OLD REPUBLIC INTERNATIONAL CORPORATION

Managing for the long run

2021

Annual Report
Form 10-K
Proxy Statement

Contents

2021 Annual Report to the Shareholders

(To be read in conjunction with the accompanying Form 10-K Annual Report to the Securities and Exchange Commission)

About Us

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

Old Republic traces its beginnings to 1923, although several acquired subsidiaries began operations much earlier. We are primarily a commercial lines underwriter serving the insurance needs of a large number of organizations, including many of North America's leading industrial and financial services institutions.

Our subsidiaries actively market, underwrite, and provide risk management services for a wide variety of coverages, mostly in the general and title insurance fields. The breadth of coverages ensures wide diversification and dispersion of risks. Additionally, Old Republic's companies focus only on carefully selected major sectors of the North American economy that are not uniformly exposed to the same business cycles. Old Republic operates in a decentralized manner that emphasizes specialization by type of insurance coverage, industry, and economic sector. Old Republic's general insurance business ranks among the nation's 50 largest, while our title insurance business is the third largest in its industry.

Old Republic is one of the nation's 50 largest shareholder-owned insurance businesses. We are a member of the *Fortune 500* listing of America's largest companies. ORI's performance reflects an entrepreneurial spirit, a necessary long-term orientation in the management of our business, and a corporate culture that promotes accountability and encourages the taking of prudent business risks.

A summary below shows our Book Value Annual Compound Total Return and Market Value Annual Compound Total Return alongside two market indices. We favor 10-year trends, as these likely encompass one or two economic and/or insurance underwriting cycles.

	ORI Book Value Annual Compound Total Return (1)	ORI Market Value Annual Compound Total Return (2)	S & P 500 Index Annual Compound Total Return	S & P P&C Insurance Index Annual Compound Total Return
Ten Years 2012 – 2021	11.4%	17.7%	16.5%	16.2%

(1) Calculated as the sum of the annual change in book value per share, plus cash dividends.
(2) Calculated as the sum of the annual change in market value per share, assuming cash dividends are reinvested in shares when paid.

According to the most recent edition of *Mergent's Dividend Achievers*, Old Republic is 58th among 111 publicly held companies, out of thousands considered, that have posted at least 25 consecutive years of annual dividend growth. Moreover, Old Republic has paid a cash dividend without interruption since 1942 (81 years), and it has raised the annual cash dividend pay-out for each of the past 41 years.

Managing for the Long Run.

