OLD REPUBLIC INTERNATIONAL CORPORATION

2017 ANNUAL REVIEW

Putting It All Together For The Long Run

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 and other important stakeholders place in us.

Old Republic traces its beginnings to 1923, although several acquired subsidiaries began operations much earlier. The Company is one of America's 50 largest shareholder-owned insurance businesses. 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 mortgage guaranty and consumer credit indemnity lines has devolved into a run-off operating mode in recent years.

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's record as a long-term investment compares very favorably within American industry. The Company's performance reflects an entrepreneurial spirit, a necessary long-term orientation in the management of its business, and a corporate structure that promotes accountability and encourages the taking of prudent business risks. For the 25 years ended in 2017, the Company's total market return, with dividends reinvested, has grown at a compounded annual rate of 9.1% per share. For the same period, the total market return, with dividends reinvested, for the S&P 500 Index has grown at a 9.7% annual compound rate. During those years, Old Republic's shareholders' equity account, inclusive of cash dividends, has risen at an average annual rate of 9.2% per share, and the regular cash dividend has grown at a 8.7% annual compound rate. According to the most recent edition of *Mergent's Dividend Achievers,* Old Republic is one of just 100 qualifying companies, out of thousands considered, that have posted at least 25 consecutive years of annual dividend growth.

CONTENTS:

FINANCIAL HIGHLIGHTS

($ in Millions, Except Per Share Data)

	Consolidated Data		
	2017	2016	% Change
Total Revenues	**$6,263.1**	$ 5,900.5	6.1%
Pretax Income (Loss)	**725.4**	686.0	5.7
Net Operating Income (Loss): Total	**318.0**	419.6	-24.2
Per Share–Diluted	**1.11**	1.46	-24.0
Net Income (Loss): Total	**560.5**	466.9	20.0
Per Share–Diluted	**1.92**	1.62	18.5
Operating Cash Flow	**452.8**	637.3	-29.0
Assets	**19,403.5**	18,591.6	4.4
Common Shareholders' Equity: Total	**4,733.3**	4,460.6	6.1
Per Share	**17.72**	17.16	3.3
Cash and Invested Assets Per Share	**50.67**	50.00	1.3
Cash Dividends Per Share*	**$ 1.76**	$ 0.75	134.7%

Segments of Business						
	Revenues			Pretax Income (Loss)		
	2017	2016	% Change	**2017**	2016	% Change
General Insurance	**$3,531.6**	$3,354.7	5.3%	**$ 340.3**	$319.9	6.4%
Title Insurance	**2,325.0**	2,244.1	3.6	**237.1**	210.2	12.8
Corporate & Other	**50.1**	35.4	41.3	**9.9**	13.0	-24.1
Subtotal	**5,906.8**	5,634.3	4.8	**587.3**	543.3	8.1
RFIG Run-off	**144.6**	193.2	-25.2	**(73.5)**	69.8	-205.4
Subtotal	**6,051.5**	5,827.6	3.8	**513.8**	613.1	-16.2
Realized Gains (Losses)	**211.6**	72.8	190.4	**211.6**	72.8	190.4
Consolidated	**$6,263.1**	$5,900.5	6.1%	**$ 725.4**	$686.0	5.7%

** A special cash dividend of $1.00 per share was declared in December 2017 in addition to the regular quarterly dividend payment of $0.19 per share.*

MANAGING FOR THE LONG RUN

The very nature of insurance requires that the business be managed 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, or 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 are steadfast in our efforts to 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 must lead the Company with little regard to quarterly or even annual reporting periods—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 time 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 premium rate changes to emerge in financial results, and for reserved claim costs to be quantified with greater finality and effect.

Maintaining a sound financial condition requires us to minimize balance sheet leverage in three ways. We avoid excessive debt. We manage asset and liability risks, so Old Republic can cover different types of exposures across economic sectors and among insurance coverages. And we maintain a capital cushion to see us through the possibility of unexpectedly harsh events.

LONG-TERM VIEW CREATES VALUE FOR ASSUREDS AND SHAREHOLDERS

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

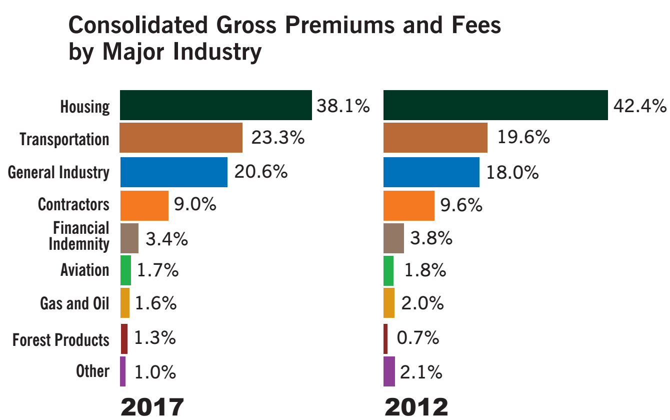
We manage a focused book of insurance risks through a variety of coverages and products aimed at core sectors of the American economy. This combination gives us a better ability to counter the natural cycles in the insurance industry, while producing sustainable and balanced earnings growth with lower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

Our commitment to creating long-term shareholder value is evident in the generally consistent growth in these 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 the World War II year of 1942. In addition, the annual dividend rate has risen in each of the last 36 years. We are one of only 300 companies—out of the many public companies—to have posted at least 10 consecutive years of annual dividend growth. Moreover, Old Republic is one of just 100 companies, out of thousands considered, to have posted at least 25 consecutive years of annual cash dividend growth according to the most recent edition of *Mergent's Dividend Achievers*.

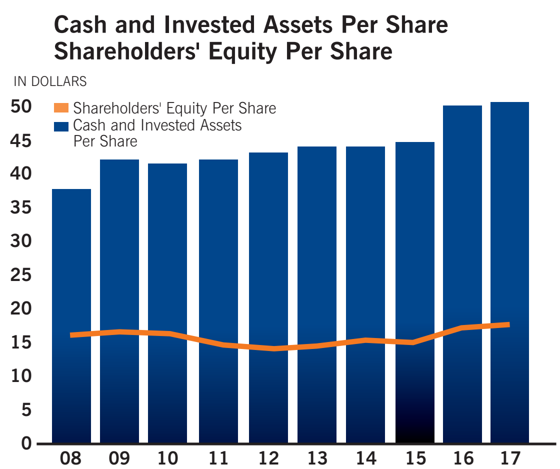
OUTPERFORMING THE S&P 500 BENCHMARK IN THE LONG RUN

The tables on pages four and five show our annual operating results over the past 50 years. To put them in perspective, we have included information on the stock market's valuation. The first table compares our annual total book return with the total pretax annual return for the Standard & Poor's 500 Index. (We calculate total book return by taking the annual post-tax change in shareholders' equity per share, plus the pretax dividend yield on that account.) For this period, our total book return averaged 13.7%, versus 11.5% for the S&P 500.

The second table compares our annual total market return on a per-share basis with the S&P 500. (This is calculated by taking the year-to-year percentage change in the closing price of Old Republic's stock, plus the cash dividend as a percentage of the closing price per share at the beginning of each year.) During this time, our shares posted an annual average return of 17.8% versus 11.5% for the S&P 500.



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.



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.

Total Book Return Compared With S&P 500

	Old Republic International Corporation(a)					S&P 500(b)	Relative Results
Year	Ending Book Value	Cash Dividends Paid (c)	Percentage Change in Book Value	Dividend Yield	Total Book Return(d)	Total Annual Return	ORI vs. S&P 500
1968	$0.28	$0.007	15.2%	2.8%	18.0%	11.0%	7.0%
1969	0.31	0.011	9.4%	3.8%	13.2%	-8.4%	21.6%
1970	0.36	0.012	15.5%	4.0%	19.5%	4.0%	15.5%
1971	0.47	0.014	31.3%	3.9%	35.2%	14.3%	20.9%
1972	0.48	0.016	2.3%	3.4%	5.7%	19.0%	-13.3%
1973	0.47	0.019	-2.2%	3.9%	1.7%	-14.7%	16.4%
1974	0.38	0.020	-19.3%	4.2%	-15.1%	-26.5%	11.4%
1975	0.29	0.020	-23.9%	5.3%	-18.6%	37.2%	-55.8%
1976	0.56	0.011	94.4%	3.9%	98.3%	23.8%	74.5%
1977	0.79	0.022	41.9%	3.9%	45.8%	-7.2%	53.0%
1978	0.98	0.033	22.8%	4.2%	27.0%	6.6%	20.4%
1979	1.08	0.052	10.9%	5.3%	16.2%	18.4%	-2.2%
1980	1.22	0.054	12.8%	5.0%	17.8%	32.5%	-14.7%
1981	1.39	0.054	14.0%	4.4%	18.4%	-4.9%	23.3%
1982	1.65	0.056	18.4%	4.0%	22.4%	21.6%	0.8%
1983	1.89	0.058	14.6%	3.6%	18.2%	22.6%	-4.4%
1984	2.21	0.059	16.9%	3.3%	20.2%	6.3%	13.9%
1985	2.30	0.062	4.3%	2.9%	7.2%	31.7%	-24.5%
1986	2.53	0.065	9.7%	2.7%	12.6%	18.7%	-6.1%
1987	2.95	0.068	16.7%	2.7%	19.4%	5.3%	14.1%
1988	3.15	0.071	6.9%	2.3%	9.2%	16.6%	-7.4%
1989	3.54	0.076	12.4%	2.4%	14.8%	31.7%	-16.9%
1990	3.92	0.081	10.7%	2.2%	13.1%	-3.1%	16.2%
1991	4.46	0.086	13.7%	2.2%	15.9%	30.5%	-14.6%
1992	5.07	0.093	13.8%	2.1%	15.9%	7.6%	8.3%
1993	5.75	0.102	13.4%	1.9%	15.3%	10.1%	5.2%
1994	6.11	0.111	6.3%	2.0%	8.3%	1.3%	7.0%
1995	7.24	0.121	18.5%	2.0%	20.5%	37.6%	-17.1%
1996	7.77	0.148	7.3%	2.0%	9.3%	23.0%	-13.7%
1997	8.31	0.178	7.0%	2.3%	9.3%	33.4%	-24.1%
1998	9.21	0.206	10.8%	2.5%	13.3%	28.6%	-15.3%
1999	9.59	0.261	4.2%	2.8%	7.0%	21.0%	-14.0%
2000	11.00	0.293	14.6%	3.1%	17.7%	-9.1%	26.8%
2001	12.48	0.315	13.5%	2.9%	16.4%	-11.9%	28.3%
2002	13.96	0.336	11.8%	2.7%	14.5%	-22.1%	36.6%
2003	15.65	0.890(c)	12.1%	6.4%(c)	18.6%	28.7%	-10.1%
2004	16.94	0.402	8.2%	2.6%	10.8%	10.9%	-0.1%
2005	17.53	1.312(c)	3.5%	7.7%(c)	11.2%	4.9%	6.3%
2006	18.91	0.590	7.9%	3.4%	11.3%	15.8%	-4.5%
2007	19.71	0.630	4.2%	3.3%	7.5%	5.5%	2.0%
2008	15.91	0.670	-19.3%	3.4%	-15.9%	-37.0%	21.1%
2009	16.49	0.680	3.6%	4.3%	7.9%	26.5%	-18.6%
2010	16.16	0.690	-2.0%	4.2%	2.2%	15.1%	-12.9%
2011	14.76	0.700	-8.7%	4.3%	-4.4%	2.1%	-6.5%
2012	14.03	0.710	-4.9%	4.8%	-0.1%	16.0%	-16.1%
2013	14.64	0.720	4.3%	5.1%	9.4%	32.4%	-23.0%
2014	15.15	0.730	3.5%	5.0%	8.5%	13.7%	-5.2%
2015	14.98	0.740	-0.9%	4.9%	4.0%	1.4%	2.6%
2016	17.16	0.750	14.5%	5.0%	19.5%	11.9%	7.6%
2017	$17.72	$1.760(c)	3.3%	10.3%(c)	13.6%	21.8%	-8.2%
Annual Average *- 1968 to 2017 (50 Years)*			**10.0%**	**3.7%**	**13.7%**	**11.5%**	**2.2%**

(a) Old Republic's per share statistics have been retroactively restated for stock dividends and splits. The data applicable to the Company are reported on a post-tax basis relative to book value, and on a pretax basis with respect to the dividend yield.
(b) Data for the Standard & Poor's 500 Index ("S&P 500") are calculated on a pretax basis.
(c) In December, 2003 and 2005, special year-end cash dividends of $.534 and $.800 per common share were declared and paid. In December 2017, a special year-end cash dividend of $1.000 per common share was declared and paid in January 2018.
(d) Total book return represents the sum of each year's dividend yield as a percentage of beginning book value per share, plus the percentage change in each year's book value per share.

Total Market Return Compared With S&P 500

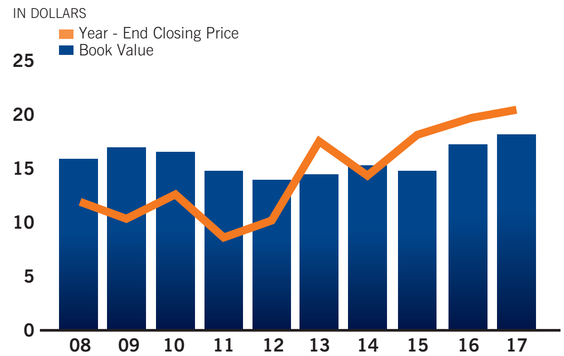
	Old Republic International Corporation(a)(b)					S&P 500(b)	Relative Results
Year	Ending Market Value	Cash Dividends Paid (c)	Percentage Change in Market Value	Dividend Yield	Total Market Return(d)	Total Annual Return	ORI vs. S&P 500
1968	$0.47	$0.007	39.7%	2.1%	41.8%	11.0%	30.8%
1969	0.34	0.011	-28.4%	2.3%	-26.1%	-8.4%	-17.7%
1970	0.53	0.012	57.1%	3.7%	60.8%	4.0%	56.8%
1971	0.84	0.014	59.6%	2.6%	62.2%	14.3%	47.9%
1972	1.24	0.016	47.5%	1.9%	49.4%	19.0%	30.4%
1973	0.45	0.019	-63.5%	1.5%	-62.0%	-14.7%	-47.3%
1974	0.41	0.020	-10.6%	4.4%	-6.2%	-26.5%	20.3%
1975	0.44	0.020	7.9%	5.0%	12.9%	37.2%	-24.3%
1976	0.62	0.011	42.7%	2.6%	45.3%	23.8%	21.5%
1977	0.79	0.022	27.4%	3.5%	30.9%	-7.2%	38.1%
1978	0.98	0.033	22.8%	4.2%	27.0%	6.6%	20.4%
1979	1.11	0.052	14.2%	5.3%	19.5%	18.4%	1.1%
1980	0.89	0.054	-20.4%	4.8%	-15.6%	32.5%	-48.1%
1981	1.14	0.054	28.8%	6.1%	34.9%	-4.9%	39.8%
1982	1.46	0.056	27.8%	4.9%	32.7%	21.6%	11.1%
1983	2.35	0.058	61.4%	4.0%	65.4%	22.6%	42.8%
1984	2.03	0.059	-13.7%	2.5%	-11.2%	6.3%	-17.5%
1985	3.01	0.062	48.4%	3.0%	51.4%	31.7%	19.7%
1986	2.32	0.065	-23.2%	2.2%	-21.0%	18.7%	-39.7%
1987	1.86	0.068	-19.6%	2.9%	-16.7%	5.3%	-22.0%
1988	2.35	0.071	26.0%	3.8%	29.8%	16.6%	13.2%
1989	2.61	0.076	11.0%	3.2%	14.2%	31.7%	-17.5%
1990	2.46	0.081	-5.3%	3.1%	-2.2%	-3.1%	0.9%
1991	4.21	0.086	70.7%	3.5%	74.2%	30.5%	43.7%
1992	5.90	0.093	40.2%	2.2%	42.4%	7.6%	34.8%
1993	5.37	0.102	-9.0%	1.7%	-7.3%	10.1%	-17.4%
1994	5.04	0.111	-6.1%	2.1%	-4.0%	1.3%	-5.3%
1995	8.42	0.121	67.1%	2.4%	69.5%	37.6%	31.9%
1996	9.51	0.148	13.0%	1.8%	14.8%	23.0%	-8.2%
1997	13.22	0.178	39.0%	1.9%	40.9%	33.4%	7.5%
1998	12.00	0.206	-9.2%	1.6%	-7.6%	28.6%	-36.2%
1999	7.27	0.261	-39.4%	2.2%	-37.2%	21.0%	-58.2%
2000	17.06	0.293	134.8%	4.0%	138.8%	-9.1%	147.9%
2001	14.93	0.315	-12.5%	1.8%	-10.7%	-11.9%	1.2%
2002	14.93	0.336	–%	2.2%	2.2%	-22.1%	24.3%
2003	20.29	0.890(c)	35.9%	5.9%(c)	41.8%	28.7%	13.1%
2004	20.24	0.402	-0.2%	2.0%	1.8%	10.9%	-9.1%
2005	21.01	1.312(c)	3.8%	6.5%(c)	10.3%	4.9%	5.4%
2006	23.28	0.590	10.8%	2.8%	13.6%	15.8%	-2.2%
2007	15.41	0.630	-33.8%	2.7%	-31.1%	5.5%	-36.6%
2008	11.92	0.670	-22.6%	4.3%	-18.3%	-37.0%	18.7%
2009	10.04	0.680	-15.8%	5.7%	-10.1%	26.5%	-36.6%
2010	13.63	0.690	35.8%	6.9%	42.7%	15.1%	27.6%
2011	9.27	0.700	-32.0%	5.1%	-26.9%	2.1%	-29.0%
2012	10.65	0.710	14.9%	7.7%	22.6%	16.0%	6.6%
2013	17.27	0.720	62.2%	6.8%	69.0%	32.4%	36.6%
2014	14.63	0.730	-15.3%	4.2%	-11.1%	13.7%	-24.8%
2015	18.63	0.740	27.3%	5.1%	32.4%	1.4%	31.0%
2016	19.00	0.750	2.0%	4.0%	6.0%	11.9%	-5.9%
2017	$21.28	$1.760(c)	7.3%	9.3%(c)	16.6%	21.8%	-5.2%
Annual Average *- 1968 to 2017 (50 Years)*			**14.1%**	**3.7%**	**17.8%**	**11.5%**	**6.3%**

(a) Old Republic's per share statistics have been retroactively restated for stock dividends and splits.
(b) Data for both the Company and the Standard and Poor's 500 Index (S&P 500) are calculated on a pretax basis.
(c) In December, 2003 and 2005, special year-end cash dividends of $.534 and $.800 per common share were declared and paid. In December 2017, a special year-end cash dividend of $1.000 per common share was declared and paid in January 2018.
(d) Total market return has been calculated as the sum of the year-to-year increase or decrease in the closing price and the dividend yield for each year as a percentage of the closing price at the end of the preceeding year. The total return shown would be higher if an interest factor were also applied to the reinvestment of cash dividends.

Both charts reflect the Company's poorer performance relative to the S&P 500 Index in the Great Recession years, as this economic dislocation seriously impacted the Company's run-off financial indemnity business. This relatively poorer performance is expected to turn more positive as Old Republic's recalibrated capital resources restore an earnings momentum driven by its General and Title insurance businesses.

The 50 years in these tables roughly covers the entire period during which Old Republic transitioned from a life and accident insurer founded in 1923, to a multi-faceted, well-diversified insurance enterprise. The Company entered general insurance in 1955, title insurance in 1978, and mortgage guaranty in 1980. Outperforming the general market validates our business strategy and supports our philosophy of managing results for the long run.

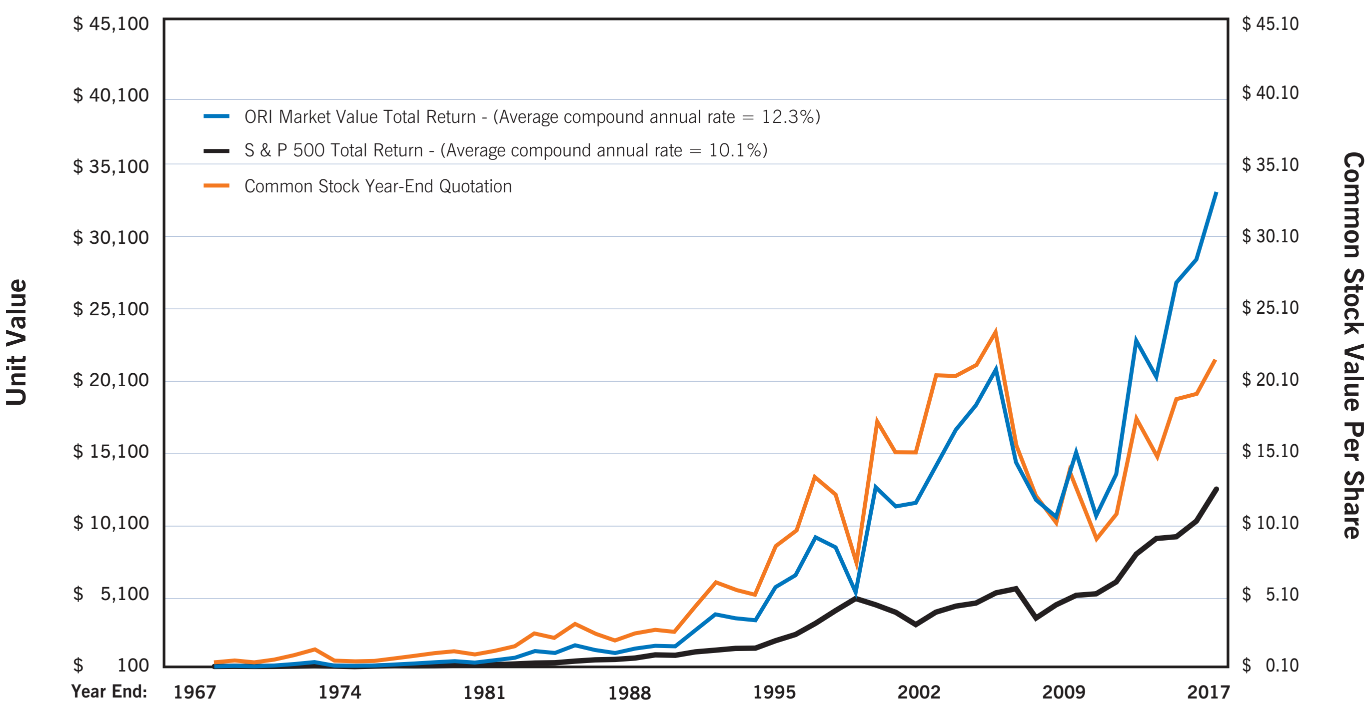
Per Share Data



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.

