OLD REPUBLIC INTERNATIONAL CORPORATION

MANAGING OLD REPUBLIC FOR THE LONG RUN

2019 Annual Review

About Old Republic

Our **MISSION** is to provide quality insurance security and related services to businesses, individuals, and public institutions, and be a dependable long-term steward of the trust that policyholders, shareholders, and other important stakeholders place in us.

Old Republic traces its beginnings to 1923, although several acquired subsidiaries began operations much earlier. It is primarily a commercial lines underwriter serving the insurance needs of a large number of organizations, including many of America's leading industrial and financial services institutions. Its subsidiaries actively market, underwrite, and provide risk management services for a wide variety of coverages, mostly in the general and title insurance fields. A long-term interest in the mortgage guaranty and consumer credit insurance lines has devolved into a run-off operating mode in recent years. Old Republic's general insurance business ranks among the nation's 50 largest, while its title Insurance operations are the third largest in its industry.

For the beneficiaries of their insurance products and services, Old Republic's insurance subsidiaries provide quality assurance of the promises they make. For employees, the Company offers an environment of success in which they can pursue personal goals of professional and economic achievement in the context of our **MISSION's** business objectives.

Old Republic is one of the nation's 50 largest shareholder-owned insurance businesses. It is a member of the *Fortune 500* listing of America's largest companies. The Company's record as a long-term investment compares very favorably within American industry. ORI's performance reflects an entrepreneurial spirit, a necessary long-term orientation in the management of its business, and a corporate culture that promotes accountability and encourages the taking of prudent business risks.

Here's a summary of recent years' total book and market returns, which includes the addition and reinvestment of cash dividend payments, in comparison with the financial performance of three selected indices similarly developed.

	ORI		Selected Indices' Compounded Total Annual Returns		
	Annual Book Value Compounded Total Return	Annual Market Value Compounded Total Return	Nominal Gross Domestic Product	S & P 500 Index	S & P Insurance Index
Ten Years 2000 - 2009	9.5%	7.4%	4.1%	-1.0%	-3.7%
Ten Years 2010 - 2019	7.7%	14.8%	4.0%	13.6%	12.4%
Twenty Years 2000 - 2019	8.6%	11.0%	4.1%	6.1%	4.1%

According to the most recent edition of *Mergent's Dividend Achievers*, Old Republic is one of just 111 qualifying companies, out of thousands considered, that have posted at least 25 consecutive years of annual dividend growth. Moreover, Old Republic has paid a cash dividend without interruption since 1942 (78 years), and it has raised the annual cash dividend pay-out for each of the past 38 years.

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Financial Highlights

($ in Millions, Except Per Share Data)

			Consolidated Data	
		2019	2018	% Change
Total Revenues		**$ 7,213.7**	$ 6,021.8	19.8%
Pretax Income (Loss):	Excluding Investment Gains (Losses)	**686.2**	673.7	1.9
	Investment Gains (Losses)	**636.1**	(235.6)	
	Total Including Investment Gains (Losses)	**1,322.4**	438.1	201.8
Net Income (Loss):	Excluding Investment Gains (Losses)	**554.2**	556.4	-.4
	Net of Tax Investment Gains (Losses)	**502.2**	(185.9)	
	Total Including Investment Gains (Losses)	**1,056.4**	370.5	185.1
Net Income (Loss) Per Share-Diluted:	Excluding Investment Gains (Losses)	**1.84**	1.86	-1.1
	Net of Tax Investment Gains (Losses)	**1.67**	(0.62)	
	Total Including Investment Gains (Losses)	**3.51**	1.24	183.1
Operating Cash Flow		**936.2**	760.5	23.1
Assets		**21,076.3**	19,327.1	9.1
Common Shareholders' Equity:	Total	**6,000.1**	5,146.2	16.6
	Per Share	**19.98**	17.23	16.0
Cash and Invested Assets Per Share		**48.39**	44.14	9.6
Cash Dividends Per Share*		**$ 1.80**	$ .78	130.8%

** A special cash dividend of $1.00 per share was paid in September 2019 in addition to the regular quarterly dividend payment of $0.20 per share.*

	Segments of Business					
	Revenues			Pretax Income (Loss)		
	2019	2018	% Change	**2019**	2018	% Change
General Insurance	**$3,920.8**	$3,739.4	4.8%	**$ 370.2**	$363.9	1.7%
Title Insurance	**2,531.3**	2,375.4	6.6	**230.8**	219.3	5.2
Corporate & Other	**48.5**	46.3	4.6	**54.8**	40.4	35.5
Subtotal	**6,500.7**	6,161.3	5.5	**655.9**	623.8	5.2
RFIG Run-off	**76.8**	96.1	-20.0	**30.3**	49.9	-39.3
Total Operating	**6,577.6**	6,257.4	5.1	**686.2**	673.7	1.9
Investment Gains (Losses):						
Realized From Actual Transactions	**36.6**	58.2	-37.1	**36.6**	58.2	-37.1
Unrealized From Changes in Fair Value of Equity Securities	**599.5**	(293.8)	N/M	**599.5**	(293.8)	N/M
Subtotal	**636.1**	(235.6)	N/M	**636.1**	(235.6)	N/M
Consolidated	**$7,213.7**	$6,021.8	19.8%	**$1,322.4**	$438.1	201.8%

N/M = Not meaningful

Managing for the Long Run

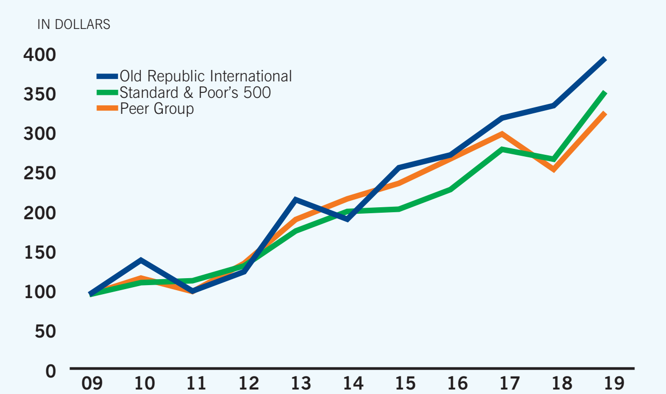
The very nature of insurance requires we manage our business for the long run. The prices (premiums) charged for most products are set without knowing for certain what the ultimate benefit and claim costs will be. We also can't know when they will be paid, which may be many years after a policy was issued or expired.

SUCCESS COMES FROM FOCUS AND STAYING POWER

Prospering in this environment requires Old Republic to focus on two areas. First, our goal is to achieve favorable underwriting results over multi-year cycles. Second, we steadfastly maintain a sound financial condition. This is needed to support our insurance subsidiaries' long-term obligations to policyholders and their beneficiaries. We meet these objectives by using time-tested insurance risk management principles, and by funding liabilities with high-quality, diversified assets.

Effectively managing over a multi-year cycle means we operate the business with little regard for quarterly or even annual reporting periods. That's because these time frames are too short. We believe the best way to evaluate our operating results and financial condition is by looking at underwriting and overall operating performance trends over succeeding five- and, preferably, 10-year intervals. These longer periods may include one or two economic and/or underwriting cycles. This provides enough time for the cycles to run their course, for underwriting and premium rate changes to appear in financial results, and for reserved claim costs to be quantified with greater finality and effect.

Total Market Return



This chart compares Old Republic's total market return for the past ten years with that of the S&P 500 and a Peer Group of insurance businesses included in the Company's 2019 Form 10K.

Maintaining a sound financial condition requires us to minimize balance sheet leverage in three ways. One: we avoid excessive debt. Two: we manage asset and liability risks; this allows Old Republic to cover different types of exposures across economic sectors and among insurance coverages. Three: we maintain a capital cushion to see us through unexpected harsh events.

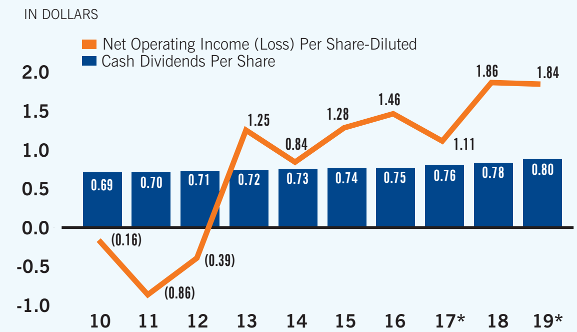
LONG-TERM VIEW CREATES VALUE FOR ASSUREDS AND SHAREHOLDERS

By taking this long view, Old Republic has proven itself a reliable insurer and very good investment over time. Our record does more than distinguish us among insurers. It stacks up very well against the nation's other successful corporations. We believe our achievements rest on the Company's values, its strategy of taking prudent business risks, and its conservative approach to asset and capital management.

We manage a focused book of insurance risks through a variety of coverages and products aimed at core sectors of the American economy. This combination gives us a better ability to counter the natural cycles in the insurance industry. It also produces sustainable and balanced earnings growth with lower levels of volatility over time.

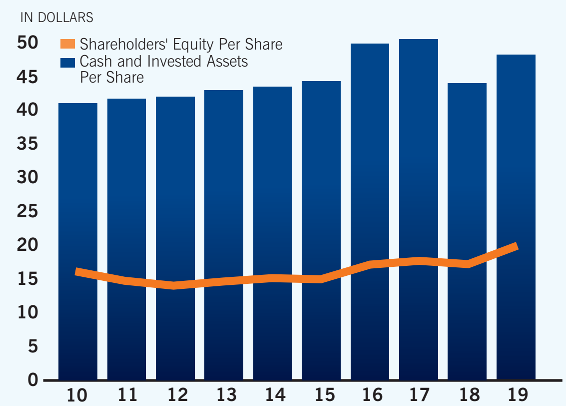
Our commitment to creating long-term shareholder value has created generally consistent growth in four areas: our quality invested asset base, bottom line, book value, and cash dividend. Old Republic has paid regular cash dividends on common shares without interruption since 1942. In addition, the annual dividend rate has risen in each of the last 38 years. We are one of only 291 companies—out of the thousands that are publicly traded—to have posted at least 10 consecutive years of annual dividend growth. In addition, Old Republic is one of just 111 companies, out of those thousands, to post at least 25 consecutive years of annual cash dividend growth, according to the most recent edition of *Mergent's Dividend Achievers*.

Net Operating Income (Loss) Per Share-Diluted
Regular Cash Dividends Per Share



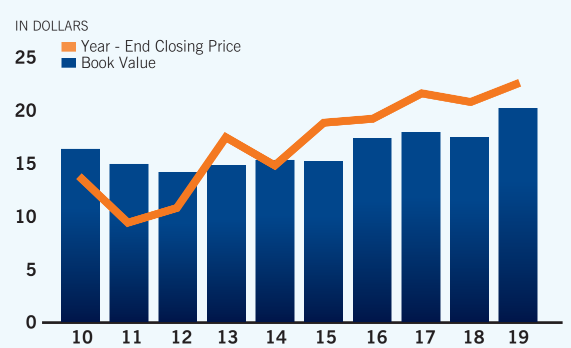
** Excludes a special cash dividend of $1.00 per common share in each of 2017 and 2019. Regular cash dividends have increased in each of the past 38 years, even though earnings per share have reflected some variability.*

Cash and Invested Assets Per Share
Shareholders' Equity Per Share



Old Republic's cash and invested assets and shareholders' equity per share have kept pace with and reflect changes in operating cash flows, investment market values, and earnings.

Per Share Data



Over the past decade, Old Republic's shareholders' equity per share has mostly reflected trends in earnings and cash dividend pay-outs. Quoted market prices for the shares are reflective of the same factors as well as securities market evaluations and conditions in general.

2019 Annual Report Letter

ORI'S ACTIVELY MANAGED BUSINESS IS ON COURSE

Old Republic is benefiting from a substantial turnaround and redirecting its consolidated business since the Great Recession.

Pretax operating earnings, excluding our RFIG run-off segment, reached an all-time high of $655.9 million. Including the run-off business, pretax operating earnings grew to $686.2 million, edging above the prior record in 2005. Here is what makes this particularly significant. Our active run-off operations accounted for nearly 40% of earnings in that earlier year, compared to just 4% in 2019. In addition, retaining net income earned since then has further bolstered our balance sheet.

SEVERAL CHANGES IN OUR SENIOR EXECUTIVES

Last October, some changes were announced in ORI's senior executive ranks.

Craig R. Smiddy was appointed Chief Executive Officer and joined our Board and the Executive Committee. He now is the fifth CEO in the Company's 96-year history. Craig succeeds Al Zucaro, who held that post for the 29 preceding years.

Stephen J. Oberst was named Executive Vice President, joining Craig in ORI's Office of the Chief Executive Officer (OCEO). Stephen is a long serving executive who most recently led our important general insurance risk management and alternative markets operations.

Members of Old Republic International Corporation's Office of the Chief Executive Officer

STANDING (LEFT TO RIGHT): W. Todd Gray, Rande K. Yeager, Stephen J. Oberst

SEATED (LEFT TO RIGHT): Karl W. Mueller, Craig R. Smiddy, Charles S. Boone, John R. Heitkamp, Jr.

The following experienced executives continue as members of the OCEO with Craig and Stephen:

★ Charles S. Boone, Senior Vice President – Investments

★ W. Todd Gray, Senior Vice President and Treasurer

★ John R. Heitkamp, Jr., Senior Vice President, Secretary and General Counsel

★ Karl W. Mueller, Senior Vice President and Chief Financial Officer

★ Rande K. Yeager, Executive Chairman of the Old Republic Title Companies

This team has the expertise to conservatively manage Old Republic's fortress balance sheet in the years ahead.

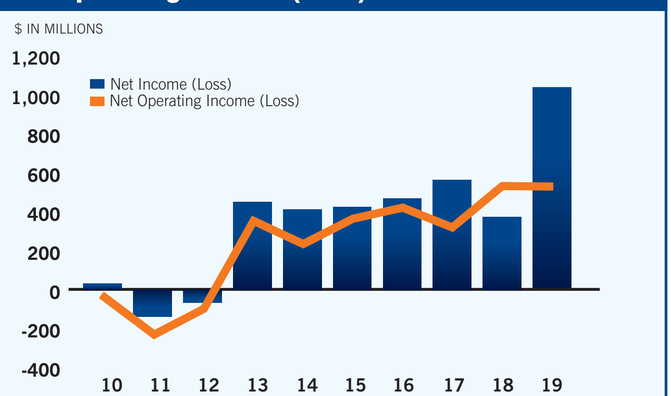
2019: COMPARATIVE FINANCIAL PERFORMANCE PER SHARE

We want to be clear and transparent in how we measure our financial performance. That means we report both the overall and per share financial performance of our basic insurance business by *excluding* both realized and unrealized gains or losses from our investment portfolio. The gains or losses result from 1) highly discretionary and randomly occurring actual transactions, or 2) the price volatility of securities market prices, over which we have no control.

On this basis, we reported diluted **net operating earnings per share** of $1.84 in 2019, slightly lower than $1.86 for 2018. Here is some perspective. For the five years (2013 to 2017) following the 2012 run-off decision, we reported average annual operating earnings per share of $1.19. Since 2013, net operating income per share has risen 47%.

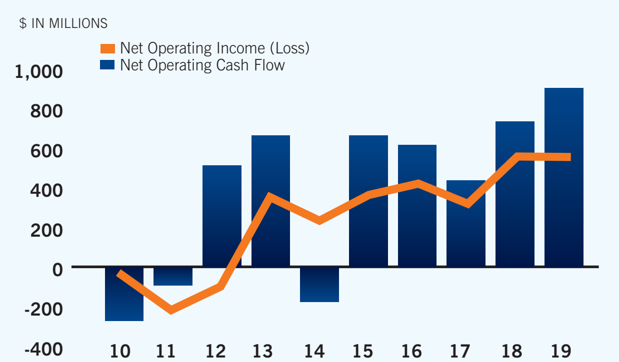
Shareholders' equity per share gained nearly 16% to $19.98 from year-end 2018. This mostly reflected accumulated earnings, unrealized securities gains or losses, and paying cash dividends. Much of last year's gain stemmed from 1) earnings retained in the business, and 2) a significant rise in the market valuation of our investment portfolio. Since year-end 2013, shareholders' equity per share has risen 36%. That improvement happened on top of our steady increase in cash dividends. In total, this was $6.56 per share, including special cash dividends of $1.00 per share in both 2019 and 2017.

Net Income (Loss)/ Net Operating Income (Loss)



Old Republic's significant decline in earnings from 2010 to 2012 was related to the downturn in housing and mortgage lending sectors of the American economy. A turnaround to profitability in our Mortgage Guaranty line and continuing improvement in our Title and General businesses provided significant boosts to Old Republic's consolidated earnings.

Net Operating Income (Loss)/ Net Operating Cash Flow

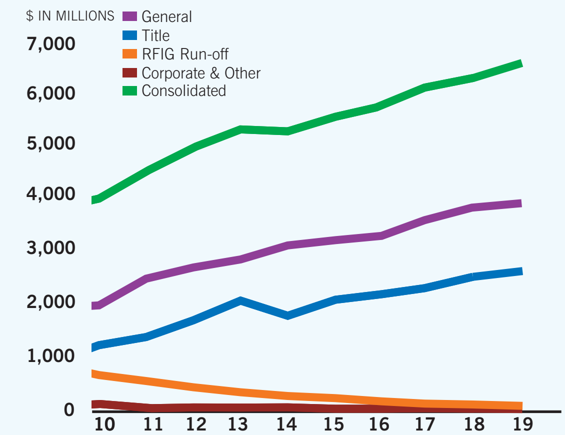


Old Republic's combined run-off mortgage guaranty and consumer credit indemnity businesses, both of which are tied to housing finance, were mainly responsible for the net operating losses and operating cash flow deficits shown.

The other way we gauge our financial performance per share is to calculate a total return based on our reported results, then compare the result to the stock market's valuation of them. We call this our **total book value return**. That represents the combination of the annual change in book value per share, plus the cash dividend. This grew by 26.4% in 2019 due to the factors just mentioned. Market value-wise, the combination of the change in the year-over-year price of ORI's common shares, and the regular and special cash dividend we paid, resulted in a 17.8% **total market return** for 2019.

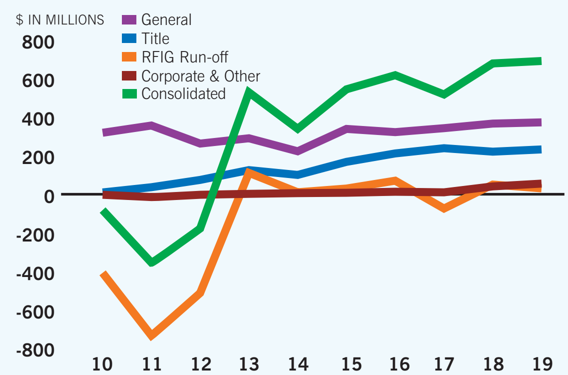
The chart following the end of the letter spans the 52 years since ORI's emergence as a publicly held insurance holding company. It shows those total returns versus three economic growth and market indicators. This illustrates how our long-term performance compares very favorably with those benchmarks. For the many reasons highlighted in this letter, we're confident that the long-term strategy for our diversified insurance business will continue this competitive, value-creating financial performance in the long run.

Segmented Operating Revenue Trends



Old Republic's wide diversification of insurance coverages among its business segments provides consolidated top line stability.

Segmented Pretax Operating Income Trends



Except for periods experiencing pronounced economic slowdowns, as had been the case for the three years ended in 2012, Old Republic's diversified book of business is expected to generate greater stability of long-term earnings trends.

CONSOLIDATED OPERATIONS OF THE BUSINESS

The table on the next page shows an array of operating data arranged in 11 sections. We believe the information in sections A to G and at J highlights the most meaningful indicators of the basic segmented and consolidated operating results of our business. They underscore the performance of two factors:

- ★ Underwriting operations dedicated to providing long-term, reliably consistent insurance services to meet the needs of a variety of businesses, individuals, and public institutions
- ★ Solid investment management of the combined capital and underwriting cash flows provided by insurance and related services operations

2019 consolidated and related services revenues for Old Republic's actively managed insurance business reflected 5.5% year-over-year growth of premiums, fees, and miscellaneous other revenues. This compares to nominal gross domestic product (GDP) growth of about 4% in 2019. For the five years through 2018, our operating revenues were adversely affected by the declining run-off business, however, they still rose an average 3.4%.

As the table on page 7 shows, consolidated results from underwriting and related services reflected slightly lower performance, as margins were compressed.

Sources of Consolidated Income (Loss) ($ in millions, except share data)

	2019	2018	2017	2016	2015	2014
A. Net premiums, fees, and other income:						
General insurance	**$3,432.4**	$3,277.1	$3,110.8	$2,936.3	$2,894.7	$2,735.6
Title insurance	**2,489.2**	2,336.1	2,287.2	2,206.6	2,045.3	1,759.2
Corporate and other	**13.4**	14.6	18.8	20.1	19.4	60.7
Other income	**132.6**	121.6	102.2	107.3	106.7	101.6
Subtotal	**6,067.6**	5,749.5	5,519.1	5,270.5	5,066.2	4,657.3
RFIG run-off business	**59.2**	75.9	122.9	170.0	219.9	255.4
Consolidated	**$6,126.8**	$5,825.5	$5,642.0	$5,440.5	$5,286.1	$4,912.7
B. Underwriting and related services income (loss):						
General insurance	**$84.9**	$91.2	$84.3	$65.5	$70.8	$(23.9)
Title insurance	**193.4**	185.1	206.7	181.7	140.3	77.5
Corporate and other	**(15.5)**	(21.9)	(28.4)	(17.5)	(21.8)	(19.2)
Subtotal	**262.8**	254.3	262.6	229.7	189.4	34.4
RFIG run-off business	**12.7**	29.7	(95.2)	46.6	4.3	(17.1)
Consolidated	**$275.6**	$284.0	$167.3	$276.3	$193.7	$17.2
C. Consolidated underwriting ratio:						
Claim ratio	**42.9%**	43.1%	44.7%	44.0%	47.5%	52.3%
Expense ratio	**52.2**	51.6	52.0	50.6	48.5	47.1
Composite ratio	**95.1%**	94.7%	96.7%	94.6%	96.0%	99.4%
D. Net investment income:						
General insurance	**$356.4**	$341.0	$318.9	$312.1	$312.1	$278.8
Title insurance	**41.4**	38.8	37.3	36.2	34.0	29.9
Corporate and other	**35.1**	31.7	31.4	15.4	17.2	9.2
Subtotal	**433.0**	411.7	387.7	363.8	363.5	317.9
RFIG run-off business	**17.6**	20.1	21.7	23.2	25.1	27.5
Consolidated	**$450.7**	$431.8	$409.4	$387.0	$388.6	$345.5
E. Interest and other charges:						
General insurance	**$71.1**	$68.3	$62.9	$57.6	$46.6	$33.5
Title insurance	**4.1**	4.6	6.9	7.6	7.5	7.8
Corporate and other (a)	**(35.2)**	(30.6)	(6.9)	(15.0)	(12.2)	(15.7)
Subtotal	**40.0**	42.2	63.0	50.2	41.9	25.6
RFIG run-off business	**–**	–	–	–	–	–
Consolidated	**$40.0**	$42.2	$63.0	$50.2	$41.9	$25.6
F. Segmented and consolidated pretax income (loss) excluding all investment gains (losses):						
General insurance	**$370.2**	$363.9	$340.3	$319.9	$336.4	$221.3
Title insurance	**230.8**	219.3	237.1	210.2	166.8	99.5
Corporate and other	**54.8**	40.4	9.9	13.0	7.6	5.7
Subtotal	**655.9**	623.8	587.3	543.3	511.0	326.7
RFIG run-off business	**30.3**	49.9	(73.5)	69.8	29.4	10.3
Consolidated	**686.2**	673.7	513.8	613.1	540.4	337.1
Income taxes (credits) on above	**132.0**	117.2	195.7	193.5	177.7	104.3
G. Net income (loss) excluding investment gains (losses)	**554.2**	556.4	318.0	419.6	362.7	232.7
H. Consolidated pretax investment gains (losses):						
Realized from actual transactions	**36.6**	58.2	211.6	72.8	91.3	272.3
Unrealized from changes in fair value of equity securities	**599.5**	(293.8)	–	–	–	–
Total	**636.1**	(235.6)	211.6	72.8	91.3	272.3
Income tax (credit) on above	**133.8**	(49.6)	(30.8)	25.5	31.9	95.3
Net of tax investment gains (losses)	**502.2**	(185.9)	242.4	47.3	59.3	177.0
I. Net income (loss)	**$1,056.4**	$370.5	$560.5	$466.9	$422.1	$409.7
J. Consolidated operating cash flow (deficit)	**$936.2**	$760.5	$452.8	$637.3	$688.2	$(181.2)
K. Net income (loss) per diluted share:						
Net income (loss) excluding investment gains (losses)	**$1.84**	$1.86	$1.11	$1.46	$1.28	$0.84
Realized investments gains (losses)	**0.10**	0.15	0.81	0.16	0.20	0.60
Unrealized investment gains (losses)	**1.57**	(0.77)	–	–	–	–
Net income (loss)	**$3.51**	$1.24	$1.92	$1.62	$1.48	$1.44
Cash dividends per share (b)	**$1.80**	$0.78	$1.76	$0.75	$0.74	$0.73
Ending book value per share	**$19.98**	$17.23	$17.72	$17.16	$14.98	$15.15
Closing stock market price per share	**$22.37**	$20.57	$21.38	$19.00	$18.63	$14.63

(a) Includes consolidation/elimination entries. / (b) 2019 and 2017 include special cash dividends of $1.00 per share.