Old Republic International Corporation

Ten-Year Financial Highlights

(All amounts, except per share data, are expressed in millions)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Financial Position Summary										
Cash and fixed maturity securities	**$ 11,399.6**	$ 11,365.1	$ 10,381.5	$ 9,683.0	$ 10,145.9	$ 9,973.1	$ 9,366.7	$ 9,163.4	$ 9,990.6	$ 9,932.4
Equity securities	**5,302.8**	4,054.8	4,030.5	3,380.9	3,265.5	2,896.1	1,987.8	2,011.7	1,004.2	739.7
Other invested assets	**116.5**	115.3	115.4	123.4	124.9	126.5	120.9	116.4	114.3	128.4
Reinsurance recoverable	**4,943.4**	4,362.8	3,823.9	3,484.5	3,371.8	3,231.5	3,183.6	3,422.5	3,215.7	3,237.1
Prepaid federal income taxes	**-**	-	-	129.8	114.3	82.4	63.3	45.7	-	-
Sundry assets	**3,219.4**	2,917.0	2,724.9	2,525.5	2,380.9	2,281.7	2,379.1	2,216.8	2,201.7	2,179.5
Total	**$ 24,981.8**	$ 22,815.2	$ 21,076.3	$ 19,327.1	$ 19,403.5	$ 18,591.6	$ 17,101.6	$ 16,976.9	$ 16,526.7	$ 16,217.3
Policy liabilities	**$ 2,752.0**	$ 2,593.1	$ 2,419.2	$ 2,303.5	$ 2,176.3	$ 2,035.0	$ 1,945.1	$ 1,832.7	$ 1,695.7	$ 1,566.3
Benefit and claim reserves	**11,425.5**	10,671.0	9,929.5	9,471.2	9,237.6	9,206.0	9,120.1	9,122.0	9,433.5	9,303.3
Debt	**1,588.5**	966.4	974.0	981.4	1,448.7	1,528.7	952.8	953.7	561.6	563.4
Sundry liabilities	**2,322.5**	2,397.8	1,753.3	1,424.6	1,807.5	1,361.1	1,213.5	1,144.4	1,060.9	1,188.0
Common shareholders' equity	**6,893.2**	6,186.6	6,000.1	5,146.2	4,733.3	4,460.6	3,869.8	3,924.0	3,775.0	3,596.2
Total	**$ 24,981.8**	$ 22,815.2	$ 21,076.3	$ 19,327.1	$ 19,403.5	$ 18,591.6	$ 17,101.6	$ 16,976.9	$ 16,526.7	$ 16,217.3
Total capitalization	**$ 8,481.7**	$ 7,153.1	$ 6,974.2	$ 6,127.6	$ 6,182.0	$ 5,989.4	$ 4,822.7	$ 4,877.8	$ 4,336.6	$ 4,159.6
Book value per share	**$ 22.76**	$ 20.75	$ 19.98	$ 17.23	$ 17.72	$ 17.16	$ 14.98	$ 15.15	$ 14.64	$ 14.03
Income Statement Summary										
Revenues:										
Net premiums and fees earned	**$ 8,003.6**	$ 6,737.8	$ 6,241.1	$ 5,940.9	$ 5,769.1	$ 5,537.5	$ 5,354.9	$ 4,960.0	$ 5,083.4	$ 4,632.4
Net investment income	**434.3**	438.9	450.7	431.8	409.4	387.0	388.6	345.5	318.7	336.5
Other income	**145.6**	131.2	132.6	121.6	102.2	107.3	106.7	101.6	90.1	114.5
Total operating revenues	**8,583.5**	7,308.0	6,824.4	6,494.4	6,280.8	6,031.8	5,850.3	5,407.2	5,492.3	5,083.5
Investment gains (losses):										
Realized from actual transactions	**6.9**	14.2	38.6	58.2	211.6	77.8	91.3	272.3	148.1	48.1
Unrealized from changes in fair value of equity securities	**751.1**	(156.2)	599.5	(293.8)	-	-	-	-	-	-
Realized from impairments	**-**	-	(2.0)	-	-	(4.9)	-	-	-	(0.2)
Total investment gains (losses)	**758.0**	(142.0)	636.1	(235.6)	211.6	72.8	91.3	272.3	148.1	47.8
Total revenues	**9,341.6**	7,166.0	7,460.5	6,258.8	6,492.4	6,104.7	5,941.7	5,679.6	5,640.4	5,131.4
Operating expenses:										
Claim costs	**2,420.9**	2,491.4	2,572.7	2,460.7	2,478.8	2,347.9	2,459.3	2,514.5	2,238.3	2,765.3
Sales and general expenses	**4,942.3**	3,942.4	3,525.4	3,317.7	3,225.1	3,020.5	2,808.5	2,529.9	2,707.5	2,458.4
Interest and other costs	**56.2**	43.7	40.0	42.2	63.0	50.2	41.9	25.6	21.6	36.2
Total operating expenses	**7,419.5**	6,477.5	6,138.1	5,820.7	5,767.0	5,418.7	5,309.8	5,070.1	4,967.5	5,260.0
Pretax income (loss)	**1,922.1**	688.4	1,322.4	438.1	725.4	686.0	631.8	609.4	672.9	(128.5)
Income taxes (credits)	**387.7**	129.7	265.9	67.5	164.8	219.0	209.6	199.7	225.0	(59.8)
Net income (loss)	**$ 1,534.3**	$ 558.6	$ 1,056.4	$ 370.5	$ 560.5	$ 466.9	$ 422.1	$ 409.7	$ 447.8	$ (68.6)