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

The chart compares the total market return through December 31, 2017 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.



ANNUAL REPORT LETTER

NEW OPERATING AND CAPITAL HEIGHTS

The vestiges of the Great Recession were laid to rest in 2017. We took a final accounting of the litigation and other contentious matters that beset our run-off financial indemnity business for nearly a decade. None of this came without cost. But it eliminated lingering concerns and cleared the path for us to steward our entire business to greater outcomes.

Progress became more palpable last year as we saw significantly higher indicators of financial success:

★ ***Pretax operating income from our actively managed business*** (setting aside the negative results in our run-off segment) reached a record $587.3 million. This was 8.1% higher than in 2016.

★ ***Net income from all sources*** reached a new high of $560.5 million. This included realized investment gains and the one-time benefit of the prospective decline in corporate federal income tax rates. The last record was $551.4 million set in 2005. It's worth noting that some 33% of the 2005 number came from what was then an actively managed, high-performing RFIG (Republic Financial Indemnity Group) business, whose contribution is no longer material.

★ ***Total return on book value per share*** rose 13.6%. This came from three sources: 1) the regular cash dividend of $0.76 (+4.5%), 2) a special cash dividend of $1.00 (+5.8%), and 3) a net 3.3% accretion from net income and other credits retained in the shareholders' account. For the past five years, total book return has averaged 11.0%. The regular cash dividend for 2017 reflected the 36th consecutive annual increase within the past 76 years of uninterrupted payments.

★ ***Total market return per share*** gained 16.6%. We take less credit for this, given the vicissitudes of securities markets. For the last five years, this market gauge of our share value has averaged 22.6% per annum. That compares with 16.2% for the Standard & Poor's 500 Index. For the past 10 years, ORI's return averaged 12.3% versus the S&P's 10.4%. Whether seen from total book or market return perspectives, both long-term stockholders and other stakeholders who've stayed the course with us have benefitted nicely during one of the most troubled economic periods in American history.

As this letter is written, we've just completed the conversion of $550 million of convertible senior notes into ORI common stock. The notes were issued during the depths of the Great Recession in 2008. Our noteholders received a good total return on their investment. Now the Company can benefit further from the greater permanency of its capital base—a win-win outcome for debt and equity stakeholders. Our people's commitment to ORI's cause, and the enhanced capitalization structure, presage the continued advancement of our profitability and long-term mission.

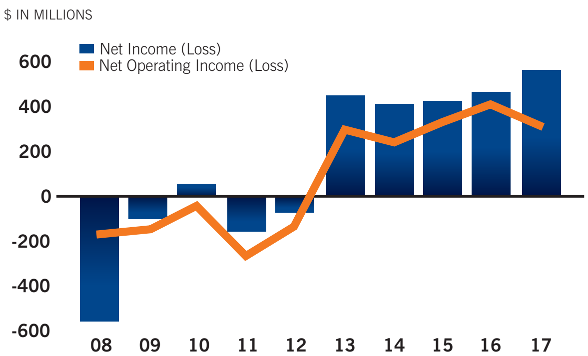
The next table on page 8 captures the key components of our recent financial performance:

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

	2017	2016	2015	2014	2013	2012
Premiums, fees, and other revenues:						
General insurance	**$3,110.8**	$2,936.3	$2,894.7	$2,735.6	$2,513.7	$2,324.4
Title insurance	**2,287.2**	2,206.6	2,045.3	1,759.2	1,996.1	1,677.4
Corporate and other	**18.8**	20.1	19.4	60.7	59.6	58.9
Other revenues	**102.2**	107.3	106.7	101.6	90.1	114.5
Subtotal	**5,519.1**	5,270.5	5,066.2	4,657.3	4,659.3	4,175.1
RFIG run-off business	**122.9**	170.0	219.9	255.4	316.5	410.5
Consolidated	**$5,642.0**	$5,440.5	$5,286.1	$4,912.7	$4,975.8	$4,585.6
Underwriting and related services income (loss):						
General insurance	**$84.3**	$65.5	$70.8	$(23.9)	$69.5	$30.0
Title insurance	**206.7**	181.7	140.3	77.5	105.1	54.1
Corporate and other (a)	**(28.4)**	(17.5)	(21.8)	(19.2)	(20.2)	(18.3)
Subtotal	**262.6**	229.7	189.4	34.4	154.5	65.9
RFIG run-off business	**(95.2)**	46.6	4.3	(17.1)	73.1	(542.7)
Consolidated	**$167.3**	$276.3	$193.7	$17.2	$227.7	$(476.8)
Consolidated underwriting ratios:						
Claim ratio	**44.7%**	44.0%	47.5%	52.3%	45.8%	61.9%
Expense ratio	**52.0**	50.6	48.5	47.1	49.2	48.5
Composite ratio	**96.7%**	94.6%	96.0%	99.4%	95.0%	110.4%
Net investment income:						
General insurance	**$318.9**	$312.1	$312.1	$278.8	$249.6	$264.9
Title insurance	**37.3**	36.2	34.0	29.9	26.6	27.3
Corporate and other	**31.4**	15.4	17.2	9.2	5.6	7.9
Subtotal	**387.7**	363.8	363.5	317.9	281.8	300.2
RFIG run-off business	**21.7**	23.2	25.1	27.5	36.8	36.3
Consolidated	**$409.4**	$387.0	$388.6	$345.5	$318.7	$336.5
Interest and other charges:						
General insurance	**$62.9**	$57.6	$46.6	$33.5	$30.9	$33.9
Title insurance	**6.9**	7.6	7.5	7.8	7.4	7.5
Corporate and other (b)	**(6.9)**	(15.0)	(12.2)	(15.7)	(16.7)	(7.4)
Subtotal	**63.0**	50.2	41.9	25.6	21.6	34.0
RFIG run-off business	**–**	–	–	–	–	2.2
Consolidated	**$63.0**	$50.2	$41.9	$25.6	$21.6	$36.2
Pretax operating income (loss):						
General insurance	**$340.3**	$319.9	$336.4	$221.3	$288.3	$261.0
Title insurance	**237.1**	210.2	166.8	99.5	124.3	73.8
Corporate and other	**9.9**	13.0	7.6	5.7	2.1	(2.7)
Subtotal	**587.3**	543.3	511.0	326.7	414.7	332.1
RFIG run-off business	**(73.5)**	69.8	29.4	10.3	110.0	(508.6)
Consolidated	**513.8**	613.1	540.4	337.1	524.8	(176.4)
Income taxes (credits)	**195.7**	193.5	177.7	104.3	173.2	(76.6)
Net operating income (loss)	**318.0**	419.6	362.7	232.7	351.6	(99.7)
Realized investment gains (losses), net of taxes	**242.4**	47.3	59.3	177.0	96.2	31.1
Net income (loss)	**$560.5**	$466.9	$422.1	$409.7	$447.8	$(68.6)
Consolidated operating cash flow	**$452.8**	$637.3	$688.2	$(181.2)	$686.7	$532.0
Net income (loss) per share:						
Net operating income (loss)	**$1.11**	$1.46	$1.28	$0.84	$1.25	$(0.39)
Realized investments gains (losses)	**0.81**	0.16	0.20	0.60	0.32	0.12
Net income (loss)	**$1.92**	$1.62	$1.48	$1.44	$1.57	$(0.27)
Cash dividends per share (c)	**$1.76**	$0.75	$0.74	$0.73	$0.72	$0.71
Ending book value per share	**$17.72**	$17.16	$14.98	$15.15	$14.64	$14.64
Closing stock market price per share	**$21.38**	$19.00	$18.63	$14.63	$17.27	$10.65

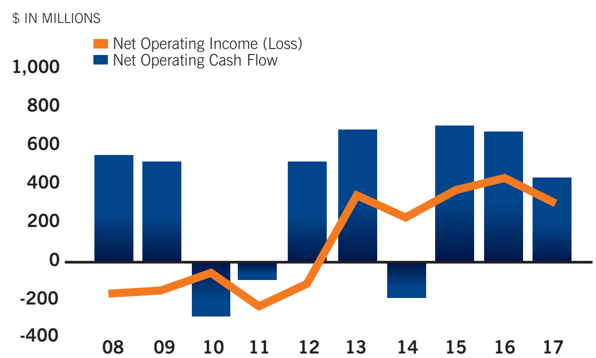
(a) Includes general administrative expenses.
(b) Includes consolidation/elimination entries.
(c) 2017 includes a special cash dividend of $1.00 per share.

Net Income (Loss)
Net Operating Income (Loss)



Old Republic's significant decline in earnings from 2008 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 business provided significant boosts to Old Republic's consolidated earnings.

Net Operating Income (Loss)
Net Operating Cash Flow



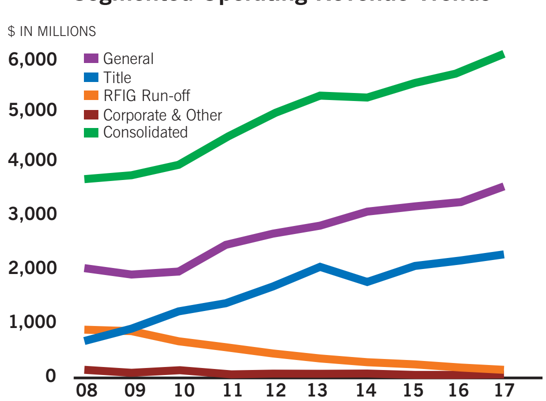
Old Republic's combined run-off mortgage guaranty and consumer credit indemnity businesses, both of which are tied to housing finance, were mainly responsible for the net operating losses and operating cash flow deficits shown.

FROM WHERE WE WERE IN 2012 TO WHERE WE AIMED AND CAME TO BE IN 2017

At the end of 2012, our RFIG segment was well into run-off operating mode. In its heyday (2005–2006) it generated nearly 41% of consolidated pretax operating income. The Great Recession and its aftermath ended that performance. For 2012 and the five preceding years, its results were written in the darkest of red inks. No one knew for sure when the ink might turn black.

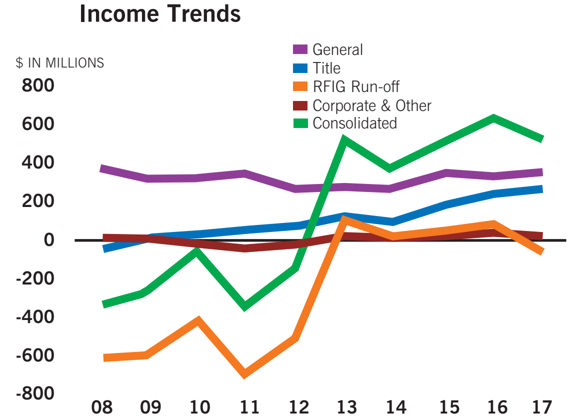
So we resolved to change course. We would keep the RFIG business in run-off mode indefinitely, all the while honoring our continuing obligations. We would anchor ORI's future on our three other segments: the two largest—General and Title insurance—and the smallest—Life and Accident insurance.

Segmented Operating Revenue Trends



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

Segmented Pretax Operating Income Trends



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

We recalibrated our capital allocations and set pretax operating income objectives for the five years ending December 31, 2017. The objective was, at the very least, to return us to the prerecession, all-time profitability highs of 2005–2006. Internally, we referred to this as “Getting Back to the Top of the Mountain.” We would do it all without significant income contributions from the RFIG run-off business on the one hand, and with high expectations of faster growth for the General and Title segments from their 2012 starting point.

The following table shows the objectives of our best and minimally acceptable aspirations for the actively managed and consolidated business.

($ in millions)	Baselines				
	2005–2006 Average Results*	2012 Baseline Results*	Greatest Aspirations: Growing 2017 from 2012 Baseline*	Minimum Aspirations: Exceed Average 2005–2006 Results by 2017*	Actual 2017 Performance
Pretax Operating Income (Loss):					
General insurance	$339.0	$261.0	$555.0	$390.0	$340.3
Title insurance	59.9	73.8	182.0	182.0	237.1
Corporate and other	(0.1)	(2.7)	6.0	(0.2)	9.9
Total actively managed	398.8	332.1	743.0	571.8	587.3
RFIG run-off business	273.0	(508.6)	100.0	100.0	(73.5)
Consolidated	$671.8	($176.4)	$843.0	$671.8	$513.8

** This data was posted on the ORI website during the past five years.*

Here’s our report card on what we set out to do and what we accomplished by the end of 2017.

The above table shows that we succeeded in some but not all regards. We did not meet our greatest aspirations. For the actively managed part of the business, all of the shortfall stemmed from General Insurance. While underwriting profitability has improved, it’s still below where it can and needs to be. The same is true for our business as a whole. This happened as the General Insurance shortfall was accentuated by substantial 2017 charges related to final settlement costs of longstanding litigation and other abnormal expenses.

The actively managed business *did* meet our minimum aspirations, with pretax earnings of $587.3 million. This was about 47% and 77% higher than the 2005–2006 and 2012 results, respectively. For all of ORI, however, the results were 24% short of the minimum goal of $671.8 million. As the table below shows, there is a small consolation in observing that the objective would have been met if we hadn’t faced the abnormal charges of $179.8 million.

($ in millions)	2017 as Reported	Less: Abnormal Charges	2017 without Abnormal Charges	2005–2006 Average Results
Pretax Operating Income (Loss):				
General insurance	$340.3	$18.0	$358.3	$339.0
Title insurance	237.1	21.2	258.3	59.9
Corporate and other	9.9	10.5	20.4	(0.1)
Total actively managed	587.3	49.8	637.0	398.8
RFIG run-off business	(73.5)	130.0	56.5	273.0
Consolidated	$513.8	$179.8	$693.6	$671.8
% differential to 2005–2006	(23.5%)		+3.2%	

CONSOLIDATED OPERATING INCOME (ALMOST) RISES TO A NEW HIGH IN 2017

A new high in 2017 would have happened if the results of the RFIG run-off operation were excluded. Pretax operating income of the actively managed segments rose 8.1% in 2017 compared to 6.3% in the preceding year. Most of last year's improvement stemmed from the underwriting and related services function, which registered a 14.4% gain to $262.6 million. This would have been even higher without the abnormal charges of $49.8 million. Including the RFIG run-off, which was effected by litigation and other charges totaling $130.0 million, meant consolidated underwriting/services income declined 39.4% to $167.3 million. Here's how these results compare with underwriting margin trends for the past several years.

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

	2017	2016	2015	2014	2013	2012
Underwriting/Service Margins:						
General insurance	**2.7%**	2.2%	2.4%	(0.8%)	2.7%	1.3%
Title insurance	**9.1**	8.3	6.8	4.4	5.3	3.2
Total actively managed business	**4.8%**	4.4%	3.7%	0.7%	3.3%	1.6%
Consolidated business with run-off	**3.0%**	5.1%	3.7%	0.4%	4.6%	(10.4%)

The critical importance of income from underwriting and related services notwithstanding, net investment income continued to make an enormous contribution to operating profit. At year-end 2017, approximately 75% of the fair-valued cash and investment portfolio of about $13.5 billion was allocated to fixed-maturity and short-term cash equivalents. The remaining 25% was in equities. On a cost basis—which doesn't account for unrealized gains or losses—the allocation was 79.4% and 20.6%, respectively.

About 56% of the aggregate cash and investment portfolio is estimated to come from cumulative operating cash flows produced by underwriting/services operations. The remaining 44% is attributable to a combination of accumulated tangible shareholders' equity (at cost) and funded outstanding debt. In this simplified mathematical analysis, 2017 and 2016 pretax operating income was generated by the following sources:

	($ in millions)		
	2017	2016	% Change
Sources of pretax operating income:			
Underwriting/service income	**$167.3**	$276.3	(39.4%)
Attributed net investment income (56%) to underwriting/services	**229.3**	216.7	5.8
Total	**396.6**	493.0	(19.6)
Attributed net investment income (44%) to shareholders' equity and outstanding debt	**180.0**	170.3	5.8
Less: Other expenses (largely interest on debt)	**(68.0)**	(50.2)	25.5
Total	**117.1**	120.0	(2.5)
Consolidated pretax operating income	**$513.8**	$613.1	(16.2%)

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

	($ in millions)				
	2017	2016	2015	2014	2013
Net Investment Income from:					
Interest	**$298.6**	$298.7	$297.3	$296.8	$299.8
Dividends	**110.9**	88.2	91.0	49.3	21.2
Other (mostly net investment expense)	**(0.1)**	0.1	0.3	(0.7)	(2.3)
Net investment income	**$409.4**	$387.0	$388.6	$345.5	$318.7
Year-over-year % change	**5.8%**	N/M	12.5%	8.4%	(5.3%)
Percentage of net investment income from:					
Interest	**72.9%**	77.2%	76.6%	85.9%	94.1%
Dividends	**27.1%**	22.8%	23.4%	14.3%	6.7%
Net investment income as a percentage of:					
Underwriting/services income	**244.7%**	140.1%	200.6%	*	140.0%
Consolidated pretax income	**79.7%**	63.1%	71.9%	102.5%	60.7%

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

Much slower growth in ORI's fixed-income securities portfolio, and the perniciously low yield environment, flattened investment income growth. Since 2013, we've directed most of our investable funds toward purchasing high-quality common shares of U.S. companies. We select issuers with long-term records of reasonable earnings growth and steadily increasing dividends. This is the major reason why dividends from equities have been the source of investment income growth in recent years.

The equities portfolio (limited to 94 issues at year-end 2017) is reasonably structured to contribute a measure of capital appreciation over time. Since 2012, realized investment gains have averaged about $159 million per year, and represented some 30% of its combination with net investment income. Realizing investment gains provides a welcome addition to overall results. However, our investment management process focuses on assembling a quality portfolio that delivers reliably consistent and growing streams of current income. Our evaluation of ORI's performance therefore centers on operating income that excludes investment gains or losses, since their realization can be highly discretionary in any year.

In 2018, accounting rules will require companies to include the market-driven changes of equity investment valuations as a part of net income. We can expect to see much greater fluctuations in reported net income, produced by the combination of realized and unrealized gains or losses. This will be especially so at times of significant instability or volatility in the securities markets. While adopting the new requirements, we'll remain consistent in our reporting of operating results unaffected by the markets' crosscurrents.

We keep enterprise-wide risk management objectives in mind when structuring the overall portfolio. Our principal aim is two-fold: to ensure 1) solid funding of our insurance subsidiaries' long-term obligations to assureds and other beneficiaries, and 2) the long-term stability of our subsidiaries' capital accounts. For these reasons, the portfolio contains no significant insurance risk-correlated 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, and entirely responsive to liquidity needs as insurance underwriting and other obligations come due.

GENERAL INSURANCE PROFITABILITY REBOUNDS

To a large extent, today's ORI is a creature of the 1970s. That's when we set our strategy to build on the Company's strong life and accident foundation. A key objective was to more aggressively develop the General Insurance sector, which we had entered in a small way in the 1950s. Since the early 1970s, the combination of organic growth, start-ups of underwriting ventures, and the purchase of select insurance companies positioned the General Insurance Group at the vanguard of ORI's business.

The group's insurers and related services companies differentiate themselves in two ways. First, they specialize by type of insurance coverages. Second, they focus their risk management and underwriting applications on public and other sectors of the North American economy. This differentiation is largely made possible by the long tenure of our people and their dedication to the provision of personal, expert service. This approach to specialized service delivery makes a big difference to buyers of assurance and related services. It also has resulted in industry-leading underwriting performance. For the past 50 years, the General Insurance Group's underwriting profit margin outperformed industry averages[1] in 40 years, was the same for five years, and fell below in the other five. The underwriting discipline this shows is a major competitive strength. It enables our insurance subsidiaries to provide stable coverages and services through the ups and downs of industry cycles.