Underwriting and Related Services Margin as % of Premiums, Fees, and Other Operating Revenues:

	2019	2018	2017	2016	2015	2014
Underwriting/Services Margins:						
General insurance	**2.5%**	2.8%	2.7%	2.2%	2.4%	(0.8)%
Title insurance	**7.8**	7.9	9.0	8.2	6.9	4.4
Total actively managed business	**4.3**	4.4	4.8	4.4	3.7	0.7
RFIG Run-Off business	**21.5**	39.1	N/M	27.4	2.0	(6.7)
Consolidated total with run-off business	**4.5%**	4.9%	3.0%	5.1%	3.7%	0.4%

General Insurance growth of premiums and other income of 4.9% came mostly from our primary markets: commercial automobile (trucking), national accounts, and executive indemnity insurance. The main contributors to this expansion were the cumulative effects of ongoing premium rate increases for most coverages and products, along with new business production. As the next table shows, claim ratios have seen a consistent downward trend during the past several years. The improvement came from slightly lower estimates of current accident years' claim provisions, and from the lessening impacts of developments of prior years' reserve estimates.

Effect on reported claim ratios of prior years' reserve developments on calendar year reported claim ratios:

Calendar Years	Reported Claim Ratio	Effect of Prior Periods' (Favorable)/Unfavorable Claim Reserves Development	Claim Ratio Excluding Prior Periods' Claim Reserves Development
2014	77.9%	3.9%	74.0%
2015	74.1	1.5	72.6
2016	73.0	0.3	72.7
2017	71.8	0.7	71.1
2018	72.2	–	72.2
2019	71.8%	0.4%	71.4%

Annual claim ratios and the trends they display may not be particularly meaningful indicators of future outcomes for ORI's liability-oriented mix of business and its relatively long claim payment patterns. Absent significant economic and insurance industry dislocations in the foreseeable future, management's targets are for annually reported claim ratio averages in the high 60% to low 70% range, and assuming the current mix of coverages, overall expense ratio averages between 23% and 25%, with resulting composite underwriting ratio averages between 90% to 95%.

Each year's expense ratio typically reflects ongoing product mix dynamics, plus the variability of sales and general expenses among various coverages. The combination of reported claim and expense ratios is shown in the next table.

Underwriting ratios:

	2019	2018	2017	2016	2015	2014
Claim ratio	**71.8%**	72.2%	71.8%	73.0%	74.1%	77.9%
Expense ratio	**25.7**	25.0	25.5	24.8	23.5	22.9
Composite underwriting ratio	**97.5%**	97.2%	97.3%	97.8%	97.6%	100.8%

We're comfortable with and optimistic about the continued progress of our General Insurance segment. Our long-term strategy aims to increase the top line at a much faster clip than the nominal GDP over five- to 10-year cycles. We should be able to do this through the organic growth of our business, selective acquisitions, and new products or delivery methods.

2019 Title Insurance premiums and fees saw growth of 6.6%. That reflected a continued low interest rate environment in a favorable real estate market, coupled with a stable market share position. Claim costs trended higher, as favorable development of prior years' claim reserve estimates edged down. Operating expenses remained generally aligned with revenues.

The following tables show 1) the composite title insurance underwriting ratios for the past several years, and 2) the effect of prior years' claim reserve developments on individual calendar years' reported claim ratios:

Underwriting ratios:

	2019	2018	2017	2016	2015	2014
Claim ratio	**2.7%**	2.1%	0.9%	3.8%	4.9%	5.2%
Expense ratio	**89.5**	90.0	90.0	87.9	88.3	90.4
Composite underwriting ratio	**92.2%**	92.1%	90.9%	91.7%	93.2%	95.6%

Effect on reported claim ratios of prior years' reserve developments on calendar year reported claim ratios:

Calendar Years	Reported Claim Ratio	Effect of Prior Periods' (Favorable)/Unfavorable Claim Reserves Development	Claim Ratio Excluding Prior Periods' Claim Reserves Development
2014	5.2%	(0.8)%	6.0%
2015	4.9	(0.6)	5.5
2016	3.8	(1.1)	4.9
2017	0.9	(3.3)	4.2
2018	2.1	(2.0)	4.1
2019	2.7%	(1.3)%	4.0%

The title insurance business model is based on mitigating and preventing losses rather than assuming significant underwriting risks. The latter is controlled at the front end of a transaction. This happens through extensive searches of historical real estate transfers, and the efforts of professionals trained in real estate law. Expenses incurred to achieve these objectives are booked when a title insurance policy and related services are first provided. As a result, upfront costs are much higher in title compared with other types of insurance but, for those reasons, claim costs are lower.

The Title Segment provides a very good fit with our General Insurance Segment. Both share these critical enterprise risk management factors: a cyclical industry, tax planning considerations, and capital allocation processes. Most importantly, Title is firmly tied to ORI's culture. Our commitment is to do things right in any market environment. At the same time, we're always looking for new ways to gain market share from organic growth and expand our North American footprint.

The RFIG Run-Off Segment is now largely represented by mortgage guaranty coverages. In 2019, it once again showed profitable underwriting performance. We still expect its profitability to decline as premium revenues drop in tandem with the anticipated reduction of insurance risk in-force. At the end of 2019, the business had total capital of about $483 million. Much of this was redundant, given the scope of its declining risk exposures. Beginning in 2020 we will, with necessary regulatory approval, gradually reduce that capital balance. Those funds will be directed to alternative capital utilization within ORI's holding company system.

Additionally, we continue to have several economically sound options for running off this business. One is the possibility of selling the RMIC enterprise to a qualified buyer. The attraction is the benefit from a very fine operating infrastructure capable of supporting a re-activation of the business. Another option is simply running off the book of business through extinction, and/or reinsuring any remaining in-force block to effect a final de-capitalization of RMIC.

These possibilities will be enabled by a loyal, capable cadre of intellectual capital providers, who have seen us through both the perilous and better times that affected the business.

Consolidated investment income grew 4.4% compared with 5.5% in 2018. At year-end 2019, approximately 72% of the fair-valued investment portfolio of $14.3 billion was allocated to fixed-maturity and short-term investments. The remaining 28% was in equities. On a cost basis—which doesn't account for unrealized gains or losses—the allocation was 76% and 24%, respectively.

Our total investment portfolio stems from three sources:

★ Funds obtained from our debt holders, which are directed to our insurance subsidiaries' capital and reinvested in bonds and stocks

★ Shareholders' paid-in capital and retained earnings balances, which are largely committed to our insurance subsidiaries to support their underwriting exposures and growth prospects

★ Cumulative cash flows produced by our insurance subsidiaries' underwriting/services operations that, after meeting current operating liquidity needs, are similarly invested

That said, we estimate approximately 44% of the total bond, stock, and cash equivalent investments came from the combination of tangible shareholders' equity and outstanding debt. The remaining 56% was attributable to underwriting/services operations. This simplified mathematical analysis leads to an allocation of annual investment income to each of the three sources. It also provides a practical understanding of the nature of our basic operating income. On this basis, the next table shows that, on average, approximately 76% of consolidated pretax operating earnings was generated by our underwriting/services functions. The other 24% came from the investment of debt and tangible shareholders' capital:

	($ in millions)					
	2019	2018	2017	2016	2015	2014
Attributed sources of consolidated pretax operating income:						
Underwriting/services income	**$275.6**	$284.0	$167.3	$276.3	$193.7	$17.2
Attributed net investment income to underwriting/services	**252.4**	220.2	229.3	216.7	229.3	203.8
Total	**528.0**	504.2	396.6	493.0	423.0	221.0
Attributed net investment income to shareholders' equity and outstanding debt	**198.3**	211.6	180.1	170.3	159.3	141.7
Less: Other expenses (largely interest on debt)	**(40.0)**	(42.2)	(63.0)	(50.2)	(41.9)	(25.6)
Total	**158.2**	169.4	117.1	120.1	117.4	116.1
Consolidated pretax operating income	**$686.2**	$673.7	$513.8	$613.1	$540.4	$337.1

The next table shows 1) the relationship between income from interest and dividends, 2) the contribution each made as a percent of net investment income, and 3) the latter's proportion to each of underwriting/services and consolidated pretax operating income:

	($ in millions)					
	2019	2018	2017	2016	2015	2014
Net Investment Income from:						
Interest	**$310.5**	$309.0	$298.6	$298.7	$297.3	$296.8
Dividends	**141.3**	124.0	110.9	88.2	91.0	49.3
Other (mostly net investment expense)	**(1.1)**	(1.2)	(0.1)	0.1	0.3	(0.7)
Net investment income	**$450.7**	$431.8	$409.4	$387.0	$388.6	$345.5
Year-over-year % change	**4.4%**	5.5%	5.8%	(0.4)%	12.5%	8.4%
Percentage of net investment income from:						
Interest	**68.9%**	71.4%	72.9%	77.2%	76.5%	85.9%
Dividends	**31.4%**	28.7%	27.1%	22.8%	23.4%	14.3%
Net investment income as a percentage of:						
Underwriting/services income	**163.5%**	152.0%	244.7%	140.1%	200.6%	*
Consolidated pretax operating income	**65.7%**	64.1%	79.7%	63.1%	71.9%	102.5%

**Not meaningful as 2014 underwriting/services income was negligible.*

The size of our fixed-maturity security portfolio has not changed significantly over the past seven years. It's been relatively fixed as a basic anchor for our insurance subsidiaries' obligations to policyholders and their beneficiaries. The maturities are stratified and conservatively matched to the expected timing of paying those obligations in the future.

Since 2013, most of our investable funds have been directed toward purchasing high-quality common shares of U.S. companies (limited to fewer than 100 issues at year-end 2019). We favor those with long-term records of reasonable earnings growth and steadily increasing dividends. This has been the major reason why dividends from equity securities have been the source of investment income growth in recent years.

Realized gains from actual transactions always provide a welcome addition to overall results. However, our investment management process has been, and remains focused on, assembling a quality portfolio that produces reliably consistent and growing streams of current income. In addition, we perform regular stress tests of the equities portfolio. The purpose is to gain reasonable assurance that periodic downdrafts in market prices—as typically occur in economic depressions or recessions—would not seriously undermine our financial strength and the long-term continuity and prospects of our insurance underwriting business. Since 2013, realized gains in the investment portfolio have averaged about $123.8 million per year, and represented 23.5% of their combination with net investment income. During the same period, net unrealized investment gains from all sources have averaged approximately $99.1 million per year.

We keep enterprise-wide risk management objectives in mind when structuring the overall securities portfolio. Our principal aim is twofold. First, to ensure solid funding of our insurance subsidiaries' long-term obligations to assureds and other beneficiaries. Second, to ensure both the growth and long-term stability of our subsidiaries' capital accounts. For these reasons, the portfolio contains no significant exposures to collateralized debt obligations (CDOs), derivatives, hybrid, hedge-fund, private-equity securities with limited liquidity, or other securities whose values are largely based on non-regulated financial instruments.

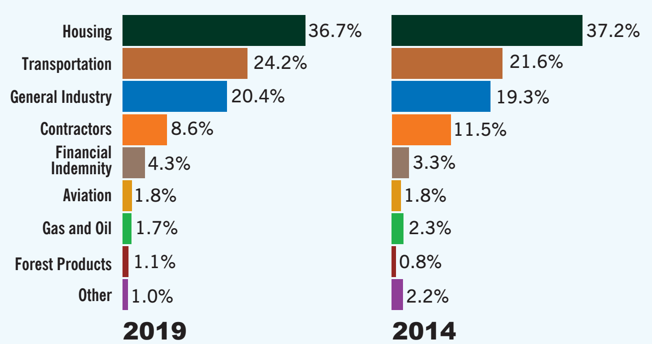
We consider our all-weather investment portfolio to be of high quality and marketability. It is structured to be responsible in meeting the liquidity needs of the business as insurance underwriting and other obligations come due.

EVALUATING 2019'S PERFORMANCE IN VIEW OF OUR LONG-TERM BUSINESS STRATEGY

Our long-term strategy is designed to create value for all our stakeholders in a thoughtful, balanced manner. At year-end 2012, with the RFIG segment firmly established in run-off mode, we redirected our strategic course. We anchored ORI's future to two other segments: General and Title insurance. In so doing, we retained our long-term focus on meeting the insurance and related needs of the key sectors we serve in the North American economy:

1. Commercial transportation by truck and air
2. Housing and related financial fields, as well as commercial and public construction and all types of habitats
3. Manufacturing by medium-sized and giant businesses
4. Energy production and delivery
5. Telecommunications and other technological means of communications and information analysis and delivery
6. Public and private health care in its many facets
7. Higher education

Consolidated Gross Premiums & Fees by Major Industry



Old Republic's business model features several insurance categories, offering many kinds of policies. This allows us to diversify our market and economic exposures while benefiting from an expert status in the industries we choose to serve.

This means we touch over 50% of North America's economic activity. The insurance underwriting and related services we offer in all these sectors are necessary and often mandated. Our customers provide products and services that are relevant to the economy and society. We assist them with our broad and deep competencies as insurance risk takers and managers. In return, they enable the continued organic growth that's the linchpin of our long-term business strategy.

One important way we achieve this strategy is through the conservative, long-term management of Old Republic's balance sheet. That's because maintaining a strong financial position allows us to offer these benefits of sustainable value-creation to the Company's stakeholder groups:

- ★ Supports our operating subsidiaries' ongoing risk taking and resulting obligations to policyholders and buyers of related services
- ★ Enables our insurance subsidiaries to address and remain resilient in the face of recurring market challenges to pricing integrity and underwriting standards, and to say "no" to existing or new business with poor prospects of sustainable profitability
- ★ Allows us to minimize debt leverage to better ensure control of our destiny
- ★ Enables us to retain enough liquidity to address unforeseen contingencies
- ★ Provides for the reliably consistent distribution of a portion of our earnings through regular and possibly growing cash dividends to all shareholders

These factors illustrated our continued ability to meet those strategic objectives:

★ The balance sheet is solid

★ We have a strong, high-quality, permanent capital base

★ Our people have significant intellectual capital and are dedicated to our mission

★ We have strong business retention rates from a loyal and growing customer base

Over the decades, our management approach has emphasized two ideas for our people. First, to encourage them to remain alert to the dynamics of a highly competitive insurance marketplace. Second, to keep their gaze fixed on the insurance underwriting lessons of the past, allowing them to appreciate current realities and what these portend. As can be seen on the final two pages, the results of this focus speak for themselves by benefiting our many stakeholders in the long run.

Respectfully submitted on behalf of the Board of Directors,

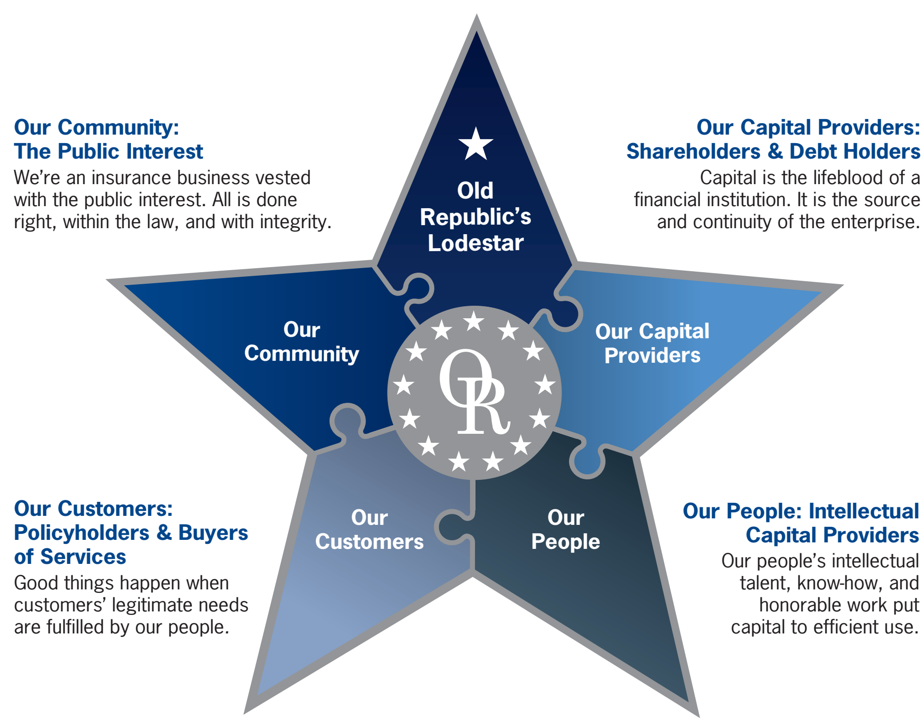
Craig R. Smiddy	Aldo C. Zucaro *
President and Chief Executive Officer	Chairman of the Board
Chicago, Illinois	Chicago, Illinois
March 2, 2020	March 2, 2020

** Mr. Zucaro is co-signing this year's letter since he served as Chief Executive Officer for the first nine months of 2019.*

Old Republic's clear **Purpose** is included in our mission statement:

> *To provide quality insurance security and related services to businesses, individuals, and public institutions, and be a dependable long-term steward of the trust that policyholders, shareholders, and other important stakeholders place in us.*

Our **Lodestar** embodies the Company's mission by binding organization, purpose, and long-term strategy into a coordinated whole.



Old Republic International Corporation

BY THE NUMBERS: BLENDING PURPOSE, GOVERNANCE AND STRATEGY TO CREATE LONG-TERM FINANCIAL VALUE

The next chart shows how we've succeeded in combining purpose, governance, and strategy to benefit all stakeholders. The information is shown for the 52 years ending in 2019. We chose 1968 as the starting year because it gave rise to the Company's ultimate transformation from Old Republic Life Insurance Company to the Old Republic International Corporation insurance holding company in 1969.

We measure ORI's total book and market returns against three benchmarks: 1) the year-over-year and compounded annual changes in the nominal gross domestic product (GDP), 2) the annual and compounded returns of the S&P 500 Index, and 3) the annual and compounded returns of the S&P Insurance Index. A retrospective review and analysis of the data yields two significant observations about the 10-year comparisons:

- ★ Old Republic's stock performance fell short in 1980–1989. We believe this was due to accelerated diversification, as we acquired companies in exchange for our common stock and formed new joint underwriting ventures. Together, these transactions caused temporary dilutions of book value and earnings per share. However, most of these additions ultimately became solid contributors to our consolidated performance.
- ★ Our performance fell a bit short in 2010–2019 because of the adverse impact of the Great Recession on Old Republic's investment in the financial indemnity segment. This business has been in run-off operating mode since 2012.

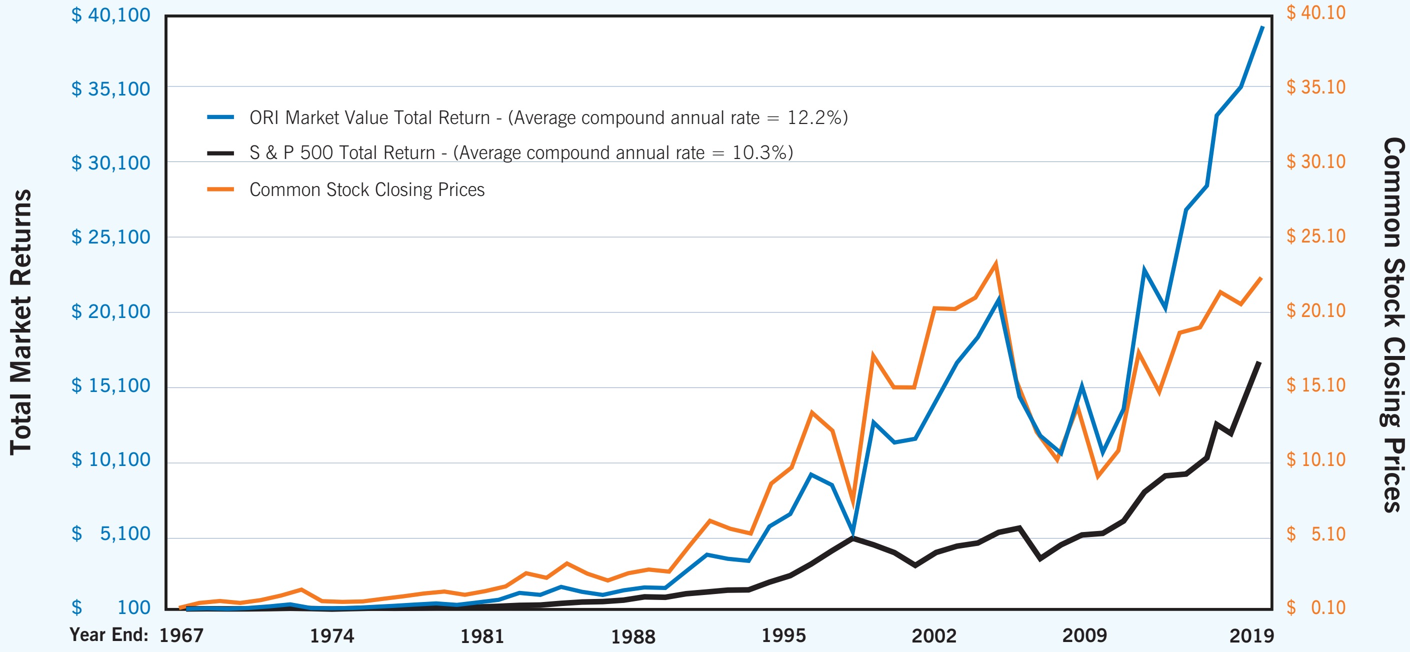
As the following table shows, Old Republic's annual and compounded *total book value return* exceeded those of the three benchmarks in eight of 13 comparisons (61%). In addition, our annual and compounded *total market return* outperformed the three benchmarks in 10 of 13 comparisons (77%). Collectively, Old Republic did better than the benchmarks 69% of the time.