Old Republic International Corporation

Ten-Year Financial Highlights *(cont'd)*

(All amounts, except per share data, are expressed in millions)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Common Stock Statistics										
Net income (loss) per share:										
Basic	**$ 5.08**	$ 1.87	$ 3.52	$ 1.26	$ 2.14	$ 1.80	$ 1.63	$ 1.58	$ 1.74	$ (0.27)
Diluted	**$ 5.05**	$ 1.87	$ 3.51	$ 1.24	$ 1.92	$ 1.62	$ 1.48	$ 1.44	$ 1.57	$ (0.27)
Components of net income (loss) per share:										
Basic net income (loss) excluding investment gains (losses)	**$ 3.10**	$ 2.24	$ 1.85	$ 1.89	$ 1.21	$ 1.62	$ 1.40	$ 0.90	$ 1.37	$ (0.39)
Net investment gains (losses):										
Realized from actual transactions	**0.02**	0.04	0.10	0.16	0.93	0.19	0.23	0.68	0.37	0.12
Unrealized from changes in fair value of equity securities	**1.96**	(0.41)	1.57	(0.79)	-	-	-	-	-	-
Realized from impairments	**-**	-	-	-	-	(0.01)	-	-	-	-
Basic net income (loss)	**$ 5.08**	$ 1.87	$ 3.52	$ 1.26	$ 2.14	$ 1.80	$ 1.63	$ 1.58	$ 1.74	$ (0.27)
Diluted net income (loss) excluding investment gains (losses)	**$ 3.08**	$ 2.24	$ 1.84	$ 1.86	$ 1.11	$ 1.46	$ 1.28	$ 0.84	$ 1.25	$ (0.39)
Net investment gains (losses):										
Realized from actual transactions	**0.02**	0.04	0.10	0.15	0.81	0.17	0.20	0.60	0.32	0.12
Unrealized from changes in fair value of equity securities	**1.95**	(0.41)	1.57	(0.77)	-	-	-	-	-	-
Realized from impairments	**-**	-	-	-	-	(0.01)	-	-	-	-
Diluted net income (loss)	**$ 5.05**	$ 1.87	$ 3.51	$ 1.24	$ 1.92	$ 1.62	$ 1.48	$ 1.44	$ 1.57	$ (0.27)
Cash dividends on common stock (a)	**$ 2.38**	$ 1.84	$ 1.80	$ 0.78	$ 1.76	$ 0.75	$ 0.74	$ 0.73	$ 0.72	$ 0.71
Book value per share	**$ 22.76**	$ 20.75	$ 19.98	$ 17.23	$ 17.72	$ 17.16	$ 14.98	$ 15.15	$ 14.64	$ 14.03
Common shares outstanding:										
Average basic	**301.9**	298.4	299.8	294.2	262.1	259.4	259.5	258.5	257.4	255.8
Average diluted	**303.6**	298.8	301.2	301.0	299.3	296.3	296.0	295.0	293.6	255.8
Actual, end of period	**307.5**	304.1	303.6	302.7	269.2	262.7	261.9	260.9	260.4	259.4

(a) In addition to the regular dividend, special cash dividends were declared in 2021, 2020, 2019 and 2017.

2021 Annual Report Letter

Another Year of Record Results

As we began to emerge from the pandemic, our valued associates continued to meet the ongoing needs of our businesses, our customers, and other important stakeholders. We are grateful for their dedication to delivering our products and services with excellence, which led to Old Republic's strong performance in 2021.

ORI's 2021 consolidated pretax income, *excluding* investment gains (losses), reached another all-time high of nearly $1.2 billion. This was a 40% increase over the previous record of $830 million in 2020. Our General Insurance business saw a new high of $590 million, up from the previous peak of $440 million last year. Our Title Insurance business produced a record $516 million over the previous high of $344 million in 2020.

Shareholders' equity also hit new heights. It grew from 2020's year-end record of $6.2 billion to $6.9 billion, lifted by strong operating earnings and gains in our investment portfolio.

2021 Per Share Performance

Net income per diluted share, *excluding* investment gains (losses), was $3.08, a 37.5% improvement from $2.24 a year earlier.

Shareholders' equity per share rose to $22.76 from $20.75 at year-end 2020.

Total market return per share, calculated as the sum of the annual change in market value per share, assuming cash dividends are reinvested in shares when paid, was a robust 45.2%.

Total book value return per share, calculated as the sum of the annual change in book value per share, plus cash dividends, was a strong 21.2%.