Underwriting profitability for Old Republic's long-tail coverages to all customers generates positive operational cash flows. These, in turn, lead to stable, longer-tenured ownerships of investable assets. From these flows the investment income sustenance that enhances underwriting profitability. The information in the last table on page 11 reveals this elemental interplay of underwriting proficiency, the cash flows this creates, and the sustaining power of investment income to an insurance enterprise managed for the long run. The table below showcases this relationship for the most recent years.

General Insurance Group ($ in Millions)

	2017	2016	2015	2014	2013	2012
Net premiums earned	**$3,110.8**	$2,936.3	$2,894.7	$2,735.6	$2,513.7	$2,324.4
Net investment income	**318.9**	312.1	312.1	278.8	249.6	264.9
Other income	**101.8**	106.2	106.3	99.0	86.5	110.0
Net revenues	**3,531.6**	3,354.7	3,313.3	3,113.5	2,849.9	2,699.4
Benefits, claims and related settlement expense	**2,234.4**	2,143.1	2,143.5	2,132.3	1,849.4	1,696.0
Sales & general expenses	**893.8**	833.9	786.6	726.3	681.1	708.4
Interest & other charges	**62.9**	57.6	46.6	33.5	30.9	33.9
Total expenses	**3,191.3**	3,034.7	2,976.8	2,892.2	2,561.6	2,438.4
Pretax operating income (loss)	**$340.3**	$319.9	$336.4	$221.3	$288.3	$261.0
Underwriting and related services income (loss)	**$84.3**	$65.5	$70.8	($23.9)	$69.5	$30.0
Benefit and claim ratio	**71.8%**	73.0%	74.1%	77.9%	73.6%	73.0%
Expense ratio	**25.5**	24.8	23.5	22.9	23.7	25.7%
Composite underwriting ratio	**97.3%**	97.8%	97.6%	100.8%	97.3%	98.7%

Two situations are leading to steadily improving operating results. The first is a rebounding economy, which raises demand for insurance services. The second is the emerging benefit of underwriting protocols we've repaired over the past few years.

[1] *Source: The A.M. Best Company.*

While we saw positive General Insurance earned premiums trends throughout 2017, these were unevenly distributed among various coverages and sources of business. Gains were registered most prominently in these areas: commercial automobile (trucking), risk management and national accounts, home and auto warranty, and a new underwriting facility established in early 2015. On the other hand, premium growth was constrained in two areas. We experienced lower volume in a large account contractors' book of business which was faced with a particularly competitive marketplace. There also were fewer opportunities in gas and oil energy services, and in a few other industry sectors still left behind in the economic recovery.

The ratio of claims and related settlement costs to earned premiums improved in 2017. While current accident year claim ratios continued on an expected downward slope, moderately unfavorable developments of prior years' reserves curbed the improvement to a small extent last year. The table below shows the effect of annual (favorable) and unfavorable developments of prior years' costs on individual calendar years' claim ratios.

	Reported Claim Ratio in Above Calendar Years Operating Summary	Effect of Prior Years' (Favorable)/Unfavorable Claim Cost Developments	Claim Ratio Unaffected by Prior Years' Claims Developments
2012	73.0%	(2.2%)	75.2%
2013	73.6	(0.9)	74.5
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%

We have a good handle on the expense front. Last year's ratio of 25.5% was a bit higher than the average 24.1% for the five preceding years. In our estimation, the higher ratio does not indicate a trend. It largely reflects dynamic changes in the mix of business and the costs associated with it.

In combination, last year's incurred claims (our cost of goods sold), sales and general expenses produced a composite underwriting ratio of 97.3%. That indicated a 2.7% underwriting margin. Together with an approximate 5.5% net investment income attributed to the underwriting account, the total operating margin was about 8.3% on net premiums and fees of $3.2 billion. For 2016, it was about 11.7%.

This is our current bottom line: Underwriting and total operating margins are not yet measuring up to capabilities. But we think they can. In the absence of economic and insurance industry dislocations, we currently anticipate that a composite ratio of 95%—or even something lower—is achievable in the foreseeable future. In that event, the total operating margin would rise to the low teens.

TITLE INSURANCE SETS NEW REVENUES AND PROFIT RECORDS

Our Title Insurance Group marked another notable year of service and financial performance in 2017. A generally positive mortgage interest rate environment, coupled with reasonably strong housing and commercial property markets, drove premiums and fees revenues to a new record. At $2.28 billion, this marked the third consecutive year in which we reached $2 billion-plus in revenue.

The combination of direct and independent agency operations, and well-executed residential and commercial title marketing initiatives contributed to this milestone. Its attainment is in no small measure due to what our people bring to every business day: the union of intellectual capital, commitment, strength of relationships, and drive. It all adds up to the Company's reputation for doing things right, for making a difference as we fulfill our customers' needs, and for being at the forefront of beneficial technological developments. It's all led to Old Republic Title's identity as a go-to, special place of business.

The table below shows the past several years' financial achievements for this fast-growing segment.

Title Insurance Group ($ in Millions)

	2017	2016	2015	2014	2013	2012
Premiums & fees earned	**$2,287.2**	$2,206.6	$2,045.3	$1,759.2	$1,996.1	$1,677.4
Net investment income	**37.3**	36.2	34.0	29.9	26.6	27.3
Other income	**0.5**	1.2	1.3	2.4	2.8	2.3
Net revenues	**2,325.0**	2,244.1	2,080.7	1,791.6	2,025.6	1,707.1
Claims and claim expenses	**20.8**	84.3	99.2	91.9	134.0	120.8
Sales & general expenses	**2,060.1**	1,941.8	1,807.0	1,592.3	1,759.7	1,504.7
Interest & other charges	**6.9**	7.6	7.5	7.8	7.4	7.5
Total expenses	**2,087.9**	2,033.8	1,913.8	1,692.0	1,901.3	1,633.2
Pretax operating income (loss)	**$237.1**	$210.2	$166.8	$99.5	$124.3	$73.8
Underwriting and related services gain (loss)	**$206.7**	$181.7	$140.3	$77.5	$105.1	$54.1
Claim ratio	**0.9%**	3.8%	4.9%	5.2%	6.7%	7.2%
Expense ratio	**90.0**	87.9	88.3	90.4	88.0	89.6
Composite underwriting ratio	**90.9%**	91.7%	93.2%	95.6%	94.7%	96.8%

Title insurance companies operate in a very cyclical industry. Their business is based on a loss-prevention rather than a loss-assumption insurance risk-transfer mechanism. The underwriting risks, however they are configured, are largely controlled at the front end of a transaction—whether providing a guaranty of clear title for the purchase of a home, or in a commercial real estate transaction. This means it's critical that claim costs be at low levels across business cycles, since loss prevention expenses are necessarily high, front-end loaded, and harbor substantial fixed costs.

The following chart focuses on the relationship between claim costs and expenses, and their impact on long-term underwriting profitability over cycles.

Underwriting Ratios of Profitability

	2017	2016	2008–2017: From Recession to Normalcy	2007 Recession and Immediate Aftermath
Claim ratio	**0.9%**	3.8%	5.4%	7.5%
Expense ratio	**90.0**	87.9	90.4	95.0
Composite underwriting ratio	**90.9%**	91.7%	95.8%	102.5%
Indicated underwriting/service operating margin	**9.1%**	8.3%	4.2%	(2.5%)

The substantially lower claim ratios in 2017 and 2016 reflected the time-tested developments of reserves established in prior years. Excluding the beneficial effect of these favorable outcomes, reported claim ratios would have been 4.2% and 4.9% in 2017 and 2016, respectively. As the last table shows, the better underwriting results of recent years help to normalize long-term performance.

Early in 2018, we have great confidence in the long-term prospects of our Title Insurance business. The return of better economic conditions bodes well for the cyclical renaissance of housing and commercial property activity. We intend to leverage this situation to the fullest as we grow the business to its deservedly greater possibilities.

RFIG RUN-OFF BUSINESS RETREATS TO A LOSS

The more positive operating results of the four preceding years reversed themselves in 2017. This reflected abnormally high charges from resolving longstanding litigation and other matters from the Great Recession and its aftermath. The financial summary below shows that most of 2017's charges were incurred in the small Consumer Credit Indemnity (CCI) part of the run-off. These and similar other costs incurred over the past decade were essential to bringing a welcome end to the recent American economic saga.

RFIG Run-Off Business ($ in Millions)

	2017	2016	2015	2014	2013	2012
A. Mortgage Insurance (MI):						
Net premiums earned	**$109.8**	$154.1	$195.9	$227.6	$286.7	$368.0
Net investment income	**20.4**	22.0	24.2	26.9	36.4	36.2
Claim costs*	**63.3**	52.5	110.5	111.0	173.2	797.5
Pretax operating income (loss)	**$48.9**	$105.0	$89.9	$121.6	$126.3	($433.6)
Claim ratio*	**57.6%**	34.1%	56.4%	48.8%	60.4%	216.7%
Expense ratio	**16.5**	12.0	10.1	9.7	8.2	10.4
Composite underwriting ratio	**74.1%**	46.1%	66.5%	58.5%	68.6%	227.1%
B. Consumer Credit Insurance (CCI):**						
Net premiums earned	**$13.0**	$15.8	$23.9	$27.7	$29.8	$42.4
Net investment income	**1.2**	1.1	0.8	0.5	0.4	0.1
Claim costs*	**134.5**	50.0	83.0	137.2	44.5	112.8
Pretax operating income (loss)	**$(122.4)**	$(35.2)	$(60.4)	($111.2)	($16.2)	($74.9)
Claim ratio*	**N/M**	315.9%	346.9%	494.4%	149.4%	265.7%
Expense ratio	**N/M**	13.9	9.2	8.5	6.6	11.0
Composite underwriting ratio	**N/M**	329.8%	356.1%	502.9%	156.0%	276.7%
C. Total MI and CCI run-off business:						
Net premiums earned	**$122.9**	$170.0	$219.9	$255.4	$316.5	$410.5
Net investment income	**21.7**	23.2	25.1	27.5	36.8	36.3
Claim costs*	**197.8**	102.6	193.6	248.2	217.7	910.4
Pretax operating income (loss)	**$(73.5)**	$69.8	$29.4	$10.3	$110.0	($508.6)
Claim ratio*	**160.9%**	60.4%	88.0%	97.2%	68.8%	221.8%
Expense ratio	**16.6**	12.2	10.0	9.5	8.1	10.4
Composite underwriting ratio	**177.5%**	72.6%	98.0%	106.7%	76.9%	232.2%

* *RFIG run-off pretax results for 2017 included additional claim and related expense provisions of $130.0 million. These costs applied to the final settlements and probable dispositions of all known litigated and other claim costs incurred by the Company's run-off Financial Indemnity business during the Great Recession years and their aftermath. Of the total charge, $23.0 million related to mortgage guaranty claim costs and $107.0 million was attributable to additional claim provisions in the consumer credit indemnity run-off business.*

** *$121.1 million, $33.8 million, $58.6 million, $108.8 million, $14.0 million and $70.9 million of pretax operating losses for 2017, 2016, 2015, 2014, 2013 and 2012, respectively, were retained by certain general insurance companies under various quota share and stop loss reinsurance agreements. All of these amounts, however, have been reclassified and are included for segment reporting purposes, so Section B in this table incorporates 100% of the CCI run-off business results.*

Our people worked particularly hard during some eight years in run-off operating mode. They assured all assets were protected, and all values were corralled for the benefit of policyholders and their beneficiaries:

- ★ All premiums on policies in force were accounted for and collected.
- ★ All legitimate claims and demands on our insurance policies and contracts were honored and paid.
- ★ All operating infrastructure was maintained with great concern for its unique, proprietary value.

This was all done in an economically efficient manner, without the help of outsiders and the frictional costs they would have imposed.

For most of the past decade, our mortgage guaranty companies operated under the value-sheltering umbrella of a regulated state of supervision. By early 2017, it was increasingly clear that a state of normalcy was returning for good. Late last December, the lead insurance regulator of our mortgage insurance subsidiaries released them from supervision.

The long- and intermediate-term forecasts we prepare regularly show that the run-off MI business is likely to remain profitable through the end of its term. The end should come by 2022–2023, when most insured risk in force is exhausted. The same holds for the CCI book of business, which now is free from any significant exposure to litigation.

We are ready to evaluate and plan a viable, economically sound future for our mortgage insurance business. There are several good options for this. We'll review each of them in a deliberate way to achieve the very best outcome for all important stakeholders.

PERFORMANCE DRIVEN IN THE INTERESTS OF ALL STAKEHOLDERS

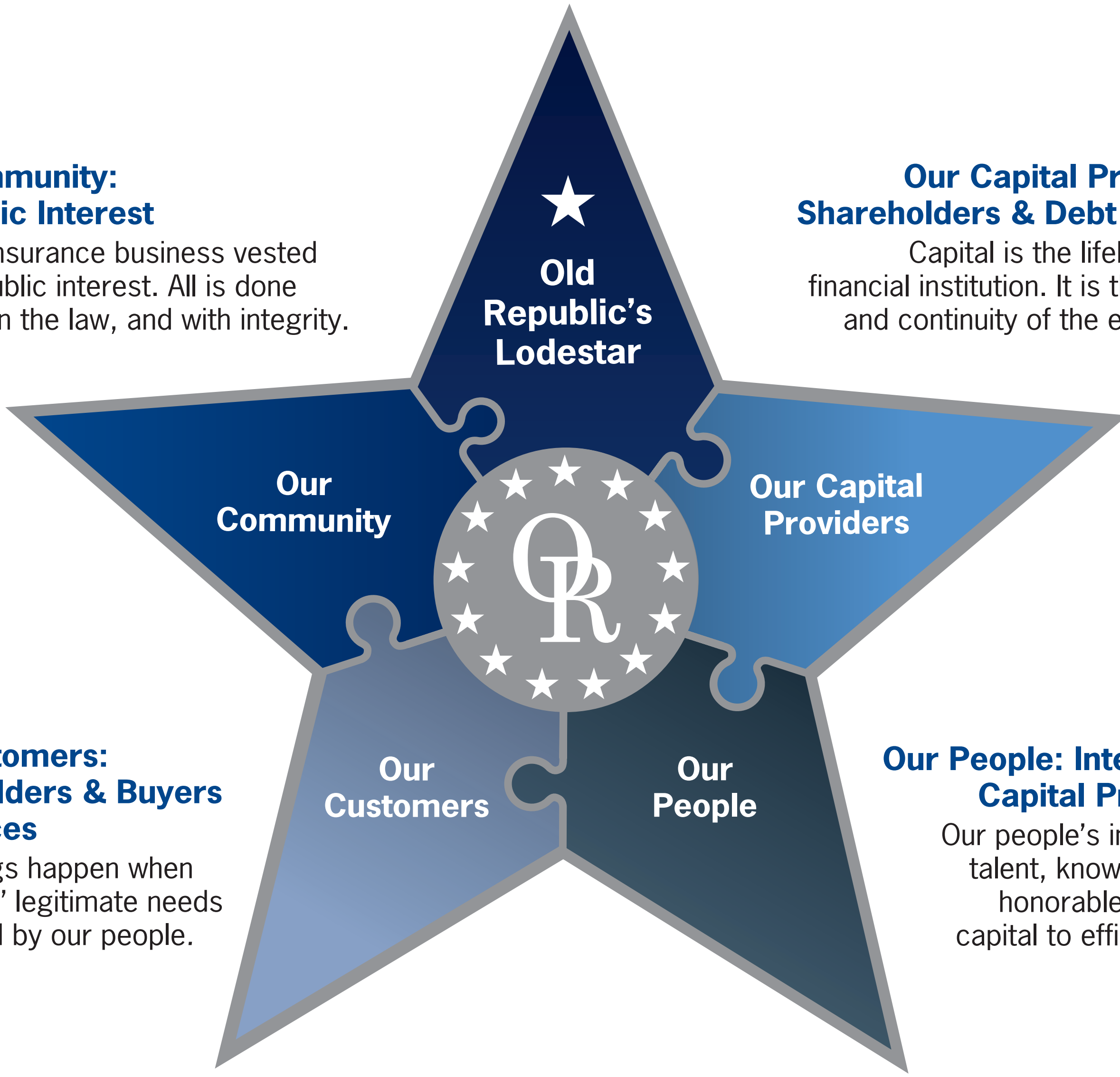
ORI's Lodestar is the embodiment of how our business strategy and governance work together as we pursue our mission and serve all important stakeholders. The simple idea underlying it is to put the capital entrusted to us to work in an economically efficient and rewarding manner:

- ★ Putting it all together with our culture, value system, intellectual capital, and the institutional memory that binds successive generations of managers.
- ★ Putting it all together in a balanced and thoughtful manner that addresses the legitimate interests and expectations of shareholders and key stakeholders who are engaged with our mission.

ORI's Lodestar: Putting It All Together For The Long Run

Our Community:
The Public Interest
We're an insurance business vested with the public interest. All is done right, within the law, and with integrity.

Our Capital Providers:
Shareholders & Debt Holders
Capital is the lifeblood of a financial institution. It is the source and continuity of the enterprise.



Our Customers:
Policyholders & Buyers of Services
Good things happen when customers' legitimate needs are fulfilled by our people.

Our People: Intellectual Capital Providers
Our people's intellectual talent, know-how, and honorable work put capital to efficient use.

The next table shows how the capital provided by shareholders and debt holders has been deployed, and our longer-term allocation objectives. As already noted, the specific part—which includes significant intra-system capital, identified with the run-off financial indemnity book of business—will ultimately be redirected as we select the best of several options available to us.

Capital Allocation Model and Objectives*

	Current Long-Term Objectives	Actual Allocations as of December 31, 2017	2016	2015	2014	2013	2012
General insurance	82.5%	**76.5%**	78.0%	78.2%	78.0%	82.2%	83.7%
Title insurance	15.0%	**13.3%**	13.9%	13.7%	13.6%	13.7%	13.3%
Financial indemnity	0.0%	**7.6%**	6.5%	5.3%	4.4%	-0.3%	-1.4%
Life & accident insurance	1.0%	**0.8%**	1.1%	1.2%	1.7%	2.1%	2.4%
Other	1.5%	**1.8%**	0.5%	1.6%	2.3%	2.3%	2.0%
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

** Percentages are inclusive of all capital instruments.*

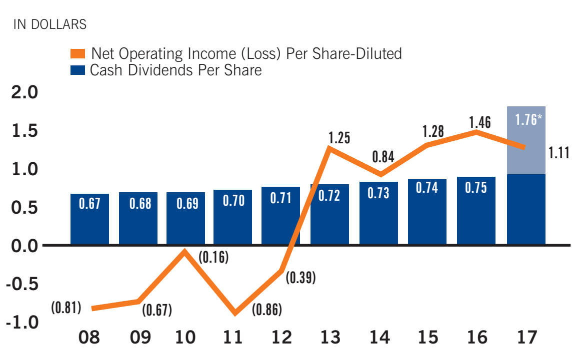
The capital allocations to the General and Title segments reflect our assessment of the nature and amount of insurance risks carried on their balance sheets. Our General Insurance operations are marked by greater capital needs, because they involve long-duration promises of indemnity. To a significant degree, the promises appear as liabilities on our balance sheet. We fund these with the long-tenured ownership of investment securities.

On the other hand, the long duration promises of indemnity made in our Title business result in much lower balance sheet liabilities. As already noted, this reflects the loss-prevention nature of the business.

Not attempting to be all things to all people sets us apart as a non-establishment, specialty insurance enterprise. It enhances our competitiveness and the value we bring to fulfilling our customers' needs. Doing it all profitably over the long run heightens the value of our franchise: to the community at large, to our existing and future customers, to our people, and to our capital providers.

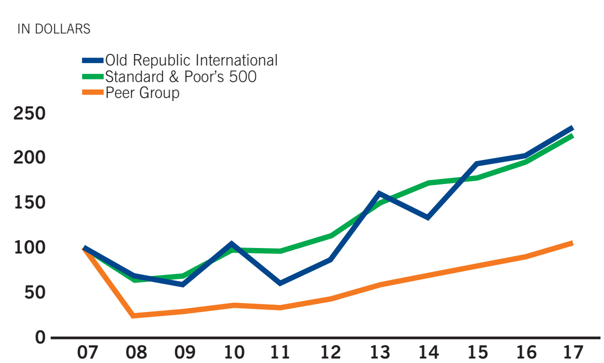
For the community, we provide a reliably consistent source of risk-taking capital to meet the insurance needs of a growing population and economy. For our customers, we provide reliable risk-management services backed by the quality and strength of our individual insurance subsidiaries' capital resources. For our employees, we offer a successful environment where they can pursue their goals of professional and economic accomplishments in keeping with our mission. For debt capital extenders, we provide the integrity of a world-class, quality balance sheet.

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



** Includes a special dividend of $1.00 per common share in 2017. Regular cash dividends have increased in each of the past 36 years, even though earnings per share have reflected some variability.*

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 2017 Form 10K.

For the serious investors in our stock, we offer the opportunity to partner with us in building a business with sustainable profitability over the long run. This partnership is shown in part by the substantial investment our people make in Old Republic's stock: by direct purchases or through employee benefit plans such as our large Employees Savings and Stock Ownership Plan (ESSOP). The partnership's success is also evidenced by the long-term appreciation of shareholders' tangible capital, and a 76 year record of uninterrupted cash dividend payments.

Our future looks bright because:

- ★ The balance sheet is solid.
- ★ We have strong, permanent equity capital.
- ★ Our people bring significant intellectual capital and a long-term commitment to our Company.
- ★ We have a strong business retention rate from a loyal customer base.

