



Fitch Affirms Ratings of Old Republic Title Group at 'AA-'

19 Feb 2004 11:07 AM (EST)

Fitch Ratings-Chicago-February 19, 2004: Fitch Ratings has affirmed the 'AA-' insurer financial strength ratings of the Old Republic Title Group (ORT), which consists of the following title insurance companies: Old Republic National Title Insurance Co., Old Republic General Title Insurance Corp., Mississippi Valley Title Insurance Co., and American Guaranty Title Insurance Co. The Rating Outlook is Stable.

ORT's ratings benefit from the support of its parent, Old Republic International Corp. (NYSE: ORI). ORI is a publicly traded insurance organization, with interests in property/casualty, title, mortgage guaranty, and life insurance. ORI reported consolidated GAAP assets of \$9.71 billion and stockholders' equity of \$3.55 billion at Dec. 31, 2003. The title operations represented greater than one-third of total revenue for ORI, which is higher than past years given the record-breaking market for title insurance.

ORT's ratings are also supported by its competitive

position as one of the five title underwriters with a national presence, and by its profitable operations. In addition, ORT is managed in a conservative fashion, as seen in its reserving and investment policies.

ORT is the smallest of the five national title insurers with a 6% share of the market as measured by premium volume. ORT's title operating revenues increased by 40% during the first nine months of 2003, which was right at the average for the seven publicly-traded U.S. organizations with title insurance operations. The entire title insurance industry enjoyed improved results over the past several years, driven by a declining interest rate environment and a robust real estate market.

The company's distribution favors agents over owned distribution, which is different than most national peers. Consequently, ORT's cost structure is more variable and should be a benefit during the projected slowdown in title revenue during 2004.

Profitability on a statutory basis was strong, witnessed by an

annualized nine-month 2003 return on assets and return on surplus of 8.5% and 37.7%, respectively.

Fitch uses its own risk-adjusted capital (RAC) ratio to measure the capital adequacy of title insurance companies. ORT's RAC ratio was tied for the highest ratio among the national title insurers at 241%, and factors favorably in its insurer financial strength ratings.

Entity/Issue/Type Action Rating/Outlook

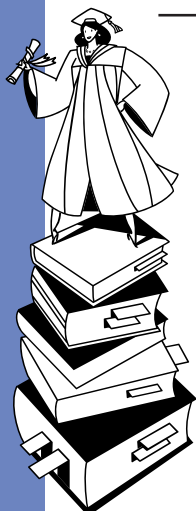
—Old Republic National Title Insurance Company;

—Old Republic General Title Insurance Corporation;

—Mississippi Valley Title Insurance Company;

—American Guaranty Title Insurance Company;

—Insurer financial strength Affirmed 'AA-'/Stable.



John Thornton Scholarship

■ Michael S. Davis, Florida State Counsel

As we advised you last year, Old Republic National Title Insurance Company is sponsoring the **John S. Thornton, Jr. Memorial Scholarship**. Many of us remember John as a great legal mind and a true friend of the title industry. He was dedicated and devoted to our business and was always willing to give of his time to help a colleague, to participate in a seminar, or to serve on a board or committee. Old Republic is very pleased to sponsor this scholarship.

We are attaching an application for your use in applying for the scholarship.

COMMENTS:

We invite your feedback and welcome your suggestions regarding "*In The Title Corner*" and the publication of future articles. Address correspondence to:

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