The table at the end of this letter shows these returns alongside two market indices, tracked back to 1968 when ORI became a publicly traded insurance holding company. We favor 10-year trends, as these likely encompass one or two economic and/or insurance underwriting cycles. As can be seen, our long-term trends outperform these indices. Our performance reflects the success of our long-term strategy for our diversified, *specialty* insurance businesses. We remain confident that ORI will continue creating long-term value for our shareholders and other stakeholders.

Consolidated Operations Show Continued Strength

We focus on pretax income, *excluding* investment gains (losses) because, in our opinion, this measure provides a better way to analyze, evaluate, and establish accountability for results of our insurance operations. The inclusion of realized investment gains (losses) in net income can mask trends in operating results, because such realizations are often highly discretionary. Similarly, the inclusion of unrealized investment gains (losses) in equity securities can further distort such operating results with significant period-to-period fluctuations.

We believe the information presented in the following table highlights the most meaningful indicators of ORI's segmented and consolidated financial performance. The information underscores the performance of our underwriting operations, as well as our sound investment of the capital and underwriting cash flows from these operations.

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

	2021	2020	2019	2018	2017	2016
A. Net premiums, fees, and other income:						
General insurance	**$ 3,555.5**	$ 3,394.2	$ 3,432.4	$ 3,277.1	$ 3,110.8	$ 2,936.3
Title insurance	**4,404.3**	3,286.3	2,736.0	2,573.1	2,516.5	2,410.9
Corporate & other	**11.0**	12.0	13.4	14.6	18.8	20.1
Other income	**145.6**	131.2	132.6	121.6	102.2	107.3
Subtotal	**8,116.5**	6,823.9	6,314.4	5,986.6	5,748.4	5,474.7
RFIG run-off	**32.6**	45.1	59.2	75.9	122.9	170.0
Consolidated	**$ 8,149.2**	$ 6,869.1	$ 6,373.7	$ 6,062.5	$ 5,871.4	$ 5,644.8
B. Underwriting and related services income (loss):						
General insurance	**$ 311.4**	$ 151.8	$ 84.9	$ 91.2	$ 84.3	$ 65.5
Title insurance	**474.0**	305.8	193.4	185.1	206.7	181.7
Corporate & other	**(20.9)**	(17.0)	(15.5)	(21.9)	(28.4)	(17.5)
Subtotal	**764.6**	440.5	262.8	254.3	262.6	229.7
RFIG run-off	**21.3**	(5.3)	12.7	29.7	(95.2)	46.6
Consolidated	**$ 785.9**	$ 435.2	$ 275.6	$ 284.0	$ 167.3	$ 276.3
C. Consolidated underwriting ratio:						
Claim ratio:						
Current year	**32.9%**	38.2%	41.7%	42.7%	45.7%	43.7%
Prior year	**(2.7)**	(1.2)	(0.5)	(1.3)	(2.7)	(1.3)
Total	**30.2**	37.0	41.2	41.4	43.0	42.4
Expense ratio	**59.7**	56.3	54.1	53.5	53.9	52.4
Combined ratio	**89.9%**	93.3%	95.3%	94.9%	96.9%	94.8%
D. Net investment income:						
General insurance	**$ 342.4**	$ 352.2	$ 356.4	$ 341.0	$ 318.9	$ 312.1
Title insurance	**43.8**	42.0	41.4	38.8	37.3	36.2
Corporate & other	**36.5**	29.4	35.1	31.7	31.4	15.4
Subtotal	**422.8**	423.6	433.0	411.7	387.7	363.8
RFIG run-off	**11.4**	15.2	17.6	20.1	21.7	23.2
Consolidated	**$ 434.3**	$ 438.9	$ 450.7	$ 431.8	$ 409.4	$ 387.0
E. Interest and other charges (credits):						
General insurance	**$ 64.2**	$ 64.2	$ 71.1	$ 68.3	$ 62.9	$ 57.6
Title insurance	**2.1**	3.8	4.1	4.6	6.9	7.6
Corporate & other (a)	**(10.1)**	(24.3)	(35.2)	(30.6)	(6.9)	(15.0)
Subtotal	**56.2**	43.7	40.0	42.2	63.0	50.2
RFIG run-off	**–**	–	–	–	–	–
Consolidated	**$ 56.2**	$ 43.7	$ 40.0	$ 42.2	$ 63.0	$ 50.2
F. Segmented and consolidated pretax income (loss) excluding all investment gains (losses):						
General insurance	**$ 589.6**	$ 439.8	$ 370.2	$ 363.9	$ 340.3	$ 319.9
Title insurance	**515.7**	344.0	230.8	219.3	237.1	210.2
Corporate & other (a)	**25.7**	36.7	54.8	40.4	9.9	13.0
Subtotal	**1,131.1**	820.5	655.9	623.8	587.3	543.3
RFIG run-off	**32.8**	9.8	30.3	49.9	(73.5)	69.8
Consolidated	**1,164.0**	830.4	686.2	673.7	513.8	613.1
Income taxes (credits) on above	**228.1**	159.6	132.0	117.2	195.7	193.5
G. Net income (loss) excluding investment gains (losses)	**935.9**	670.8	554.2	556.4	318.0	419.6
H. Consolidated pretax investment gains (losses):						
Realized from actual transactions	**6.9**	14.2	36.6	58.2	211.6	72.8
Unrealized from changes in fair value of equity securities	**751.1**	(156.2)	599.5	(293.8)	–	–
Total	**758.0**	(142.0)	636.1	(235.6)	211.6	72.8
Income tax (credit) on above	**159.6**	(29.8)	133.8	(49.6)	(30.8)	25.5
Net of tax investment gains (losses)	**598.4**	(112.1)	502.2	(185.9)	242.4	47.3
I. Net income (loss)	**$ 1,534.3**	$ 558.6	$ 1,056.4	$ 370.5	$ 560.5	$ 466.9
J. Consolidated operating cash flow (deficit)	**$ 1,311.7**	$ 1,185.0	$ 936.2	$ 760.5	$ 452.8	$ 637.3
K. Net income (loss) per diluted share						
Net income (loss) excluding investment gains (losses)	**$ 3.08**	$ 2.24	$ 1.84	$ 1.86	$ 1.11	$ 1.46
Realized investment gains (losses)	**0.02**	0.04	0.10	0.15	0.81	0.16
Unrealized investment gains (losses)	**1.95**	(0.41)	1.57	(0.77)	–	–
Net income (loss)	**$ 5.05**	$ 1.87	$ 3.51	$ 1.24	$ 1.92	$ 1.62
Cash dividends per share (b)	**$ 2.38**	$ 1.84	$ 1.80	$ 0.78	$ 1.76	$ 0.75
Ending book value per share	**$ 22.76**	$ 20.75	$ 19.98	$ 17.23	$ 17.72	$ 17.16
Closing stock market price per share	**$ 24.58**	$ 19.71	$ 22.37	$ 20.57	$ 21.38	$ 19.00