We are not and have no aspiration to be among the biggest in our industry. Growth for its own sake, and for the illusory prestige accorded to bigness, is not a part of our recipe for long-term success. Instead, we work hard to harmonize the interrelated parts of our Lodestar. Our recipe can deliver a competitive total book return over cycles and, market conditions allowing, a consistently sound total market return. We can do this for all who have an important stake in ORI's good business, managed as it is for the long run.

Respectfully submitted on behalf of the Board of Directors,

Aldo C. Zucaro
Chairman and Chief Executive Officer
Chicago, Illinois
March 16, 2018

GENERAL INSURANCE GROUP

The Old Republic General Insurance Group (ORGIG) represents our largest segment. It includes 19 U.S. and offshore insurance underwriting subsidiaries, plus many agency and related services companies. We serve customers in the U.S. and Canada.

Each of the segment's companies focuses on specific property and liability markets. This means they offer a full suite of risk management and insurance solutions, which are customized for the specific industries they know well.

We specialize in three markets:

1. Large corporations with complex risks that require sophisticated alternative market solutions
2. Small and mid-sized companies with traditional risk transfer needs
3. Consumers with home and auto warranty needs

Every ORGIG company has the same core values and traditions 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 long-term competitive advantage.

Geographic Distribution of Direct Premiums Written

	2008	2016	2017
United States			
Northeast	6.3%	9.9%	10.4%
Mid-Atlantic	6.4	7.3	6.8
Southeast	17.6	15.9	17.0
Southwest	15.2	12.9	12.6
East North Central	14.0	13.7	13.0
West North Central	15.3	13.2	12.6
Mountain	9.4	6.5	6.7
Western	14.3	18.1	18.0
Foreign (Principally Canada)	1.5	2.5	2.9
	100.0%	100.0%	100.0%

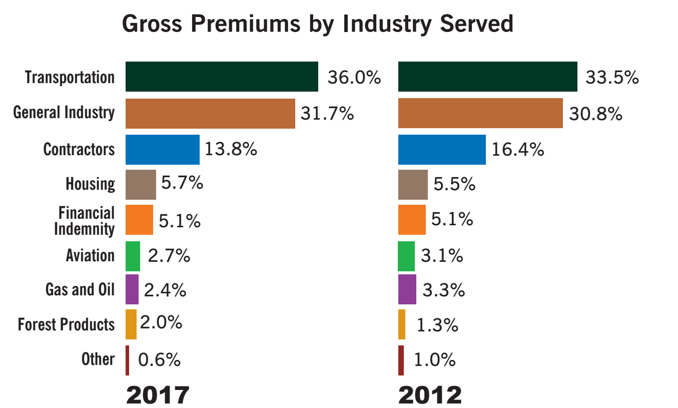
Consolidated Property and Liability Insurance Business

($ in Millions)

		2017	2016	2015	2014	2013
Financial Position	Cash, Fixed Maturity Securities	**$ 8,255.9**	$ 7,969.1	$ 7,448.1	$ 7,148.8	$ 7,098.8
	Equity Securities	**2,078.5**	1,878.7	1,500.6	1,386.5	836.5
	Other Invested Assets	**106.5**	107.0	101.4	95.0	90.0
	Reinsurance Recoverable	**3,376.0**	3,252.4	3,196.0	3,420.8	3,182.3
	Sundry Assets	**2,238.4**	2,098.4	2,276.6	2,200.2	2,068.7
		$ 16,055.5	$15,305.7	$ 14,523.0	$ 14,251.8	$ 13,276.6
	Claim Reserves	**$ 8,410.8**	$ 8,203.0	$ 7,931.2	$ 7,821.8	$ 7,201.5
	Unearned Premiums	**1,967.4**	1,835.3	1,739.2	1,606.5	1,458.9
	Other Liabilities	**2,497.2**	2,310.0	2,121.6	1,860.3	1,629.7
	Equity	**3,179.9**	2,957.2	2,730.9	2,963.0	2,986.3
		$ 16,055.5	$15,305.7	$ 14,523.0	$ 14,251.8	$ 13,276.6
Operating Results	Net Premiums Written	**$ 3,245.2**	$ 3,005.3	$ 2,985.5	$ 2,846.8	$ 2,601.1
	Net Premiums Earned	**$ 3,110.8**	$ 2,936.3	$ 2,894.7	$ 2,735.6	$ 2,513.7
	Net Investment Income	**318.9**	312.1	312.1	278.8	249.6
	Other Income	**101.8**	106.2	106.3	99.0	86.5
		3,531.6	3,354.7	3,313.3	3,113.5	2,849.9
	Claim Costs	**2,214.8**	2,125.0	2,125.6	2,117.8	1,834.1
	Policyholders' Dividends	**19.5**	18.1	17.9	14.4	15.2
	Sales and General Expenses	**893.8**	833.9	786.6	726.3	681.1
	interest and Other Costs	**62.9**	57.6	46.6	33.5	30.9
		3,191.3	3,034.7	2,976.8	2,892.2	2,561.6
	Pretax Operating Income	**$ 340.3**	$ 319.9	$ 336.4	$ 221.3	$ 288.3
	Operating Cash Flow	**$ 570.7**	$ 525.8	$ 663.0	$ 567.1	$ 566.9
Underwriting Statistics	All Coverages Combined:					
	Paid Loss Ratio	**64.1%**	65.7%	62.0%	63.2%	61.6%
	Incurred Loss Ratio	**71.2%**	72.4%	73.5%	77.4%	73.0%
	Dividend Ratio	**.6%**	.6%	.6%	.5%	.6%
	Expense Ratio	**25.5%**	24.8%	23.5%	22.9%	23.7%
	Composite Ratio	**97.3%**	97.8%	97.6%	100.8%	97.3%
	Liability Coverages:					
	Earned Premiums	**$ 2,032.5**	$ 1,963.3	$ 1,989.0	$ 1,934.3	$ 1,779.7
	Loss Ratio	**76.2%**	78.5%	80.6%	82.6%	77.1%
	Dividend Ratio	**.6%**	.6%	.5%	.5%	.6%
	Other Coverages:					
	Earned Premiums	**$ 1,077.1**	$ 974.1	$ 908.0	$ 801.5	$ 736.7
	Loss Ratio	**62.1%**	60.5%	57.3%	65.0%	62.8%
	Dividend Ratio	**.2%**	.3%	.4%	.4%	.3%
Composition of Pretax Operating Income (Loss)	Underwriting/Service Income (Loss)	**$ 84.3**	$ 65.5	$ 70.8	$ (23.9)	$ 69.5
	Net Investment Income	**318.9**	312.1	312.1	278.8	249.6
	Interest and Other Costs	**(62.9)**	(57.6)	(46.6)	(33.5)	(30.9)
	Pretax Operating Income	**$ 340.3**	$ 319.9	$ 336.4	$ 221.3	$ 288.3
	Pretax Operating Margin	**9.6%**	9.5%	10.2%	7.1%	10.1%
Key Ratios	Net Premiums Written to Equity	**1.0x**	1.0x	1.1x	1.0x	.9x
	Net Claim Reserves to Equity	**172%**	182%	189%	162%	146%
	Cash and Invested Assets to Liabilities	**109%**	109%	105%	109%	112%

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

For 2017, ORGIG's overall performance was marked by reasonably stable contributions from underwriting and investment income. Its financial condition remained very strong, as the key ratios at the bottom of the accompanying financial summary show. The following discussions explain how the business models of ORGIG's key operating subsidiaries contribute to its overall financial performance, strength, and growth prospects.



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.

The **BITCO Insurance Companies (BITCO)** distribute insurance products through a network of independent agents concentrated in five U.S. regions. From 16 full-service branch offices, we provide agents and assureds tailored, high-quality services using a specialty program management approach. We offer insurance services to the construction, light manufacturing, wholesalers/distributors, forest products, onshore oil and gas services, and public entities sectors of the U.S. economy. This industry specialization differentiates BITCO as a commercial insurance underwriting company, which uses both traditional risk transfer products and alternative large-deductible programs to meet assureds' unique needs.

2017 operating results were mixed, as the economic sectors for our specialties experienced different market conditions and opportunities. For example, the highly competitive construction market impeded significant top-line growth as we protected underwriting margins. On the other hand, expansion opportunities improved for light manufacturing, wholesaler/distributor, and tailored public-entity workers' compensation programs. In forestry, we achieved top-line growth in the mid-teens as we took advantage of this sector's economic revival. A consistent rise in crude oil prices during 2017 stopped the downward pressure on premium volume we had seen in several prior years. Based on reviving U.S. and global economies, we expect this sector will provide greater opportunities for profitable premium growth in 2018 and the foreseeable future.

Entering the second century of BITCO's corporate life, we remain resolute in pursuing long-term underwriting profitability. As in years past, we'll do this on the strength of our people's intellectual talent and commitment to industry specialization, and the backing of a solid balance sheet. The high ratings awarded by independent rating agencies attest to the long-term value of our promises of financial indemnity.

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

Our talented agency force offers a comprehensive package of coverages. This enables large and small motor carriers to protect their interests, meet regulatory requirements, and fairly compete. Large trucking companies—with strong balance sheets and a desire to retain a portion of their own insurable risk—are also attracted to the alternative market solutions we tailor to their needs.

For 2017, premium production grew 7.7 percent. The composite underwriting ratio remained favorable. This reflects our steadfast, well-disciplined risk decisions and adequately priced business throughout industry cycles. At year-end, our capital resources showed further growth, fully supporting our prospects for long-term expansion.

The reinvigorated U.S. economy provides a positive outlook for both new and organic growth. Even though the economic landscape may change, we fully expect Great West to remain the strong, value-added service provider destined to live up to its franchise statement: "The Difference is Service®."

Old Republic Aerospace, Inc. (ORAE) ranks among the nation's top underwriters of aviation hull and liability insurance, as well as workers' compensation coverages. Following several years of incremental growth, we experienced a modest decline in premium revenue for 2017. This was largely caused by extremely soft market conditions for certain products. Overcapacity continued to be an industry-wide issue. As 2018 began, however, there were signs of improving terms of trade and pricing discipline.

For 2018, we expect a gradual increase in rate levels for most product offerings and markets served. Our strict adherence to underwriting standards has kept us in an enviable reputation for reliable market stability over cycles. The quality of risks within our diverse portfolio continues to reflect high underwriting standards.

ORAE will explore further innovations in its products and services. Emerging technologies, such as the expanding use of UAVs (drones), also present new market opportunities. In addition, a recent expansion into Canada should enhance our chances for growing the revenue base.

Old Republic Contractors Insurance Group (ORCIG) is a growing presence in the U.S. construction insurance industry. ORCIG is a specialty underwriter of contractors' insurance exposures, contractors' joint ventures, wrap-ups, and public-private partnership programs. We provide the insurance products, services and construction industry expertise our customers have come to expect.

ORCIG's target business is large commercial contractors and complex risk projects that appreciate our industry experience and ability to design customized programs. We believe our claims and loss prevention services are "best in class", allowing us to provide value to our customers' loss-control programs. The construction marketplace remains very competitive. However, our customers value the combination of industry-specific knowledge and market and pricing stability we bring. This helps us underwrite and retain clients.

Commercial construction is expected to see above-average growth in 2018. We nonetheless anticipate our growth prospects will be somewhat constrained by competitive forces. Client retention rates are trending positively, however, and will continue to provide a strong business base for future growth. We're committed to maintaining a responsible underwriting position that supports our long-term approach to the business—whatever the market cycle.

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-issuing company for the ORCIG book of business. Second, it provides meaningful reinsurance capacity to a number of General Insurance Group sister companies. We currently limit ORGENCO's reinsurance business from outside sources to the management of long-terminated accounts.

Given the long-tail nature of the reinsurance business, we appropriately manage for the long run. ORGENCO's claim reserve structure is designed to underscore its obligations. In 2017, the Company once again posted a favorable composite underwriting ratio. At the end of the year, statutory capital resources reached nearly $600 million. This ranked ORGENCO as one of the largest individual risk bearers in the Old Republic family.

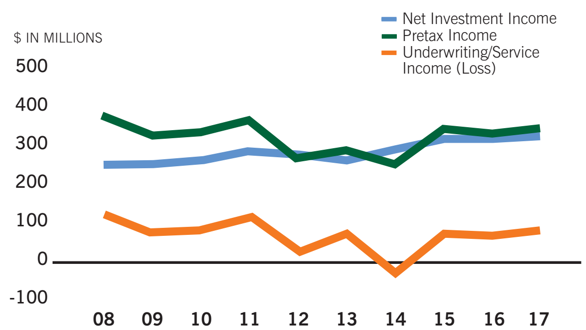
Old Republic Home Protection Company (ORHP) offers home service contracts for major systems and appliances to home sellers and buyers. Our brand is built on providing comprehensive coverage with competent and caring service at competitive rates.

We experienced steady growth, with premiums written rising 47.1% over the last five years. In 2017, premiums written reached $219 million, up 2.0% over 2016. The composite underwriting ratio of claims and expenses was enhanced last year, on the strength of lower than expected service calls.

We expect ORHP's top line will reflect consistent, managed growth in 2018. The business is in a good position to increase sales—from both resale and renewal products—while generating positive underwriting results.

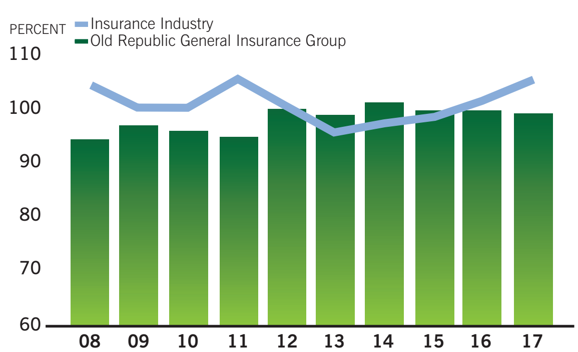
Old Republic Insurance Company (ORINSCO) is one of America's oldest and best-capitalized property and liability insurance carriers. As ORI's flagship, the Company has offered time-tested risk management solutions for large and small customers over the decades. Our approach, commitment to specialty markets, and

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.

Composite Underwriting Ratio



The Group's property and liability underwriting results have outperformed the industry average in 8 of the past 10 years and 20 of the past 25 years.

high standards for client service are a few reasons we enjoy an excellent reputation.

ORINSCO and its 95-year-old life and accident sister company have been leaders in providing alternative market solutions since the late 1940s. A basic tenet of 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.

Currently, ORINSCO's statutory capital resources of $1.14 billion are largely committed to 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 business circumstances warrant.

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

In 2017, we achieved strong premium growth and positive underwriting results. Continued profitable growth is expected in 2018 from 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 guaranteed asset protection (GAP) programs. These are offered for new and used automobiles.

ORIAS enjoys decades-long partnerships with some of the nation's largest automotive, financial intermediaries, and related service companies. We also provide insured automotive products for more than 5,000 automobile dealers across America. Old Republic Insurance Company issues the policies for all our insured products.

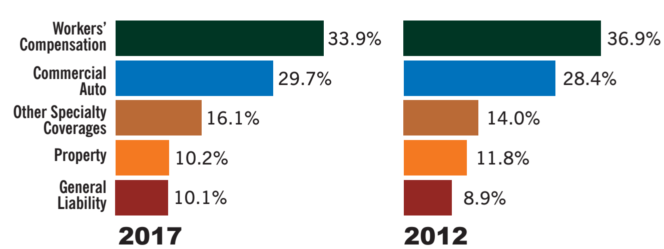
In 2017, ORIAS increased its premium volume by approximately 4%. While the automobile market is expected to see weakening conditions in 2018, we remain optimistic about our prospects. Our plan is to retain and gain business through a focus on careful and disciplined underwriting, and by providing superior customer service.

Old Republic Professional Liability, Inc. (ORPRO) is our lead underwriting facility for 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 of the business is underwritten as a division of Old Republic Insurance Company.

ORPRO has decades-long experience serving all industries. It also is a market leader for customers in technology, biotechnology, and life sciences. We continue to expand the product line for management liability geared toward private and publicly held companies as well as select law firms. Our seasoned underwriters are respected and provide innovative, flexible, and sophisticated insurance solutions. Our value-added proposition is one reason why our customer retention rate usually exceeds 90%. Because we efficiently resolve complex financial indemnity claims, ORPRO has experienced underwriting profitability for many years.

Overall premiums increased modestly in 2017. This resulted from new business production flowing from additional underwriting staff, new product offerings, and geographic expansion. As a result, we have high expectations of underwriting a greater number of accounts in 2018 and for the foreseeable future. This should occur as we continue to deploy superior risk

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.

solutions and maintain the consistent pricing discipline we're known for.

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 to more flexibly and efficiently serve the proprietary needs of large corporate and group clients in many industries.

ORINSCO and its life and accident sister company pioneered the alternative risk market approach to insurance risk management. We have served many of the 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 offering innovative solutions and services to sizable insurance buyers. These offerings include the use of large deductibles, self-insurance, and captive reinsurance mechanisms, as well as the unbundling of other necessary risk management services.

In 2017, our results continued the historic trends of strong account retention, organic growth, and new customer additions. While steady competition remained unabated in our marketplace, our steadfast adherence to underwriting discipline allowed us to grow our business. These efforts also led to greater profitability and higher market share in our specialty field.

We continue to enjoy the solid recognition of the Old Republic brand. It's known for stability, a superior service platform, and responsiveness and flexibility to customer needs. To support our growth and maintain "best in class" service standards, we made further investments in technology enhancements, upgraded talent through enhanced training and development initiatives, and streamlined production processes. All of this should provide ample opportunities to continue the deliberate expansion of our business in 2018.

Old Republic Specialty Insurance Underwriters, Inc. (ORSIU) will be entering its fourth year of operation in 2018. Formed early in 2015 as our newest joint underwriting venture, the Company focuses on two segments of specialty insurance. The first is providing alternative insurance risk management for public entities and nonprofit organizations. The second is offering specialty insurance programs managed by independent program administrators and using an unbundled service model for claims and loss control. We partner with specialists that are committed to providing high service levels and tailored products for customers.

In 2017, we experienced steady growth in our top line and a favorable expense ratio. We remained on the track with the expectations set for the first five years of operations. Our progress included adding key talent to build bench strength and expanding our underwriting products and operating platform. These improvements have expanded service delivery to a growing customer base.

For 2018, we remain focused on underwriting and pricing discipline. Our team averages more than 20 years of insurance and reinsurance experience, covering most types of property and liability coverages. ORSIU is in a good position to further its plans for strategic growth, building on the momentum achieved to date.

Old Republic Surety Company (ORSC) is a significant underwriter of fidelity and surety bonds. We provide service through nearly 3,900 independent insurance agencies. At year-end 2017, ORSC had over 152,000 bonds in-force.

We experienced continued growth in contract bonding last year. Commercial bonding, however, faced greater challenges from substantial competition in a generally softening market. Demand for construction and compliance bonds, however, continues to grow. This presents new bond underwriting opportunities in each of the commercial, contract, and fidelity product lines we underwrite throughout the country. In total, gross premium production rose just 4.4% year-over-year.

Our contract bond business should continue to see gains in 2018 as construction activity strengthens. Commercial bonding production will most likely be flat. As always, we'll remain focused on sound underwriting practices and take full advantage of the opportunities that will emerge in a gradually improving U.S. economy.

The **PMA Companies, Inc. (PMA)** are premier providers of workers' compensation, casualty insurance, and third-party administration (TPA) products and services for large and mid-size accounts. Established in 1915, PMA has a longstanding insurance underwriting operation joined to a claims TPA business, which it organized 25 years ago as a natural extension of our claims management expertise.

As is the case with each Old Republic business, 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 our underwriting business, we focus on clients who are willing to share in the risk/reward of their loss control and claims management experience. In 2017, more than 80% of our premium volume emanated from loss-sensitive type policies and captive insurance arrangements. These typically apply to larger clients requiring sophisticated service and risk management applications, especially with workers' compensation. We also provide tailored insurance solutions for traditional middle market businesses and specialize in select industry sectors such as health care and education.

PMA's foundation of account management and integrated service rests on a bundled approach we

believe delivers optimal outcomes for clients. While the operating environment continually changes, we remain committed to understanding the evolving needs of our clients and producing insurance brokers. We're steadfast in demonstrating our expertise in all liability lines and particularly in workers' compensation.

In 2017, TPA expanded profitably. We do more than just administer claims for clients. What makes us different is a holistic approach that integrates pre-loss, loss, and post-loss strategies and services designed to positively affect clients' financial results. We are well regarded, and many of our clients have gained acclaim for the results they've achieved in partnership with PMA.

All PMA companies continue to expand their geographic presence. We have recently increased our insurance and TPA service capabilities in the southwest. Our new Dallas office now serves customers in Arizona, Colorado, and Texas. We also continue to enhance our managed-care programs to address the unabating rise of medical costs, especially those driven by usage of pharmaceuticals and opioids.

We're optimistic about and confident in the merits of our long-term strategy. Its steadfast execution will deliver high customer retentions, measured growth, and stable underwriting and service profitability over the recurring cycles of our industry.

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'll remain sharply focused on 1) staying within our industry and line of insurance underwriting specialization, 2) adhering to disciplined underwriting, and 3) being accountable for the capital allocated to each operating company.

For us, everything begins and ends with serving our customers. We carefully manage all aspects of our 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 shareholders and other important stakeholders.