	Old Republic		Selected benchmarks		
Period	Total book return	Total market return	GDP Index	S&P 500 total market return	S&P Insurance total market return
Ten years:					
1970–1979	17.6%	16.2%	9.9%	5.9%	
1980–1989	15.9	12.6	7.9	17.6	
1990–1999	12.7	13.1	5.5	18.2	15.3%*
2000–2009	9.5	7.4	4.1	-1.0	-3.7
2010–2019	7.7%	14.8%	4.0%	13.6%	12.4%
2019 only	26.4%	17.8%	4.0%	31.5%	29.4%
52 years 1968–2019	12.8%	12.4%	6.4%	10.2%	7.7%**

**This index was not available before 1990 / **30 years only*

Old Republic International Market Value Return Compared with S&P 500

The chart compares the total market return through December 31, 2019 of $100 invested at year-end 1967 in Old Republic common stock (with each year's cash dividends reinvested in the Company's shares at then-current market value), versus the S&P 500 and its cash dividends reinvested in this index.



NYSE: ORI OLD REPUBLIC INTERNATIONAL CORPORATION AT THE NEW YORK STOCK EXCHANGE OCTOBER 1, 2019

The New York Stock Exchange, on which Old Republic's common shares have been listed since 1990, invited us to celebrate with the traditional ringing of the opening bell on October 1, 2019. The celebration coincided with the announcement of Aldo Zucaro's retirement after 29 years of service as ORI's Chief Executive Officer, and Craig Smiddy's concurrent ascention to the position of President and Chief Executive Officer.

The ringing of the bell was attended by several members of the Company's and subsidiaries' senior management team and Board of Directors. Pictured here: FRONT ROW (LEFT TO RIGHT): **Craig Smiddy**, ORI President and Chief Executive Officer; **Aldo Zucaro**, Chairman of the Board and its Executive Committee; and **Fredericka Taubitz**, Board Member and Chairman of its Audit Committee. • SECOND ROW (LEFT TO RIGHT): **Stephen Oberst**, ORI Executive Vice President; **Karl Mueller**, ORI Chief Financial Officer; **Carolyn Monroe**, President and **Chris Lieser**, Chief Financial Officer of the Old Republic Title Insurance Companies; and **Richard Icklan**, CEO of Old Republic Title's New York based Lex Terrae Division.

OLD REPUBLIC INTERNATIONAL CORPORATION

TOTAL RETURNS COMPARED TO NOMINAL GDP & SELECTED S&P INDICES' RETURNS

	Old Republic International Corporation (1)					Nominal Gross Domestic Product (GDP) (2)	S&P 500 Index (3)	S&P Insurance Index (3)
Year	Year End Book Value	Year End Market Price	Annual Cash Dividend Declared	Total Book Value Annual & Compounded Return	Total Market Annual & Compounded Return	Total Annual & Compounded Return	Total Annual & Compounded Return	Total Annual & Compounded Return
1968	$ 0.280	$ 0.472	$ 0.007	18.2%	41.8%	9.4%	11.0%	
1969	0.312	0.336	0.010	15.1%	-26.6%	8.2%	-8.4%	
1970	0.360	0.528	0.012	19.2%	60.7%	5.5%	3.9%	
1971	0.472	0.840	0.014	34.9%	61.7%	8.5%	14.3%	
1972	0.480	1.240	0.016	5.1%	49.5%	9.8%	19.0%	
1973	0.472	0.456	0.018	2.2%	-61.7%	11.4%	-14.7%	
1974	0.376	0.408	0.020	-16.1%	-6.1%	8.4%	-26.5%	
1975	0.288	0.440	0.020	-18.1%	12.7%	9.0%	37.2%	
1976	0.560	0.624	0.011	98.3%	44.4%	11.2%	23.9%	
1977	0.792	0.792	0.022	45.3%	30.4%	11.1%	-7.2%	
1978	0.976	0.976	0.033	27.4%	27.4%	13.0%	6.6%	
1979	1.080	1.112	0.052	16.0%	19.3%	11.7%	18.6%	
10 Year Annual Compound Growth Rate				**17.6%**	**16.2%**	**9.9%**	**5.9%**	
1980	1.224	0.888	0.054	18.3%	-15.3%	8.8%	32.5%	
1981	1.392	1.144	0.054	18.1%	34.9%	12.2%	-4.9%	
1982	1.648	1.456	0.056	22.4%	32.2%	4.3%	21.6%	
1983	1.888	2.353	0.058	18.1%	65.6%	8.7%	22.6%	
1984	2.208	2.039	0.059	20.1%	-11.2%	11.1%	6.3%	
1985	2.304	3.014	0.062	7.1%	51.4%	7.5%	31.7%	
1986	2.528	2.316	0.065	12.5%	-21.0%	5.5%	18.7%	
1987	2.952	1.861	0.068	19.5%	-16.7%	6.0%	5.3%	
1988	3.152	2.345	0.071	9.2%	29.8%	7.9%	16.6%	
1989	3.544	2.604	0.076	14.8%	14.3%	7.7%	31.7%	
10 Year Annual Compound Growth Rate				**15.9%**	**12.6%**	**7.9%**	**17.6%**	
1990	3.920	2.465	0.081	12.9%	-2.2%	5.7%	-3.1%	-13.5%
1991	4.456	4.207	0.086	15.9%	-74.2%	3.3%	30.5%	29.3%
1992	5.072	5.896	0.094	15.9%	42.7%	5.9%	7.6%	18.4%
1993	5.744	5.363	0.102	15.3%	-7.3%	5.2%	10.1%	5.1%
1994	6.112	5.037	0.111	8.3%	-4.0%	6.3%	1.3%	-0.2%
1995	7.248	8.415	0.121	20.6%	70.1%	4.8%	37.6%	41.0%
1996	7.768	9.511	0.148	9.2%	15.1%	5.7%	23.0%	23.4%
1997	8.312	13.222	0.178	9.3%	41.2%	6.2%	33.4%	46.1%
1998	9.216	12.000	0.206	13.4%	-7.8%	5.7%	28.6%	9.7%
1999	9.590	7.267	0.262	6.9%	-37.5%	6.3%	21.0%	7.4%
10 Year Annual Compound Growth Rate				**12.7%**	**13.1%**	**5.5%**	**18.2%**	**15.3%**
2000	11.000	17.066	0.294	17.8%	142.1%	6.5%	-9.1%	34.9%
2001	12.480	14.938	0.314	16.3%	-10.6%	3.2%	-11.9%	-12.4%
2002	13.960	14.934	0.336	14.6%	2.0%	3.4%	-22.1%	-20.7%
2003	15.650	20.288	0.890*	18.5%	42.4%	4.8%	28.7%	21.0%
2004	16.940	20.240	0.403	10.8%	1.9%	6.6%	10.9%	7.2%
2005	17.530	21.008	1.312*	11.2%	10.5%	6.7%	4.9%	14.1%
2006	18.910	23.280	0.590	11.2%	13.9%	6.0%	15.8%	10.9%
2007	19.710	15.410	0.630	7.6%	-31.5%	4.6%	5.6%	-6.3%
2008	15.910	11.920	0.670	-15.9%	-18.0%	1.8%	-37.0%	-58.1%
2009	16.490	10.040	0.680	7.9%	-10.1%	-1.8%	26.5%	13.9%
10 Year Annual Compound Growth Rate				**9.5%**	**7.4%**	**4.1%**	**-1.0%**	**-3.7%**
2010	16.160	13.630	0.690	2.2%	43.4%	3.8%	15.1%	15.8%
2011	14.760	8.920	0.700	-4.3%	-27.2%	3.7%	2.1%	-8.3%
2012	14.030	10.650	0.710	-0.1%	23.4%	4.2%	16.0%	19.1%
2013	14.640	17.270	0.720	9.5%	70.7%	3.6%	32.4%	46.7%
2014	15.150	14.630	0.730	8.5%	-11.2%	4.4%	13.7%	8.3%
2015	14.980	18.630	0.740	3.8%	33.4%	4.0%	1.4%	2.3%
2016	17.160	19.000	0.750	19.6%	6.2%	2.7%	11.9%	17.6%
2017	17.720	21.380	1.760*	13.5%	16.9%	4.3%	21.8%	16.2%
2018	17.230	20.570	0.780	1.6%	4.8%	5.4%	-4.4%	-11.2%
2019	$ 19.980	$ 22.370	$ 1.800*	26.4%	17.8%	4.0%	31.5%	29.4%
10 Year Annual Compound Growth Rate				**7.7%**	**14.8%**	**4.0%**	**13.6%**	**12.4%**
52 Year Annual Compound Growth Rate				**12.8%**	**12.4%**	**6.4%**	**10.2%**	**7.7%**

Note: (*) Includes special cash dividends of $1.000, $1.000, $0.800, and $0.534 per share at September 2019 and December 2017, 2005, and 2003, respectively.

Sources: (1) Old Republic Database

(2) Nominal Gross Domestic Product from Federal Reserve Bank St. Louis, with 2019 estimate.

(3) Standard & Poor's Indices from S&P Global Market Intelligence LLC. Data for years 1989 and prior is not available for the S&P Insurance Index.

General Insurance Group

*The **Old Republic General Insurance Group (ORGIG)** is our largest segment. It includes 21 U.S. and offshore insurance underwriting subsidiaries, plus many agency and related services companies. We serve customers in the U.S. and Canada.*

Each company focuses on a specific property and liability market. Thus every one offers a full suite of risk management and insurance solutions that are customized for industries our people know well.

We specialize in three commercial and personal insurance markets:

1. Large corporations with complex risks, which need sophisticated alternative market solutions
2. Small and mid-sized companies with traditional risk transfer needs
3. Consumers with home and auto warranty personal insurance products

Every company has the same core values, with a tradition of delivering on promises of financial indemnity. Our brand name, and reputation for reliability and stability through the ups and downs of industry cycles, gives us a durable, competitive advantage.

For 2019, ORGIG experienced reasonably stable contributions from underwriting and investment income. Its financial condition remained very strong, as the key ratios at the bottom of the financial summary show. The rest of this section explains how ORGIG's subsidiaries contribute to its financial performance, strength, and growth prospects.

Geographic Distribution of Direct Premiums Written

	2010	2018	2019
UNITED STATES			
Northeast	6.1%	10.0%	10.4%
Mid-Atlantic	6.8	6.9	7.1
Southeast	16.6	16.8	16.9
Southwest	14.3	13.2	13.2
East North Central	14.5	12.3	12.0
West North Central	15.6	12.2	11.5
Mountain	8.5	6.8	6.8
Western	15.1	17.9	18.0
FOREIGN (Principally Canada)	2.5	3.9	4.1
	100.0%	100.0%	100.0%

Members of Old Republic General Insurance Companies' Office of the Chief Executive Officer

STANDING (LEFT TO RIGHT): Charles S. Boone, W. Todd Gray, John R. Heitkamp, Jr., Jeffrey P. Lange • SEATED (LEFT TO RIGHT): Karl W. Mueller, Craig R. Smiddy, Stephen J. Oberst

CONSOLIDATED PROPERTY AND LIABILITY INSURANCE BUSINESS

($ in Millions)

		2019	2018	2017	2016	2015
Financial Position	Cash, Fixed Maturity Securities	**$ 8,888.5**	$ 8,293.6	$ 8,255.9	$ 7,969.1	$ 7,448.1
	Equity Securities	**2,646.7**	2,133.0	2,078.5	1,878.7	1,500.6
	Other Invested Assets	**99.8**	107.1	106.5	107.0	101.4
	Reinsurance Recoverable	**3,804.7**	3,488.1	3,376.0	3,252.4	3,196.0
	Sundry Assets	**2,430.2**	2,389.4	2,238.4	2,098.4	2,276.6
		$ 17,870.0	$16,411.4	$16,055.5	$15,305.7	$ 14,523.0
	Claim Reserves	**$ 9,267.0**	$ 8,756.8	$ 8,410.8	$ 8,203.0	$ 7,931.2
	Unearned Premiums	**2,223.5**	2,102.3	1,967.4	1,835.3	1,739.2
	Other Liabilities	**2,744.3**	2,527.5	2,497.2	2,310.0	2,121.6
	Equity	**3,635.1**	3,024.6	3,179.9	2,957.2	2,730.9
		$ 17,870.0	$16,411.4	$16,055.5	$15,305.7	$ 14,523.0
Operating Results	Net Premiums Written	**$ 3,469.0**	$ 3,380.4	$ 3,245.2	$ 3,005.3	$ 2,985.5
	Net Premiums Earned	**$ 3,432.4**	$ 3,277.1	$ 3,110.8	$ 2,936.3	$ 2,894.7
	Net Investment Income	**356.4**	341.0	318.9	312.1	312.1
	Other Income	**131.9**	121.3	101.8	106.2	106.3
		3,920.8	3,739.4	3,531.6	3,354.7	3,313.3
	Claim Costs	**2,437.2**	2,346.0	2,214.8	2,125.0	2,125.6
	Policyholders' Dividends	**27.3**	19.8	19.5	18.1	17.9
	Sales and General Expenses	**1,014.7**	941.3	893.8	833.9	786.6
	interest and Other Costs	**71.1**	68.3	62.9	57.6	46.6
		3,550.5	3,375.5	3,191.3	3,034.7	2,976.8
	Pretax Operating Income	**$ 370.2**	$ 363.9	$ 340.3	$ 319.9	$ 336.4
	Operating Cash Flow	**$ 654.2**	$ 654.7	$ 570.7	$ 525.8	$ 663.0
Underwriting Statistics	All Coverages Combined:					
	Paid Loss Ratio	**63.3%**	62.6%	64.1%	65.7%	62.0%
	Incurred Loss Ratio	**71.0%**	71.6%	71.2%	72.4%	73.5%
	Dividend Ratio	**.8%**	.6%	.6%	.6%	.6%
	Expense Ratio	**25.7%**	25.0%	25.5%	24.8%	23.5%
	Composite Ratio	**97.5%**	97.2%	97.3%	97.8%	97.6%
	Liability Coverages:					
	Earned Premiums	**$ 2,217.5**	$ 2,120.9	$ 2,032.5	$ 1,963.3	$ 1,989.0
	Loss Ratio	**75.5%**	75.9%	76.2%	78.5%	80.6%
	Dividend Ratio	**.9%**	.6%	.6%	.6%	.5%
	Other Coverages:					
	Earned Premiums	**$ 1,217.2**	$ 1,154.8	$ 1,077.1	$ 974.1	$ 908.0
	Loss Ratio	**63.0%**	63.5%	62.1%	60.5%	57.3%
	Dividend Ratio	**.1%**	.2%	.2%	.3%	.4%
Composition of Pretax Operating Income (Loss)	Underwriting/Service Income (Loss)	**$ 84.9**	$ 91.2	$ 84.3	$ 65.5	$ 70.8
	Net Investment Income	**356.4**	341.0	318.9	312.1	312.1
	Interest and Other Costs	**(71.1)**	(68.3)	(62.9)	(57.6)	(46.6)
	Pretax Operating Income	**$ 370.2**	$ 363.9	$ 340.3	$ 319.9	$ 336.4
	Pretax Operating Margin	**9.4%**	9.7%	9.6%	9.5%	10.2%
Key Ratios	Net Premiums Written to Equity	**1.0x**	1.1x	1.0x	1.0x	1.1x
	Net Claim Reserves to Equity	**166%**	189%	172%	182%	189%
	Cash and Invested Assets to Liabilities	**111%**	106%	109%	109%	105%

The above summary has been prepared on the basis of generally accepted accounting principles and excludes investment gains and losses.

BITCO Insurance Companies (BITCO) has been protecting industries at the core of the American economy for over 100 years. It offers insurance services to these sectors: commercial construction, forest products, oil and gas, light manufacturing, wholesale/distribution, and public entities. Our services include traditional risk transfer products, alternative large deductible programs, and select safety group dividend programs.

Headquartered in Davenport, Iowa, the company provides local underwriting, risk control, claims, and premium audit services through 15 branch offices in three U.S. regions. BITCO serves customers through a network of approximately 400 independent insurance agents throughout the continental United States. It actively participates in many of the trade associations to which its customers belong. This allows us to partner with those we serve, getting to know them even better, so we can truly offer tailored insurance and risk management products to meet their needs.

Here is a summary of how our markets fared in 2019 and expectations for 2020. Top-line growth in the construction book remains challenged by a highly competitive market cycle. We continue to experience positive results in the forest products and oil and gas programs, and believe those trends will continue. The commercial auto line of business still faces challenges. However, a continued focus on achieving underwriting profitability, plus our increased use of risk analysis tools and underwriting initiatives, should lead to an improved bottom line starting in 2020.

We are resolutely pursuing long-term underwriting profitability in the face of these plusses and minuses. As always, this will be driven by the strength of our people's intellectual talent and commitment to industry specialization, backed by a solid balance sheet. BITCO's high, independent financial ratings attest to the long-term value of its promises of financial indemnity.

Great West Casualty Company (Great West) specializes in insurance products for the trucking industry. For over 60 years, Great West's mission has never changed: "To be 'the' premier provider of insurance products and services for truckers" in the U.S. and also through our sister company: Old Republic Insurance Company of Canada.

Our long-term strategy emphasizes business production through a talented agency force. They share our understanding of and commitment to the trucking industry. We offer comprehensive packages of coverages to enable trucking firms of any size to fairly compete and meet regulatory requirements.

Premium levels took a slight dip in 2019. That came from our disciplined commitment to underwriting quality and adequate pricing. This resulted in a favorable composite underwriting ratio and an addition to bottom-line growth. We expect stronger underwriting and pricing in 2020.

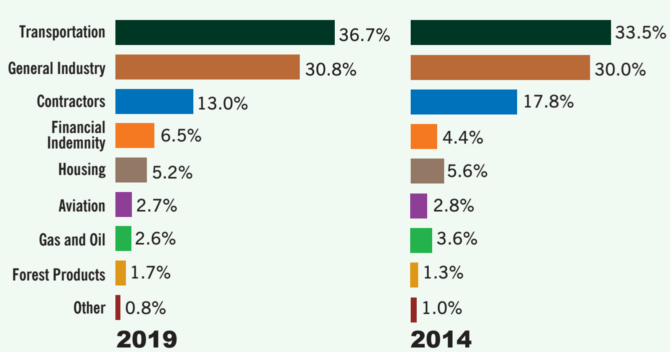
Economic conditions are constantly changing. Great West Casualty will continue to provide value-added services to our agency partners and insured truckers. Our focus remains on long-term stability and living up to our franchise statement: The Difference is Service®.

Old Republic Aerospace, Inc. (ORAE), our aviation insurance division, specializes in coverage for general aviation, airline, product liability, and aviation-related workers' compensation. The company experienced revenue growth in all types of coverages except workers' compensation. 2019 was a tough year for aviation insurance markets worldwide, after several

high profile claims that ORAE did not participate in. This served to accelerate recognition of the difficulties the market started seeing in 2018. As a result, we benefited from two trends: 1) increasing premium rates and 2) a flight to quality, as competitors either dropped out of the market or were forced to re-underwrite their portfolios, and in some cases pull back from the market.

We expect an increase in both top- and bottom-line performance in 2020. This will be driven by the potentially disruptive capacity limitations for large commercial risks, as well as improvements in pricing for general aviation aircraft. ORAE's focus will remain on profitability rather than increasing market share.

Gross Premiums by Industry Served



Insurance for industries such as trucking, construction, manufacturing and specialty coverages that include directors' and officers' liability (part of our financial indemnity coverages) form the foundation of the Group's business.

Old Republic Contractors Insurance Group (ORCIG) is a specialty underwriter of contractors' insurance exposures, wrap-up construction projects, and public-private partnership programs. We generally target large commercial contractors and managers of complex risk projects.

Customers appreciate our value proposition, construction insurance experience, and our ability to design customized solutions. In addition to our specialized underwriting expertise, clients recognize our best in class claims and loss prevention services. As a result, they receive tangible value for their loss-mitigation and loss control programs. We believe these factors differentiate us in the competitive construction insurance marketplace.

Construction spending in the U.S. grew for the eighth consecutive year in 2019. We expect construction growth trends to moderate somewhat in 2020. However, they still should reach mid-single-digit growth this year. ORCIG's client retention rates continue to provide a strong foundation for growth. We are committed to responsible underwriting that supports our long-term objective of generating a profit from our underwriting efforts.

Old Republic General Insurance Corporation (ORGENCO) is a well-capitalized insurer and reinsurer. The Company performs two basic functions. First, it is the primary policy-issuer for the ORCIG book of business. Second, it provides meaningful reinsurance capacity to a number of General Insurance Group affiliated companies. This makes it an important part of our capital management process. We currently limit ORGENCO's reinsurance business from outside sources to the management of long-terminated accounts.

Reinsurance is a long-tail business, because obligations can take years to appear. ORGENCO's claim reserving policy is designed to handle this. In 2019, the Company once again posted a favorable composite underwriting ratio. At the end of the year, statutory capital resources amounted to approximately $733 million and it was awarded very fine independent financial ratings. This established ORGENCO as one of the largest individual risk bearers in Old Republic's family of companies, and a very viable reinsurance market participant.

Old Republic Home Protection Company (ORHP) offers home service contracts for major systems and appliances to home sellers and buyers. Our brand is built on providing comprehensive coverage, with competent and caring service, at competitive rates.

Premiums written grew 17.4% over the last five years. In 2019, premiums written rose 2.7% to $218 million. During the year, we experienced a short decline in written premium receipts. That led to a decline in net earned premiums and a higher composite underwriting ratio for the year.

We expect ORHP to post managed growth in 2020. The business is in a good position to increase sales—from both resale and renewal products—while generating positive underwriting results.

Old Republic Insurance Company (ORINSCO) is one of America's oldest and best-capitalized property and liability insurance carriers. As ORI's flagship, the Company has offered time-tested risk management solutions to large and small customers for decades. Our approach, commitment to specialty markets, and high standards for client service are a few of the reasons we enjoy an excellent reputation.

ORINSCO and its 96-year-old life and accident affiliated company (Old Republic Life Insurance Company) have been leaders in providing alternative market solutions since the late 1940s. Our operating philosophy has been to underwrite primary liability insurance products for customers that want to retain a significant portion of their own exposures. We believe companies with a stake in the financial results of their insurance program will benefit from longer-term pricing stability, efficiency, and continuity of coverage from us.

ORINSCO had statutory capital resources of $1.2 billion as of year-end 2019. These are largely committed to supporting specialty insurance products underwritten by 1) Old Republic Aerospace (ORAE), 2) Old Republic Insured Automotive Services (ORIAS), 3) Old Republic Professional Liability (ORPRO), and 4) Old Republic Risk Management (ORRM). The Company occasionally provides supportive reinsurance capacity to its property and liability insurance affiliates as may be necessary to achieve system-wide capital management objectives.

Old Republic Insurance Company of Canada (ORINSCO/Canada) is a federally licensed property and liability insurance company based in Ontario. Its principal business is underwriting long-haul trucking and select accident and health programs in concert with its U.S. affiliates—Great West Casualty, Old Republic Aerospace, and Old Republic Risk Management—for customers with cross-border operations.

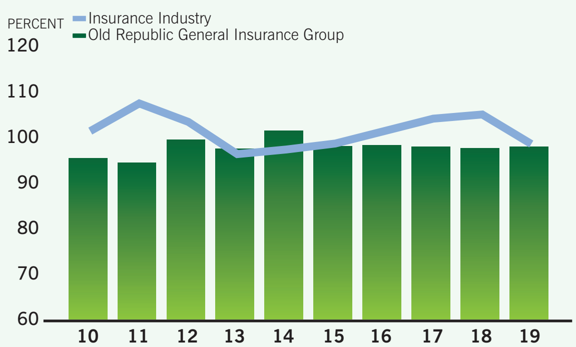
In 2019, we continued to achieve strong premium growth coupled with solid underwriting results. Profitable expansion is once again expected in 2020, due to the unrelenting focus we bring to underwriting discipline and customer service.

