIONS:							
	FEDERAL FARM CREDIT BUREAU	10/01/2002	6.100%	N/A	\$500,000par	\$500,000	\$503,595
	FEDERAL HOME LOAN MORTGAGE CORP.	09/19/2001	7.900%	N/A	500,000par	566,719	532,500
	FEDERAL NATIONAL MORTGAGE CORP.	02/11/2002	7.500%	N/A	325,000par	357,594	343,129
	INTER AMERICAN DEVELOPMENT BANK	05/01/2001	8.500%	N/A	500,000par	532,130	535,300
	USA TREASURY NOTE	08/15/98	5.875%	N/A	600,000par	598,313	600,846
	USA TREASURY NOTE	02/28/99	5.500%	N/A	500,000par	502,969	499,220
	USA TREASURY NOTE	08/31/2000	6.250%	N/A	600,000par	603,563	608,064
	USA TREASURY NOTE	08/15/2005	6.500%	N/A	500,000par	511,016	521,250
	USA TREASURY; SERIES B	08/15/2003	5.750%	N/A	500,000par	486,875	500,310
	USA TREASURY; SERIES C	08/15/2004	7.250%	N/A	500,000par	534,766	540,390
	USA TREASURY; SERIES D	11/15/2001	7.500%	N/A	500,000par	522,109	530,080
	USA TREASURY; SERIES G	07/15/98	8.250%	N/A	500,000par	517,188	507,030
	USA TREASURY; SERIES G	08/15/99	6.375%	N/A	600,000par	605,250	606,282
	USA TREASURY; SERIES H	10/15/98	7.125%	N/A	500,000par	527,500	505,705
	USA TREASURY; SERIES M	04/30/98	5.125%	N/A	500,000par	498,672	499,375
					\$7,625,000par =====	\$7,864,662	\$7,833,076
MUTUAL FUNDS:							
	MFO OAKMARK FUND, HARRIS ASSOC. INVEST. TR.	N/A	N/A	N/A	4,664sh	\$84,649	\$188,480
	MFO OAKMARK INTERNATIONAL FUND	N/A	N/A	N/A	11,682sh	152,092	149,886
	MFO OAKMARK FUND, HARRIS ASSOC. INVEST. TR.	N/A	N/A	N/A	117,437sh	3,645,485	4,745,614
	MFO FIDELITY FUND	N/A	N/A	N/A	136,665sh	3,218,745	4,073,981
	MFO VANGUARD/WINDSOR II	N/A	N/A	N/A	233,253sh	5,152,695	6,675,703
	MFO T. ROWE PRICE INTERNATIONAL FUNDS	N/A	N/A	N/A	215,014sh	2,847,946	2,885,485
	MFB BENCHMARK SHORT-INTERMEDIATE BONDS	N/A	N/A	N/A	17,011sh	345,958	346,342
	MFO VANGUARD INDEX TRUST - 500 PORTFOLIO	N/A	N/A	N/A	16,686sh	1,303,972	1,502,943
	MFB BENCHMARK SHORT-INTERMEDIATE BONDS	N/A	N/A	N/A	15,354sh	311,895	312,601
	MFO FIDELITY TREND FUND	N/A	N/A	N/A	27,040sh	1,464,440	1,462,863
					794,806sh =====	\$18,527,876	\$22,343,898

