

# **ANNOUNCEMENT**

To: Old Republic Agents and Offices  
From: Underwriting Department  
Re: Reissue Rate Class Action Litigation  
Date: August 1, 2006

In 2004, a series of class action suits were filed against every major title insurer doing business in Florida, and Old Republic was no exception. These actions all focused on matters related to the reissue rate.

Several companies have already settled their similar litigation, and Old Republic Title has recently entered into an agreed Order granting preliminary approval of our proposed class action settlement. We wanted to take this opportunity to share with our agents certain pertinent provisions of this settlement prior to any official notification to your customers so that you would be better prepared to address any inquiries you may receive.

The action alleged that Old Republic Title, through its agents, failed to give the reissue rate when appropriate under the law. Old Republic has denied this allegation. In fact the settlement specifically states that the company does not admit any wrongdoing or conspiracy by it or by our agents. It does acknowledge the potential for some consumers to have not been sufficiently informed to have availed themselves of the lower rate. To that end, a fund will be established in the amount of \$1.2 million against which appropriate claimants may seek reimbursement based on their production of a qualifying prior owner's policy under the applicable provisions of the Florida Administrative Code.

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Please anticipate a series of printed ads and direct mailings to customers to notify them of this settlement pursuant to its terms. These notifications will direct customers on the method and requirements of perfecting a claim against this fund. It will not require agent involvement nor diminish premiums earned by agents. Potential claimants are Florida consumers who acquired an Old Republic policy between April 19, 1999 and March 28, 2006.

Agents are reminded that it is Old Republic's policy that for transactions where the reissue rate is potentially applicable, you should always request the prior owner's policy (for instance in a refinance transaction) and inform the borrower that production of a proper prior policy may permit a discounted title insurance rate. Where the consumer qualifies for the reissue rate under the rules, that rate must be given.

Please contact our underwriting staff should you have any questions regarding the proper application of the promulgated rules relating to reissue rates.