Old Republic Insured Automotive Services, Inc. (ORIAS) specializes in automobile service contracts, mechanical breakdown insurance, and other automobile-related products. These are offered for new and used vehicles. Old Republic Insurance Company issues the policies for all our insured products.

ORIAS enjoys decades-long partnerships with some of the nation's largest automotive, financial intermediary, and related service companies. We also provide insured automotive products for more than 5,000 automobile dealers across America. In 2019, the company saw its premium volume increase about 3%.

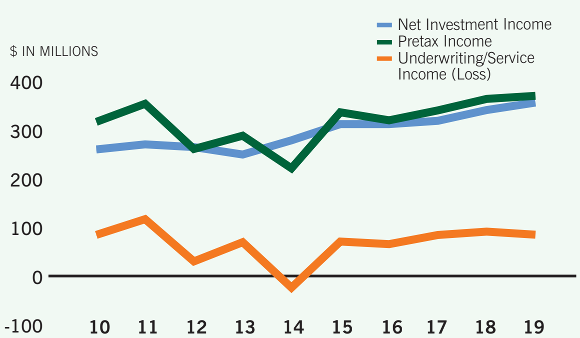
While the automobile market is expected to experience weakening conditions in 2020, we remain optimistic about our prospects. Our plan is to retain and gain business through a focus on careful and disciplined underwriting, and by providing superior customer service.

Composite Underwriting Ratio



The Group's property and liability underwriting results have outperformed the industry average in 8 of the past 10 years and 21 of the past 25 years.

Sources of Pretax Income



General insurance pretax income has been affected by reasonably stable contributions from investment income which nonetheless have been subject to declining yields.

Old Republic Professional Liability, Inc. (ORPRO) is a premier underwriter of management and professional liability insurance products. These include directors and officers liability (D&O), employment practices liability (EPL), fiduciary liability, and lawyers and miscellaneous professional liability insurance for public, private and non-profit organizations. Nearly all business is underwritten as a branch of our Old Republic Insurance Company flagship.

ORPRO has decades-long experience serving all industries, in addition to being a market leader in technology, biotechnology, and life sciences. We continue to expand our product offerings, including management liability coverage for private and publicly held companies, as well as select law firms. Our seasoned and respected underwriting professionals provide innovative, flexible, and sophisticated insurance solutions. Our customer retention rate ranges between 80% to 90%. Our company's thoughtful underwriting and high service standards, coupled with effective resolution of complex financial indemnity claims, underlie our many years of underwriting profitability.

In 2019, ORPRO's overall premiums grew by nearly 60%. This dramatic rise was largely driven by 1) double-digit rate increases and 2) new business production generated by additional underwriting staff, new product offerings, and expansion of our geographic footprint. Continued growth of underwriting income will depend on the maintenance of risk selection and pricing discipline. That will be particularly important as ORPRO's markets face a rising numbers of claims, and the increasing loss costs associated with them.

Old Republic Residual Market Services, Inc. (ORMARKS) serves the workers' compensation residual markets. As a national servicing carrier, we provide policy management and claims assistance to assigned risk policyholders throughout the country.

Our management team averages 20 years of experience as a national servicing carrier. This gives it deep experience and long relationships with critically important state regulators, rating bureaus, and product administrators. In 2019, our team secured three service contracts and is expected to issue 10,000+ workers' compensation assigned risk policies in 2020.

Very few insurance companies operate as a servicing carrier to the workers' compensation residual markets. This limited competition, the high barrier to entry, and our extensive expertise position ORMARKS for systematic growth for the next several years.

Old Republic Risk Management, Inc. (ORRM) is ORINSCO's managing underwriter of primary liability insurance coverages. It concentrates on workers' compensation, commercial automobile, and general liability insurance coverages. We unbundle our services for claims and loss control. That allows us to more flexibly and efficiently serve the proprietary needs of large corporate and group clients in many industries that are core to the North American economy.

As already noted, ORINSCO and its life and accident sister company pioneered the alternative market approach to insurance risk management. We have served many Fortune 500 companies and other large publicly held and private enterprises since the early 1950s. This gives ORRM longstanding experience and industry-leading expertise in providing innovative solutions and services for sizable insurance buyers. These offerings include the use of large deductibles, self-insurance, and captive reinsurance mechanisms. To provide added efficiency to the management of our customers' risk transfer and control, we provide unbundled claims and other necessary risk management services.

Our 2019 results reflected strong account retention, organic growth, and the addition of new customers. We continued investing in our underwriting capabilities by expanding a special facility to help assess and manage risk. The approach should help us maintain strong underwriting discipline as we continue to grow our business.

The Old Republic brand is well known in this highly specialized industry sector. It stands for high quality service, stability, a superior service platform, responsiveness, and innovative flexibility to meet customer needs. We continue to invest in technology enhancements and talent acquisition while focusing on improvements in our production processes. The strength of our core product and service offerings puts us in a strong position to deliver top-line growth accompanied with favorable underwriting results in 2020.

Old Republic Specialty Insurance Underwriters, Inc. (ORSIU) focuses on two segments in specialty insurance markets. The first provides alternative risks insurance and reinsurance risk transfer products for public entities and nonprofit organizations. The second offers specialty insurance programs, managed by independent program administrators through the use of an unbundled service model for claims and loss control.

Our dedicated underwriting team averages more than 20 years of insurance and reinsurance experience, covering most types of property and liability coverages. We partner with specialized producers that are committed to providing high service levels and products that are tailored to customers' needs.

In 2019, we enhanced our underwriting controls through greater use of business analytics. This is expected to help improve our performance as a start-up business within Old Republic's family of companies. Looking ahead, we anticipate growing our top-line at a moderate pace as we emphasize strong business retention among eminently qualified producers and service providers with whom we partner.

Old Republic Surety Company (ORSC) is a significant underwriter of fidelity and surety bonds. We provide service through nearly 4,000 independent insurance agencies. At the end of 2019, the Company had over 155,000 bonds in-force.

For the year, we saw an increase in contract bonding. In addition, after several stagnant years in the commercial market, we experienced a solid rebound in our top line. This came despite substantial competition in a generally softening market.

In addition, demand for construction and compliance bonds continued to rise. This presented new bond underwriting opportunities in each of our nationwide product lines: commercial, contract, and fidelity. In total, written premium production rose 23% year-over-year.

Our contract bond business should once again see gains in 2020, even though we anticipate a slowdown in construction growth trends. We also expect our commercial bond business to expand. While remaining focused on sound underwriting practices, we plan to take full advantage of every opportunity we seek and that are presented to us.

PMA Companies, Inc. (PMA) is a premier provider of workers' compensation and casualty insurance, claims administration, and risk management products and services. Our focus is on large and mid-size organizations. Established in 1915 as an insurance company, we launched a third-party administrator, PMA Management Corp., over 25 years ago. This has helped us to further capitalize on our claims and risk management expertise.

PMA's objective is to achieve sustainable and consistent growth, with disciplined underwriting and competitive pricing in all products. We target and retain customers that are committed to reducing their total cost of insurable risk in partnership with us.

More than 80% of our 2019 premium volume came from loss-sensitive policies and captive insurance arrangements. Those arrangements typically apply to larger clients, which need sophisticated service and risk management applications in their insurance program.

In addition, we provide tailored insurance solutions for traditional middle market businesses. From an industry specialization perspective, we are involved in such economic sectors as health care, manufacturing, wholesale/retail trade, and education. PMA's foundation of account management and integrated services rests on a bundled service approach that we believe delivers optimal outcomes for the clients we attract and retain.

In 2019, our fee-for-service business continued to expand. Our people do more than just administer claims for clients. We follow a holistic approach that integrates pre-loss, time-of-loss, and post-loss strategies and services. All of these are designed to positively affect our clients' financial results. PMA is well regarded, and many of its clients have gained national acclaim for the results they've achieved in partnership with us.

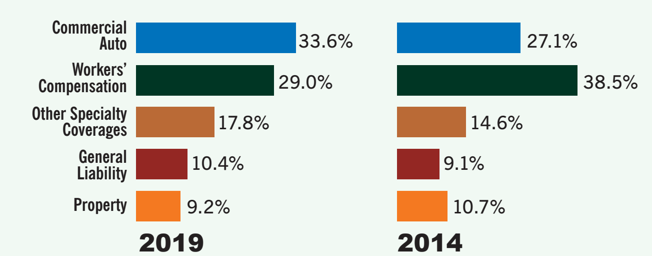
We are optimistic about and confident in PMA's long-term strategy. This includes stable underwriting and fee-for-service profitability, measured growth, and strong customer retention over the long run.

LOOKING AHEAD

The General Insurance Group's overall insurance risk assumptions will continue to be managed through the coordinated efforts of our subsidiaries and operating centers. We remain sharply focused on 1) staying within our industry and insurance coverage underwriting specializations, 2) adhering to disciplined underwriting, and 3) being strictly accountable for the capital allocated to each of our operating companies.

For us, everything begins and ends with serving customers. We carefully manage all aspects of the business to meet our long-term promises of financial indemnity to them. The result has been a decades-long, industry-beating underwriting record. That allows us to best serve the long-term interests of policyholders in harmony with those of our shareholders and other stakeholders.

Gross Premiums by Major Coverage



The Group offers a relatively large number of traditional and tailored insurance coverages targeted to core sectors of the American economy.

Title Insurance Group

The ***Old Republic Title Insurance Group (ORTIG)*** *includes two national insurance underwriters and many agency and related services companies.*

- ★ ***Old Republic National Title Insurance Company*** *is our flagship underwriter. It has offered policy coverage to mortgage lenders, the real estate community and consumers for over 110 years.*
- ★ ***American Guaranty Title Insurance Company*** *and its predecessor have been delivering policy coverage for over 130 years.*

ORTIG has a national network of more than 280 branch and subsidiary offices, with roughly 8,000 independent title agents. We provide title insurance and related products and services to individuals, businesses and government entities. Our professionals also offer all these ancillary products and services:

- ★ IRC Section 1031 real property exchanges
- ★ residential and commercial real estate valuation services
- ★ commercial surveys and environmental assessments
- ★ flood zone reports
- ★ relocation services
- ★ default management services

Members of Old Republic Title Insurance Companies' Office of the Chief Executive Officer

STANDING (LEFT TO RIGHT): Curtis J. Hoffman, Cheryl A. Jones, Rande K. Yeager, Ivy L. Anderson, Dana C. Solms • SEATED (LEFT TO RIGHT): Mark A. Bilbrey, Carolyn J. Monroe, Chris G. Lieser, Mark M. Budzinski

TITLE INSURANCE AND RELATED REAL ESTATE TRANSFER SERVICES

($ in Millions)

		2019	2018	2017	2016	2015
Financial Position	Cash, Fixed Maturity Securities	**$ 931.5**	$ 843.9	$ 895.3	$ 906.7	$ 825.0
	Equity Securities	**380.5**	316.8	317.0	275.2	226.3
	Other Invested Assets	**9.6**	9.3	10.1	10.0	10.1
	Title Plants and Records	**42.4**	42.5	42.6	42.8	42.8
	Property and Equipment	**156.3**	72.9	67.1	67.3	76.0
	Sundry Assets	**174.5**	166.6	133.6	120.9	133.8
		$1,695.0	$1,452.2	$1,466.0	$1,423.0	$1,314.3
	Claim Reserves	**$ 530.9**	$ 533.4	$ 559.7	$ 602.0	$ 580.8
	Other Liabilities	**342.9**	245.1	264.5	266.3	261.7
	Equity	**821.1**	673.6	641.8	554.7	471.7
		$1,695.0	$1,452.2	$1,466.0	$1,423.0	$1,314.3
Operating Results	Net Premiums Earned	**$1,993.2**	$1,885.6	$1,827.6	$1,742.4	$1,624.7
	Service Fees and Other Income	**496.6**	450.9	460.1	465.5	421.9
	Net Investment Income	**41.4**	38.8	37.3	36.2	34.0
		2,531.3	2,375.4	2,325.0	2,244.1	2,080.7
	Claim Costs	**67.4**	48.3	20.8	84.3	99.2
	Sales and General Expenses	**2,228.9**	2,103.0	2,060.1	1,941.8	1,807.0
	Interest and Other Costs	**4.1**	4.6	6.9	7.6	7.5
		2,300.4	2,156.0	2,087.9	2,033.8	1,913.8
	Pretax Operating Income	**$ 230.8**	$ 219.3	$ 237.1	$ 210.2	$ 166.8
	Operating Cash Flow	**$ 214.9**	$ 172.9	$ 168.1	$ 191.1	$ 167.5
Underwriting Statistics (a)	Paid Loss Ratio	**2.8%**	3.2%	2.8%	2.9%	3.4%
	Incurred Loss Ratio	**2.7%**	2.1%	.9%	3.8%	4.9%
	Expense Ratio	**89.5%**	90.0%	90.0%	87.9%	88.3%
	Composite Ratio	**92.2%**	92.1%	90.9%	91.7%	93.2%
Composition of Pretax Operating Income (Loss)	Underwriting/Service Income (Loss)	**$ 193.5**	$ 185.1	$ 206.7	$ 181.7	$ 140.3
	Net Investment Income	**41.4**	38.8	37.3	36.2	34.0
	Interest and Other Costs	**(4.1)**	(4.6)	(6.9)	(7.6)	(7.5)
	Pretax Operating Income	**$ 230.8**	$ 219.3	$ 237.1	$ 210.2	$ 166.8
	Pretax Operating Margin	**9.1%**	9.2%	10.2%	9.4%	8.0%
Key Ratios	Premiums and Fees to Equity	**3.0x**	3.5x	3.6x	3.9x	4.3x
	Claim Reserves to Equity	**65%**	79%	87%	108%	122%
	Reserves to Paid Losses (b)	**8.1x**	8.3x	8.9x	9.5x	8.5x
	Cash and Invested Assets to Liabilities	**151%**	150%	148%	137%	127%

The above summary has been prepared on the basis of generally accepted accounting principles and excludes investment gains and losses.
(a) Loss and expense ratios are measured against combined premiums and fees.
(b) Represents average paid losses for the most recent five years divided into claim reserves at the end of each five-year period.

Geographic Distribution of Direct Premiums Written

	2010	2018	2019
UNITED STATES			
Northeast	15.4%	15.9%	16.0%
Mid-Atlantic	9.9	8.1	8.3
Southeast	27.2	29.1	28.3
Southwest	8.6	8.4	8.9
East North Central	8.5	8.7	8.3
West North Central	7.4	6.0	6.1
Mountain	8.3	11.1	11.1
Western	14.7	12.7	13.0
	100.0%	100.0%	100.0%

- ★ mortgage servicing solutions
- ★ eClosings and electronic document recording services
- ★ automated title search packages
- ★ national residential and commercial transaction order fulfillment and management
- ★ title, settlement, and mortgage lending technology solutions

This comprehensive suite of underwriting and related services allows us to compete with any large or small company in our industry.

2019 FINANCIAL HIGHLIGHTS AND DEVELOPMENTS

Last year, low mortgage rates contributed to the highest level of industry refinance work since 2016. This activity, coupled with increases in purchase originations, led to rising revenue and earnings for ORTIG in 2019. The continued investments in both agency and direct revenue channels also contributed to last year's success. Our emphasis on doing business the "right way," through exceptional service and support to our title agents and customers, is central to our continued success.

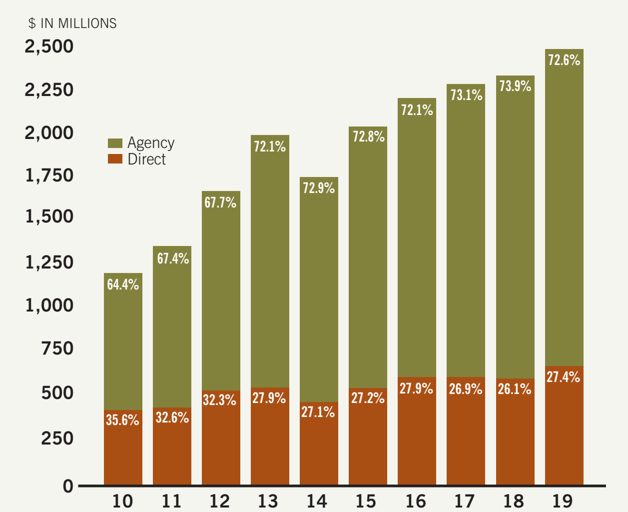
2019 marked our fifth consecutive year—and the sixth time in the past seven years when revenues exceeded $2 billion. 2019 set an all-time high at more than $2.5 billion. Pretax operating earnings were in excess of $200 million for the fourth straight year. This performance equally came from our direct and independent agency operations, along with continued growth in ORTIG's commercial division. We purposefully remain agency focused, with 73% of our business coming from this loyal, independent title agency network.

Low interest rates, domestic economic growth, and relatively stable market conditions contributed to the continued success of ORTIG's National Commercial Division. The commercial market generally incorporates large, complex transactions. Many recent ones have been among the largest in the Company's history, whether measured by property values insured, premiums generated, or geographic diversification (including multi-site and multi-state commercial properties). This was made possible by industry recognized underwriting expertise, as well as the unquestioned strength of our balance sheet. Future global economic developments are expected to present both challenges and opportunities for our additional growth in the commercial real estate sector.

2019 once again saw increases in ORTIG's capital base, which supports our industry-leading financial position. The improvements came from both strong operating results and increased equity security valuations. Our claim reserves-to-average claim payments ratio continued to be the highest among large national title insurers.

As outlined in the summary of financial data, pretax earnings were $230.8 million in 2019. Efficient management of the business has enabled us to properly control the expense ratio. The claims ratio, which came in at 2.7% of premiums and fees revenues in 2019, remained near historic lows. Claim costs over the past

Net Premiums & Fees Production Sources

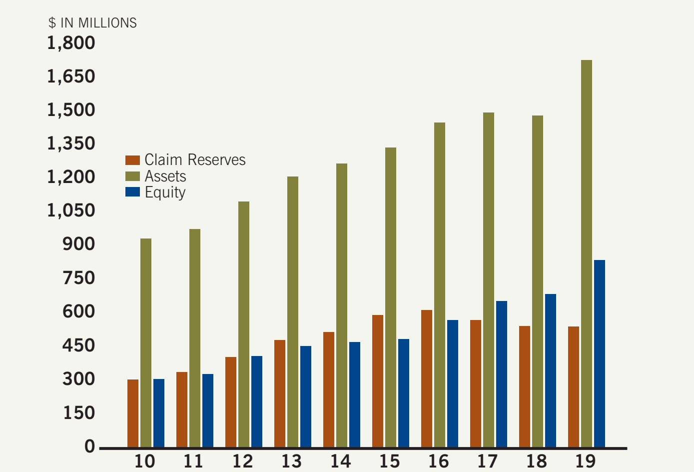


Our national network of independent title insurance agents has continued to generate an increasing portion of our net premiums and fees.

several years have continued to reflect an ongoing trend of favorable development of prior years' claim reserves.

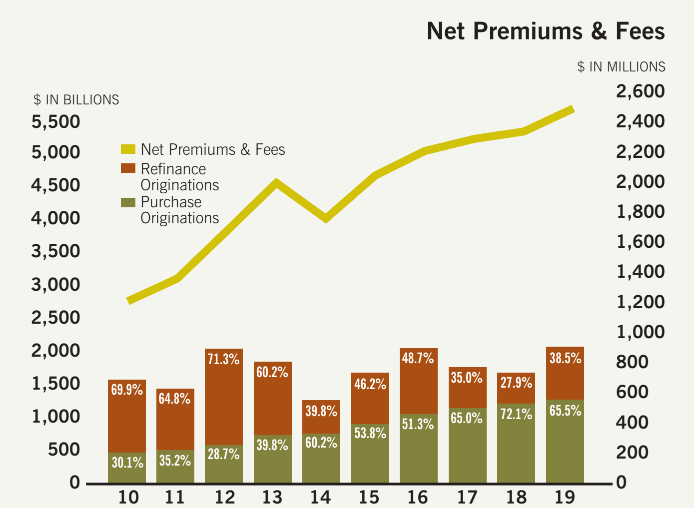
Since 1992, no other title insurance underwriter has had higher overall financial strength ratings, as reported by independent ratings agencies. This recognizes our strong operating performance, capital management practices, conservative reserving, quality underwriting standards, and commitment to providing technology-based solutions to our title agents and customers.

Asset, Claim Reserves, and Equity



A consistently strong balance sheet explains why the Title Insurance Group has been the country's highest-rated title insurer for 28 years in a row.

1-4 Family Mortgage Originations



Net premiums and fees benefited from market share gains emanating from industry dislocations and consolidations over the past decade. Current revenue levels reflect a mild slowdown in housing demand, associated with the dampening impact of higher mortgage interest rates.

Technology continues to play a vital role in our strategic approach. ORTIG has a comprehensive technology roadmap. It factors in the trends in the title insurance industry, legal and regulatory requirements, and consumer and agent preferences. That means our roadmap is designed to meet current needs while being proactive in capitalizing on future opportunities.

Last year, ORTIG instituted an Innovation Lab to explore new technologies for our Company and title agents. This will play an important role as we continually enhance our service capabilities and fulfill our mission of protecting the property rights of our customers.

LOOKING AHEAD

In 2019, nationwide mortgage originations exceeded \$2 trillion for the first time since 2016. That was made possible by robust refinance activity and continued strength in purchase markets. Refinance originations rose more than 70% over 2018 and made up approximately 38% of our total mortgage origination volume for the year.

Mortgage Bankers Association projections call for similar origination levels in 2020. Refinances are expected to see a moderate decline, with purchases up slightly. The consensus forecast of the Mortgage Banking Association, Fannie Mae and Freddie Mac is for \$1.86 trillion in total originations in 2020. Average 30-year mortgage rates are forecast to remain at low levels throughout the year, in the 3.5% to 3.6% range. Unemployment is projected to remain near all-time lows, likely below 4.0%.

Purchase originations should rise, and home prices are expected to continue to grow at a moderate pace throughout 2020. This should lead to higher average premiums and fees per transaction. Growth in all sectors of the commercial market—industrial, retail and multi-family—is expected to continue.

For more than a century, ORTIG's companies have been recognized in the mortgage lending and real estate communities for these characteristics: strength, professionalism, competence, and a steadfast commitment to conducting business in the right way. We support our title agents, honor our people's dedication, are highly responsive to our customers, and stand behind our obligations. We look forward to another solid year in 2020.

THE RFIG RUN-OFF OPERATIONS

*Our **Mortgage Insurance (MI)** subsidiaries have protected lenders for 46 years, offering policies that cover losses from defaults on residential first mortgages. These policies typically insure purchase or refinance loans when the borrower has financed more than 80% of the property's value.*

*The related **Consumer Credit Indemnity (CCI)** coverage has been underwritten since 1955. It is a property and liability coverage that insures lenders against losses from defaults on loans secured by real property liens.*

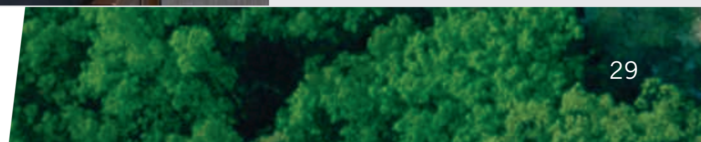
The difficulties faced by the housing and mortgage finance industries during the Great Recession are well documented. The market dislocations that occurred in general—and for housing in particular—had a very negative impact on Old Republic's MI and CCI businesses. In 2012, we reevaluated the prospects and manageability of these businesses' cycles from a long-term perspective, and ultimately put them into a run-off operating mode for an indefinite future period.