(a) Includes consolidation/elimination entries.

(b) 2021 includes a special cash dividend of $1.50 per share, and 2020, 2019 and 2017 include special cash dividends of $1.00 per share.

General Insurance Net Premiums Earned rose 5%, coming from premium rate increases for most lines of coverage, strong renewal retention, and continued new business production.

As the table below shows, claim ratios continued to improve, with favorable claim reserve development from prior periods and a lower current period claim provision. This produced a 2021 claim ratio of 64.8%.

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

Calendar Years	Reported Claim Ratio	Effect of Prior Periods' (Favorable)/Unfavorable Claim Reserves Development	Claim Ratio Excluding Prior Periods' Claim Reserves Development
2016	73.0%	0.3%	72.7%
2017	71.8	0.7	71.1
2018	72.2	-	72.2
2019	71.8	0.4	71.4
2020	69.9	(0.8)	70.7
2021	64.8%	(3.8)%	68.6%

Annual claim ratios and trends may not be indicative of future outcomes for a business with relatively long claim payment patterns. Assuming the current line of coverage mix, we target claim ratio averages in the high 60% to low 70% range.

The table below shows the combined ratios for the past several years. Our expense ratio was higher in 2021. This largely resulted from changes in the line of coverage mix, and the relative differences in sales and general expenses between those lines of coverage. Assuming the current line of coverage mix, we target expense ratio averages of 25% or below, and a combined ratio between 90% and 95%.