TITLE INSURANCE GROUP

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

★ Our flagship underwriter—***Old Republic National Title Insurance Company***—has offered mortgage lenders, the real estate community and consumers policy coverage for over 100 years.

★ ***American Guaranty Title Insurance Company*** and its predecessor have been delivering policy coverage for more than 125 years.

ORTIG has a national network of more than 275 branch and subsidiary offices, and roughly 8,000 independent title agents. We provide products and services to individuals, businesses and government entities.

Our professionals also offer many 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; mortgage servicing solutions; eClosings and electronic document recording services; automated title search packages; national residential and commercial transaction order fulfillment and management; and title, settlement and mortgage lending technology solutions.

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

Geographic Distribution of Direct Premiums Written

	2008	2016	2017
United States			
Northeast	17.0%	16.6%	16.1%
Mid-Atlantic	9.1	8.6	8.7
Southeast	27.1	28.5	28.2
Southwest	8.2	8.4	8.2
East North Central	9.8	8.6	8.9
West North Central	6.9	6.1	5.9
Mountain	6.9	9.4	10.6
Western	15.0	13.8	13.4
	100.0%	**100.0%**	**100.0%**

Title Insurance and Related Real Estate Transfer Services

($ in Millions)

		2017	2016	2015	2014	2013
Financial Position	Cash, Fixed Maturity Securities	**$ 895.3**	$ 906.7	$ 825.0	$ 801.3	$ 835.4
	Equity Securities	**317.0**	275.2	226.3	187.6	98.5
	Other Invested Assets	**10.1**	10.0	10.1	9.1	9.0
	Title Plants and Records	**42.6**	42.8	42.8	42.9	40.3
	Property and Equipment	**67.1**	67.3	76.0	58.6	57.9
	Sundry Assets	**133.6**	120.9	133.8	143.2	144.2
		$1,466.0	$ 1,423.0	$ 1,314.3	$ 1,243.0	$1,185.5
	Claim Reserves	**$ 559.7**	$ 602.0	$ 580.8	$ 505.4	$ 471.5
	Other Liabilities	**264.5**	266.3	261.7	274.1	268.8
	Equity	**641.8**	554.7	471.7	463.4	445.2
		$1,466.0	$ 1,423.0	$ 1,314.3	$ 1,243.0	$1,185.5
Operating Results	Net Premiums Earned	**$ 1,827.6**	$ 1,742.4	$ 1,624.7	$ 1,394.4	$1,567.1
	Service Fees and Other Income	**460.1**	465.5	421.9	367.2	431.9
	Net Investment Income	**37.3**	36.2	34.0	29.9	26.6
		2,325.0	2,244.1	2,080.7	1,791.6	2,025.6
	Claim Costs	**20.8**	84.3	99.2	91.9	134.0
	Sales and General Expenses	**2,060.1**	1,941.8	1,807.0	1,592.3	1,759.7
	Interest and Other Costs	**6.9**	7.6	7.5	7.8	7.4
		2,087.9	2,033.8	1,913.8	1,692.0	1,901.3
	Pretax Operating Income	**$ 237.1**	$ 210.2	$ 166.8	$ 99.5	$ 124.3
	Operating Cash Flow	**$ 168.1**	$ 191.1	$ 167.5	$ 82.7	$ 150.6
Underwriting Statistics (a)	Paid Loss Ratio	**2.8%**	2.9%	3.4%	3.3%	3.0%
	Incurred Loss Ratio	**.9%**	3.8%	4.9%	5.2%	6.7%
	Expense Ratio	**90.0%**	87.9%	88.3%	90.4%	88.0%
	Composite Ratio	**90.9%**	91.7%	93.2%	95.6%	94.7%
Composition of Pretax Operating Income (Loss)	Underwriting/Service Income (Loss)	**$ 206.7**	$ 181.7	$ 140.3	$ 77.5	$ 105.1
	Net Investment Income	**37.3**	36.2	34.0	29.9	26.6
	Interest and Other Costs	**(6.9)**	(7.6)	(7.5)	(7.8)	(7.4)
	Pretax Operating Income	**$ 237.1**	$ 210.2	$ 166.8	$ 99.5	$ 124.3
	Pretax Operating Margin	**10.2%**	9.4%	8.0%	5.6%	6.1%
Key Ratios	Premiums and Fees to Equity	**3.6x**	3.9x	4.3x	3.8x	4.5x
	Claim Reserves to Equity	**87%**	109%	122%	109%	106%
	Reserves to Paid Losses (b)	**8.9x**	9.5x	8.5x	7.9x	7.0x
	Cash and Invested Assets to Liabilities	**148%**	137%	127%	128%	127%

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

2017 FINANCIAL HIGHLIGHTS AND DEVELOPMENTS

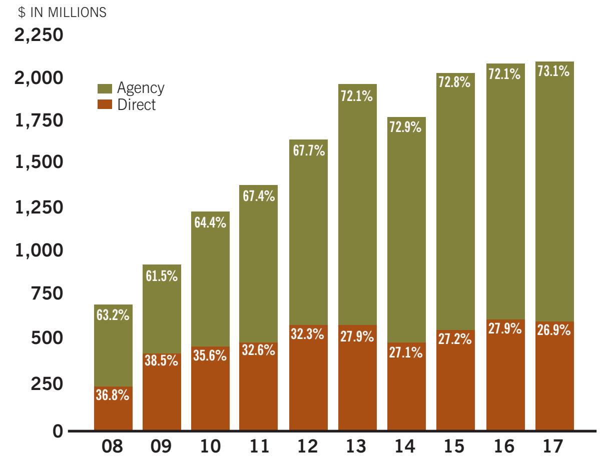
ORTIG marked another notable year of providing exceptional service and support to our valued title agents and customers. Our positive operating momentum and financial strength were clear in the continued growth of our capital account, and premiums and fees exceeding $2 billion for the third year in a row.

We experienced record-setting premiums and fees revenues of nearly $2.3 billion in 2017. Both direct and independent agency operations contributed to this, as well as effective residential and commercial title marketing initiatives. As has been the case for many years, the largest part (about 73%) came through our dedicated independent agency force. Most of this business was represented by title services for residential real estate transactions.

An increasing proportion of the total, however, stemmed from agency and direct commercial title marketing initiatives. That business involves many complex transactions. Last year, a number of these were among the largest in history, measured by property values insured, premiums generated, and geographic diversification.

As the summary of financial data shows, pretax earnings rose to a record $237.1 million in 2017. This was achieved in the face of somewhat higher operating expenses, which were more than offset by historically low claim costs. The latter were just 0.9% of premiums and fees revenues. Last year's lower claim costs, as well as those in 2016 (which had dropped to 3.8%) reflected the time-tested, favorable developments of reserve estimates established in prior calendar years.

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.

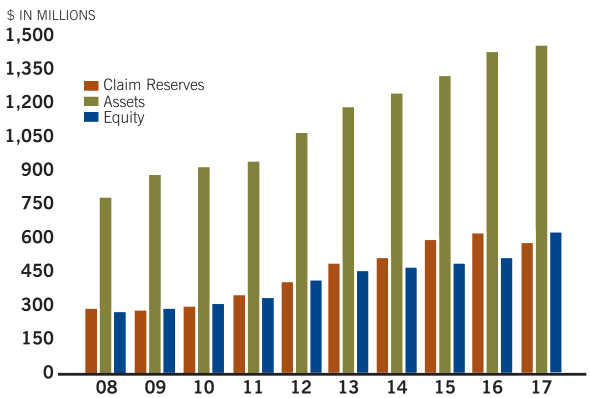
Earnings we've retained in the business, and capital additions made over the years, raised our statutory capital to $545 million through year-end 2017. The resulting balance sheet strength allows us to offer and take on increasingly larger insurance exposures, particularly in commercial real estate.

The greater capital base has also produced industry-leading indicators of financial solidity. ORTIG continues to have the highest claim reserves-to-average claim payments ratio among large national title insurers. Since 1992 (the first year ratings were issued for the title industry), ORTIG's independent ratings have remained unsurpassed. This comes from our conservative and disciplined approach to both financial and operating management, steadfast adherence to high-quality underwriting standards, efficient claims management, and an unswerving commitment to employee and title agent training programs. It also reflects

the leading role we've taken in the practical development and use of technology.

Technological advances, as well as shifting market demands and demographics, make it necessary for the title insurance industry to accelerate its move into the digital age. ORTIG is focused on delivering accurate, compliant, swift and secure transactions. We continue to innovate with a national digital strategy that is attractive to today's customers and prepared for tomorrow's markets. Our quest is to enhance overall consumer satisfaction.

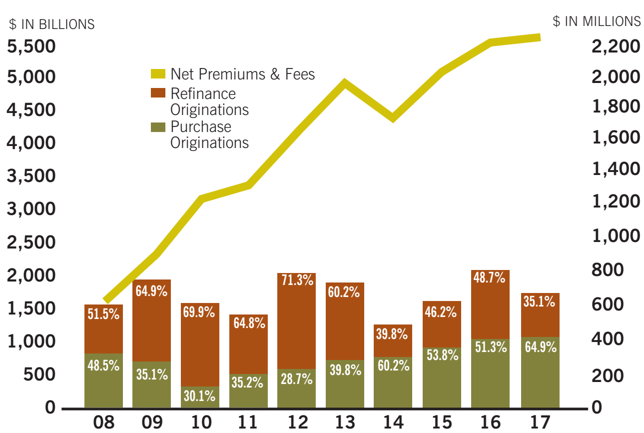
Asset, Claim Reserves, and Equity



A consistently strong balance sheet explains why the Title Insurance Group has been the country's highest-rated title insurer for 26 years in a row.

1- 4 Family Mortgage Originations

Net Premiums & Fees



Net premiums and fees benefited from market share gains emanating from industry dislocations and consolidations over the past several years. More recently, a generally positive mortgage interest rate environment, coupled with reasonably strong housing and commercial property markets led to higher revenues.

Old Republic Title has now implemented *Pavaso*® technology, an eClosing solution for processing digital real estate transactions. This links us and our customers to a national digital network of title and settlement agents capable of effectively closing anything from paper to fully digital transactions. Our growing digital lineup also includes: *OR SigningPro*®, a national signing/mobile notary service; *OR EscrowPro*®, a centralized funding and escrow disbursement solution available in most states; *eRecording Partners*, a digital document recording provider; *RamQuest*, which provides fully integrated software solutions for title and settlement production; and *Inx*, an electronic signing solution for mortgage and real estate settlements.

LOOKING AHEAD

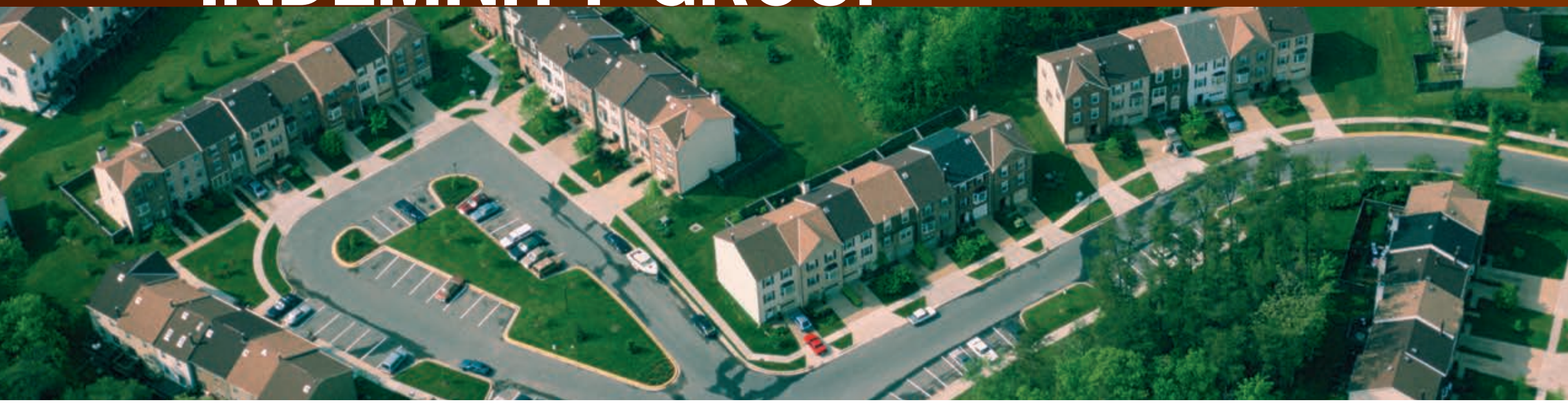
In 2017, mortgage originations retreated somewhat from the multi-year highs set in 2016. This resulted from an expected slowdown in refinance originations; the Mortgage Bankers Association (MBA) reported annual transactions still exceeded $1.7 trillion.

Continued consumer confidence and positive economic conditions should translate into a healthy purchase market in 2018. The consensus forecast of the MBA, Fannie Mae and Freddie Mac is for $1.6 trillion in total originations. Average mortgage rates are expected to rise from 4.4% in the first quarter to 4.9% in the final quarter.

This year, purchase originations should continue to exceed refinances, and home prices are expected to rise. We anticipate this will lead to higher average premiums and fees per transaction. Growth in the commercial market, across all sectors—industrial, retail, and multi-family—is also expected to continue.

ORTIG's companies are known in the mortgage lending and real estate communities for: strength, professionalism, competence, and 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're prepared for another strong year in 2018.

REPUBLIC FINANCIAL INDEMNITY GROUP



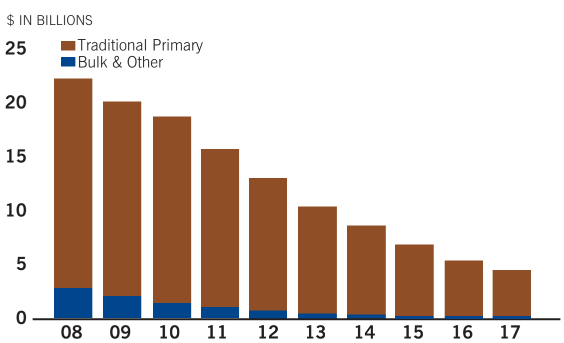
THE RFIG RUN-OFF OPERATIONS

Our *Mortgage Insurance (MI)* subsidiaries have protected lenders for 44 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 by our General Insurance Group. 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.

Net Risk in Force



Prior to being placed into run-off operating mode in late 2011, the decline in risk in force resulted from lower mortgage origination volumes and historically low industry penetration rates.

Financial Guaranties

($ in Millions)

		2017	2016	2015	2014	2013
Financial Position	Cash, Fixed Maturity Securities	**$ 477.9**	$ 638.2	$ 736.4	$ 890.1	$ 1,659.1
	Equity Securities	**81.5**	58.2	40.2	28.0	–
	Other Invested Assets	**4.2**	6.0	6.8	7.5	11.6
	Prepaid Federal Income Taxes	**114.3**	82.4	63.3	45.7	–
	Sundry Assets	**126.9**	119.8	131.8	137.0	151.5
		$ 805.0	$ 904.8	$ 978.7	$ 1,108.4	$ 1,822.3
	Claim Reserves	**$ 277.9**	$ 430.5	$ 630.6	$ 809.2	$ 1,770.2
	Unearned Premiums	**5.1**	8.6	13.7	21.1	28.9
	Other Liabilities	**100.3**	135.0	87.1	71.9	37.0
	Equity	**421.6**	330.6	247.2	206.0	(13.8)
		$ 805.0	$ 904.8	$ 978.7	$ 1,108.4	$ 1,822.3
Operating Results	Direct Premiums Earned	**$ 111.7**	$ 158.7	$ 203.5	$ 237.4	$ 299.6
	Net Premiums Earned	**122.9**	170.0	219.9	255.4	316.5
	Net Investment Income	**21.7**	23.2	25.1	27.5	36.8
	Other Income	**–**	–	–	–	–
		144.6	193.2	245.0	282.9	353.4
	Claim Costs	**197.8**	102.6	193.6	248.2	217.7
	Sales and General Expenses	**20.3**	20.7	21.9	24.3	25.5
	Interest and Other Costs	**–**	–	–	–	–
		218.2	123.4	215.5	272.6	243.3
	Pretax Operating Income (Loss)	**$ (73.5)**	$ 69.8	$ 29.4	$ 10.3	$ 110.0
	Operating Cash Flow	**$ (312.5)**	$ (102.5)	$ (124.6)	$ (884.0)	$ (70.8)
Underwriting and Other Statistics	Settled and Paid Loss Ratio	**406.9%**	156.9%	148.7%	235.2%	218.1%
	Incurred Loss Ratio	**160.9%**	60.4%	88.0%	97.2%	68.8%
	Expense Ratio	**16.6%**	12.2%	10.0%	9.5%	8.1%
	Composite Ratio	**177.5%**	72.6%	98.0%	106.7%	76.9%
	Persistency (Traditional Primary)	**77.9%**	77.7%	79.9%	82.2%	79.1%
	Delinquency Ratios: Traditional Primary	**10.52%**	10.53%	10.45%	10.93%	13.09%
	Bulk	**23.31%**	25.78%	26.74%	23.01%	18.73%
Composition of Pretax Operating Income (Loss)	Underwriting/Service Income (Loss)	**$ (95.2)**	$ 46.6	$ 4.3	$ (17.1)	$ 73.1
	Net Investment Income	**21.7**	23.2	25.1	27.5	36.8
	Interest and Other Costs	**–**	–	–	–	–
	Pretax Operating Income (Loss)	**$ (73.5)**	$ 69.8	$ 29.4	$ 10.3	$ 110.0
	Pretax Operating Margin	**-50.9%**	36.1%	12.0%	3.7%	31.1%
Key Ratios	Risk to Capital Ratio:					
	Performing Risk Basis (a)	**7.8:1**	11.2:1	19.4:1	33.6:1	N/M
	Total Financial Resources to Risk Ratio	**17.2%**	14.8%	12.1%	11.5%	N/M
	Claim Reserves to Equity	**66%**	130%	255%	388%	N/M
	Cash and Invested Assets to Liabilities	**147%**	122%	107%	104%	93%

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

(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.

N/M = Not meaningful

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 delinquencies, declining foreclosure initiations and backlogs, and rising home values. These factors are contributing to a gradual improvement in the MI line.

2013 was the first profitable year for the mortgage guaranty business since 2007. Save for certain non-recurring charges in 2017 which led to an operating loss, the MI line has remained profitable since then. 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. Incurred claims costs and the related ratio to earned premiums have consequently declined measurably since 2012.

As a run-off book of business, the mortgage guaranty line should see a natural decline of earned premium revenues over the next several years. Our forecasted 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 the RMIC business under an appropriately acceptable stewardship that is protective of Old Republic's interests and good name.

The CCI line, however, continued to produce fairly consistent operating losses. This is mostly the result of lingering litigation costs largely related to a commercial dispute with the nation's second largest banking institution. In 2017, the dispute was settled at a higher-than-anticipated cost recorded in the third quarter of the year. Going forward, the CCI business is expected to be run-off in an efficiently economical and potentially profitable manner through the end of policy terms.

Summary Pro Forma Income Statement

	Years Ended December 31, ($ in Millions)				
	2017	2016	2015	2014	2013
Old Republic Mortgage Guaranty Group (ORMGG) / Historical					
Net premiums earned	**$ 109.8**	$ 154.1	$ 195.9	$ 227.6	$ 286.7
Net investment income	**20.4**	22.0	24.2	26.9	36.4
Other income	**–**	–	–	–	–
Net revenues	**130.3**	176.2	220.2	254.6	323.1
Claims and claim expenses	**63.3**	52.5	110.5	111.0	173.2
Sales & general expenses	**18.1**	18.5	19.7	22.0	23.5
Interest and other charges	**–**	–	–	–	–
Total expenses	**81.4**	71.1	130.2	133.0	196.8
Pretax operating income (loss)	**48.9**	105.0	89.9	121.6	126.3
Income taxes (credits)	**(34.2)**	36.4	31.1	42.2	44.2
Net operating income (loss)	**83.1**	68.6	58.7	79.3	82.0
Net realized gains (losses)	**3.9**	(.1)	.7	7.3	(4.6)
Net income (loss)	**$ 87.0**	$ 68.5	$ 59.5	$ 86.7	$ 77.3
Loss ratio	**57.6%**	34.1%	56.4%	48.8%	60.4%
Expense ratio	**16.5%**	12.0%	10.1%	9.7%	8.2%
Composite ratio	**74.1%**	46.1%	66.5%	58.5%	68.6%
Consumer Credit Indemnity (CCI) Division / Historical					
Net premiums earned	**$ 13.0**	$ 15.8	$ 23.9	$ 27.7	$ 29.8
Net investment income	**1.2**	1.1	.8	.5	.4
Other income	**–**	–	–	–	–
Net revenues	**14.2**	16.9	24.8	28.3	30.2
Claims and claim expenses	**134.5**	50.0	83.0	137.2	44.5
Sales & general expenses	**2.2**	2.1	2.1	2.3	1.9
Interest and other charges	**–**	–	–	–	–
Total expenses	**136.7**	52.2	85.2	139.5	46.4
Pretax operating income (loss)	**(122.4)**	(35.2)	(60.4)	(111.2)	(16.2)
Income taxes (credits)	**(42.8)**	(12.3)	(21.2)	(38.8)	(5.6)
Net operating income (loss)	**(79.6)**	(22.9)	(39.2)	(72.3)	(10.5)
Net realized gains (losses)	**.1**	–	–	–	–
Net income (loss)	**$ (79.4)**	$ (22.9)	$ (39.2)	$ (72.3)	$ (10.5)
Loss ratio	**N/M**	315.9%	346.9%	494.4%	149.4%
Expense ratio	**N/M**	13.9%	9.2%	8.5%	6.6%
Composite ratio	**N/M**	329.8%	356.1%	502.9%	156.0%
Pro Forma RFIG (ORMGG and CCI Lines Combined)					
Net premiums earned	**$ 122.9**	$ 170.0	$ 219.9	$ 255.4	$ 316.5
Net investment income	**21.7**	23.2	25.1	27.5	36.8
Other income	**–**	–	–	–	–
Net revenues	**144.6**	193.2	245.0	282.9	353.4
Claims and claim expenses	**197.8**	102.6	193.6	248.2	217.7
Sales & general expenses	**20.3**	20.7	21.9	24.3	25.5
Interest and other charges	**–**	–	–	–	–
Total expenses	**218.2**	123.4	215.5	272.6	243.3
Pretax operating income (loss)	**(73.5)**	69.8	29.4	10.3	110.0
Income taxes (credits)	**(77.0)**	24.0	9.9	3.3	38.5
Net operating income (loss)	**3.5**	45.7	19.5	7.0	71.4
Net realized gains (losses)	**4.0**	(.1)	.7	7.3	(4.6)
Net income (loss)	**$ 7.6**	$ 45.5	$ 20.2	$ 14.3	$ 66.8
Loss ratio	**160.9%**	60.4%	88.0%	97.2%	68.8%
Expense ratio	**16.6%**	12.2%	10.0%	9.5%	8.1%
Composite ratio	**177.5%**	72.6%	98.0%	106.7%	76.9%

N/M = Not meaningful

CORPORATE AND OTHER OPERATIONS

In addition to its three major operating segments, Old Republic owns a small life and accident insurance business. In the U.S., *Old Republic Life Insurance Company* is the foundation for this business. The Company, organized in 1923, 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. In other regards, these two insurers manage a number of long discontinued products which, by virtue of their declining premium base, tend to reflect highly volatile, but largely immaterial operating results.