RFIG'S RUN-OFF STABLE

Since 2012, the housing industry, the related mortgage lending markets, the employment situation, and the American economy at large have continued to gain strength. Most parts of the nation have experienced falling mortgage

Members of Old Republic Mortgage Insurance Companies' Office of the Chief Executive Officer

SEATED (LEFT TO RIGHT):
Kevin J. Henry,
Steven R. Buckland •
STANDING (LEFT TO RIGHT):
D. Christopher Cash,
Michele D. Nuckles,
Robert E. Showfety, Jr.,
Crystal E. Martin



FINANCIAL GUARANTIES

($ in Millions)

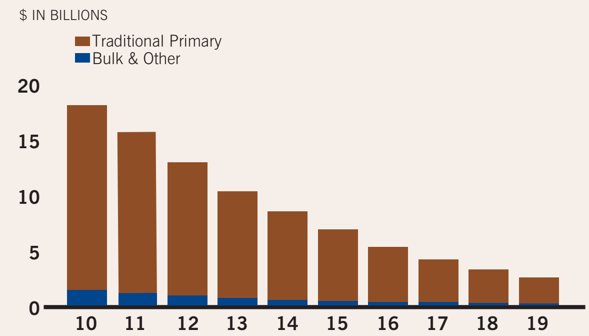
		2019	2018	2017	2016	2015
Financial Position	Cash, Fixed Maturity Securities	**$ 428.5**	$ 436.9	$ 477.9	$ 638.2	$ 736.4
	Equity Securities	**175.1**	145.2	81.5	58.2	40.2
	Other Invested Assets	**3.2**	4.1	4.2	6.0	6.8
	Prepaid Federal Income Taxes	**–**	129.8	114.3	82.4	63.3
	Sundry Assets	**8.2**	20.4	126.9	119.8	131.8
		$ 615.1	$ 736.7	$ 805.0	$ 904.8	$ 978.7
	Claim Reserves	**$ 118.9**	$ 190.0	$ 277.9	$ 430.5	$ 630.6
	Unearned Premiums	**1.3**	3.0	5.1	8.6	13.7
	Other Liabilities	**12.3**	96.9	100.3	135.0	87.1
	Equity	**482.5**	446.7	421.6	330.6	247.2
		$ 615.1	$ 736.7	$ 805.0	$ 904.8	$ 978.7
Operating Results	Direct Premiums Earned	**$ 59.2**	$ 75.9	$ 111.7	$ 158.7	$ 203.5
	Net Premiums Earned	**59.2**	75.9	122.9	170.0	219.9
	Net Investment Income	**17.6**	20.1	21.7	23.2	25.1
	Other Income	**–**	–	–	–	–
		76.8	96.1	144.6	193.2	245.0
	Claim Costs	**31.7**	29.9	197.8	102.6	193.6
	Sales and General Expenses	**14.8**	16.3	20.3	20.7	21.9
	Interest and Other Costs	**–**	–	–	–	–
		46.5	46.2	218.2	123.4	215.5
	Pretax Operating Income (Loss)	**$ 30.3**	$ 49.9	$ (73.5)	$ 69.8	$ 29.4
	Operating Cash Flow	**$ 20.5**	$ (76.5)	$ (312.5)	$ (102.5)	$ (124.6)
Underwriting and Other Statistics	Settled and Paid Loss Ratio	**129.9%**	193.8%	406.9%	156.1%	148.7%
	Incurred Loss Ratio	**53.5%**	39.4%	160.9%	60.4%	88.0%
	Expense Ratio	**25.0%**	21.5%	16.6%	12.2%	10.0%
	Composite Ratio	**78.5%**	60.9%	177.5%	72.6%	98.0%
	Persistency (Traditional Primary)	**77.1%**	79.7%	77.9%	77.7%	79.9%
	Delinquency Ratios: Traditional Primary	**9.60%**	9.38%	10.52%	10.53%	10.45%
	Bulk	**15.97%**	16.94%	23.31%	25.78%	26.74%
Composition of Pretax Operating Income (Loss)	Underwriting/Service Income (Loss)	**$ 12.7**	$ 29.7	$ (95.2)	$ 46.6	$ 4.3
	Net Investment Income	**17.6**	20.1	21.7	23.2	25.1
	Interest and Other Costs	**–**	–	–	–	–
	Pretax Operating Income (Loss)	**$ 30.3**	$ 49.9	$ (73.5)	$ 69.8	$ 29.4
	Pretax Operating Margin	**39.4%**	51.9%	-50.9%	36.1%	12.0%
Key Ratios	Risk to Capital Ratio:					
	Performing Risk Basis (a)	**4.9:1**	5.8:1	7.8:1	11.2:1	19.4:1
	Total Financial Resources to Risk Ratio	**22.9%**	20.3%	17.2%	14.8%	12.1%
	Claim Reserves to Equity	**25%**	43%	66%	130%	255%
	Cash and Invested Assets to Liabilities	**458%**	202%	147%	122%	107%

The above summary has been prepared on the basis of generally accepted accounting principles and excludes investment gains and losses.
Results for the CCI coverage are expected to be immaterial in the remaining run-off periods. Effective July 1, 2019, these results have been reclassified to the General Insurance Segment for all future periods.
(a) The Risk to Capital Ratio – Performing risk basis measures outstanding net risk in force only on those mortgage loans that are current as to principal and interest in relation to total statutory capital.

delinquencies, declining foreclosure initiations and backlogs, and rising home values. These factors are contributing to a gradual improvement for the MI coverage underwritten by our RMIC group of companies.

2013 was the first profitable year for the mortgage guaranty business since 2007 and it has so continued through year-end 2019. The favorable outcomes since 2013 came from much lower claim costs driven by a reduction in newly reported defaults, and increases in the rate at which previously reported defaults were curing or resolving themselves without payment. These factors also led to favorable developments of previously established claim reserves.

Net Risk in Force



Net risk in force reflects a continuing decline due to the natural outcome of a run-off book of business.

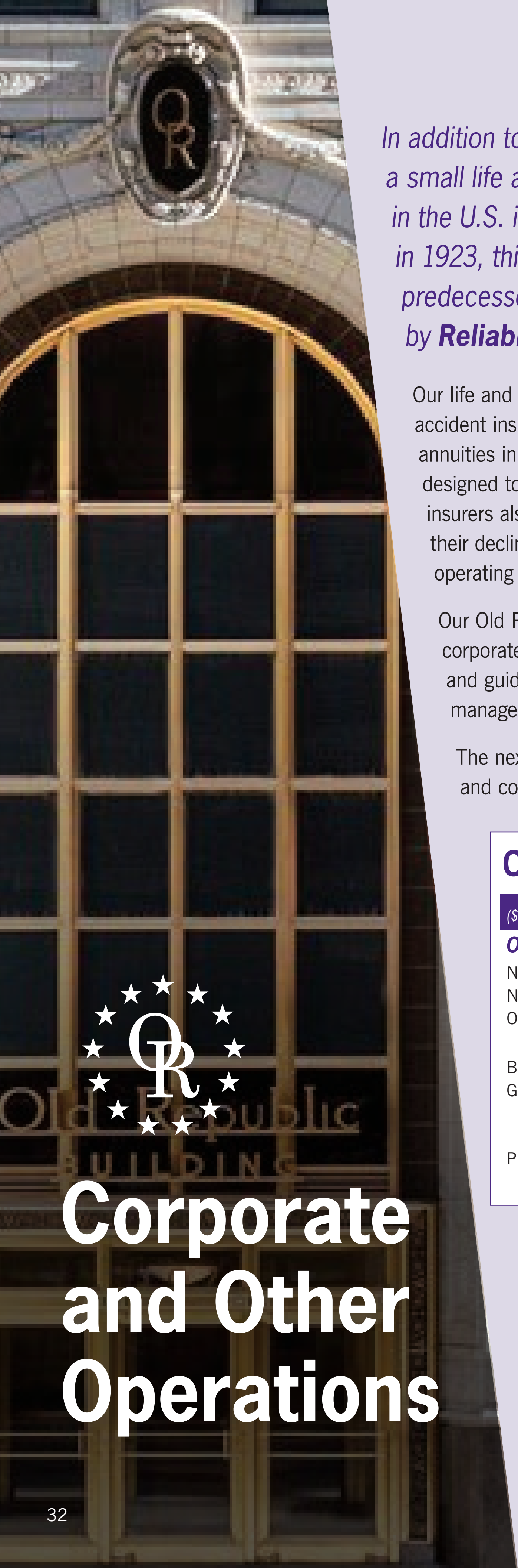
As a run-off book of business, the mortgage guaranty line should continue to see a natural decline of earned premium revenues over the next several years. Our modeled results through 2022-2023 show a continuation of profitable operations, although on a quickly declining trend line. The combination of a stabilized operation and a clear ability to pay all legitimate claims is expected to lead to the ultimate return of Old Republic's currently committed capital—and more. In due course, this anticipated turn of events should also enhance the future prospects of the RMIC business franchise. This could include the possible reactivation of this business under an appropriately acceptable outside stewardship that is protective of Old Republic's interests and good name.

Going forward, the CCI business is expected to run-off in an efficiently economical and potentially profitable manner through the end of policy terms in the next few years. Since 2018, these operations have produced increasingly small profits. Effective July 1, 2019, the CCI business operations have therefore been reclassified to the General Insurance segment in which they are being consolidated for all future periods.

SUMMARY PRO FORMA INCOME STATEMENT

	Years Ended December 31, ($ in Millions)				
	2019	2018	2017	2016	2015
Mortgage Insurance (MI)					
Net premiums earned	**$ 58.8**	$ 74.4	$ 109.8	$ 154.1	$ 195.9
Net investment income	**17.3**	19.2	20.4	22.0	24.2
Claims and claim expenses	**32.3**	32.1	63.3	52.5	110.5
Pretax operating income (loss)	**$ 29.2**	$ 46.7	$ 48.9	$ 105.0	$ 89.9
Loss ratio	**55.0%**	43.2%	57.6%	34.1%	56.4%
Expense ratio	**24.8%**	20.0%	16.5%	12.0%	10.1%
Composite ratio	**79.8%**	63.2%	74.1%	46.1%	66.5%
Consumer Credit Indemnity (CCI) Division *(a)*					
Pretax operating income (loss)	**$ 1.0**	$ 3.2	$ (122.4)	$ (35.2)	$ (60.4)
Pro Forma Total MI and CCI Run-Off Business *(a)*					
Pretax operating income (loss)	**$ 30.3**	$ 49.9	$ (73.5)	$ 69.8	$ 29.4

(a) Results for the CCI coverage are expected to be immaterial in the remaining run-off periods. Effective July 1, 2019, these results have been reclassified to the General Insurance Segment for all future periods.



Corporate and Other Operations

*In addition to its three major operating segments, Old Republic owns a small life and accident insurance business. The foundation for this in the U.S. is **Old Republic Life Insurance Company**. Organized in 1923, this operation represents the immediate corporate predecessor to today's ORI. In Canada, the business is conducted by **Reliable Life Insurance Company**.*

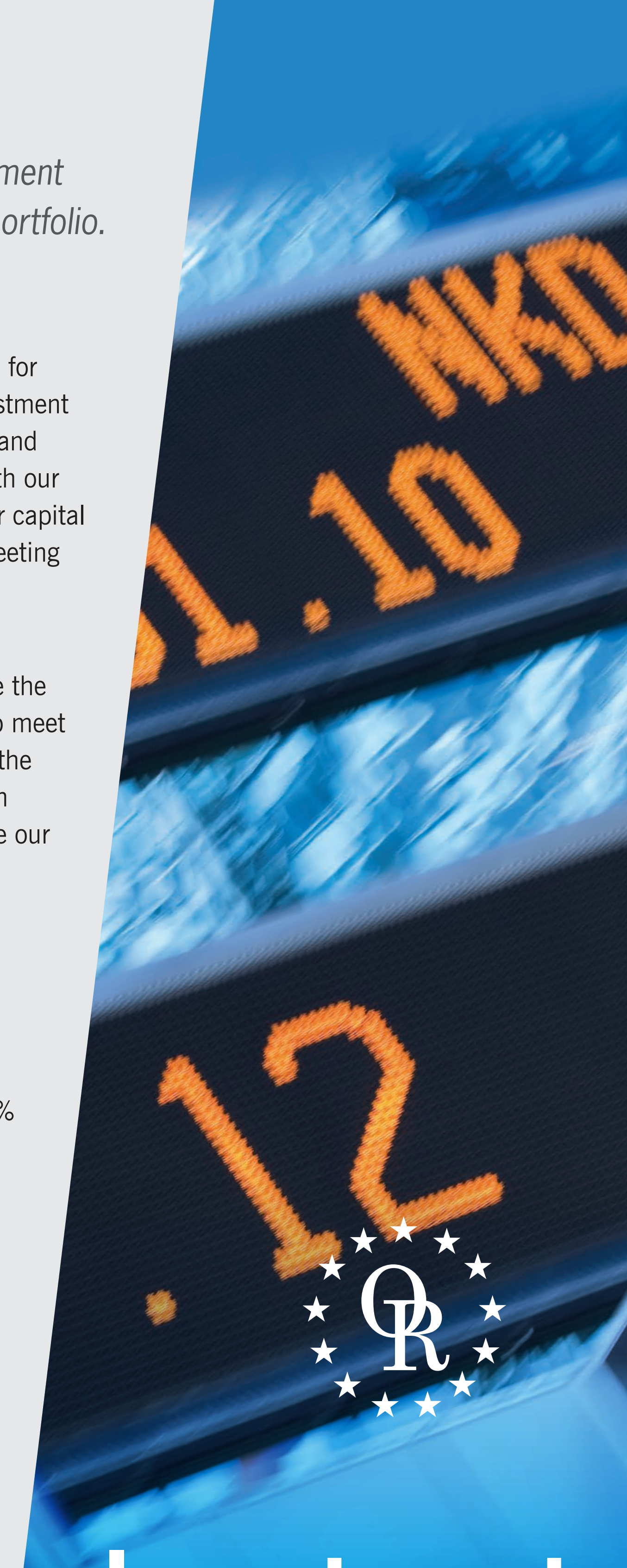
Our life and accident business focuses on two principal areas. We offer occupational accident insurance aimed at motor carriers. We also issue a small number of annuities in conjunction with General Insurance Group affiliates. The latter are designed to cover lifetime annuities and structured claim settlements. The two insurers also manage a number of long discontinued products that, by virtue of their declining premium base, generally post highly volatile but largely immaterial operating contributions to ORI consolidated results.

Our Old Republic International Corporation parent company—and several corporate services subsidiaries—provide enterprise-wide risk management and guidance. They also offer other necessary services, such as investment management, that are common to the entire holding company system.

The next table shows the combined results of our life and accident, corporate, and corporate services subsidiaries.

Corporate and Other Operations

($ in Millions)	**2019**	2018	2017	2016	2015
Operating Results					
Net Premiums Earned	**$13.4**	$14.6	$18.8	$20.1	$19.4
Net Investment Income	**35.1**	31.7	31.4	15.4	17.2
Other Income	**–**	(.1)	(.1)	(.1)	(.9)
	48.5	46.3	50.1	35.4	35.8
Benefit and Claim Costs	**8.8**	16.7	25.8	17.7	22.8
General Operating Expenses	**(15.2)**	(10.7)	14.3	4.6	5.2
	(6.3)	5.9	40.2	22.4	28.1
Pretax Operating Income (Loss)	**$54.8**	$40.4	$ 9.9	$13.0	$ 7.6



Investment Management

For decades, Old Republic has used a conservative investment policy and disciplined approach to manage its securities portfolio.

A TIME-TESTED, LONG-TERM PHILOSOPHY

A long-term focus has helped the Company to consistently meet its goals for investment income and managing enterprise-wide underwriting and investment risk. Our portfolio features diverse, liquid, and high-quality fixed income and equity securities. We also match the maturities of our invested assets with our expected liability payments. That combination enhances and protects our capital base; it gives our insurance subsidiaries a reliably solid foundation for meeting their specific, long-term obligations to insurance beneficiaries.

We believe in being risk averse and avoiding complexity. This has been especially helpful during challenging investment environments. Those are the times that test the integrity of a company's capital base, and its ability to meet obligations when they come due. Our approach enables us to withstand the difficulties of volatile financial markets. While ever-changing conditions in domestic and global financial markets occasionally require us to fine tune our investment strategy, we remain true to its basic tenets.

2019 INVESTMENT ACTIVITIES AND PORTFOLIO REVIEW

At the end of 2019, approximately 73% of Old Republic's investment portfolio was dedicated to fixed income securities, 23% to equities, and 4% was held in cash equivalents and immaterial miscellaneous investments.

Total cash and invested assets increased 10.2% to $14.5 billion from $13.2 billion a year ago. This represented 68.9% of total assets and 96.4% of total liabilities.

Net investment income rose 4.4% to $450.7 million in 2019, from $431.8 million in the preceding year. Over 90% of the increase came from dividend income, as the environment for fixed income securities continued to offer historically low interest returns. The pretax yield on average invested assets (at cost) was 3.48%, versus 3.41% a year ago. Net realized capital gains from disposition of investments were $36.6 million in 2019 compared with $58.2 million a year earlier.

$ In Millions	2010	2018	2019
Cash & Invested Assets	$10,490.7	$13,187.4	$14,527.4
as a % of Consolidated:			
Assets	66.1%	68.2%	68.9%
Liabilities	89.2%	93.0%	96.4%
Equity	254.5%	256.3%	242.1%

Investment Management

Consolidated Investments

($ in Millions)

	2019	2018	2017	2016	2015
Fixed Maturity Securities:					
Taxable Bonds and Notes	**$ 8,796.5**	$ 8,182.8	$ 8,282.3	$ 8,170.9	$ 8,181.5
Tax-Exempt Bonds and Notes	**1,021.7**	1,044.8	1,067.4	974.8	355.8
Short-Term Investments	**484.3**	354.9	670.1	681.6	669.4
	10,302.6	9,582.6	10,019.9	9,827.4	9,206.8
Other Invested Assets:					
Equity Securities	**4,030.5**	3,380.9	3,265.5	2,896.1	1,987.8
Sundry	**26.0**	31.0	32.5	34.1	30.8
Total Investments	**$14,359.2**	$12,994.6	$13,318.0	$12,757.7	$11,225.5

Sources of Consolidated Investment Income

($ in Millions)

	2019	2018	2017	2016	2015
Fixed Maturity Securities:					
Taxable	**$ 280.0**	$ 278.4	$ 272.7	$ 285.0	$ 294.0
Tax-Exempt	**20.3**	20.7	20.4	11.5	2.3
Short-Term Investments	**10.1**	9.8	5.4	2.1	.8
	310.5	309.0	298.6	298.7	297.3
Other Investment Income:					
Equity Securities Dividends	**141.3**	124.0	110.9	88.2	91.0
Sundry	**5.8**	4.9	4.5	3.9	3.7
	147.1	129.0	115.5	92.1	94.7
Gross Investment Income	**457.7**	438.1	414.1	390.9	392.1
Less: Investment Expenses	**6.9**	6.2	4.6	3.8	3.4
Net Investment Income	**$ 450.7**	$ 431.8	$ 409.4	$ 387.0	$ 388.6
Net Yield on Average Investments	**3.3%**	3.3%	3.1%	3.2%	3.5%

Consolidated Fixed Maturity Securities Portfolio Statistics

	General Insurance Group	Title Insurance Group	RFIG Run-off Business	Consolidated
December 31, 2019 Maturities in:				
0-5 Years	65.0%	63.3%	99.3%	66.2%
6-10 Years	34.7	36.3	.7	33.4
11 or More Years	.3	.4	–	.4
	100.0%	100.0%	100.0%	100.0%
Average Quality Rating	A+	A+	A+	A+
Average Life of Portfolio (Years):				
December 31, 2019	4.2	4.0	1.8	4.1
December 31, 2018	4.6	4.7	2.8	4.5
December 31, 2017	4.8	5.0	3.7	4.7
December 31, 2016	4.9	5.1	4.3	4.8
December 31, 2015	4.9	4.9	4.8	4.9

Consolidated net unrealized gains in the investment portfolio increased to $1,237.0 million at year end, compared with $236.7 million at the close of 2018. About 40% of the gain related to the fixed income portfolio, due to lower interest rates and tighter credit spreads. The remaining 60% came from an increase in the fair market value of the equity portfolio. The charts and tables in this Annual Review provide details about our invested asset base for the last five years.

FIXED INCOME PORTFOLIO

One of our risk management goals is to protect and limit Old Republic's fixed income portfolio from the adverse effects of interest rate volatility. We do this through diversifying our holdings by industry sectors and issuer, asset-liability matching, and by avoiding more risky investment structures.

The Company does not invest in troubled asset classes generally proven to be "toxic" and "illiquid" for many investors. For a long time, our portfolio has had zero or extremely limited exposure to the following types of fixed income securities:

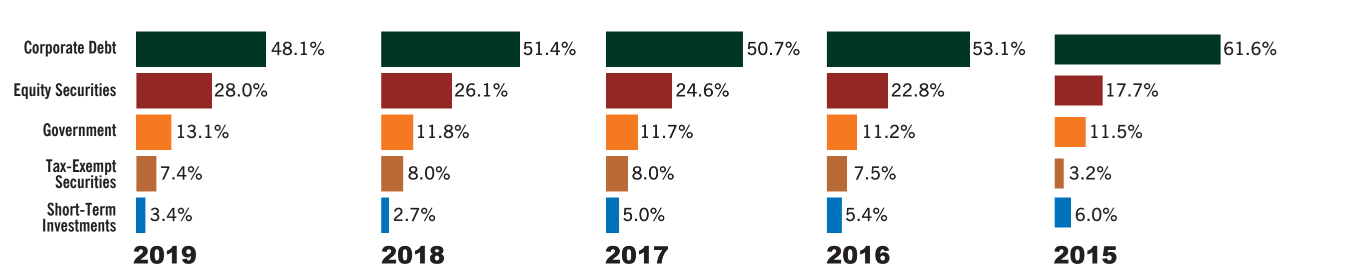
★ Collateralized debt obligations (CDO)
★ Mortgage-backed securities (MBS)
★ Asset-backed securities (ABS)
★ Guaranteed investment contracts, (GIC)
★ Structured investment vehicles (SIV)
★ Auction rate variable short-term securities
★ Hybrid securities
★ Credit default and interest rate swap derivatives

By the end of 2019, the two-year U.S. Treasury note yield had fallen to 1.59%, down 90 basis points from 2.49% at the end of 2018, and 30 basis points lower than 1.89% at the end of 2017. The 10-year Treasury note yielded 1.92% at December 31, 2019, down 77 basis points from 2.69% for 2018, and 49 basis points from 2.41% in 2017. The Treasury yield curve remained relatively flat for much of last year. The difference between the two- and 10-year Treasury note yields was 33 basis points on December 31, 2019, versus 20 basis points at the end of 2018, and just 2 basis points at September 30, 2019.