Underwriting ratios:

	2021	2020	2019	2018	2017	2016
Claim ratio	**64.8%**	69.9%	71.8%	72.2%	71.8%	73.0%
Expense ratio	**26.5**	25.6	25.7	25.0	25.5	24.8
Combined ratio	**91.3%**	95.5%	97.5%	97.2%	97.3%	97.8%

We remain optimistic about the continued progress of the General Insurance business. Our long-term strategy aims to increase revenues with a focus on 1) organic growth, 2) new ventures, 3) selective acquisitions, 4) new product offerings, and 5) new distribution channels.

Title Insurance Net Premiums and Fees Earned rose 34%, supported by a robust real estate market and low interest rates. Technological innovation remains a key to our long-term success, making us easy to do business with and differentiating ourselves from competitors. We continue to expand the use of our technologies such as eClosings, remote online notarizations (RON), and remote ink-signed notarizations (RIN).

As the following table shows, claim ratios remained relatively steady, with favorable claim reserve development from prior periods and a stable current period claim provision. The result was a 2021 claim ratio of 2.6%.

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

Calendar Years	Reported Claim Ratio	Effect of Prior Periods' (Favorable)/Unfavorable Claim Reserves Development	Claim Ratio Excluding Prior Periods' Claim Reserves Development
2016	3.5%	(1.0)%	4.5%
2017	0.8	(3.0)	3.8
2018	1.9	(1.8)	3.7
2019	2.5	(1.2)	3.7
2020	2.3	(1.3)	3.6
2021	2.6%	(1.0)%	3.6%

The table below shows several years of combined ratios. The lower expense ratio in 2021 largely reflected improved efficiencies, as revenues continued to outpace expenses during the year. This was the primary reason for the stronger 89.3% combined ratio.

Underwriting ratios:

	2021	2020	2019	2018	2017	2016
Claim ratio	**2.6%**	2.3%	2.5%	1.9%	0.8%	3.5%
Expense ratio	**86.7**	88.4	90.5	90.9	91.0	89.0
Combined ratio	**89.3%**	90.7%	93.0%	92.8%	91.8%	92.5%

Our Title Insurance business model is based on mitigating and preventing losses rather than assuming significant underwriting risk. Loss prevention is driven at the front-end of a transaction, and is led by professionals trained in real estate law who do extensive searches of historical real estate transfers before policies are issued. As a result, costs are much higher for title insurance when compared with other types of insurance. However, that also means claim costs are much lower.

We remain optimistic about the continued progress of our Title Insurance business. Of course, we recognize that a robust real estate market can’t last indefinitely, given the cyclicality of this market and the potential impact of rising interest rates. Our long-term strategy to grow revenues remains focused on 1) organic growth, 2) selective acquisitions, 3) expansion of our commercial title business, and 4) leading, innovative technology solutions for our independent agents and customers.

General Insurance and Title Insurance complement each another exceptionally well. Consistent with ORI’s long-term strategy, both focus on providing *specialized* insurance coverages, products and related services to key North American industries. The customer base for each requires strong financial ratings that are predicated on a strong balance sheet. General Insurance and Title Insurance share critical complementary enterprise risk management attributes. These include counter-cyclical industries and economic sectors, tax planning strategies, and capital allocations.

RFIG Run-Off is now entirely represented by RMIC’s mortgage guaranty coverages. In 2021, RMIC produced $33 million of pretax income, *excluding* investment gains (losses), up from $10 million in 2020. The improvement primarily resulted from significantly lower claim costs in 2021. In the long term, we expect profitability to decline. This will happen as premium revenues drop in tandem with the anticipated reduction of insurance risk in-force. At the end of 2021, the business had shareholders’ equity of $391 million.

We continue to evaluate two economically sound options for this business. First, hold onto the RMIC enterprise, running off the book of business through extinction, and with regulatory approval, gradually reducing the capital balance. Second, sell the RMIC enterprise, including its valuable operating infrastructure, to a qualified cash buyer interested in reactivating it.

Consolidated Investment Income declined 1.1% for the year, largely due to lower investment yields and modest growth in the invested asset base. At year-end 2021, approximately 68% of the fair-valued investment portfolio of $16.6 billion was allocated to fixed-maturity and short-term investments. The remaining 32% was invested in common stocks.