(c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL, PAR OR MATURITY VALUE							
(a)	(b) IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	MATURITY DATE	RATE OF INTEREST	COLLATERAL	SHARES, PAR, OR MATURITY VALUE	(d) COST	(e) CURRENT VALUE
CORPORATE BONDS:							
	ALABAMA POWER CO.	08/01/99	6.375%	N/A	\$250,000par	\$254,985	\$250,850
	AMOCO CANADA PETROLEUM CO.	12/01/2002	7.250%	N/A	250,000par	261,193	261,870
	ARCHER DANIELS MIDLAND CO.	05/15/2003	6.250%	N/A	250,000par	253,478	250,445
	ASSOCIATES CORP. NORTH AMERICA	01/15/2001	5.600%	N/A	250,000par	241,663	246,110
	BAKER HUGHES INC.	02/15/99	7.625%	N/A	250,000par	255,283	253,973
	BELLSOUTH TELECOMMUNICATIONS, INC.	02/15/99	7.625%	N/A	250,000par	262,835	252,253
	BP AMERICA, INC.	04/15/2001	8.500%	N/A	250,000par	268,248	267,930
	CAROLINA POWER & LIGHT CO.	02/01/2000	6.125%	N/A	250,000par	253,063	250,215
	CHASE MANHATTAN CORP.	02/15/2001	5.500%	N/A	250,000par	240,760	245,028
	CHESAPEAKE & POTOMAC TELE. CO. MD	05/01/2003	6.000%	N/A	250,000par	249,068	247,868
	CINCINNATI GAS & ELECTRIC CO.	02/15/99	5.800%	N/A	250,000par	249,835	249,373
	CIT GROUP HOLDINGS INC.,	08/01/2002	6.375%	N/A	250,000par	250,420	250,600
	CLOROX CO.	07/15/2001	8.800%	N/A	200,000par	217,288	216,414
	COCA COLA CO.	09/15/98	7.875%	N/A	250,000par	249,230	253,078
	CSX TRANSIT INC.	03/15/2001	6.070%	N/A	250,000par	244,743	249,593
	DAYTON HUDSON CORP.	03/01/99	7.500%	N/A	250,000par	260,233	253,640
	DEERE JOHN CAPITAL CORP.	10/18/2000	6.230%	N/A	250,000par	247,250	251,318
	DELUXE CORP.	02/15/2001	8.550%	N/A	125,000par	132,893	133,004
	DILLARD DEPT. STORES, INC.	06/15/99	7.375%	N/A	215,000par	225,266	218,945
	DOW JONES & CO., INC.	12/01/2000	5.750%	N/A	271,000par	264,445	268,851
	DUPONT, E.I. DE NEMOURS & CO.	12/01/2001	6.000%	N/A	250,000par	244,063	248,750
	EMPIRE DIST. ELECTRIC CO.	07/01/2002	7.500%	N/A	300,000par	315,600	315,411
	EXXON CAPITAL CORP.	12/15/2001	7.450%	N/A	253,000par	261,223	265,038
	FORTUNE BRANDS, INC.	05/15/99	7.500%	N/A	250,000par	263,000	254,395
	GANNETT, INC.	03/01/98	5.250%	N/A	250,000par	247,338	249,698
	GTE NORTHWEST	02/15/99	6.125%	N/A	250,000par	252,560	250,308
	HALLIBURTON CO.	08/05/2002	6.300%	N/A	250,000par	251,460	251,423
	HEINZ, H. J. CO.	10/15/99	6.750%	N/A	250,000par	254,253	252,840
	HERTZ CORP.	04/01/2000	6.500%	N/A	275,000par	274,062	276,559
	HONEYWELL INC.	04/15/2001	6.600%	N/A	250,000par	249,553	252,938
	HOUSTON LIGHTING & POWER CO.	03/01/2000	6.100%	N/A	150,000par	150,422	150,197
	ICI WILMINGTON, INC.	11/15/2000	9.500%	N/A	250,000par	287,353	270,625
	INGERSOL RAND CO.	07/28/2000	6.600%	N/A	250,000par	250,195	252,678
	INTERNATIONAL PAPER CO.	03/15/2000	9.700%	N/A	250,000par	282,083	267,208
	KIMBERLY-CLARK CORP.	05/01/2001	8.625%	N/A	250,000par	267,153	268,190
	LILLY, ELI	11/15/99	6.750%	N/A	250,000par	255,275	253,098
	LOUISVILLE GAS & ELECTRIC CO.	06/01/98	6.750%	N/A	250,000par	237,960	250,098
	LUCENT TECHNOLOGIES, INC.	07/15/2001	6.900%	N/A	250,000par	252,363	256,470
	MONONGAHELA POWER	04/01/2000	5.625%	N/A	250,000par	247,223	247,380
	MONSANTO CORP.	07/01/2000	6.000%	N/A	250,000par	246,253	248,893
	MORGAN, J.P. & CO.	11/15/98	7.625%	N/A	250,000par	272,280	253,260
	MOUNTAIN STATES TELEPHONE & TELEGRAPH CO.	05/01/2000	9.500%	N/A	250,000par	284,113	268,380
	NATIONSBANK CORP.	09/15/2001	7.000%	N/A	250,000par	252,793	255,820
	NEW ENGLAND TELEPHONE & TELEGRAPH CO.	03/15/2003	6.250%	N/A	250,000par	253,360	250,648
	NORDSTROM, INC.	02/15/98	8.875%	N/A	250,000par	265,505	250,780
	NORFOLK & SOUTHERN RAILWAY CO.	08/01/99	6.500%	N/A	500,000par	501,670	503,165
	NORWEST FINANCIAL, INC.	04/15/98	5.500%	N/A	250,000par	248,155	249,805
	OHIO BELL TELEPHONE CO.	05/01/2000	5.750%	N/A	150,000par	151,839	149,075
	PACIFIC GAS & ELECTRIC CO.	03/01/2002	7.875%	N/A	250,000par	266,375	265,730
	PACIFIC TELEPHONE & TELEGRAPH CO.	05/01/2000	4.625%	N/A	500,000par	437,855	485,200
	PENNEY, J. C., INC.	11/15/98	5.375%	N/A	250,000par	247,580	248,728
	PEPSICO, INC.	10/01/98	7.750%	N/A	250,000par	262,885	253,230
	POTOMOC EDISON CO.	03/01/2000	5.875%	N/A	250,000par	249,643	249,450
	PRIVATE EXPORT FUNDING CORP.	01/31/2002	7.300%	N/A	500,000par	550,215	524,845
	PROCTOR & GAMBLE CO.	08/01/2001	8.700%	N/A	250,000par	268,380	269,533
	PUBLIC SERVICE CO. of COLORADO	01/01/2000	6.000%	N/A	250,000par	245,090	248,335
	PUBLIC SERVICE ELECTRIC & GAS CO.	07/01/99	8.750%	N/A	250,000par	261,055	259,038
	ROCKWELL INTERNATIONAL CORP.	02/15/2001	8.375%	N/A	250,000par	288,465	265,513
	SHELL OIL CO.	12/15/98	6.950%	N/A	250,000par	258,458	252,328
	SOUTHERN BELL TELEPHONE & TELEGRAPH CO.	09/01/2000	4.750%	N/A	500,000par	438,010	484,290
	SOUTHERN CALIFORNIA EDISON CO.	04/15/99	7.500%	N/A	500,000par	519,675	508,335
	TAMPA ELECTRIC CO.	05/01/2000	5.750%	N/A	250,000par	250,780	248,190
	TEXACO CAPITAL, INC.	07/15/99	6.875%	N/A	500,000par	499,030	505,165
	UNION ELECTRIC CO.	10/15/99	6.750%	N/A	250,000par	251,683	252,390
	UNION PACIFIC RAILROAD CO.	01/15/98	6.440%	N/A	200,000par	202,192	200,006
	UPJOHN CO.	04/15/2000	5.875%	N/A	250,000par	252,893	249,065
	WARNER LAMBERT	09/01/98	8.000%	N/A	250,000par	270,373	253,188
	WEST PENNSYLVANIA POWER CO.	06/01/98	5.500%	N/A	250,000par	249,318	249,653
	WILLAMETTE INDUSTRIES, INC.	08/15/2000	9.625%	N/A	250,000par	271,128	270,460
	WMX TECHNOLOGIES, INC.	06/15/2001	7.125%	N/A	250,000par	253,235	254,268
	XEROX CORP.	03/15/2000	9.750%	N/A	250,000par	283,633	267,723
					\$18,889,000par	\$19,279,225	\$19,199,137
					=====	=====	=====
	PLAN TOTAL					\$95,871,249	\$300,253,897
						=====	=====