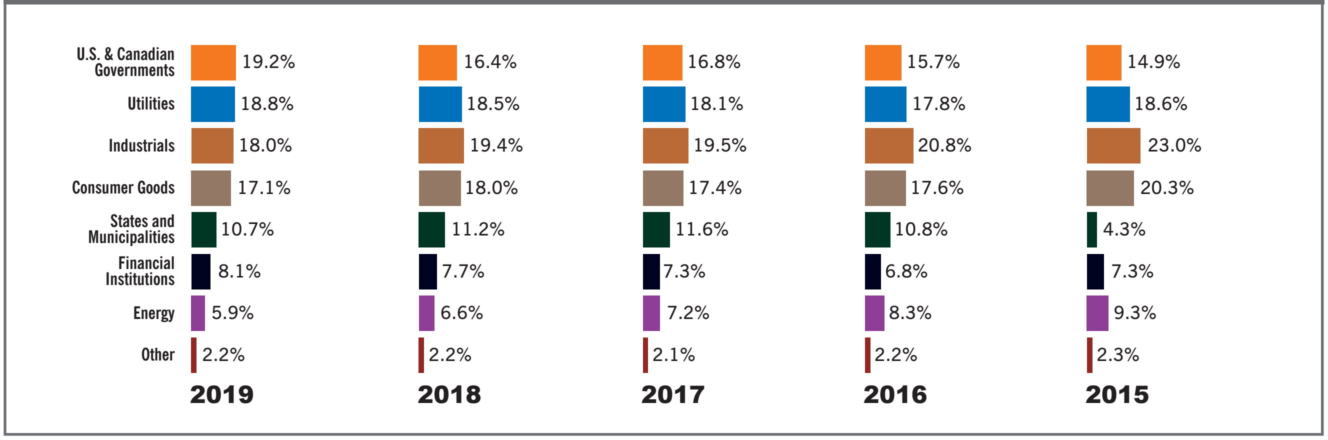
The Treasury yield curve decline was accompanied by a significant tightening of corporate bond yield spreads over Treasuries. The market value of the long-term fixed income portfolio at the end of 2019 was approximately 103.1% of book value compared with 98.8% at the same time in 2018. Total net unrealized gains in the bond portfolio were $295.7 million versus unrealized losses of $112.4 million at year-end 2018, a $408.1 million improvement.

The fixed income portfolio was well balanced among obligations of the United States and Canadian governments, its agencies, and corporate securities. Old Republic's fixed income purchases in 2019 consisted principally of liquid, non-callable corporate securities of various investment grade issuers within several industry sectors. Maturities of bond purchases primarily ranged between one and 10 years. The Company made no new investments in tax-exempt municipal securities in 2019, as the low corporate tax rate made these securities unattractive on an after-tax basis versus other taxable fixed income alternatives.

Composition of Investment Portfolio



Diversification of Fixed Maturity Portfolio



The long-term fixed income security holdings of $9.6 billion had an average maturity of 4.08 years with an implied duration of 3.71. This compared to 2018's 4.53 years and implied duration of 4.05. Investment grade issues represented 95.7% of the portfolio, versus 94.3% and 93.8% in 2018 and 2017, respectively. No fixed income holding was in default at the end of 2019.

COMMON STOCK PORTFOLIO

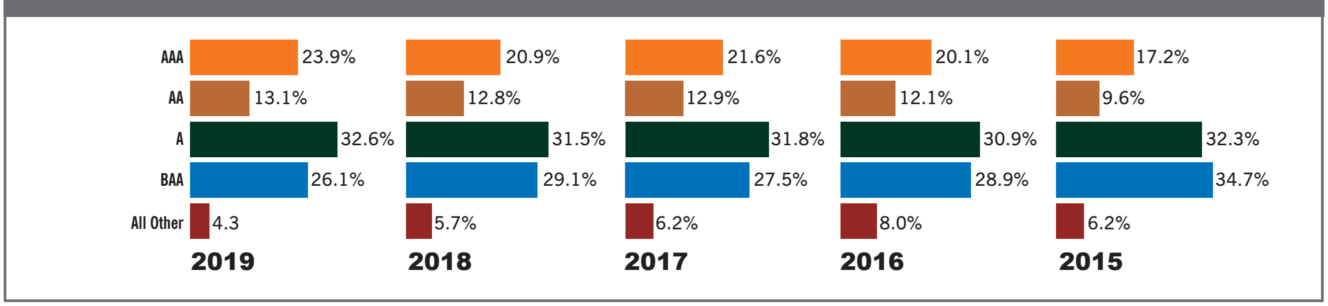
The Standard & Poor's 500 Index total market return was up 31.5% in 2019, versus a loss of 4.4% in 2018 and an increase of 21.8% in 2017. Old Republic's stock (equity) portfolio had a market value of $4,029.3 million on December 31, 2019. This was 19.2% higher than $3,379.8 million on the same date in 2018. Unrealized capital gains were $940.8 million at year-end 2019 compared with $341.3 million for 2018. During 2019, we purchased $815.6 million in common stocks.

For the year, $43.2 million in net realized capital gains were generated on sales of $809.9 million.

Our equity portfolio is 100% actively managed in-house. It is focused on higher-yielding blue chip and utility common stocks that have a propensity to deliver annual dividend growth. The portfolio has no illiquid, equity-related securities, such as limited partnerships, derivatives, or private equity investments. The indicated "beta" of 0.86, implied a more conservative, less volatile composition when compared to the S&P 500 index.

With a market value of approximately $4.02 billion, the common stock portfolio represented 27.7% of the Company's consolidated cash and invested assets base, and 67.2% of its shareholders' equity account at year-end 2019. Total stock portfolio exposures are guided by a variety of factors, the most important of which include: 1) an assessment of insurance underwriting counter-party financial relationships, 2) insurance subsidiaries' capital

Quality Distribution of Consolidated Fixed Maturity Securities Portfolio



balances and their ability to sustain the adversities of sudden or extended declines in securities markets' valuations of the portfolio, 3) tax planning and management objectives and 4) enterprise-wide risk management considerations of liquidity and the related matching of asset and liability maturity exposures.

The following table highlights the allocation of the stock portfolio by industry group.

Common Stocks at Market Value *($ in Millions)*

	As of December 31,					
	2019		2018		2017	
	Market Value	**Portfolio %**	Market Value	Portfolio %	Market Value	Portfolio %
Industry Distribution:						
Consumer	**$ 774.2**	**19.2%**	$ 675.7	20.0%	$ 600.0	18.4%
Energy	**514.1**	**12.8%**	486.8	14.4%	547.4	16.8%
Financial	**175.6**	**4.4%**	258.0	7.6%	237.3	7.3%
Health Care	**369.5**	**9.2%**	260.5	7.7%	305.7	9.4%
Industrial	**523.4**	**13.0%**	287.9	8.5%	268.8	8.2%
Technology	**352.0**	**8.7%**	277.2	8.2%	287.1	8.8%
Transportation	**48.2**	**1.2%**	37.4	1.1%	25.9	0.8%
Utilities	**1,092.6**	**27.1%**	1,010.4	29.9%	876.2	26.8%
Other & Canada	**179.7**	**4.4%**	85.9	2.6%	115.7	3.5%
Total	**$ 4,029.3**	**100.0%**	$ 3,379.8	100.0%	$ 3,264.4	100.0%

ECONOMIC LANDSCAPE AND OUTLOOK

In 2019, the Federal Reserve Board (FRB) lowered the federal funds rate targets three times. It ended the year at 1.75% versus 2.50% at the close of 2018. This easing, which partially reversed seven rate hikes in 2017-2018, was generally viewed as desirable. Its goal was to avoid a domestic economic slowdown in a flat yield curve interest environment. In our view, the FRB is not expected to change the federal funds target rate in 2020.

The near-term outlook for U.S. business activity remains positive, supported by consumer spending, the ongoing effects of the Tax Cuts and Jobs Act of 2017, fiscal stimulus programs, and deregulation. Higher federal government deficits and indebtedness because of the tax cut remain a concern to our domestic financial markets. Uncertainties concerning tariffs, trade agreements and intractable geopolitical disputes may affect economic development and market performance worldwide. Phase One of the China Trade Agreement may be beneficial, although an economic slowdown in 2020 is still of concern.

We remain especially aware of our portfolio market valuation and its sensitivity to future higher interest rates. Fixed income security purchases in 2020 will likely be focused on intermediate maturities, between three and 10 years. Absent a significant increase in operating cash flows available for longer-term investing, further improvements to net investment income will remain a challenge. This should likely be the case until yields available on both short and intermediate-term fixed income securities rise from their current historically low levels.

Old Republic's diversified portfolio of invested assets remains very well positioned, liquid, of high credit quality, and designed to withstand further economic uncertainty. It also allows us to take advantage of any opportunities that present themselves in an ever-changing financial marketplace. In all this, we remain committed to the basic investment policy that has served Old Republic well over the years. This discipline allows us to focus our financial and human resources on our basic business of insurance underwriting and related services.

CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS

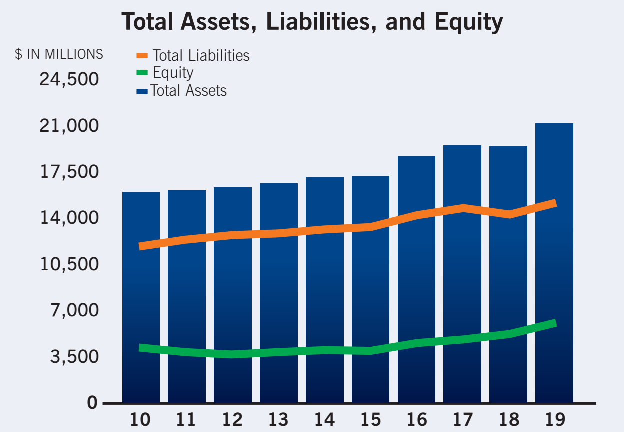
CAPITALIZATION AND FINANCIAL RATINGS

OLD REPUBLIC SECURITIES CURRENTLY ISSUED AND OUTSTANDING

Nearly 304 million outstanding Old Republic common shares could be traded as of year end 2019 on the New York Stock Exchange (symbol: ORI). Institutional investors own a significant percentage of those shares, and approximately 7.7% is held by the Company's management, Board members, and by employees directly through such benefit plans as the Old Republic Employees Savings and Stock Ownership Plan.

Other securities issued and outstanding at December 31, 2019 included $400.0 million of 4.875% Senior Notes due in 2024 and $550.0 million of 3.875% Senior Notes due in 2026.

Total Assets, Liabilities, and Equity



The inherent strengths of Old Republic's balance sheet provide a solid foundation for long-term staying power and earnings sustainability.

INDEPENDENT FINANCIAL RATINGS OF KEY POLICY-ISSUING INSURANCE SUBSIDIARIES AND PARENT HOLDING COMPANY

In recognition of Old Republic's stability and financial strength, its key insurance subsidiaries are consistently assigned high financial condition or claims-paying ability ratings. The following table shows the ratings assigned by three leading independent firms:

	CURRENT RATINGS ASSIGNED BY:		
	A.M. Best	Moody's	Standard & Poor's
BITCO General Insurance Corporation	A+	A2	A+
BITCO National Insurance Company	A+	A2	A+
Great West Casualty Company	A+	A2	A+
Old Republic General Insurance Corporation	A+	A2	A+
Old Republic Insurance Company	A+	A2	A+
Old Republic Insurance Company of Canada	A	*	*
Old Republic National Title Insurance Company	A	A2	A+
Old Republic Surety Company	A+	*	A+
Old Republic Union Insurance Company	A+	*	A+
PMA Insurance Group	A+	A2	A+
Old Republic International Corporation: Long-term Debt	*	**Baa2**	**BBB+**

**No rating sought by Company or provided by the indicated rating agency.*

Ratings as of March 31, 2020.

TEN-YEAR FINANCIAL SUMMARY

($ in Millions, Except Share Data)

		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Financial Position Summary	Cash and Fixed Maturity Securities	**$10,381.5**	$ 9,683.0	$ 10,145.9	$ 9,973.1	$ 9,366.7	$ 9,163.4	$ 9,990.6	$ 9,932.4	$ 9,962.5	$ 9,663.6
	Equity Securities	**4,030.5**	3,380.9	3,265.5	2,896.1	1,987.8	2,011.7	1,004.2	739.7	580.8	672.4
	Other Invested Assets	**115.4**	123.4	124.9	126.5	120.9	116.4	114.3	128.4	141.7	154.7
	Reinsurance Recoverable	**3,823.9**	3,484.5	3,371.8	3,231.5	3,183.6	3,422.5	3,215.7	3,237.1	3,243.9	3,262.5
	Prepaid Federal Income Taxes	**–**	129.8	114.3	82.4	63.3	45.7	–	–	1.0	102.9
	Sundry Assets	**2,724.9**	2,525.1	2,380.9	2,281.7	2,379.1	2,216.8	2,201.7	2,179.5	2,120.3	2,026.5
		$21,076.3	$ 19,327.1	$19,403.5	$18,591.6	$ 17,101.6	$16,976.9	$16,526.7	$16,217.3	$16,050.4	$ 15,882.7
	Policy Liabilities	**$ 2,419.2**	$ 2,303.5	$ 2,176.3	$ 2,035.0	$ 1,945.1	$ 1,832.7	$ 1,695.7	$ 1,566.3	$ 1,461.9	$ 1,424.9
	Benefit and Claim Reserves	**9,929.5**	9,471.2	9,237.6	9,206.0	9,120.1	9,122.0	9,433.5	9,303.3	8,786.6	8,814.6
	Sundry Liabilities	**2,727.3**	2,406.0	3,256.3	2,889.9	2,166.3	2,098.0	1,622.4	1,751.4	2,029.2	1,521.8
	Preferred Stock	**–**	–	–	–	–	–	–	–	–	–
	Common Equity	**6,000.1**	5,146.2	4,733.3	4,460.6	3,869.8	3,924.0	3,775.0	3,596.2	3,772.5	4,121.4
		$21,076.3	$ 19,327.1	$19,403.5	$ 18,591.6	$ 17,101.6	$16,976.9	$16,526.7	$16,217.3	$16,050.4	$15,882.7
	Total Capitalization	**$ 6,974.2**	$ 6,127.6	$ 6,182.0	$ 5,989.4	$ 4,822.7	$ 4,877.8	$ 4,336.6	$ 4,159.6	$ 4,685.4	$ 4,596.4
	Book Value Per Share	**$ 19.98**	$ 17.23	$ 17.72	$ 17.16	$ 14.98	$ 15.15	$ 14.64	$ 14.03	$ 14.76	$ 16.16
Income Statement Summary	Net Premiums and Fees	**$ 5,994.2**	$ 5,703.9	$ 5,539.7	$ 5,333.2	$ 5,179.4	$ 4,811.1	$ 4,885.6	$ 4,471.0	$ 4,050.1	$ 3,573.5
	Net Investment Income	**450.7**	431.8	409.4	387.0	388.6	345.5	318.7	336.5	364.6	379.0
	Other Income	**132.6**	121.6	102.2	107.3	106.7	101.6	90.1	114.5	115.2	41.0
	Investment Gains (Losses):										
	Realized From Actual Transactions	**36.6**	58.2	211.6	72.8	91.3	272.3	148.1	47.8	115.5	109.1
	Unrealized from Changes in Fair Value of Equity Securities	**599.5**	(293.8)	–	–	–	–	–	–	–	–
	Total Revenues	**7,213.7**	6,021.8	6,263.1	5,900.5	5,766.1	5,530.7	5,442.7	4,970.1	4,645.5	4,102.7
	Benefits and Claims	**2,572.7**	2,460.7	2,478.8	2,347.9	2,459.3	2,514.5	2,238.3	2,765.3	2,764.3	2,278.2
	Sales and General Expenses	**3,318.6**	3,122.9	3,058.8	2,866.5	2,675.0	2,406.6	2,531.3	2,333.3	2,117.8	1,796.8
	Total Expenses	**5,891.3**	5,583.7	5,537.7	5,214.5	5,134.3	4,921.2	4,769.7	5,098.7	4,882.2	4,075.1
	Pretax Income (Loss)	**1,322.4**	438.1	725.4	686.0	631.8	609.4	672.9	(128.5)	(236.7)	27.6
	Income Taxes (Credits)	**265.9**	67.5	164.8	219.0	209.6	199.7	225.0	(59.8)	(96.1)	(2.5)
	Net Income (Loss)	**$ 1,056.4**	$ 370.5	$ 560.5	$ 466.9	$ 422.1	$ 409.7	$ 447.8	$ (68.6)	$ (140.5)	$ 30.1
	Operating Cash Flow	**$ 936.2**	$ 760.5	$ 452.8	$ 637.3	$ 688.2	$ (181.2)	$ 686.7	$ 532.0	$ (94.9)	$ (282.2)
	Net Income (Loss) Per Share: (a)										
	Basic	**$ 3.52**	$ 1.26	$ 2.14	$ 1.80	$ 1.63	$ 1.58	$ 1.74	$ (.27)	$ (.55)	$ .13
	Diluted	**$ 3.51**	$ 1.24	$ 1.92	$ 1.62	$ 1.48	$ 1.44	$ 1.57	$ (.27)	$ (.55)	$ .13
Sources of Revenues	General Insurance	**$ 3,920.8**	$ 3,739.4	$ 3,531.6	$ 3,354.7	$ 3,313.3	$ 3,113.5	$ 2,849.9	$ 2,699.4	$ 2,488.6	$ 1,986.9
	Title Insurance	**2,531.3**	2,375.4	2,325.0	2,244.1	2,080.7	1,791.6	2,025.6	1,707.1	1,391.8	1,238.8
	Corporate & Other (b)(c)	**48.5**	46.3	50.1	35.4	35.8	70.0	65.6	68.3	84.8	91.2
	Subtotal	**6,500.7**	6,161.3	5,906.8	5,634.3	5,429.8	4,975.3	4,941.1	4,474.9	3,965.3	3,317.0
	RFIG Run-off	**76.8**	96.1	144.6	193.2	245.0	282.9	353.4	447.3	564.6	676.5
	Subtotal	**6,577.6**	6,257.4	6,051.5	5,827.6	5,674.8	5,258.3	5,294.5	4,922.2	4,529.9	3,993.5
	Investment Gains (Losses):										
	Realized From Actual Transactions	**36.6**	58.2	211.6	72.8	91.3	272.3	148.1	47.8	115.5	109.1
	Unrealized from Changes in Fair Value of Equity Securities	**599.5**	(293.8)	–	–	–	–	–	–	–	–
	Consolidated	**$ 7,213.7**	$ 6,021.8	$ 6,263.1	$ 5,900.5	$ 5,766.1	$ 5,530.7	$ 5,442.7	$ 4,970.1	$ 4,645.5	$ 4,102.7
Sources of Pretax Income (Loss)	General Insurance	**$ 370.2**	$ 363.9	$ 340.3	$ 319.9	$ 336.4	$ 221.3	$ 288.3	$ 261.0	$ 353.9	$ 316.7
	Title Insurance	**230.8**	219.3	237.1	210.2	166.8	99.5	124.3	73.8	36.2	9.4
	Corporate & Other (b)	**54.8**	40.4	9.9	13.0	7.6	5.7	2.1	(2.7)	(14.6)	(2.8)
	Subtotal	**655.9**	623.8	587.3	543.3	511.0	326.7	414.7	332.1	375.5	323.2
	RFIG Run-off	**30.3**	49.9	(73.5)	69.8	29.4	10.3	110.0	(508.6)	(727.8)	(404.8)
	Subtotal	**686.2**	673.7	513.8	613.1	540.4	337.1	524.8	(176.4)	(352.2)	(81.5)
	Investment Gains (Losses):										
	Realized From Actual Transactions	**36.6**	58.2	211.6	72.8	91.3	272.3	148.1	47.8	115.5	109.1
	Unrealized from Changes in Fair Value of Equity Securities	**599.5**	(293.8)	–	–	–	–	–	–	–	–
	Consolidated	**$ 1,322.4**	$ 438.1	$ 725.4	$ 686.0	$ 631.8	$ 609.4	$ 672.9	$ (128.5)	$ (236.7)	$ 27.6

(a) Retroactive adjustments have been made for all stock dividends and splits declared through December 31, 2019, and for consistent presentation of annual data.
(b) Includes amounts for a small life and accident insurance business as well as those of the parent holding company and its internal corporate services subsidiaries.
(c) 2015 reflects the transfer of accident insurance business from a life and accident subsidiary to a general insurance affiliate resulting in a $26.4 reduction in premiums.

TEN-YEAR OPERATING AND BALANCE SHEET STATISTICS

($ in Millions)

		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Underwriting/ Service Operating Ratios	***General Insurance:***										
	All Lines Combined:										
	Earned Premiums	**$3,432.4**	$3,277.1	$3,110.8	$2,936.3	$2,894.7	$2,735.6	$2,513.7	$2,324.4	$2,109.4	$1,694.2
	Loss Ratio	**71.0%**	71.6%	71.2%	72.4%	73.5%	77.4%	73.0%	72.2%	68.5%	67.1%
	Dividend Ratio	**.8**	.6	.6	.6	.6	.5	.6	.8	.7	.7
	Expense Ratio	**25.7**	25.0	25.5	24.8	23.5	22.9	23.7	25.7	25.2	26.9
	Composite Ratio	**97.5%**	97.2%	97.3%	97.8%	97.6%	100.8%	97.3%	98.7%	94.4%	94.7%
	Liability Lines Only:										
	Earned Premiums	**$ 2,217.5**	$2,120.9	$2,032.5	$1,963.3	$1,989.0	$1,934.3	$1,779.7	$1,659.9	$1,487.8	$1,094.3
	Loss Ratio	**75.5%**	75.9%	76.2%	78.5%	80.6%	82.6%	77.1%	74.9%	69.8%	68.3%
	Dividend Ratio	**.9%**	.6%	.6%	.6%	.5%	.5%	.6%	.8%	1.0%	.8%
	All Other Lines:										
	Earned Premiums	**$ 1,217.2**	$1,154.8	$1,077.1	$ 974.1	$ 908.0	$ 801.5	$ 736.7	$ 667.5	$ 623.1	$ 596.6
	Loss Ratio	**63.0%**	63.5%	62.1%	60.5%	57.3%	65.0%	62.8%	65.3%	64.7%	65.1%
	Dividend Ratio	**.1%**	.2%	.2%	.3%	.4%	.4%	.3%	.3%	.1%	.5%
	Title Insurance: (a)										
	Earned Premiums and Fees	**$2,489.2**	$2,336.1	$2,287.2	$2,206.6	$2,045.3	$1,759.2	$1,996.1	$1,677.4	$1,362.4	$1,211.0
	Loss Ratio	**2.7%**	2.1%	.9%	3.8%	4.9%	5.2%	6.7%	7.2%	7.8%	8.0%
	Expense Ratio	**89.5**	90.0	90.0	87.9	88.3	90.4	88.0	89.6	91.2	93.0
	Composite Ratio	**92.2%**	92.1%	90.9%	91.7%	93.2%	95.6%	94.7%	96.8%	99.0%	101.0%
	RFIG Run-off:										
	Earned Premiums	**$ 59.2**	$ 75.9	$ 122.9	$ 170.0	$ 219.9	$ 255.4	$ 316.5	$ 410.5	$ 503.2	$ 586.8
	Loss Ratio	**53.5%**	39.4%	160.9%	60.4%	88.0%	97.2%	68.8%	221.8%	230.5%	169.0%
	Expense Ratio	**25.0**	21.5	16.6	12.2	10.0	9.5	8.1	10.4	22.1	13.3
	Composite Ratio	**78.5%**	60.9%	177.5%	72.6%	98.0%	106.7%	76.9%	232.2%	252.6%	182.3%
	Consolidated:										
	Earned Premiums and Fees	**$5,994.2**	$5,703.9	$5,539.7	$5,333.2	$5,179.4	$4,811.1	$4,885.6	$4,471.0	$4,050.1	$3,573.5
	Loss Ratio	**42.9%**	43.1%	44.7%	44.0%	47.5%	52.3%	45.8%	61.9%	68.3%	63.8%
	Expense Ratio	**52.2**	51.6	52.0	50.6	48.5	47.1	49.2	48.5	47.5	47.6
	Composite Ratio	**95.1%**	94.7%	96.7%	94.6%	96.0%	99.4%	95.0%	110.4%	115.8%	111.4%
Balance Sheet Leverage	***Premium Leverage (b):***										
	General Insurance	**1.0x**	1.1x	1.0x	1.0x	1.1x	1.0x	.9x	.8x	.7x	.6x
	Title Insurance	**3.0**	3.5	3.6	3.9	4.3	3.8	4.5	4.2	4.2	4.0
	RFIG Run-off	**.1**	.2	.3	.5	.8	1.2	N/M	N/M	32.2	1.3
	Consolidated	**1.0x**	1.1x	1.2x	1.2x	1.4x	1.3x	1.3x	1.2x	1.1x	.8x
	Reserve Leverage (c):										
	General Insurance	**166%**	189%	172%	182%	189%	162%	146%	136%	132%	138%
	Title Insurance	**65**	79	87	108	122	109	106	99	103	99
	RFIG Run-off	**25**	43	66	130	255	388	N/M	N/M	N/M	368
	Consolidated	**112%**	126%	134%	145%	166%	157%	176%	181%	157%	144%
Capitalization and Fixed Charges Coverage Ratios	Debt	**14.0%**	16.0%	23.4%	25.5%	19.8%	19.6%	13.0%	13.5%	19.5%	10.3%
	Preferred Stock	**–**	–	–	–	–	–	–	–	–	–
	Common Equity	**86.0**	84.0	76.6	74.5	80.2	80.4	87.0	86.5	80.5	89.7
	Total Capitalization	**100.0%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Fixed Charges Coverage Ratio (d)	**16.9x**	15.3x	9.0x	13.0x	13.6x	12.9x	23.6x	N/M	N/M	N/M