We keep enterprise-wide risk management objectives in mind when structuring the overall investment portfolio. Our principal objectives are to help ensure appropriate funding of the long-term obligations of our subsidiaries to their policyholders and their beneficiaries, and the reliability of our subsidiaries’ capital accounts. For these reasons, the portfolio contains no significant exposure to collateralized debt obligations (CDOs), derivatives, hybrid, hedge fund, private-equity securities with limited liquidity, or other securities with values largely based on non-regulated financial instruments.

The table below shows three key items: 1) the relationship between income from interest and dividends, 2) the contribution each made as a percent of net investment income, and 3) the latter's proportion to underwriting/ services income, and consolidated pretax income *excluding* investment gains (losses).

($ in millions)

	2021	2020	2019	2018	2017	2016
Net Investment Income from:						
Interest	**$ 280.7**	$ 292.1	$ 310.5	$ 309.0	$ 298.6	$ 298.7
Dividends	**157.5**	149.8	141.3	124.0	110.9	88.2
Other (mostly net investment expense)	**(3.9)**	(3.0)	(1.1)	(1.2)	(0.1)	0.1
Net investment income	**$ 434.3**	$ 438.9	$ 450.7	$ 431.8	$ 409.4	$ 387.0
Year-over-year % change	**(1.1)%**	(2.6)%	4.4%	5.5%	5.8%	(0.4)%
Percentage of net investment income from:						
Interest	**64.6%**	66.6%	68.9%	71.4%	72.9%	77.2%
Dividends	**36.3%**	34.1%	31.4%	28.7%	27.1%	22.8%
Net investment income as a percentage of:						
Underwriting/services income	**55.3%**	100.9%	163.5%	152.0%	244.7%	140.1%
Consolidated pretax operating income excluding investment gains (losses)	**37.3%**	52.9%	65.7%	64.1%	79.7%	63.1%

Our fixed-maturity portfolio forms the anchor for the long-term obligations of our subsidiaries to their policyholders and their beneficiaries. The maturities are stratified and conservatively matched to the expected timing of paying those obligations in the future. In addition, this portfolio is of very high quality, with an average rating of A+ at year-end 2021.

In recent years, a greater portion of our invested asset base has been directed toward high-quality, dividend-paying U.S. company common stocks (88 at year-end 2021). We favor companies with long-term records of earnings growth and steadily increasing dividends. Dividends from common stocks have been an important source of investment income, contributing 36% of our total investment income in 2021.

Our investment management process remains focused on retaining quality investments that produce consistent streams of investment income. In 2021, our realized net investment gains were $7 million, while our unrealized gains from changes in the fair value of equity securities were $751 million. We perform regular stress tests of our common stock portfolio to gain reasonable assurance that periodic downdrafts in market prices will not seriously undermine our financial strength or the long-term continuity and prospects of our underwriting operations.

Evaluating 2021's Performance in View of Our Long-Term Business Strategy

Our long-term strategy is designed to create value for all stakeholders through our focus on providing *specialized* insurance coverages, products and related services to key industries within the North American economy. Much of Old Republic's long-term underwriting success is due to its history of *specializing* in these cyclically heterogeneous industries.

One important way we support this strategy is through the conservative, long-term management of Old Republic's balance sheet. Maintaining a strong financial position gives us the ability to achieve these goals:

- Support our subsidiaries' ability to take on insurance risk and cover the resulting obligations to policyholders and their beneficiaries
- Enable our subsidiaries to remain resilient in the face of recurring marketplace challenges, adhere to pricing integrity and underwriting standards, and stay away from existing or new business with poor prospects of sustainable profitability
- Moderate debt leverage to better ensure control of our destiny
- Retain enough liquidity to address unforeseen contingencies
- Pay shareholders a sustainable and increasing dividend

We enter 2022 in a strong position:

- Our balance sheet is solid
- We have a strong, high-quality capital base
- Our associates have significant intellectual capital and are dedicated to our mission
- We have high business retention rates with a loyal and growing customer base

Our ongoing commitment is to do things the right way, and our associates remain focused on the dynamics of a highly competitive insurance marketplace. To expand our North American footprint, we will continuously seek opportunities to gain market share through organic growth, new ventures, select acquisitions, and new product offerings.