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

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

Corporate and Other Operations

($ in Millions)

	2017	2016	2015	2014	2013
Operating Results					
Net Premiums Earned	**$18.8**	$20.1	$19.4	$60.7	$59.3
Net Investment Income	**31.4**	15.4	17.2	9.2	5.6
Other Income	**(.1)**	(.1)	(.9)	—	.6
	50.1	35.4	35.8	70.0	65.6
Benefit and Claim Costs	**25.8**	17.7	22.8	42.0	37.3
General Operating Expenses	**14.3**	4.6	5.2	22.2	26.1
	40.2	22.4	28.1	64.2	63.5
Pretax Operating Income (Loss)	**$ 9.9**	$13.0	$ 7.6	$ 5.7	$ 2.1

INVESTMENT MANAGEMENT

Old Republic has used a conservative investment policy and disciplined approach to managing its securities portfolio for decades.

A TIME-TESTED, LONG-TERM PHILOSOPHY

A long-term focus has helped the Company consistently meet its goals for investment income and managing enterprise-wide 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. As a result, our insurance subsidiaries have a solid foundation for meeting their specific obligations to policy beneficiaries over the long term.

We believe in being risk averse and keeping things simple. 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 these come due.

Asset and liability matching, and real-time evaluations of our underwriting exposures, enabled us to withstand previous periods of volatile financial markets. Ever-changing conditions in domestic and global financial markets require an occasional fine tuning of our investment strategy. However, we have remained true to the basic tenets of our investment policy.

$ In Millions	2008	2016	2017
Cash & Invested Assets	$8,855.1	$12,995.8	$13,536.4
as a % of Consolidated:			
Assets	66.8%	69.9%	69.8%
Liabilities	93.0%	92.0%	92.3%
Equity	236.7%	291.3%	286.0%

Investment Management

Consolidated Investments

($ in Millions)

	2017	2016	2015	2014	2013
Fixed Maturity Securities:					
Taxable Bonds and Notes	**$ 8,282.3**	$ 8,170.9	$ 8,181.5	$ 8,365.8	$ 8,541.0
Tax-Exempt Bonds and Notes	**1,067.4**	974.8	355.8	51.4	171.3
Short-Term Investments	**670.1**	681.6	669.4	609.4	1,124.8
	10,019.9	9,827.4	9,206.8	9,026.7	9,837.2
Other Invested Assets:					
Equity Securities	**3,265.5**	2,896.1	1,987.8	2,011.7	1,004.2
Sundry	**32.5**	34.1	30.8	30.3	27.0
Total Investments	**$13,318.0**	$12,757.7	$11,225.5	$11,068.8	$10,868.5

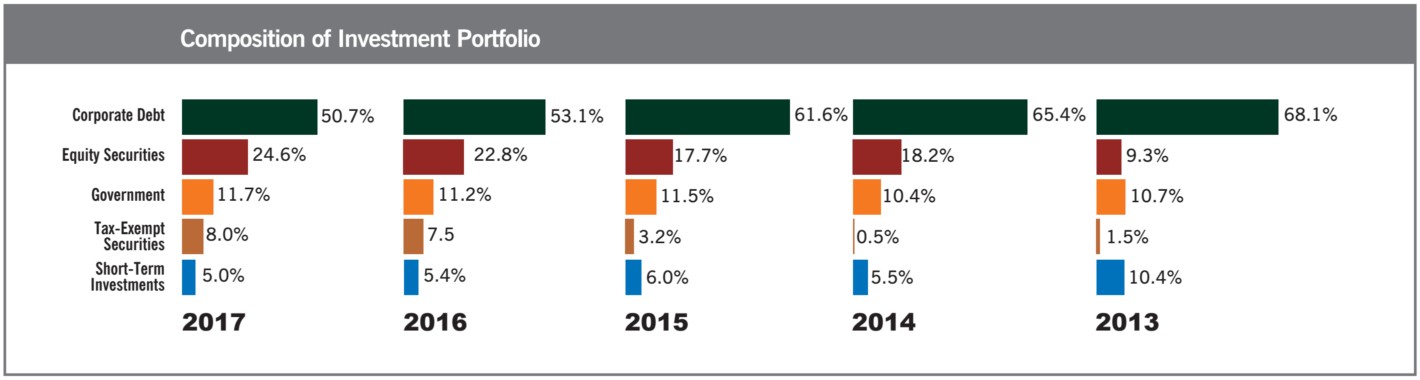
Sources of Consolidated Investment Income

($ in Millions)

	2017	2016	2015	2014	2013
Fixed Maturity Securities:					
Taxable	**$272.7**	$ 285.0	$ 294.0	$ 292.7	$ 289.0
Tax-Exempt	**20.4**	11.5	2.3	3.2	9.6
Short-Term Investments	**5.4**	2.1	.8	.8	1.1
	298.6	298.7	297.3	296.8	299.8
Other Investment Income:					
Equity Securities Dividends	**110.9**	88.2	91.0	49.3	21.2
Sundry	**4.5**	3.9	3.7	3.0	2.6
	115.5	92.1	94.7	52.4	23.8
Gross Investment Income	**414.1**	390.9	392.1	349.2	323.7
Less: Investment Expenses	**4.6**	3.8	3.4	3.7	4.9
Net Investment Income	**$409.4**	$ 387.0	$ 388.6	$ 345.5	$ 318.7
Net Yield on Average Investments	**3.1%**	3.2%	3.5%	3.2%	3.0%

Consolidated Fixed Maturity Securities Portfolio Statistics

	General Insurance Group	Title Insurance Group	RFIG Run-off Business	Consolidated
December 31, 2017 Maturities in:				
0-5 Years	52.4%	52.9%	86.8%	54.7%
6-10 Years	46.5	45.7	13.2	44.1
11 or More Years	1.1	1.4	—	1.2
	100.0%	100.0%	100.0%	100.0%
Average Quality Rating	A	A	A-	A
Average Life of Portfolio (Years):				
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
December 31, 2014	4.9	4.9	5.3	5.0
December 31, 2013	4.7	4.9	5.2	4.8



2017 INVESTMENT ACTIVITIES AND PORTFOLIO REVIEW

At the end of 2017, about 70% of Old Republic's investment portfolio was dedicated to fixed income securities, 25% to equities, and 5% was held in cash equivalents and immaterial miscellaneous investments.

The fixed income portion was well balanced among obligations of the United States and Canadian governments, and of agency, municipal and corporate securities. Total cash and invested assets for 2017 rose 4.2% to $13.5 billion from $12.9 billion a year ago. This represented 69.8% of total assets and 92.3% of total liabilities.

Net investment income increased 5.8% to $409.4 million in 2017, from $387.0 million in 2016. While investment income improved, its growth was curbed by relatively low yields on fixed income securities. The pretax yield on average invested assets (at cost) was 3.32%, versus 3.34% a year ago. Net realized capital gains from disposition of investments were $211.6 million in 2017 compared with $72.8 million a year earlier.

Consolidated net unrealized gains in the investment portfolio grew to $753.9 million at year-end 2017 from $640.4 million at the close of 2016. Last year's meaningful market appreciation of the equity portfolio accounted the lion's share of the increase. The charts and tables in this Annual Review provide details about our invested asset base for the last five years.

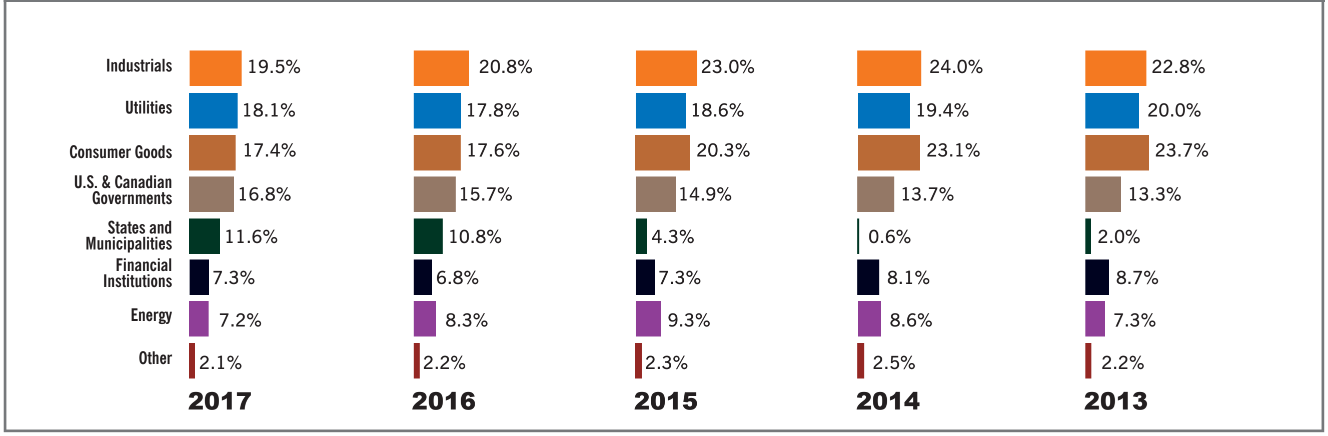
FIXED INCOME PORTFOLIO

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 industry and issuer diversification, asset-liability matching, and by avoiding inherently more risky investment structures.

The Company does not invest in troubled asset classes, which have generally proven to be "toxic" and "illiquid" for many investors. For many years, our portfolio has had zero or extremely limited exposure to these 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 2017, the two-year U.S. Treasury note yield rose to 1.89%, versus historically low yields of 1.19% for 2016, and 1.05% for 2015. The 10-year Treasury note, however, yielded 2.41% at December 31, 2017, little changed from 2.45% at year-end 2016, and a modest increase from 2.27% in 2015. The Treasury yield curve ended 2017 with a much flatter slope versus 2016. This was indicated by a 52-basis point difference between the two- and 10-year notes at December 31, 2017, compared with a 126-basis point difference at year-end 2016.



Diversification of Fixed Maturity Portfolio

The flatter U.S. Treasury yield curve resulted principally from the Federal Reserve Board's monetary actions. These raised the Federal Funds rate from 0.75% at year-end 2016 to 1.50% by last year end. In addition, corporate bond yield spreads to the U.S. Treasury curve continued to narrow during 2017 from the historically wide levels of 2015. By the close of last year, narrower spreads were also evident within the high yield market. This was especially true within the energy and metals industrial sectors, where economic stress and uncertainty had been evident in the preceding two years.

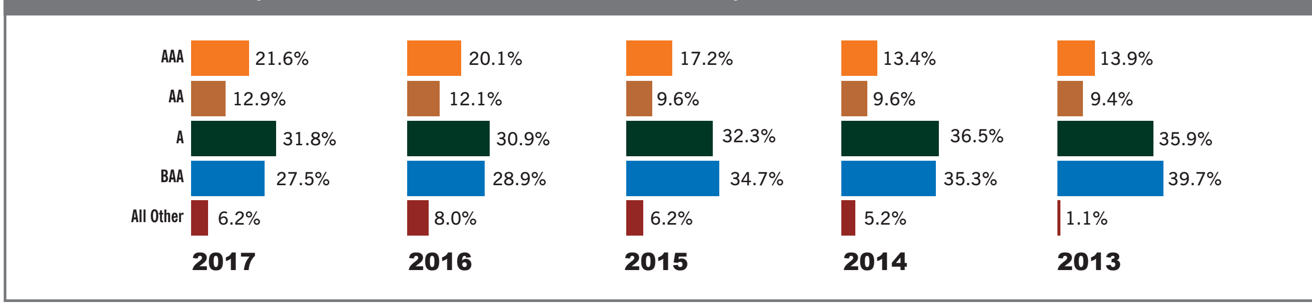
As a result, the market valuation of ORI's bond portfolio remained essentially unchanged last year. The market value of the long-term fixed income portfolio at year-end 2017 was about 101.3% of book value compared to 101.4% at December 31, 2016. Total net unrealized gains in the bond portfolio declined modestly, to $121.8 million versus $124.0 million at the end of 2016.

Fixed income purchases in 2017 consisted principally of marketable, non-callable corporate securities of various investment grade issuers and industry sectors. Maturities of bond purchases ranged primarily between three and 10 years. We also invested in tax-exempt municipal securities earlier in 2017 on a very limited basis. At that time, they offered a relatively favorable post-tax effective yield versus taxable alternatives. Then it became apparent that there were serious legislative discussions concerning tax reform. So we stopped purchasing tax-exempt municipal securities.

The long-term fixed income security holdings of $9.2 billion at the close of 2017 had an average maturity of 4.7 years, with an implied duration of 4.17. This compared with an average maturity of 4.8 years, with an implied duration of 4.23, at year-end 2016. Investment grade issues represented 93.8% of the portfolio, versus 92.0% and 93.8% at the end of 2016 and 2015, respectively. It's worth noting that no fixed income holdings were in default at year end.

COMMON STOCK PORTFOLIO

Equity portfolio performance, vis-a-vis the Standard & Poor's 500, reflected total market returns of 21.8% in 2017, versus 11.9% and 1.4% for 2016 and 2015,



Quality Distribution of Consolidated Fixed Maturity Securities Portfolio respectively. Old Republic's stock equity portfolio had a market value of $3,264.4 million at December 31, 2017. That was meaningfully higher than the $2,895.2 million at year-end 2016. Unrealized capital gains were $635.1 million last year, versus $490.2 at the end of 2016. During 2017, purchases of common stocks reached $727.2 million. For the year, $194.7 million in net realized capital gains were generated on sales of $698.5 million.

Our actively managed equity portfolio focused on buying higher yielding blue chip and utility common stocks. These securities also offer additional income opportunities through their propensity of delivering dividend growth. The common stock portfolio is comprised entirely of extremely liquid, publicly traded shares of major corporations. It excludes illiquid, equity-related securities, such as limited partnerships, derivatives or private equity investments. The stock portfolios indicated "beta" was 0.91, which implied a more conservative, less volatile composite relative to the S&P 500 Index.

With a market value of $3,264.4 million, the stock portfolio represented 69.0% of the Company's GAAP shareholder's equity of $4,733.3 million for 2017. Total stock portfolio exposures are guided by the level of our insurance subsidiaries' regulatory capital. Self-imposed limits are established on amounts committed to common stocks. We do this to avoid the potential negative effects that sudden and significant declines in stock market valuations would have on capital.

The next table highlights the effect of sector allocations in the aggregate common stock portfolio at the end of the last three years. It also shows the breakdown of equity holdings between Old Republic's insurance underwriting and non-insurance subsidiaries, as well as a breakout by industry.

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

	2017		2016		2015	
	Market Value	Portfolio %	Market Value	Portfolio %	Market Value	Portfolio %
Portfolio Management:						
Actively Managed	**$ 3,177.1**	**97.3%**	$ 2,808.4	97.0%	$ 1,865.4	93.8%
Indexed	**87.0**	**2.7%**	86.6	3.0%	120.3	6.1%
Other	**0.2**	**0.0%**	0.2	0.0%	1.3	0.1%
Total	**$ 3,264.4**	**100.0%**	$ 2,895.2	100.0%	$ 1,986.9	100.0%
Portfolio Distribution:						
Insurance Subsidiaries	**$ 2,492.8**	**76.4%**	$ 2,225.2	76.9%	$ 1,780.7	89.6%
Non-Insurance Subsidiaries	**771.6**	**23.6%**	670.0	23.1%	206.2	10.4%
Total	**$ 3,264.4**	**100.0%**	$ 2,895.2	100.0%	$ 1,986.9	100.0%
Industry Distribution:						
Consumer	**$ 600.0**	**18.4%**	$ 429.7	14.8%	$ 342.9	17.3%
Energy	**547.4**	**16.8%**	357.6	12.4%	229.0	11.5%
Financial	**237.3**	**7.3%**	275.1	9.5%	131.6	6.6%
Health Care	**305.7**	**9.4%**	208.1	7.2%	170.9	8.6%
Industrial	**268.8**	**8.2%**	544.0	18.8%	330.8	16.6%
Technology	**287.1**	**8.8%**	208.4	7.2%	117.2	5.9%
Transportation	**25.9**	**0.8%**	57.6	2.0%	27.9	1.4%
Utilities	**876.2**	**26.8%**	706.5	24.4%	529.9	26.7%
Other, REIT & Canada	**115.7**	**3.5%**	108.2	3.7%	106.8	5.4%
Total	**$ 3,264.4**	**100.0%**	$ 2,895.2	100.0%	$ 1,986.9	100.0%

ECONOMIC LANDSCAPE AND OUTLOOK

The outlook for 2018 for improved business activity looks promising. As always, uncertainties remain.

The Tax Cuts and Jobs Act of 2017 has potentially added a significant dose of fiscal stimulus to an anemic American economy. That came in the form of reducing the corporate income tax rate, to 21% from 35%, and tax incentives for businesses to repatriate foreign earnings. Together with an improvement in the regulatory business environment and firmer commodity prices, significant market optimism has developed and resulted in firmer equity valuations. Concerns remain, however. These stem from the possibility of excess government deficits, or indebtedness at the federal and municipal levels because of the Act. The potential for a gradual rise in interest rates and changes in international trade relationships could also affect economic developments.

Since the beginning of the Great Recession in 2008, the Federal Reserve Board used a less restrictive monetary policy to stimulate the economy. This policy focused on keeping short-term interest rates low, and direct financial market intervention through a series of so-called quantitative easing programs. These programs are near an end. The Federal Reserve Board has been raising the Federal Funds Rate gradually and has begun to withdraw from its quantitative easing programs.

Our portfolio of invested assets was directly affected by the Tax Cuts and Jobs Act in two primary areas: common stocks and tax-exempt municipal securities. Deferred taxes calculated at the new lower income tax rate of 21%, and applied toward unrealized gains in our common stock portfolio, resulted in a positive addition to shareholders equity of $104.9 million, or $0.40 in book value per share. The lower income tax rate, however, made ORI's portfolio of tax-exempt municipal securities less attractive to own versus taxable fixed income alternatives. This makes it unlikely we'll make further additions to the tax-exempt portfolio.

We are especially aware of portfolio market valuation and its sensitivity to higher interest rates. Fixed income security purchases in 2018 will likely concentrate on intermediate maturities, between five and 10 years. Further improvements in net investment income will remain a challenge. This will be the case until yields available on both short- and intermediate-term fixed income securities rise from their current historically low levels.