(a) Title Insurance Group ratios are a function of combined premiums and fees earned.
(b) Ratio of net premiums written to equity. For the Title Insurance Group, this ratio incorporates escrow and other fee revenues.
(c) Ratio of claim and claim expense reserves to equity. Consolidated ratio also incorporates future benefit reserves for the Company's small life and accident insurance operations.
(d) Earnings before taxes, investment gains (losses), and interest expense to annual interest expense.
N/M = Not meaningful

COMMON SHARE STATISTICS

(Common Stock Data in Dollars to Nearest Cent)

		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Company Performance on the Stock Market (f)	Stock Price Quotes:										
	High (g)	**$24.10**	$23.05	$21.56	$20.00	$19.11	$17.26	$17.45	$11.21	$13.92	$15.50
	Low (g)	**$19.68**	$19.48	$17.92	$16.51	$13.59	$13.43	$10.74	$ 7.76	$ 7.15	$10.02
	Close	**$22.37**	$20.57	$21.38	$19.00	$18.63	$14.63	$17.27	$10.65	$ 9.27	$13.63
	Closing Stock Price Ratios to:										
	Book Value	**1.1x**	1.2x	1.2x	1.1x	1.2x	1.0x	1.2x	.8x	.6x	.8x
	Income (Loss) Before Other Items:										
	Basic	**12.1x**	10.9x	17.7x	11.7x	13.3x	16.3x	12.6x	N/M	N/M	N/M
	Diluted	**12.2x**	11.1x	19.3x	13.0x	14.6x	17.4x	13.8x	N/M	N/M	N/M
	Net Income (Loss):										
	Basic	**6.4x**	16.3x	10.0x	10.6x	11.4x	9.3x	9.9x	N/M	N/M	104.8x
	Diluted	**6.4x**	16.6x	11.1x	11.7x	12.6x	10.2x	11.0x	N/M	N/M	104.8x
	Total Return–Market Basis (b)	**17.8%**	4.8%	16.9%	6.2%	33.4%	-11.2%	70.7%	23.4%	-27.2%	43.4%
	Shares Outstanding (Thousands)										
	Average: Basic	**299,885**	294,248	262,114	259,429	259,502	258,553	257,443	255,812	255,045	241,075
	Diluted	**301,227**	301,016	299,387	296,379	296,088	295,073	293,684	255,812	255,045	241,327
	End of Period	**303,652**	302,714	269,238	262,719	261,968	260,946	260,462	259,490	259,328	259,222
Company Performance on its Books (f)	Composition of Basic Earnings (a):										
	Income (Loss), before Items Below	**$ 1.85**	$ 1.89	$ 1.21	$ 1.62	$ 1.40	$ .90	$ 1.37	$ (.39)	$ (.86)	$ (.16)
	Net Investment Gains (Losses):										
	Realized From Actual Transactions	**.10**	.16	.93	.18	.23	.68	.37	.12	.31	.29
	Unrealized From Changes in Fair Value of Equity Securities	**1.57**	(.79)	–	–	–	–	–	–	–	–
	Net Income (Loss)	**$ 3.52**	$ 1.26	$ 2.14	$ 1.80	$ 1.63	$ 1.58	$ 1.74	$ (.27)	$ (.55)	$ .13
	Composition of Diluted Earnings (a):										
	Income (Loss), before Items Below	**$ 1.84**	$ 1.86	$ 1.11	$ 1.46	$ 1.28	$ .84	$ 1.25	$ (.39)	$ (.86)	$ (.16)
	Net Investment Gains (Losses):										
	Realized From Actual Transactions	**.10**	.15	.81	.16	.20	.60	.32	.12	.31	.29
	Unrealized From Changes in Fair Value of Equity Securities	**1.57**	(.77)	–	–	–	–	–	–	–	–
	Net Income (Loss)	**$ 3.51**	$ 1.24	$ 1.92	$ 1.62	$ 1.48	$ 1.44	$ 1.57	$ (.27)	$ (.55)	$ .13
	Dividends on Common Stock:										
	Amount (h)	**$ 1.80**	$ .78	$ 1.76	$ .75	$ .74	$ .73	$ .72	$ .71	$ .70	$ .69
	Payout Ratio (c)	**98%**	42%	159%	51%	58%	87%	58%	N/M	N/M	N/M
	Stock Dividends	**–**	–	–	–	–	–	–	–	–	–
	Book Value:										
	Amount	**$19.98**	$ 17.23	$ 17.72	$ 17.16	$14.98	$15.15	$14.64	$14.03	$14.76	$16.16
	% Change	**16.0%**	-2.8%	3.3%	14.5%	-.9%	3.5%	4.3%	-4.9%	-8.7%	-2.0%
	Total Return–Book Basis (b)	**26.4%**	1.6%	13.6%	19.5%	4.0%	8.5%	9.4%	-.1%	-4.4%	2.2%
	Cash and Invested Assets Per Share:										
	Amount (d)	**$48.39**	$44.14	$ 50.67	$50.00	$44.40	$43.60	$43.07	$42.13	$41.79	$41.13
	Ratio to Book Value	**2.4x**	2.6x	2.9x	2.9x	3.0x	2.9x	2.9x	3.0x	2.8x	2.5x
	Ratio to Closing Price	**2.2x**	2.1x	2.4x	2.6x	2.4x	3.0x	2.5x	4.0x	4.5x	3.0x
	Return on Equity (e):										
	As Reported	**11.3%**	12.7%	12.6%	12.0%	10.8%	10.9%	12.5%	-1.8%	-3.4%	.8%
	Cost Basis	**11.8%**	14.6%	13.9%	12.4%	11.9%	12.1%	14.7%	-2.1%	-3.9%	.9%

(a) Calculated after preferred dividend requirements, if any.
(b) For purposes of the above presentation, the total market basis return has been calculated as the sum of the year-to-year increase or decrease in closing price and of the dividend yield for each year as a percentage of the closing price at the end of the preceding year. The total return shown would be higher if an interest factor also were applied to the reinvestment of cash dividends. The total book value basis return represents the sum of the year-to-year change in book value per share and the cash dividend yield as a percentage of book value at the beginning of each year.
(c) Cash dividends as a percentage of diluted earnings per share, before investment gains or losses.
(d) Based on total shares outstanding at end of year.
(e) "As Reported" has been calculated as net income excluding unrealized investment gains (losses) from changes in fair value of equity securities as a percentage of common shareholders' equity at the beginning of the year. "Cost Basis" has been calculated as net income excluding unrealized investment gains (losses) from changes in fair value of equity securities as a percentage of common shareholders' equity excluding net unrealized appreciation (depreciation) of securities at the beginning of the year.
(f) Retroactive adjustments have been made for all stock dividends and splits declared through December 31, 2019.
(g) Represents the intraday high and low sales price.
(h) A special cash dividend of $1.00 per share was paid in September 2019 in addition to the regular quarterly dividend payment of $.20 per share. A special cash dividend of $1.00 per share was declared in December 2017 in addition to the regular quarterly dividend payment of $.19 per share.
N/M = Not meaningful

CONSOLIDATED BALANCE SHEETS

($ in Millions)

	December 31,				
	2019	2018	2017	2016	2015
Assets					
Investments:					
Available for Sale:					
Fixed Maturity Securities (at Fair Value)	**$ 8,796.5**	$ 8,182.8	$ 8,282.3	$ 8,170.9	$ 8,181.5
Short-Term Investments (at Fair Value, which Approximates Cost)	**484.3**	354.9	670.1	681.6	669.4
Total	**9,280.9**	8,537.8	8,952.4	8,852.6	8,850.9
Held to Maturity:					
Fixed Maturity Securities (at Amortized Cost)	**1,021.7**	1,044.8	1,067.4	974.8	355.8
Equity Securities (at Fair Value)	**4,030.5**	3,380.9	3,265.5	2,896.1	1,987.8
Other Investments	**26.0**	31.0	32.5	34.1	30.8
Total Investments	**14,359.2**	12,994.6	13,318.0	12,757.7	11,255.5
Other Assets:					
Cash	**78.8**	100.3	125.9	145.7	159.8
Accrued Investment Income	**89.3**	92.4	92.4	92.3	90.1
Accounts and Notes Receivable	**1,466.7**	1,499.4	1,469.7	1,390.2	1,310.2
Federal Income Tax Recoverable: Current	**5.7**	16.8	–	14.9	26.5
Deferred	**–**	–	–	–	154.5
Prepaid Federal Income Taxes	**–**	129.8	114.3	82.4	63.3
Reinsurance Balances and Funds Held	**178.4**	166.2	141.6	127.7	129.0
Reinsurance Recoverable: Paid Losses	**68.5**	55.9	60.5	63.4	61.1
Policy and Claim Reserves	**3,755.3**	3,428.6	3,311.3	3,168.1	3,122.5
Deferred Policy Acquisition Costs	**325.4**	316.3	297.8	274.0	255.4
Sundry Assets	**748.5**	526.3	471.6	474.7	503.3
Total Other Assets	**6,717.1**	6,332.4	6,085.5	5,833.8	5,876.1
Total Assets	**$ 21,076.3**	$ 19,327.1	$ 19,403.5	$ 18,591.6	$ 17,101.6
Liabilities, Preferred Stock, and Common Shareholders' Equity					
Liabilities:					
Losses, Claims, and Settlement Expenses	**$ 9,929.5**	$ 9,471.2	$ 9,237.6	$ 9,206.0	$ 9,120.1
Unearned Premiums	**2,224.7**	2,104.9	1,971.5	1,842.9	1,748.7
Other Policyholders' Benefits and Funds	**194.4**	198.6	204.7	192.0	196.4
Total Policy Liabilities and Accruals	**12,348.7**	11,774.8	11,413.9	11,241.0	11,065.3
Commissions, Expenses, Fees, and Taxes	**550.9**	525.4	547.7	485.4	463.3
Reinsurance Balances and Funds	**616.0**	600.4	566.9	530.3	496.1
Federal Income Tax Payable: Current	**–**	–	6.5	–	–
Deferred	**112.2**	10.3	100.5	42.6	–
Debt	**974.0**	981.4	1,448.7	1,528.7	952.8
Sundry Liabilities	**474.1**	288.3	585.8	302.6	253.9
Commitments and Contingent Liabilities	**–**	–	–	–	–
Total Liabilities	**15,076.1**	14,180.8	14,670.2	14,130.9	13,231.7
Preferred Stock:					
Convertible Preferred Stock	**–**	–	–	–	–
Common Shareholders' Equity:					
Common Stock	**303.6**	302.7	269.2	262.7	261.9
Additional Paid-In Capital	**1,297.5**	1,277.6	815.2	713.8	698.0
Retained Earnings	**4,386.0**	3,849.8	3,206.9	3,199.6	2,926.5
Accumulated Other Comprehensive Income (Loss)	**77.7**	(210.0)	474.2	323.6	29.2
Unallocated ESSOP Shares (at Cost)	**(64.8)**	(73.9)	(32.4)	(39.2)	(45.8)
Total Common Shareholders' Equity	**6,000.1**	5,146.2	4,733.3	4,460.6	3,869.8
Total Liabilities, Preferred Stock, and Common Shareholders' Equity	**$ 21,076.3**	$ 19,327.1	$ 19,403.5	$ 18,591.6	$17,101.6

CONSOLIDATED STATEMENTS OF INCOME

($ in Millions, Except Share Data)

	Years Ended December 31,				
	2019	2018	2017	2016	2015
Revenues:					
Net Premiums Earned	**$5,498.3**	$5,253.4	$5,080.2	$4,868.9	$4,758.8
Title, Escrow, and Other Fees	**495.9**	450.5	459.5	464.2	420.5
Total Premiums and Fees	**5,994.2**	5,703.9	5,539.7	5,333.2	5,179.4
Net Investment Income	**450.7**	431.8	409.4	387.0	388.6
Other Income	**132.6**	121.6	102.2	107.3	106.7
Total Operating Revenues	**6,577.6**	6,257.4	6,051.5	5,827.6	5,674.8
Investment Gains (Losses):					
Realized From Actual Transactions and Impairments	**36.6**	58.2	211.6	72.8	91.3
Unrealized From Changes in Fair Value of Equity Securities	**599.5**	(293.8)	–	–	–
Total Realized and Unrealized Investment Gains (Losses)	**636.1**	(235.6)	211.6	72.8	91.3
Total Revenues	**7,213.7**	6,021.8	6,263.1	5,900.5	5,766.1
Benefits, Claims, and Expenses:					
Benefits, Claims, and Settlement Expenses	**2,545.3**	2,440.9	2,459.2	2,329.8	2,441.3
Dividends to Policyholders	**27.3**	19.8	19.5	18.1	17.9
Underwriting, Acquisition, and Other Expenses	**3,278.5**	3,080.6	2,995.7	2,816.3	2,633.0
Interest and Other Charges	**40.0**	42.2	63.0	50.2	41.9
Total Expenses	**5,891.3**	5,583.7	5,537.7	5,214.5	5,134.3
Income (Loss) Before Income Taxes (Credits)	**1,322.4**	438.1	725.4	686.0	631.8
Income Taxes (Credits):					
Current	**238.4**	114.1	132.6	190.1	201.0
Deferred	**27.4**	(46.5)	32.2	28.8	8.6
Total	**265.9**	67.5	164.8	219.0	209.6
Net Income (Loss)	**$1,056.4**	$ 370.5	$ 560.5	$ 466.9	$ 422.1
Net Income (Loss) Per Share:					
Basic	**$ 3.52**	$ 1.26	$ 2.14	$ 1.80	$ 1.63
Diluted	**$ 3.51**	$ 1.24	$ 1.92	$ 1.62	$ 1.48
Average Shares Outstanding: Basic	**299,885,468**	294,248,871	262,114,533	259,429,298	259,502,067
Diluted	**301,227,715**	301,016,076	299,387,373	296,379,251	296,088,963

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

($ in Millions)

	Years Ended December 31,				
	2019	2018	2017	2016	2015
Net Income (Loss) as Reported	**$1,056.4**	$ 370.5	$ 560.5	$ 466.9	$ 422.1
Other Comprehensive Income (Loss):					
Net Unrealized Gains (Losses) on Securities, Net of Tax	**287.2**	(176.3)	73.9	292.1	(248.9)
Net Adjustment Related to Defined Benefit Pension Plans, Net of Tax	**(5.4)**	5.4	(18.0)	(.4)	5.9
Foreign Currency Translation and Other Adjustments	**5.9**	(11.1)	9.5	2.6	(20.1)
Total Other Comprehensive Income (Loss)	**287.7**	(182.0)	65.4	294.4	(263.1)
Comprehensive Income (Loss)	**$1,344.2**	$ 188.5	$ 626.0	$ 761.4	$ 159.0

CONSOLIDATED STATEMENTS OF PREFERRED STOCK AND COMMON SHAREHOLDERS' EQUITY

($ in Millions, Except Share Data)

	Years Ended December 31,				
	2019	2018	2017	2016	2015
Convertible Preferred Stock:					
Balance, Beginning and End of Year	**$ –**	$ –	$ –	$ –	$ –
Common Stock:					
Balance, Beginning of Year	**$ 302.7**	$ 269.2	$ 262.7	$ 261.9	$ 260.9
Dividend Reinvestment Plan	**–**	–	–	–	–
Net Issuance of Shares Under Stock Based Compensation Plans	**.8**	1.1	1.3	.6	.9
Conversion of Senior Debentures	**–**	32.2	5.1	–	–
Issuance of Shares	**–**	–	–	–	–
Balance, End of Year	**$ 303.6**	$ 302.7	$ 269.2	$ 262.7	$ 261.9
Additional Paid-In Capital:					
Balance, Beginning of Year	**$ 1,277.6**	$ 815.2	$ 713.8	$ 698.0	$ 681.6
Dividend Reinvestment Plan	**1.7**	1.7	.8	.8	.8
Net Issuance of Shares Under Stock Based Compensation Plans	**11.0**	15.7	15.0	6.7	9.8
Conversion of Senior Debentures	**–**	438.1	73.8	–	–
Issuance of Shares	**–**	–	–	1.2	–
Stock Based Compensation	**4.0**	4.1	4.1	.7	1.8
ESSOP Shares Released	**3.0**	2.6	7.3	6.2	4.2
Acquisition of Non-controlling Interest	**–**	–	–	–	(.2)
Balance, End of Year	**$ 1,297.5**	$ 1,277.6	$ 815.2	$ 713.8	$ 698.0
Retained Earnings:					
Balance, Beginning of Year	**$ 3,849.8**	$3,206.9	$3,199.6	$2,926.5	$2,695.7
Reclassification — Change in Accounting Principle	**18.4**	502.1	–	–	–
Balance, Beginning of Year, as Adjusted	**3,868.3**	3,708.9	3,199.6	2,926.5	2,695.7
Net Income (Loss)	**1,056.4**	370.5	560.6	466.9	422.1
Dividends on Common Shares ($1.80, $.78, $1.76, $.75, and $.74 per common share)	**(538.7)**	(229.6)	(468.0)	(193.8)	(191.3)
Reclassification of Income Tax Effects of the Tax Cuts and Jobs Act	**–**	–	(85.1)	–	–
Balance, End of Year	**$ 4,386.0**	$3,849.8	$3,206.9	$3,199.6	$2,926.5
Accumulated Other Comprehensive Income (Loss):					
Balance, Beginning of Year	**$ (210.0)**	$ 474.2	$ 323.6	$ 29.2	$ 292.3
Reclassification — Change in Accounting Principle	**–**	(502.1)	–	–	–
Balance, Beginning of Year, as Adjusted	**(210.0)**	(27.9)	323.6	29.2	292.3
Net Unrealized Gains (Losses) on Securities, Net of Tax	**287.2**	(176.3)	73.9	292.1	(248.9)
Net Adjustment Related to Defined Benefit Pension Plans, Net of Tax	**(5.4)**	5.4	(18.0)	(.4)	5.9
Foreign Currency Translation and Other Adjustments	**5.9**	(11.1)	9.5	2.6	(20.1)
Reclassification of Income Tax Effects of the Tax Cuts and Jobs Act	**–**	–	85.1	–	–
Balance, End of Year	**$ 77.7**	$ (210.0)	$ 474.2	$ 323.6	$ 29.2
Unallocated ESSOP Shares:					
Balance, Beginning of Year	**$ (73.9)**	$ (32.4)	$ (39.2)	$ (45.8)	$ (17.6)
ESSOP Shares Released	**9.1**	8.4	6.8	6.6	5.7
Purchase of Unallocated ESSOP Shares	**–**	(50.0)	–	–	(34.0)
Balance, End of Year	**$ (64.8)**	$ (73.9)	$ (32.4)	$ (39.2)	$ (45.8)

CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in Millions)

	Years Ended December 31,				
	2019	2018	2017	2016	2015
Cash Flows from Operating Activities:					
Net Income (Loss)	**$1,056.4**	$ 370.5	$ 560.5	$ 466.9	$ 422.1
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:					
Deferred Policy Acquisition Costs	**(8.9)**	(18.4)	(23.3)	(18.3)	(24.1)
Premiums and Other Receivables	**32.5**	(29.3)	(79.3)	(59.2)	(22.6)
Unpaid Claims and Related Items	**214.6**	148.4	(123.7)	31.4	214.4
Unearned Premiums and Other Policyholders' Liabilities	**32.2**	95.1	152.7	77.6	69.6
Income Taxes	**37.2**	(69.5)	49.5	40.6	13.4
Prepaid Federal Income Taxes	**129.8**	(15.5)	(31.8)	(19.1)	(17.5)
Reinsurance Balances and Funds	**(9.7)**	13.5	25.3	33.1	27.3
Realized Investment (Gains) Losses From Actual Transactions and Impairments	**(36.6)**	(58.2)	(211.6)	(72.8)	(91.3)
Unrealized Investment (Gains) Losses From Changes in Fair Value of Equity Securities	**(599.5)**	293.8	–	–	–
Accounts Payable, Accrued Expenses and Other	**88.0**	30.0	134.5	157.0	96.8
Total	**936.2**	760.5	452.8	637.3	688.2
Cash Flows from Investing Activities:					
Fixed Maturity Securities:					
Available for Sale:					
Maturities and Early Calls	**779.0**	964.0	1,000.6	967.9	764.1
Sales	**663.1**	299.1	468.4	306.2	259.5
Sales of:					
Equity Securities	**809.9**	402.6	698.5	419.1	462.4
Other–Net	**33.0**	19.4	30.0	56.6	32.8
Purchases of:					
Fixed Maturity Securities:					
Available for Sale	**(1,702.1)**	(1,421.9)	(1,607.2)	(1,166.2)	(1,023.0)
Held to Maturity	**–**	–	(114.5)	(632.1)	(357.9)
Equity Securities	**(815.6)**	(752.5)	(727.2)	(928.4)	(486.9)
Other–Net	**(60.9)**	(51.6)	(54.3)	(47.5)	(46.6)
Purchase of a Business	**(1.2)**	(13.1)	–	–	–
Net Decrease (Increase) in Short-Term Investments	**(129.7)**	314.2	11.8	(12.1)	(55.5)
Other–Net	**–**	.1	(.1)	–	1.3
Total	**(424.6)**	(239.5)	(293.9)	(1,036.4)	(449.8)
Cash Flows from Financing Activities:					
Issuance of Common Shares	**13.8**	13.1	17.8	8.4	12.0
Issuance of Debentures and Notes	**–**	–	–	576.8	–
Redemption of Debentures and Notes	**(8.4)**	(4.7)	(3.9)	(3.5)	(3.3)
Purchase of Unallocated ESSOP Shares	**–**	(50.0)	–	–	(34.0)
Dividends on Common Shares (a)	**(538.7)**	(498.8)	(198.8)	(193.8)	(191.3)
Other–Net	**.2**	(6.0)	6.4	(2.8)	1.3
Total	**(533.1)**	(546.5)	(178.5)	385.0	(215.2)
Increase (Decrease) in Cash:	**(21.4)**	(25.6)	(19.7)	(14.1)	23.0
Cash, Beginning of Year	**100.3**	125.9	145.7	159.8	136.7
Cash, End of Year	**$ 78.8**	$ 100.3	$ 125.9	$ 145.7	$ 159.8
Supplemental Cash Flow Information:					
Cash Paid (Received) During the Year for: Interest	**$ 42.1**	$ 50.8	$ 62.5	$ 40.9	$ 40.8
Income Taxes	**$ 229.4**	$ 137.2	$ 106.3	$ 178.6	$ 198.5

(a) Including a special dividend paid in September 2019 of $303.4 and a special dividend declared in December 2017 and paid in January 2018 of $269.2.

