

To: All Old Republic Agents

From: Scott Pierce
Southeast Region Manager

Date: April 6, 1999

It has come to our attention that at least two underwriters have been using a letter written by National Title Insurance Company, a domestic, Miami-based underwriter, to infer that Old Republic National Title approves of rebating title insurance premiums. This is an erroneous conclusion based on a gross distortion of the facts.

National Title has distributed a letter soliciting business by offering what appears to be a 70% discount of the title insurance premium and attached a copy of the Butler decision. In that letter, National Title indicated that any coverage in excess of \$250,000 is reinsured by Old Republic. This statement is a factual articulation of the reinsurance agreement that has been in place between our two companies for many years.

What is not factual is the allegation that Old Republic Title supports rebating. Old Republic has a contractual obligation to National Title to reinsure certain transactions and we shall honor this obligation. National Title has not breached the reinsurance agreement by its marketing effort.

Some underwriters have been attempting to deceive agents by misrepresenting Old Republic's position on this issue. We hope and trust that these facts will assist each agent's understanding of how some underwriters attempt to establish business relationships with their agents. Old Republic does so based on truth, and we honor our business commitments to our agents and business partners.

We understand that you have a choice with whom you choose to do business and we expect that this incident will assist you in making that determination. Please feel free to contact us should you have any further questions