(a) IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	(b) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL, PAR OR MATURITY VALUE						(c) COST OF ACQUISITIONS	(d) PROCEEDS OF DISPOSITIONS
	MATURITY DATE	RATE OF INTEREST	COLLATERAL	PAR OR MATURITY VALUE				
CORPORATE BONDS: TEXAS INSTRUMENTS, INC.	10/16/97	9.00%	N/A	\$250,000		\$268,255	\$272,095	

OLD REPUBLIC INTERNATIONAL CORPORATION
EMPLOYEES SAVINGS AND STOCK OWNERSHIP PLAN

ITEM 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
for the year ended December 31, 1997

Identity of Party or Investment Involved	Dividend/ Interest Rate	Maturity	Date of Transaction	Face Value of Investment	Amount of Transaction	Cost	Net Gain or (Loss)
Purchases of Investments							
Collective Trust-Short-Term Investment Fund	N/A	N/A	VARIOUS	\$54,293,084	\$ 54,293,084	\$54,293,084	-0-
Sales of Investments							
Collective Trust-Short-Term Investment Fund	N/A	N/A	VARIOUS	\$53,943,502	\$ 53,943,502	\$53,943,502	-0-
Old Republic International Corporation Common Stock (319,300 shares)		N/A	VARIOUS	N/A	\$ 9,833,437	\$ 1,889,433	\$ 7,944,004
Conversion of Securities							
Old Republic International Corporation Series D Preferred Stock (32,575,883 shares) were converted into Old Republic International Corporation Common Stock (6,515,176 shares)		N/A	VARIOUS	N/A	\$230,231,939	\$38,579,248	\$ (C)

Notes:

- (A) This schedule lists all transactions or series of transactions which aggregate in excess of 5% of the Fund assets at the beginning of the current year, as required by the Department of Labor.
- (B) The cost and the current value of asset for purchases of investments are not presented as they are the same.
- (C) No gain was recognized on the conversion of the Series D preferred stock into common stock as the cost of such preferred stock was assigned to the converted common stock. Gain or loss will be recognized upon the sale of common stock to outside parties.