KEY OPERATING SUBSIDIARIES

(As of December 31, 2019)

Currently, Old Republic manages its business through some 134 corporate entities, of which 28 are insurance subsidiaries covering all 50 states and Canada. The following list shows the Corporation's most significant subsidiaries within each operating segment. The underwritten title and managing insurance agencies listed function principally as specialized marketing or underwriting divisions of one or more Old Republic insurance company subsidiaries.

General Insurance Group

Insurance Companies
BITCO General Insurance Corporation
BITCO National Insurance Company
Great West Casualty Company
Inter West Assurance, Ltd.
Manufacturers Alliance Insurance Company
Old Republic General Insurance Corporation
Old Republic Home Protection Company
Old Republic Insurance Company
Old Republic Insurance Company of Canada
Old Republic Lloyds of Texas
Old Republic Residual Market Insurance Company
Old Republic Security Assurance Company
Old Republic Specialty Insurance Company, IC
Old Republic Surety Company
Old Republic Union Insurance Company
Pennsylvania Manufacturers Association Insurance Company
Pennsylvania Manufacturers Indemnity Company
Pennsylvania Manufacturers International Insurance, Ltd.
PMA Insurance SPC
Republic Credit Indemnity Company

Agencies & Service Companies (a)
Brummel Brothers, Inc.
DISCC Enterprise, Ltd.
Employers General Insurance Group, Inc.
Great West Services, Inc.
Joe Morten & Son, Inc.
Old Republic Aerospace, Inc.
Old Republic Contractors Insurance Group, Inc. (b)
Old Republic Home Protection Services, Inc.
Old Republic Insured Automotive Services, Inc.
Old Republic Professional Liability, Inc.
Old Republic Residual Market Services, Inc.
Old Republic Risk Management, Inc.
Old Republic Specialty Insurance Underwriters, Inc. (b)
PMA Management Corporation
PMA Management Corporation of New England
Republic Equity Credit Services, Inc.
Republic Insured Credit Services, Inc.

Title Insurance Group

Insurance Companies
American Guaranty Title Insurance Company
Mississippi Valley Title Insurance Company
Old Republic National Title Insurance Company

Agencies & Service Companies
Attorneys' Title Fund Services, LLC (b)
Compass Abstract, Inc.
eRecording Partners Network, LLC (b)
Genesis Abstract, LLC (b)
iMarc, Inc.
Lenders' Inspection Company
Lex Terrae, Ltd.
Lex Terrae National Title Services, Inc.
Mara Escrow Company
National Title Agent's Services Company
Old Republic Diversified Services, Inc.
Old Republic Exchange Company
Old Republic Title Company
Old Republic Title Company of Conroe (b)
Old Republic Title Company of Indiana
Old Republic Title Company of Kansas City, Inc.
Old Republic Title Company of Nevada
Old Republic Title Company of Oklahoma
Old Republic Title Company of Oregon
Old Republic Title Company of St. Louis, Inc.
Old Republic Title Company of Tennessee
Old Republic Title and Escrow of Hawaii, Ltd.
Old Republic Title Insurance Agency, Inc.
Old Republic Title, Ltd.
RQ Holdings, Inc.
Sentry Abstract Company
The Title Company of North Carolina, Inc.
Troon Management Corporation

Republic Financial Indemnity Group

Insurance Companies
Republic Mortgage Assurance Company
Republic Mortgage Guaranty Insurance Corporation
Republic Mortgage Insurance Company

Life & Accident Group
Old Republic Life Insurance Company
Reliable Life Insurance Company (Canada)

Corporate and Other Operations
Old Republic Asset Management Corporation
Old Republic Capital Corporation
Old Republic Financial Acceptance Corporation
Old Republic General Services, Inc.
Old Republic International Corporation

(a) Managing insurance or underwriting agencies and related service companies.
(b) Joint underwriting venture and/or partially owned subsidiaries and affiliates.

Board of Directors and Senior Executive Groups

Old Republic's major operating subsidiaries and segments are headed by teams of senior executives formally organized as the Office of the Chief Executive Officer. These executive teams provide an inter-disciplinary approach tailored to the specific management needs of the Company's multi-faceted business. Members of Old Republic's Board of Directors bring diversity of expertise, experience, and insurance industry knowledge to corporate governance.

OLD REPUBLIC INTERNATIONAL CORPORATION
BOARD OF DIRECTORS*

Steven J. Bateman
Partner (Retired)
PricewaterhouseCoopers, LLP

Harrington Bischof
President
Pandora Capital Corporation

Jimmy A. Dew
Vice Chairman (Retired)
Republic Mortgage Insurance Corporation

John M. Dixon
Partner (Retired)
Chapman and Cutler Attorneys
Chicago, IL

Charles J. Kovaleski
Executive Vice President (Retired)
Old Republic Title Insurance Companies; President (Retired)
Attorney's Title Division

Spencer LeRoy III
Senior Vice President,
Secretary, and General Counsel (Retired)
Old Republic International Corporation

Peter B. McNitt
Vice Chairman (Retired)
BMO Harris Bank

Glenn W. Reed
Managing Director - Strategy Division (Retired)
The Vanguard Group, Inc.

Craig R. Smiddy
President and
and Chief Executive Officer

Arnold L. Steiner
President (Retired)
Steiner Bank, Birmingham, AL

Fredricka Taubitz
Executive Vice President
and Chief Financial Officer (Retired)
Zenith National Insurance Corporation

Charles F. Titterton
Insurance Group Director (Retired)
Standard and Poor's Corporation

Steven R. Walker
Partner (Retired)
Leland, Parachini, Steinberg,
Matzger and Melnick, LLP
Attorneys, San Francisco, CA

Aldo C. Zucaro
Chairman of the Board

(*) As of February 28, 2020

Members of Old Republic's Board of Directors

STANDING (LEFT TO RIGHT): Stephen J. Bateman, Harrington Bischof, Jimmy A. Dew, Charles J. Kovaleski, Peter B. McNitt, Glenn W. Reed, Spencer LeRoy III, Charles F. Titterton • SEATED (LEFT TO RIGHT): Fredricka Taubitz, John M. Dixon, Aldo C. Zucaro, Craig R. Smiddy, Steven R. Walker, Arnold L. Steiner

OLD REPUBLIC GENERAL INSURANCE COMPANIES
OFFICE OF THE CHIEF EXECUTIVE OFFICER

Charles S. Boone
ORI Senior Vice President - Investments

W. Todd Gray
ORI Senior Vice President and Treasurer; Senior Vice President - Operations & Finance

John R. Heitkamp, Jr.
ORI Senior Vice President, Secretary, and General Counsel

Jeffrey P. Lange
Senior Vice President - Underwriting & Distribution

Karl W. Mueller
ORI Senior Vice President and Chief Financial Officer

Stephen J. Oberst
ORI Executive Vice President

Craig R. Smiddy
ORI President and Chief Executive Officer; President and Chief Operating Officer

OLD REPUBLIC GENERAL INSURANCE COMPANIES
CHIEF EXECUTIVE OFFICERS AND/OR PRESIDENTS

Michael L. Cescon
Old Republic Insured Automotive Services, Inc.

Scott L. Dahlager
Old Republic Residual Market Services, Inc.

Paul M. Field
Old Republic Insurance Company of Canada

William P. Franchi
Old Republic Specialty Insurance Underwriters, Inc.

Gwen M. Gallagher
Old Republic Home Protection Company

W. Todd Gray
Old Republic Contractors Insurance Group, Inc.

James D. Jensen
Great West Casualty Company

Frank J. Kastelic
Old Republic Professional Liability, Inc.

Vincent C. Lamb
BITCO Insurance Companies

Terri E. Minik
Old Republic Risk Management, Inc.

Alan P. Pavlic
Old Republic Surety Company

John Santulli III
PMA Companies

Ralph H. Sohl
Old Republic Aerospace, Inc.

OLD REPUBLIC TITLE INSURANCE COMPANIES
OFFICE OF THE CHIEF EXECUTIVE OFFICER

Ivy L. Anderson
Executive Vice President; President - Old Republic Western Title, Inc.

Mark A. Bilbrey
Chief Executive Officer

Mark M. Budzinski
Executive Vice President; Chief Legal Officer and General Counsel

Curtis J. Hoffman
Executive Vice President; President - Old Republic Central Title, Inc.

Cheryl A. Jones
Executive Vice President; Chief Human Resources & Communications Officer

Chris G. Lieser
Executive Vice President and Chief Financial Officer

Carolyn J. Monroe
President

Dana C. Solms
Executive Vice President; President - Old Republic Eastern Title, Inc.

Rande K. Yeager
Executive Chairman

OLD REPUBLIC MORTGAGE INSURANCE COMPANIES
OFFICE OF THE CHIEF EXECUTIVE OFFICER

Steven R. Buckland
Vice President and Chief Information Officer

D. Christopher Cash
Vice President and Chief Accounting Officer

Kevin J. Henry
President and Chief Operating Officer

Crystal E. Martin
Secretary and Assistant Vice President

Michele D. Nuckles
Vice President — Claims

Robert E. Showfety, Jr.
Agency Relations and Human Resources Manager

The Most Recent Decade

Old Republic's consolidated pretax operating earnings, excluding its RFIG run-off segment, reached an all-time high of $659.9 million. Including the run-off business, pretax operating earnings grew to $686.2, edging above the prior 2005 record.

The Company announced changes in its senior executive ranks. Craig R. Smiddy was appointed Chief Executive Officer becoming the fifth CEO in its 96-year history. He succeeds A.C. Zucaro, who held that post for the 29 preceding years. Additionally, Stephen J. Oberst was named Executive Vice President. A long serving executive, he most recently led our general insurance risk management and alternative markets operations.

General Insurance underwriting/service profitability declined slightly in 2019. Earned premiums edged up as premiums grew for most types of coverages and markets served. This was reflective of the cumulative effects of ongoing premium rate increases, along with new business production. Claim ratios remained basically level.

The continuation of a lower interest rate environment in a favorable real estate market, coupled with a stable market share position has led Title Insurance revenues to exceed $2 billion for the fifth consecutive year, with 2019 setting an all-time high at more than $2.5 billion. Pretax operating earnings were in excess of $200 million for the fourth straight year. This success came from our direct and independent agency operations, along with continued growth in ORTIG's commercial division.

The RFIG Run-Off business is now largely represented by mortgage guaranty coverages. In 2019, it once again showed profitable underwriting performance, though we still expect its profitability to decline as premiums drop in tandem with the anticipated reduction of insurance risk in-force.

Old Republic has paid a cash dividend without interruption since 1942 (78 years), and it has raised the annual cash dividend pay-out for each of the past 38 years. Additionally, a special cash dividend of $1.00 per share was declared and paid in September 2019.

2018

Old Republic celebrated its 95th anniversary in 2018. The Company reached new highs in consolidated premiums and fees earned ($5.7 billion), net investment income ($431.8 million), pretax operating income ($673.7 million), and net operating income ($556.4 million).

General Insurance underwriting/service profitability rebounded. Earned premiums edged up while claim ratios remained essentially unchanged. 2018 brought another year of record net premiums earned and net investment income, leading to another record in pretax operating profit.

Title Insurance premium and fees revenues rose to more than $2 billion for the fourth consecutive year. In addition, pretax operating earnings exceeded $200 million for the third year in a row. Market share gains came from several places. These included investments in both our agency and direct revenue operations, growth in the commercial division, and doing business the "right way" by offering exceptional service and support to our title agents and customers. In 2018, Standard and Poor's raised our financial strength rating to A+: unsurpassed by any other title insurance underwriter.

The RFIG Run-Off business returned to "normal" in 2018. The mortgage guaranty business is expected to generate profitable operating results through the end of its term in 2022-2023. We foresee an economically sound future for the operation. The CCI part of the RFIG run-off book of business posted operating profits for the first time since 2007. This should lead CCI operations to handle the remaining book of insurance in-force in an efficiently economical and potentially profitable manner through the end of policy terms.

Old Republic's Board of Directors approved an increase in the cash dividend for the 37th consecutive year. The Company has now paid a cash dividend for 77 straight years: a testament to managing a well-capitalized business for the long run.

2017

Old Republic put the lasting effects of the Great Recession and the run-off of its financial indemnity business behind it. This allowed us to plan for greater outcomes for all stakeholders in the coming years.

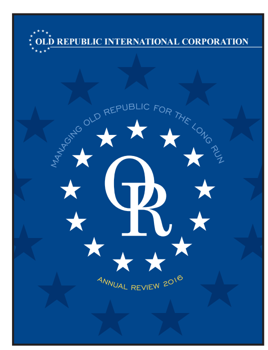
General Insurance benefited from a rebounding economy and the repairs we made to our under-writing protocols in prior years. Record net premiums earned and net investment income led to a new high in pretax operating profit. We worked to further improve our underwriting and total operating margins.

Title Insurance posted its third consecutive years of $2+ billion in revenue and set a new record. Low mortgage interest rates and active housing and commercial markets led to higher premiums and fees. In addition, both our direct and independent agency operations contributed to growth. Consumer confidence and positive economic conditions support a continued healthy environment.

RFIG's mortgage guaranty companies were freed from regulatory supervision near year-end 2017. This business is likely to remain profitable through the end of its term, and we are planning an economically sound future for the operation. The CCI part of the RFIG run-off book of business settled long-standing litigation with a major bank and its acquired mortgage banking subsidiary. This should lead CCI operations to handle the remaining book of insurance in-force in an efficiently economical and potentially profitable manner through the end of policy terms.

New highs were reached in pretax operating income from actively managed businesses ($587.3 million), total net income ($560.5 million), and total capitalization ($6.18 billion). For the 76th consecutive year, we returned value to shareholders by paying a regular cash dividend which was increased for the 36th consecutive year. In addition, a special cash dividend of $1.00 per share was declared in December 2017.

2016



Old Republic reported much higher operating income for the year. Consolidated net income, however, grew at a slower pace as realized investment gains were lower than 2015 levels.

General Insurance pretax operating earnings were marked by reasonably stable underwriting and investment income contributions. Earned premiums were basically level with last year's production with trends unevenly distributed among various insurance coverages.

For the second straight year, record-setting Title Insurance earnings were achieved due to the strong performance in this segment's underwriting and related services functions. The continuation of a favorable mortgage rate environment and generally improving housing and commercial property markets led to higher revenues from title premiums and fees.

RFIG's mortgage guaranty business exhibited better underwriting results from continued declines in reported delinquencies and the higher rates at which reported mortgage loan defaults are cured or otherwise resolved without payment. Operating results for the much smaller CCI run-off line have been particularly impacted by ongoing litigation costs of a near-eight-year long commercial dispute.

Old Republic increased its cash dividend for the 35th consecutive year, and has paid a cash dividend, without interruption, for 75 years.

2015

Consolidated operating earnings were enhanced by greater General Insurance underwriting and investment income, and record Title Insurance earnings. Earned premium revenues rose for most general insurance coverages. Production was spurred by new business and continued strong renewal rates. The record-setting Title Insurance operating results were driven by the very good performance in this segment's underwriting and related services functions. Significant title premiums and fees growth resulted from stronger housing and commercial property transactions and this segment's expanded market share.

The improvement in RFIG's mortgage guaranty business stemmed from continued declines in reported delinquencies and higher rates at which reported defaults are cured or resolved without payment. The consumer credit indemnity portion of RFIG's run-off operations reflected a lot of volatility and was adversely affected by continued litigation expense provisions.

Consolidated net investment income increased benefiting from a rising invested asset base, and the higher yields from an increasingly greater commitment to high quality, dividend-paying common stocks. Consolidated net income was affected by lower realized gains from the sale of investments in 2015. Consolidated assets reached a new high of $17.1 billion.

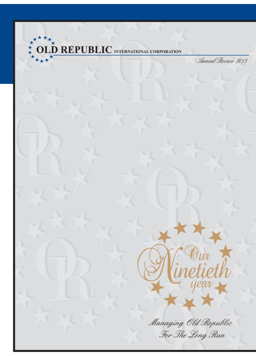
Cash dividends on Old Republic's common stock rose for the 34th consecutive year. Old Republic has now paid a cash dividend for 74 straight years, since 1942. The steady growth of the Company's cash dividend payments over the decades has been a significant factor in the total market return provided by its common stock.

2014

Earnings decreased as Old Republic's General Insurance operating income contribution was much lower in 2014. Greater premium revenues benefited from rate improvements, higher policy retentions and new business production, but were not enough to offset more costly claim settlements and an increase in reserve levels. Title Insurance operating income was eroded by transitory weaknesses in housing-related markets. Premium and fee revenues declined due to a significant drop in refinance transactions. Claim costs were lower as claim frequency and severity continued to abate. The continued profitability of RFIG's mortgage guaranty business was eclipsed by significantly higher consumer credit indemnity claim costs. Net investment income gained from a greater invested asset base and the higher yields realized from an increasingly greater commitment to high quality dividend-paying common stocks.

Consolidated assets rose to nearly $17.0 billion, while total capitalization reached a high of $4.8 billion. The cash dividend was raised for the 33rd consecutive year. Old Republic has now paid a cash dividend for 73 straight years. The steady growth of our cash dividends over decades has been a significant part of the total market return registered by our common stock.

2013



On its 90th anniversary, Old Republic posted a substantial operating profit after six lean and challenging Great Recession years. The turnaround in consolidated operating results largely reflected our run-off Mortgage Guaranty line's return to profitability. The line posted much lower claim costs. This resulted from further drops in newly reported defaults, and a rising rate at which previously reported defaults were cured or otherwise resolved without payment. Ongoing improvements in our Title business also helped to boost Old Republic's earnings. This operation has nearly tripled in size since 2007. Title's market share grew for the seventh-straight year and now accounts for about 15% of total industry volume. General Insurance also contributed, with a moderate earnings gain.

Consolidated assets grew to over $16.5 billion. The Board of Directors approved an increase in the cash dividend for the 32nd consecutive year. Old Republic has now paid a cash dividend for 72 straight years, a testament to managing a well-capitalized business for the long run.

2012

Old Republic refocused its mortgage related insurance products and preserved its strategic options by combining its Mortgage Guaranty and Consumer Credit Indemnity businesses—both in run-off mode—into the Republic Financial Indemnity Group (RFIG). While the Company is not able to provide significant additional capital to these individual operations, it retains the option to recapitalize all or part of RFIG's business with funds from capital markets should this prove realistically doable and in the best interest of all stakeholders.

Consolidated operating results benefited from substantial improvement in Title Insurance due to continued market share growth and tight cost controls, which brought its expense ratio to a seven-year low. General Insurance results saw moderate premium rate increases but these were offset by flat investment income and a rise in workers' compensation claim costs in particular.

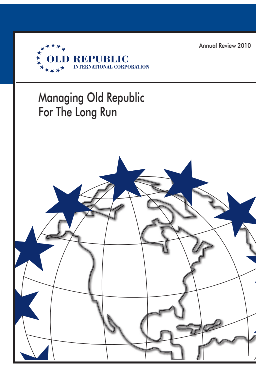
Managing the business for the long term, despite recent market dislocations, allowed Old Republic to continue outperforming the S&P 500 in total shareholder return: 10.8% CAGR versus 9.7% for the past 25 years. The Board increased the cash dividend for the 31st consecutive year, and the Company paid a cash dividend for the 71st consecutive year.

2011

Old Republic's General Insurance operating income contribution increased significantly during 2011, due to a full year of the PMA-related business, and lower incurred claims in the consumer credit indemnity lines. Greater market share and refinancing activity were key to Title Insurance's continued positive operating momentum. Mortgage Guaranty reported greater operating losses, as claims intensified greatly throughout the year. In August, the Company stopped underwriting new policies and the existing mortgage guaranty book of business was placed in run-off operating mode.

Consolidated assets crossed the $16.0 billion threshold by the end of 2011. The cash dividend increased for the 30th consecutive year, and the Company paid a cash dividend for the 70th consecutive year. A regular and growing cash return remains a part of providing value to our shareholders.

2010



Old Republic saw less red ink on 5.2% higher operating revenues of $3.9 billion, a 74.1% lower operating loss of $40.6 million, and a return to profitability of $30.1 million. General insurance's operating income contribution was lower due to consumer credit issues. Mortgage guaranty cut its operating loss by 46.6% reflecting lower claims cost and firm expense management. Title insurance continued to expand as the market improved and we gained share.

In the final quarter of 2010, the Company acquired Pennsylvania based PMA Capital Corporation, a respected company offering liability insurance coverages and services to a solid client base in select industries.

A regular and growing cash return has always been a part of providing value to our shareholders. Old Republic's capital flexibility and earnings in reserve allowed us to pay a slightly higher dividend in 2010—our 29th consecutive annual increase.

OLD REPUBLIC INTERNATIONAL CORPORATION

Historical data pertaining to the operating results, 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 oral or written statements made in the Company's reports, press releases, and 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 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 particularly affected 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. Title Insurance and RFIG Run-off results can be affected by similar factors and 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. Life and accident insurance earnings can be affected by the levels of employment and consumer spending, changes in mortality and health trends, and alterations in policy lapsation rates. At the parent holding 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.

The General Insurance, Title Insurance and Corporate and Other Segments and the RFIG Run-off business maintain customer information and rely upon technology platforms to conduct their business. As a result, each of them and the Company are exposed to cyber risk. Many of the Company's operating subsidiaries maintain separate IT systems which are deemed to reduce the enterprise-wide risks of potential cybersecurity incidents. However, given the potential magnitude of a significant breach, the Company continually evaluates on an enterprise-wide basis its IT hardware, security infrastructure and business practices to respond to these risks and to detect and remediate in a timely manner significant cybersecurity incidents or business process interruptions.

A more detailed listing and discussion of the risks and other factors which affect the Company's risk-taking insurance business are included in Part 1, Item 1A-Risk Factors, of the Company's 2019 Form 10-K Annual Report to the Securities and Exchange Commission, which Item is specifically included herein by reference.

Any forward-looking statements or commentaries speak only as of their dates. Old Republic undertakes no obligation to publicly update or revise any and all such comments, whether as a result of new information, future events or otherwise, and accordingly they may not be unduly relied upon.

This 2019 Annual Review is published to inform policyholders, stockholders, clients, employees, and the investment community of Old Republic's business operations and philosophy. More detailed financial information appears in the Company's Annual Report sent to shareholders of record. The contents of this Annual Review are consistent with data in the Annual Report. Readers of the Annual Report or Annual Review who wish to obtain Old Republic information following the March 2, 2020 effective issuance date of these documents, should refer to the Company's subsequently issued reports to its shareholders and the Securities and Exchange Commission.

Old Republic International Corporation's Annual Report to Shareholders, which includes its Annual Report to the Securities and Exchange Commission (Form 10-K and Proxy Statement), can be accessed through our website, www.oldrepublic.com, or obtained upon request to: Investor Relations, Old Republic International Corporation, 307 North Michigan Avenue, Chicago, Illinois 60601.

Neither the Annual Review nor the Annual Report is intended to represent solicitations or offers to buy or sell the Corporation's securities.

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