In summary, Old Republic's diversified portfolio of invested assets is well positioned, liquid and of high credit quality. That approach is designed to withstand further economic uncertainty. It also allows us to take advantage of any opportunities in the ever-changing financial marketplace. 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

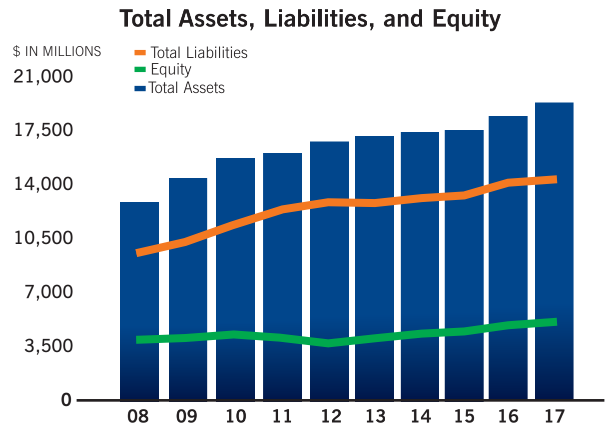
CONSOLIDATED FINANCIAL STATEMENTS

Capitalization and Financial Ratings

OLD REPUBLIC SECURITIES CURRENTLY ISSUED AND OUTSTANDING

Some 269 million outstanding Old Republic common shares could be traded as of year end 2017 on the New York Stock Exchange (symbol: ORI). Institutional investors own a significant percentage of those shares, and nearly 8% 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, 2017 included $470.9 million of 3.75% Convertible Senior Notes due in 2018, $400.0 million of 4.875% Senior Notes due in 2024, and $550.0 million of 3.875% Senior Notes due in 2026. Following the conversion of the 3.75% Convertible Senior Notes, ORI common shares outstanding as of March 15, 2018 had risen to approximately 302 million shares.



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 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**	*
Old Republic International Corporation: Long-term Debt	*	**Baa2**	**BBB+**

**No rating sought by Company or provided by the indicated rating agency.* *Ratings as of December 31, 2017.*

Ten-Year Financial Summary

($ in Millions, Except Share Data)

		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Financial Position Summary	Cash and Fixed Maturity Securities	**$10,145.9**	$ 9,973.1	$9,366.7	$ 9,163.4	$ 9,990.6	$ 9,932.4	$ 9,962.5	$ 9,663.6	$9,230.9	$ 8,358.9
	Equity Securities	**3,265.5**	2,896.1	1,987.8	2,011.7	1,004.2	739.7	580.8	672.4	502.9	350.3
	Other Invested Assets	**124.9**	126.5	120.9	116.4	114.3	128.4	141.7	154.7	145.2	145.8
	Reinsurance Recoverable	**3,371.8**	3,231.5	3,183.6	3,422.5	3,215.7	3,237.1	3,243.9	3,262.5	2,558.0	2,448.0
	Prepaid Federal Income Taxes	**114.3**	82.4	63.3	45.7	–	–	1.0	102.9	221.4	463.4
	Sundry Assets	**2,380.9**	2,281.7	2,379.1	2,216.8	2,201.7	2,179.5	2,120.3	2,026.5	1,531.4	1,499.4
		$19,403.5	$18,591.6	$17,101.6	$16,976.9	$16,526.7	$16,217.3	$16,050.4	$15,882.7	$14,190.0	$13,266.0
	Policy Liabilities	**$ 2,176.3**	$ 2,035.0	$ 1,945.1	$ 1,832.7	$ 1,695.7	$ 1,566.3	$ 1,461.9	$ 1,424.9	$ 1,223.4	$ 1,293.0
	Benefit and Claim Reserves	**9,237.6**	9,206.0	9,120.1	9,122.0	9,433.5	9,303.3	8,786.6	8,814.6	7,915.0	7,241.3
	Sundry Liabilities (d)	**3,256.3**	2,889.9	2,166.3	2,098.0	1,622.4	1,751.4	2,029.2	1,521.8	1,160.1	991.3
	Preferred Stock	**–**	–	–	–	–	–	–	–	–	–
	Common Equity (d)	**4,733.3**	4,460.6	3,869.8	3,924.0	3,775.0	3,596.2	3,772.5	4,121.4	3,891.4	3,740.3
		$19,403.5	$18,591.6	$17,101.6	$16,976.9	$16,526.7	$16,217.3	$16,050.4	$15,882.7	$14,190.0	$13,266.0
	Total Capitalization	**$ 6,182.0**	$ 6,000.4	$4,833.7	$ 4,877.8	$ 4,336.6	$ 4,159.6	$ 4,685.4	$ 4,596.4	$4,238.2	$ 3,973.4
	Book Value Per Share (d)	**$ 17.72**	$ 17.16	$ 14.98	$ 15.15	$ 14.64	$ 14.03	$ 14.76	$ 16.16	$ 16.49	$ 15.91
Income Statement Summary	Net Premiums and Fees	**$ 5,539.7**	$ 5,333.2	$ 5,179.4	$ 4,811.1	$ 4,885.6	$ 4,471.0	$ 4,050.1	$ 3,573.5	$3,388.9	$ 3,318.1
	Net Investment Income	**409.4**	387.0	388.6	345.5	318.7	336.5	364.6	379.0	383.5	377.3
	Other Income	**102.2**	107.3	106.7	101.6	90.1	114.5	115.2	41.0	24.8	28.7
	Net Realized Gains (Losses)	**211.6**	72.8	91.3	272.3	148.1	47.8	115.5	109.1	6.3	(486.4)
	Total Revenues	**6,263.1**	5,900.5	5,766.1	5,530.7	5,442.7	4,970.1	4,645.5	4,102.7	3,803.6	3,237.7
	Benefits and Claims	**2,478.8**	2,347.9	2,459.3	2,514.5	2,238.3	2,765.3	2,764.3	2,278.2	2,609.8	2,722.1
	Sales and General Expenses	**3,058.8**	2,866.5	2,675.0	2,406.6	2,531.3	2,333.3	2,117.8	1,796.8	1,467.4	1,334.8
	Total Expenses	**5,537.7**	5,214.5	5,134.3	4,921.2	4,769.7	5,098.7	4,882.2	4,075.1	4,077.2	4,056.9
	Pretax Income (Loss)	**725.4**	686.0	631.8	609.4	672.9	(128.5)	(236.7)	27.6	(273.6)	(819.2)
	Income Taxes (Credits)	**164.8**	219.0	209.6	199.7	225.0	(59.8)	(96.1)	(2.5)	(174.4)	(260.8)
	Net Income (Loss)	**$ 560.5**	$ 466.9	$ 422.1	$ 409.7	$ 447.8	$ (68.6)	$ (140.5)	$ 30.1	$ (99.1)	$ (558.3)
	Operating Cash Flow	**$ 452.8**	$ 637.3	$ 688.2	$ (181.2)	$ 686.7	$ 532.0	$ (94.9)	$ (282.2)	$ 532.9	$ 565.6
	Net Income (Loss) Per Share: (a)										
	Basic	**$ 2.14**	$ 1.80	$ 1.63	$ 1.58	$ 1.74	$ (.27)	$ (.55)	$ .13	$ (.42)	$ (2.41)
	Diluted	**$ 1.92**	$ 1.62	$ 1.48	$ 1.44	$ 1.57	$ (.27)	$ (.55)	$ .13	$ (.42)	$ (2.41)
Sources of Revenues	General Insurance	**$ 3,531.6**	$ 3,354.7	$ 3,313.3	$ 3,113.5	$ 2,849.9	$ 2,699.4	$ 2,488.6	$ 1,986.9	$ 1,931.1	$ 2,051.3
	Title Insurance	**2,325.0**	2,244.1	2,080.7	1,791.6	2,025.6	1,707.1	1,391.8	1,238.8	914.1	681.3
	Corporate & Other (b)(c)	**50.1**	35.4	35.8	70.0	65.6	68.3	84.8	91.2	84.3	96.8
	Subtotal	**5,906.8**	5,634.3	5,429.8	4,975.3	4,941.1	4,474.9	3,965.3	3,317.0	2,929.6	2,829.4
	RFIG Run-off	**144.6**	193.2	245.0	282.9	353.4	447.3	564.6	676.5	867.6	894.7
	Subtotal	**6,051.5**	5,827.6	5,674.8	5,258.3	5,294.5	4,922.2	4,529.9	3,993.5	3,797.2	3,724.2
	Realized Gains (Losses)	**211.6**	72.8	91.3	272.3	148.1	47.8	115.5	109.1	6.3	(486.4)
	Consolidated	**$ 6,263.1**	$ 5,900.5	$ 5,766.1	$ 5,530.7	$ 5,442.7	$ 4,970.1	$ 4,645.5	$ 4,102.7	$3,803.6	$ 3,237.7
Sources of Pretax Income (Loss)	General Insurance	**$ 340.3**	$ 319.9	$ 336.4	$ 221.3	$ 288.3	$ 261.0	$ 353.9	$ 316.7	$ 311.4	$ 363.0
	Title Insurance	**237.1**	210.2	166.8	99.5	124.3	73.8	36.2	9.4	2.1	(46.3)
	Corporate & Other (b)	**9.9**	13.0	7.6	5.7	2.1	(2.7)	(14.6)	(2.8)	4.0	13.5
	Subtotal	**587.3**	543.3	511.0	326.7	414.7	332.1	375.5	323.2	317.7	330.2
	RFIG Run-off	**(73.5)**	69.8	29.4	10.3	110.0	(508.6)	(727.8)	(404.8)	(597.7)	(663.0)
	Subtotal	**513.8**	613.1	540.4	337.1	524.8	(176.4)	(352.2)	(81.5)	(279.9)	(332.7)
	Realized Gains (Losses)	**211.6**	72.8	91.3	272.3	148.1	47.8	115.5	109.1	6.3	(486.4)
	Consolidated	**$ 725.4**	$ 686.0	$ 631.8	$ 609.4	$ 672.9	$ (128.5)	$ (236.7)	$ 27.6	$ (273.6)	$ (819.2)

(a) Retroactive adjustments have been made for all stock dividends and splits declared through December 31, 2017, and for consistent presentation of annual data.
(b) Represents amounts for Old Republic's holding company parent, minor corporate services subsidiaries, and a small life and accident insurance operation.
(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.
(d) The consolidated financial statements reflect an immaterial adjustment of $11.0 post-tax (or 0.28%) to previously reported shareholder's equity as of January 1, 2015. The adjustment relates to immaterial expense accruals pertaining to the earlier period. As a result, previous reported book values per share decreased by $0.04 per share for the years ended 2015 and 2016.

Ten-Year Operating and Balance Sheet Statistics

($ in Millions)

		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Underwriting/ Service Operating Ratios	***General Insurance:***										
	All Lines Combined:										
	Earned Premiums	**$3,110.8**	$2,936.3	$2,894.7	$2,735.6	$2,513.7	$2,324.4	$2,109.4	$1,694.2	$1,661.1	$1,785.0
	Loss Ratio	**71.2%**	72.4%	73.5%	77.4%	73.0%	72.2%	68.5%	67.1%	68.5%	66.0%
	Dividend Ratio	**.6**	.6	.6	.5	.6	.8	.7	.7	.5	.9
	Expense Ratio	**25.5**	24.8	23.5	22.9	23.7	25.7	25.2	26.9	26.6	26.2
	Composite Ratio	**97.3%**	97.8%	97.6%	100.8%	97.3%	98.7%	94.4%	94.7%	95.6%	93.1%
	Liability Lines Only:										
	Earned Premiums	**$2,032.5**	$1,963.3	$1,989.0	$1,934.3	$1,779.7	$1,659.9	$1,487.8	$1,094.3	$1,045.5	$1,115.1
	Loss Ratio	**76.2%**	78.5%	80.6%	82.6%	77.1%	74.9%	69.8%	68.3%	70.3%	69.4%
	Dividend Ratio	**.6%**	.6%	.5%	.5%	.6%	.8%	1.0%	.8%	.5%	1.0%
	All Other Lines:										
	Earned Premiums	**$1,077.1**	$ 974.1	$ 908.0	$ 801.5	$ 736.7	$ 667.5	$ 623.1	$ 596.6	$ 619.2	$ 672.2
	Loss Ratio	**62.1%**	60.5%	57.3%	65.0%	62.8%	65.3%	64.7%	65.1%	64.4%	60.2
	Dividend Ratio	**.2%**	.3%	.4%	.4%	.3%	.3%	.1%	.5%	.5%	.6
	Title Insurance: (a)										
	Earned Premiums and Fees	**$2,287.2**	$2,206.6	$2,045.3	$1,759.2	$1,996.1	$1,677.4	$1,362.4	$1,211.0	$ 888.4	$ 656.1
	Loss Ratio	**.9%**	3.8%	4.9%	5.2%	6.7%	7.2%	7.8%	8.0%	7.9%	7.0%
	Expense Ratio	**90.0**	87.9	88.3	90.4	88.0	89.6	91.2	93.0	93.8	103.6
	Composite Ratio	**90.9%**	91.7%	93.2%	95.6%	94.7%	96.8%	99.0%	101.0%	101.7%	110.6%
	RFIG Run-off:										
	Earned Premiums	**$ 122.9**	$ 170.0	$ 219.9	$ 255.4	$ 316.5	$ 410.5	$ 503.2	$ 586.8	$ 765.9	$ 796.8
	Loss Ratio	**160.9%**	60.4%	88.0%	97.2%	68.8%	221.8%	230.5%	169.0%	177.5%	181.4%
	Expense Ratio	**16.6**	12.2	10.0	9.5	8.1	10.4	22.1	13.3	11.6	12.7
	Composite Ratio	**177.5%**	72.6%	98.0%	106.7%	76.9%	232.2%	252.6%	182.3%	189.1%	194.1%
	Consolidated:										
	Earned Premiums and Fees	**$5,539.7**	$5,333.2	$5,179.4	$4,811.1	$4,885.6	$4,471.0	$4,050.1	$3,573.5	$3,388.9	$3,318.1
	Loss Ratio	**44.7%**	44.0%	47.5%	52.3%	45.8%	61.9%	68.3%	63.8%	77.0%	82.0%
	Expense Ratio	**52.0**	50.6	48.5	47.1	49.2	48.5	47.5	47.6	41.5	38.9
	Composite Ratio	**96.7%**	94.6%	96.0%	99.4%	95.0%	110.4%	115.8%	111.4%	118.5%	120.9%
Balance Sheet Leverage	***Premium Leverage (b):***										
	General Insurance	**1.0x**	1.0x	1.1x	1.0x	.9x	.8x	.7x	.6x	.6x	.8x
	Title Insurance	**3.6**	3.9	4.3	3.8	4.5	4.2	4.2	4.0	3.1	2.5
	RFIG Run-off	**.3**	.5	.8	1.2	N/M	N/M	32.2	1.3	1.3	1.0
	Consolidated	**1.2x**	1.2x	1.4x	1.3x	1.3x	1.2x	1.1x	.8x	.9x	.9x
	Reserve Leverage (c):										
	General Insurance	**172%**	182%	189%	162%	146%	136%	132%	138%	131%	147%
	Title Insurance	**87**	108	122	109	106	99	103	99	96	109
	RFIG Run-off	**66**	130	255	388	N/M	N/M	N/M	368	338	167
	Consolidated	**134%**	145%	166%	157%	176%	181%	157%	144%	145%	136%
Capitalization and Fixed Charges Coverage Ratios	Debt	**23.4%**	25.5%	19.8%	19.6%	13.0%	13.5%	19.5%	10.3%	8.2%	5.9%
	Preferred Stock	**–**	–	–	–	–	–	–	–	–	–
	Common Equity	**76.6**	74.5	80.2	80.4	87.0	86.5	80.5	89.7	91.8	94.1
	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)	**9.0x**	13.0x	13.6x	12.9x	23.6x	N/M	N/M	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, realized gains (losses) and interest expense to annual interest expense.
N/M = Not meaningful

Common Share Statistics

(Common Stock Data in Dollars to Nearest Cent)

		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Company Performance on the Stock Market (f)	Stock Price Quotes:										
	High (g)	**$21.56**	$20.00	$19.11	$17.26	$17.45	$11.21	$13.92	$15.50	$12.85	$17.25
	Low (g)	**$17.92**	$16.51	$13.59	$13.43	$10.74	$ 7.76	$ 7.15	$10.02	$ 7.24	$ 6.77
	Close	**$21.38**	$19.00	$18.63	$14.63	$17.27	$10.65	$ 9.27	$13.63	$10.04	$11.92
	Closing Stock Price Ratios to:										
	Book Value	**1.2x**	1.1x	1.2x	1.0x	1.2x	.8x	.6x	.8x	.6x	.7x
	Income (Loss) Before Other Items:										
	Basic	**17.7x**	11.7x	13.3x	16.3x	12.6x	N/M	N/M	N/M	N/M	N/M
	Diluted	**19.3x**	13.0x	14.6x	17.4x	13.8x	N/M	N/M	N/M	N/M	N/M
	Net Income (Loss):										
	Basic	**10.0x**	10.6x	11.4x	9.3x	9.9x	N/M	N/M	104.8x	N/M	N/M
	Diluted	**11.1x**	11.7x	12.6x	10.2x	11.0x	N/M	N/M	104.8x	N/M	N/M
	Total Return–Market Basis (b)	**16.6%**	6.0%	32.4%	-11.1%	69.0%	22.6%	-26.9%	42.7%	-10.1%	-18.3%
	Shares Outstanding (Thousands)										
	Average:										
	Basic	**262,114**	259,429	259,502	258,553	257,443	255,812	255,045	241,075	235,657	231,484
	Diluted	**299,387**	296,379	296,088	295,073	293,684	255,812	255,045	241,327	235,657	231,484
	End of Period	**267,141**	259,906	258,459	259,012	257,937	256,392	255,681	255,045	235,995	235,031
Company Performance on its Books (f)	Composition of Basic Earnings (a):										
	Income (Loss), before Items Below	**$ 1.21**	$ 1.62	$ 1.40	$ .90	$ 1.37	$ (.39)	$ (.86)	$ (.16)	$ (.67)	$ (.81)
	Realized Gains (Losses)	**.93**	.18	.23	.68	.37	.12	.31	.29	.25	(1.60)
	Net Income (Loss)	**$ 2.14**	$ 1.80	$ 1.63	$ 1.58	$ 1.74	$ (.27)	$ (.55)	$ .13	$ (.42)	$ (2.41)
	Composition of Diluted Earnings (a):										
	Income (Loss), before Items Below	**$ 1.11**	$ 1.46	$ 1.28	$ .84	$ 1.25	$ (.39)	$ (.86)	$ (.16)	$ (.67)	$ (.81)
	Realized Gains (Losses)	**.81**	.16	.20	.60	.32	.12	.31	.29	.25	(1.60)
	Net Income (Loss)	**$ 1.92**	$ 1.62	$ 1.48	$ 1.44	$ 1.57	$ (.27)	$ (.55)	$ .13	$ (.42)	$ (2.41)
	Dividends on Common Stock:										
	Amount (h)	**$ 1.76**	$ .75	$ .74	$ .73	$ .72	$ .71	$ .70	$ .69	$ .68	$ .67
	Payout Ratio (c)	**159%**	51%	58%	87%	58%	N/M	N/M	N/M	N/M	N/M
	Stock Dividends	**–**	–	–	–	–	–	–	–	–	–
	Book Value:										
	Amount	**$ 17.72**	$ 17.16	$ 14.98	$ 15.15	$ 14.64	$ 14.03	$ 14.76	$ 16.16	$ 16.49	$ 15.91
	% Change	**3.3%**	14.5%	-.9%	3.5%	4.3%	-4.9%	-8.7%	-2.0%	3.6%	-19.3%
	Total Return–Book Basis (b)	**13.6%**	19.5%	4.0%	8.5%	9.4%	-.1%	-4.4%	2.2%	7.9%	-15.9%
	Cash and Invested Assets Per Share:										
	Amount (d)	**$ 50.67**	$50.00	$44.40	$43.60	$43.07	$42.13	$41.79	$41.13	$41.86	$37.68
	Ratio to Book Value	**2.9x**	2.9x	3.0x	2.9x	2.9x	3.0x	2.8x	2.5x	2.5x	2.4x
	Ratio to Closing Price	**2.4x**	2.6x	2.4x	3.0x	2.5x	4.0x	4.5x	3.0x	4.2x	3.2x
	Return on Equity (e):										
	As Reported	**12.6%**	12.0%	10.8%	10.9%	12.5%	-1.8%	-3.4%	.8%	-2.6%	-12.3%
	Cost Basis	**13.9%**	12.4%	11.9%	12.1%	14.7%	-2.1%	-3.9%	.9%	-2.7%	-12.5%

(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 realized gains or losses, extraordinary charges, and cumulative effect of accounting changes.

(d) Based on total shares outstanding at end of year, after elimination of treasury shares.

(e) "As Reported" has been calculated as net income as a percentage of common shareholders' equity at the beginning of the year. The "Cost Basis" calculation excludes net unrealized appreciation (depreciation) of securities from common shareholders' equity.

(f) Retroactive adjustments have been made for all stock dividends and splits declared through December 31, 2017.

(g) Represents the intraday high and low sales price.

(h) 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,				
	2017	2016	2015	2014	2013
Assets					
Investments:					
Available for Sale:					
Fixed Maturity Securities (at Fair Value)	**$ 8,282.3**	$ 8,170.9	$ 8,181.5	$ 8,417.2	$ 8,712.3
Equity Securities (at Fair Value)	**3,265.5**	2,896.1	1,987.8	2,011.7	1,004.2
Short-Term Investments (at Fair Value, which Approximates Cost)	**670.1**	681.6	669.4	609.4	1,124.8
Miscellaneous Investments	**29.1**	31.2	27.2	24.7	21.6
Total	**12,247.2**	11,780.0	10,866.1	11,063.2	10,863.1
Held to Maturity:					
Fixed Maturity Securities (at Amortized Cost)	**1,067.4**	974.8	355.8	–	–
Other Investments	**3.3**	2.9	3.5	5.5	5.3
Total Investments	**13,318.0**	12,757.7	11,255.5	11,068.8	10,868.5
Other Assets:					
Cash	**125.9**	145.7	159.8	136.7	153.3
Securities and Indebtedness of Related Parties	**12.8**	17.6	27.7	17.7	18.0
Accrued Investment Income	**92.4**	92.3	90.1	86.1	87.2
Accounts and Notes Receivable	**1,469.7**	1,390.2	1,310.2	1,287.6	1,190.5
Federal Income Tax Recoverable: Current	**–**	14.9	26.5	29.2	114.7
Deferred	**–**	–	154.5	37.0	48.4
Prepaid Federal Income Taxes	**114.3**	82.4	63.3	45.7	–
Reinsurance Balances and Funds Held	**141.6**	127.7	129.0	148.7	189.2
Reinsurance Recoverable: Paid Losses	**60.5**	63.4	61.1	66.9	64.9
Policy and Claim Reserves	**3,311.3**	3,168.1	3,122.5	3,355.6	3,150.8
Deferred Policy Acquisition Costs	**297.8**	274.0	255.4	230.8	192.6
Sundry Assets	**458.8**	457.1	475.6	465.5	448.0
Total Other Assets	**6,085.5**	5,833.8	5,876.1	5,908.1	5,658.2
Total Assets	**$ 19,403.5**	$ 18,591.6	$ 17,101.6	$ 16,976.9	$16,526.7
Liabilities, Preferred Stock, and Common Shareholders' Equity					
Liabilities:					
Losses, Claims, and Settlement Expenses	**$ 9,237.6**	$ 9,206.0	$ 9,120.1	$ 9,122.0	$ 9,433.5
Unearned Premiums	**1,971.5**	1,842.9	1,748.7	1,627.7	1,487.8
Other Policyholders' Benefits and Funds	**204.7**	192.0	196.4	205.0	207.8
Total Policy Liabilities and Accruals	**11,413.9**	11,241.0	11,065.3	10,954.7	11,129.2
Commissions, Expenses, Fees, and Taxes	**547.7**	485.4	463.3	454.6	409.8
Reinsurance Balances and Funds	**566.9**	530.3	496.1	473.8	441.9
Federal Income Tax Payable: Current	**6.5**	–	–	–	–
Deferred	**100.5**	42.6	–	–	–
Debt	**1,448.7**	1,528.7	952.8	953.7	561.6
Sundry Liabilities	**585.8**	302.6	253.9	215.8	209.0
Commitments and Contingent Liabilities	**–**	–	–	–	–
Total Liabilities	**14,670.2**	14,130.9	13,231.7	13,052.8	12,751.7
Preferred Stock:					
Convertible Preferred Stock	**–**	–	–	–	–
Common Shareholders' Equity:					
Common Stock	**269.2**	262.7	261.9	260.9	260.4
Additional Paid-In Capital	**815.2**	713.8	698.0	681.6	673.9
Retained Earnings	**3,206.9**	3,199.6	2,926.5	2,706.7	2,485.3
Accumulated Other Comprehensive Income (Loss)	**474.2**	323.6	29.2	292.3	378.2
Unallocated ESSOP Shares (at Cost)	**(32.4)**	(39.2)	(45.8)	(17.6)	(23.0)
Total Common Shareholders' Equity	**4,733.3**	4,460.6	3,869.8	3,924.0	3,775.0
Total Liabilities, Preferred Stock, and Common Shareholders' Equity	**$ 19,403.5**	$ 18,591.6	$17,101.6	$16,976.9	$16,526.7

Consolidated Statements of Income

($ in Millions, Except Share Data)

	Years Ended December 31,				
	2017	2016	2015	2014	2013
Revenues:					
Net Premiums Earned	**$5,080.2**	$4,868.9	$4,758.8	$4,446.3	$4,456.6
Title, Escrow, and Other Fees	**459.5**	464.2	420.5	364.8	429.0
Total Premiums and Fees	**5,539.7**	5,333.2	5,179.4	4,811.1	4,885.6
Net Investment Income	**409.4**	387.0	388.6	345.5	318.7
Other Income	**102.2**	107.3	106.7	101.6	90.1
Total Operating Revenues	**6,051.5**	5,827.6	5,674.8	5,258.3	5,294.5
Realized Investment Gains (Losses):					
From Sales	**211.6**	77.8	91.3	272.3	148.1
From Impairments	**–**	(4.9)	–	–	–
Total Realized Investment Gains (Losses)	**211.6**	72.8	91.3	272.3	148.1
Total Revenues	**6,263.1**	5,900.5	5,766.1	5,530.7	5,442.7
Benefits, Claims, and Expenses:					
Benefits, Claims, and Settlement Expenses	**2,459.2**	2,329.8	2,441.3	2,500.0	2,223.0
Dividends to Policyholders	**19.5**	18.1	17.9	14.4	15.2
Underwriting, Acquisition, and Other Expenses	**2,995.7**	2,816.3	2,633.0	2,381.0	2,509.7
Interest and Other Charges	**63.0**	50.2	41.9	25.6	21.6
Total Expenses	**5,537.7**	5,214.5	5,134.3	4,921.2	4,769.7
Income (Loss) Before Income Taxes (Credits)	**725.4**	686.0	631.8	609.4	672.9
Income Taxes (Credits):					
Current	**132.6**	190.1	201.0	152.4	79.0
Deferred	**32.2**	28.8	8.6	47.3	146.0
Total	**164.8**	219.0	209.6	199.7	225.0
Net Income (Loss)	**$ 560.5**	$ 466.9	$ 422.1	$ 409.7	$ 447.8
Net Income (Loss) Per Share:					
Basic	**$ 2.14**	$ 1.80	$ 1.63	$ 1.58	$ 1.74
Diluted	**$ 1.92**	$ 1.62	$ 1.48	$ 1.44	$ 1.57
Average Number of Common and Common Equivalent Shares Outstanding: Basic	**262,114,533**	259,429,298	259,502,067	258,553,662	257,443,999
Diluted	**299,387,373**	296,379,251	296,088,963	295,073,206	293,684,035
Dividends Per Common Share:					
Cash:	**$ 1.76**	$ .75	$ .74	$ .73	$ .72

Consolidated Statements Of Comprehensive Income

($ in Millions)

	Years Ended December 31,				
	2017	2016	2015	2014	2013
Net Income (Loss) as Reported	**$ 560.5**	$ 466.9	$ 422.1	$ 409.7	$ 447.8
Other Comprehensive Income (Loss):					
Net Unrealized Gains (Losses) on Securities, Net of Tax	**73.9**	292.1	(248.9)	(20.4)	(166.2)
Net Adjustment Related to Defined Benefit Pension Plans, Net of Tax	**(18.0)**	(.4)	5.9	(53.0)	72.6
Foreign Currency Translation and Other Adjustments	**9.5**	2.6	(20.1)	(12.2)	(9.9)
Net Adjustments	**65.4**	294.4	(263.1)	(85.8)	(103.5)
Comprehensive Income (Loss)	**$ 626.0**	$ 761.4	$ 159.0	$ 323.9	$ 344.3

Consolidated Statements of Preferred Stock and Common Shareholders' Equity

($ in Millions)

	Years Ended December 31,				
	2017	2016	2015	2014	2013
Convertible Preferred Stock:					
Balance, Beginning and End of Year	**$ –**	$ –	$ –	$ –	$ –
Common Stock:					
Balance, Beginning of Year	**$ 262.7**	$ 261.9	$ 260.9	$ 260.4	$ 259.4
Dividend Reinvestment Plan	**–**	–	–	–	–
Net Issuance of Shares Under Stock Based Compensation Plans	**1.3**	.6	.9	.4	.9
Conversion of Senior Debentures	**5.1**	–	–	–	–
Issuance of Shares	**–**	–	–	–	–
Balance, End of Year	**$ 269.2**	$ 262.7	$ 261.9	$ 260.9	$ 260.4
Additional Paid-In Capital:					
Balance, Beginning of Year	**$ 713.8**	$ 698.0	$ 681.6	$ 673.9	$ 660.9
Dividend Reinvestment Plan	**.8**	.8	.8	.8	.8
Net Issuance of Shares Under Stock Based Compensation Plans	**15.0**	6.7	9.8	4.0	9.5
Conversion of Senior Debentures	**73.8**	–	–	–	–
Issuance of Shares	**–**	1.2	–	–	–
Stock Based Compensation	**4.1**	.7	1.8	.5	–
ESSOP Shares Released	**7.3**	6.2	4.2	3.8	2.6
Acquistion of Non-controlling Interest	**–**	–	(.2)	(1.6)	–
Balance, End of Year	**$ 815.2**	$ 713.8	$ 698.0	$ 681.6	$ 673.9
Retained Earnings:					
Balance, Beginning of Year	**$3,199.6**	$2,926.5	$2,695.7	$2,485.3	$2,222.3
Net Income (Loss)	**560.5**	466.9	422.1	409.7	447.8
Dividends on Common Stock: Cash	**(468.0)**	(193.8)	(191.3)	(188.3)	(184.8)
Reclassification of Income Tax					
Effects of the Tax Cuts and Jobs Act	**(85.1)**	–	–	–	–
Balance, End of Year	**$3,206.9**	$3,199.6	$2,926.5	$2,706.7	$2,485.3
Accumulated Other Comprehensive Income (Loss):					
Balance, Beginning of Year	**$ 323.6**	$ 29.2	$ 292.3	$ 378.2	$ 481.7
Net Unrealized Gains (Losses) on Securities, Net of Tax	**73.9**	292.1	(248.9)	(20.4)	(166.2)
Net Adjustment Related to Defined Benefit Pension Plans, Net of Tax	**(18.0)**	(.4)	5.9	(53.0)	72.6
Foreign Currency Translation and Other Adjustments	**9.5**	2.6	(20.1)	(12.2)	(9.9)
Reclassification of Income Tax					
Effects of the Tax Cuts and Jobs Act	**85.1**	–	–	–	–
Balance, End of Year	**$ 474.2**	$ 323.6	$ 29.2	$ 292.3	$ 378.2
Unallocated ESSOP Shares:					
Balance, Beginning of Year	**$ (39.2)**	$ (45.8)	$ (17.6)	$ (23.0)	$ (28.2)
ESSOP Shares Released	**6.8**	6.6	5.7	5.3	5.2
Purchase of Unallocated ESSOP Shares	**–**	–	(34.0)	–	–
Balance, End of Year	**$ (32.4)**	$ (39.2)	$ (45.8)	$ (17.6)	$ (23.0)

Consolidated Statements of Cash Flows

($ in Millions)

	Years Ended December 31,				
	2017	2016	2015	2014	2013
Cash Flows from Operating Activities:					
Net Income (Loss)	**$ 560.5**	$ 466.9	$ 422.1	$ 409.7	$ 447.8
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:					
Deferred Policy Acquisition Costs	**(23.3)**	(18.3)	(24.1)	(39.0)	(27.9)
Premiums and Other Receivables	**(79.3)**	(59.2)	(22.6)	(97.2)	(55.9)
Unpaid Claims and Related Items	**(123.7)**	31.4	214.4	(480.6)	141.2
Unearned Premiums and Other Policyholders' Liabilities	**152.7**	77.6	69.4	104.4	102.9
Income Taxes	**49.5**	40.6	13.4	132.7	103.7
Prepaid Federal Income Taxes	**(31.8)**	(19.1)	(17.5)	(45.7)	–
Reinsurance Balances and Funds	**25.3**	33.1	27.3	70.6	55.5
Realized Investment (Gains) Losses	**(211.6)**	(72.8)	(91.3)	(272.3)	(148.1)
Accounts Payable, Accrued Expenses and Other	**134.5**	157.0	96.8	36.1	67.3
Total	**452.8**	637.3	688.2	(181.2)	686.7
Cash Flows from Investing Activities:					
Fixed Maturity Securities:					
Available for Sale:					
Maturities and Early Calls	**1,000.6**	967.9	764.1	845.2	1,387.4
Sales	**468.4**	306.2	259.5	847.5	194.8
Sales of:					
Equity Securities	**698.5**	419.1	462.4	617.0	172.5
Other–Net	**30.0**	56.6	32.8	17.4	29.3
Purchases of:					
Fixed Maturity Securities:					
Available for Sale	**(1,607.2)**	(1,166.2)	(1,023.0)	(1,373.2)	(2,120.8)
Held to Maturity	**(114.5)**	(632.1)	(357.9)	–	–
Equity Securities	**(727.2)**	(928.4)	(486.9)	(1,466.6)	(209.5)
Other–Net	**(54.3)**	(47.5)	(46.6)	(47.6)	(44.6)
Purchase of a Business	**–**	–	–	(2.8)	(5.1)
Net Decrease (Increase) in Short-Term Investments	**11.8**	(12.1)	(55.5)	513.0	139.1
Other–Net	**(.1)**	–	1.3	(2.2)	(.4)
Total	**(293.9)**	(1,036.4)	(449.8)	(43.3)	(457.6)
Cash Flows from Financing Activities:					
Issuance of Debentures and Notes	**–**	576.8	–	394.4	–
Issuance of Common Shares	**17.8**	8.4	12.0	5.7	11.8
Redemption of Debentures and Notes	**(3.9)**	(3.5)	(3.3)	(4.2)	(3.6)
Purchase of Unallocated ESSOP Shares	**–**	–	(34.0)	–	–
Dividends on Common Shares	**(198.8)**	(193.8)	(191.3)	(188.3)	(184.8)
Other–Net	**6.4**	(2.8)	1.3	.4	(.3)
Total	**(178.5)**	385.0	(215.2)	207.9	(176.9)
Increase (Decrease) in Cash:	**(19.7)**	(14.1)	23.0	(16.6)	52.0
Cash, Beginning of Year	**145.7**	159.8	136.7	153.3	101.2
Cash, End of Year	**$ 125.9**	$ 145.7	$ 159.8	$ 136.7	$ 153.3
Supplemental Cash Flow Information:					
Cash Paid (Received) During the Year for: Interest	**$ 62.5**	$ 40.9	$ 40.8	$ 21.2	$ 21.3
Income Taxes	**$ 106.3**	$ 178.6	$ 198.5	$ 67.3	$ 122.3

Key Operating Subsidiaries

(As of December 31, 2017)

Currently, Old Republic manages its business through some 134 corporate entities, of which 27 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 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

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 Risk Management, Inc.
Old Republic Specialty Insurance Underwriters, Inc. (b)
PMA Management Corporation
PMA Management Corporation of New England

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 Sevices, LLC (b)
Compass Abstract, Inc.
eRecording Partners Network, LLC (b)
Genesis Abstract, LLC (b)
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 Houston
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 Credit Indemnity Company
Republic Mortgage Assurance Company
Republic Mortgage Guaranty Insurance Corporation
Republic Mortgage Insurance Company

Agencies & Service Companies (a)

Republic Insured Credit Services, Inc.
Republic Equity Credit Services, Inc.

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 Company

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

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

Glenn W. Reed
Managing Director - Strategy Divison (Retired) The Vanuard Group, Inc.

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

Dennis P. Van Mieghem
Partner (Retired)
KPMG LLP

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

Aldo C. Zucaro
Chairman of the Board and Chief Executive Officer

OLD REPUBLIC INTERNATIONAL CORPORATION ("ORI") OFFICE OF THE CHIEF EXECUTIVE OFFICER

Charles S. Boone
ORI Senior Vice President - Investments and Treasurer

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

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

R. Scott Rager
ORI President and Chief Operating Officer

Craig R. Smiddy
President and Chief Operating Officer - Old Republic General Insurance Companies

Rande K. Yeager
Chairman and Chief Executive Officer - Old Republic Title Companies

Aldo C. Zucaro
ORI Chairman of the Board and Chief Executive Officer

OLD REPUBLIC GENERAL INSURANCE COMPANIES
OFFICE OF THE CHIEF EXECUTIVE OFFICER

Charles S. Boone
ORI Senior Vice President - Investments and Treasurer

W. Todd Gray
Senior Vice President - Operations & Finance

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

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

Stephen J. Oberst
President - Old Republic Risk Management, Inc.

R. Scott Rager
ORI President and Chief Operating Officer

Craig R. Smiddy
President and Chief Operating Officer

Aldo C. Zucaro
ORI Chairman of the Board and Chief Executive Officer

OLD REPUBLIC GENERAL INSURANCE COMPANIES
SENIOR CORPORATE OFFICERS

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

Vincent T. Donnelly
PMA Companies

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

James D. Jensen
Great West Casualty Company

Alan P. Pavlic
Old Republic Surety Company

Vincent C. Lamb
BITCO Insurance Companies

Leonard S. Milazzo (*)
Republic Insured Credit Services, Inc.

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

Stephen J. Oberst
Old Republic Risk Management, Inc.

Frank J. Kastelic
Old Republic Professional Liability, Inc.

Ralph H. Sohl
Old Republic Aerospace, Inc.

OLD REPUBLIC TITLE INSURANCE COMPANIES
SENIOR CORPORATE EXECUTIVES

Mark A. Bilbrey
President

Jeffery J. Bluhm
Executive Vice President; Agency Services and Administrator

Mark M. Budzinski
Executive Vice President; Law and Corporate Affairs

Patrick A. Connor
Executive Vice President; President - Old Republic National Title Services, Inc.

Roger Gaio
Executive Vice President and Information Officer

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

Gary J. Horn
Executive Vice President; Corporate Finance and Development

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

Chris G. Lieser
Executive Vice President and Chief Financial Officer

Carolyn J. Monroe
Executive Vice President; President - Old Republic Western Title, Inc.

Michael B. Skalka
Executive Vice President; President - Old Republic Title Commerical Services, Inc.

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

Daniel M. Wold
Executive Vice President; General Counsel and Secretary

Rande K. Yeager
Chairman and Chief Executive Officer

Robert E. Zellar
Executive Vice President; Director of Corporate Development

RMIC COMPANIES, INC.(*)
SENIOR CORPORATE EXECUTIVES

D. Christopher Cash
Senior Vice President and Chief Accounting Officer

Kevin J. Henry
President and Chief Operating Officer

Spencer LeRoy III
Vice Chairman

Karl W. Mueller
Senior Vice President and Chief Financial Officer

Aldo C. Zucaro
Chairman of the Board

(*) Consolidated members of the Republic Financial Indemnity Group, Inc.

THE MOST RECENT DECADE

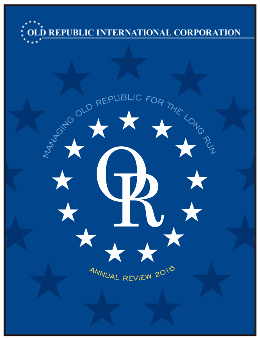
2017 Old Republic put the lasting effects of the Great Recession and the run-off of its financial indemnity business behind it. This allowed us to plan for greater outcomes for all stakeholders in the coming years.

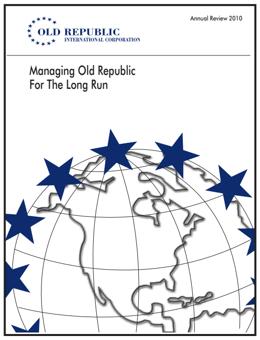
General Insurance benefited from a rebounding economy and the repairs we made to our underwriting protocols in prior years. Record net premiums earned and net investment income led to a new high in pretax operating profit. We worked to further improve our underwriting and total operating margins.

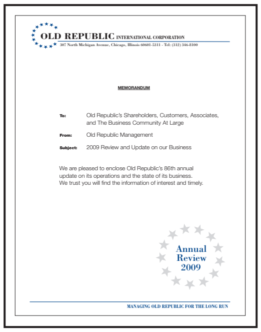
Title Insurance posted its third consecutive years of $2+ billion in revenue and set a new record. Low mortgage interest rates and active housing and commercial markets led to higher premiums and fees. In addition, both our direct and independent agency operations contributed to growth. Consumer confidence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

2009 Old Republic's balanced and targeted book of business lifted performance from the lows of 2008. The mortgage and general insurance businesses were negatively affected by weak housing and consumer credit markets. However, title insurance returned to profitable growth through increased home refinancing activity and higher market share. This, plus $82.5 million from captive reinsurance premiums now booked as revenue, increased operating revenues slightly to $3.8 billion, and reduced 2009's net loss by 82% to $99.1 million.

A strong invested asset base, positive cash flows from operations, and a conviction in our long-term growth led us to increase cash dividends for the 28th consecutive year.

2008 Continuing dislocations in the housing, mortgage lending, and financial industries were responsible for Old Republic's first operating loss in 33 years. Most of the loss stemmed from unprecedented difficulties in our mortgage guaranty line for the second year in a row. An additional income statement charge of $370.2 million related to mark-to-market paper losses, produced a total loss of $558.3 million in 2008.

The Company's strong capitalization, the continued strength of our general insurance business, and our overall prospects for long-term growth when the economy improves, enabled us to raise the annual cash dividend rate for the 27th consecutive year.

HISTORICAL AND FORWARD LOOKING STATEMENTS

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 affected, in particular, by the level of market competition, which is typically a function of available capital and expected returns on such capital among competitors, the levels of interest and inflation rates, and periodic changes in claim frequency and severity patterns caused by natural disasters, weather conditions, accidents, illnesses, work-related injuries, and unanticipated external events. 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, variations in mortality and health trends, and changes 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.

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 2017 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 2017 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.

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.

OLD REPUBLIC INTERNATIONAL CORPORATION
307 North Michigan Avenue, Chicago, Illinois 60601
www.oldrepublic.com