Respectfully submitted on behalf of the Company and its Board of Directors,

Craig R. Smiddy

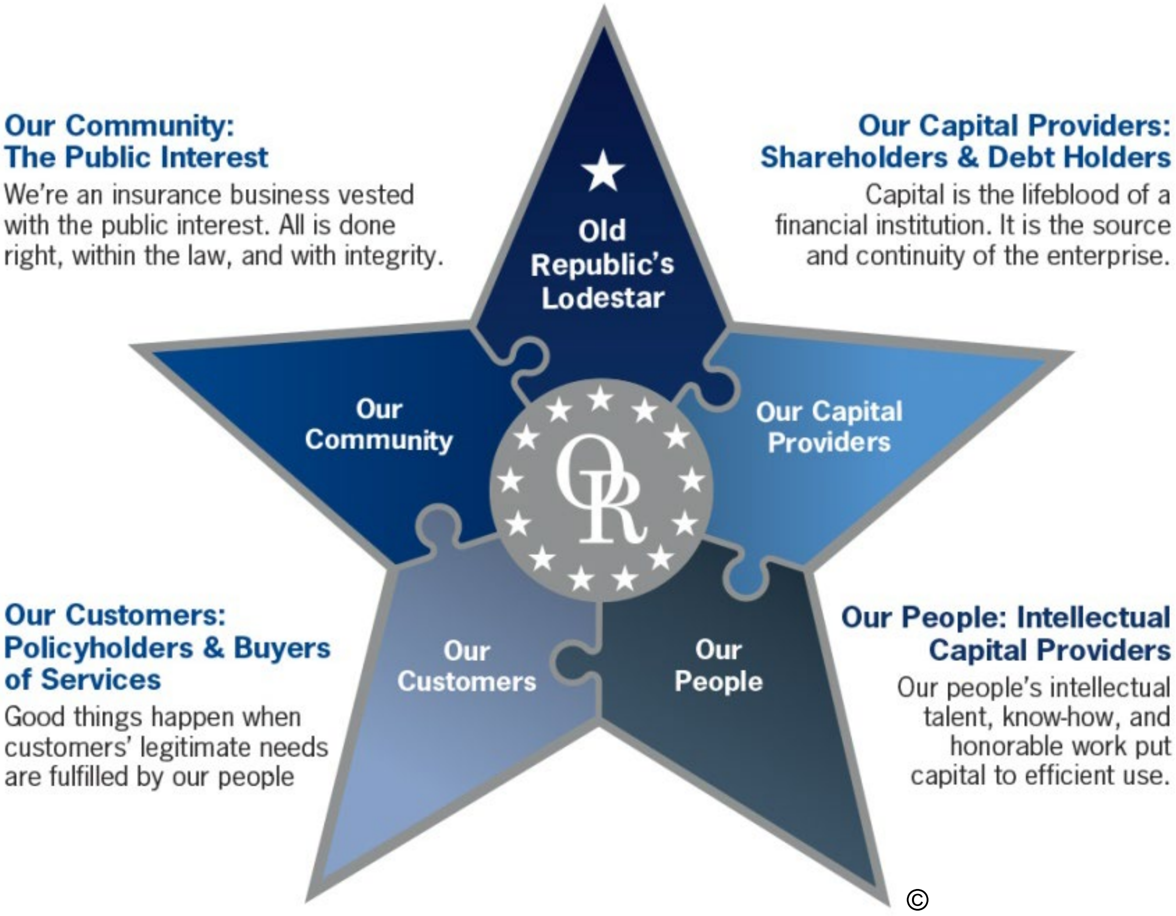
Chicago, Illinois
March 31, 2022

Craig R. Smiddy
President and Chief Executive Officer

Old Republic's Purpose is included in our Mission statement:

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

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



Binding Organization, Purpose, and Long-Term Strategy to Create Long-Term Financial Value

The table on the next page shows our Book Value Annual Compound Total Return and Market Value Annual Compound Total Return alongside two market indices, tracked back to 1968 when ORI became a publicly traded insurance holding company. We favor 10-year trends, as these likely encompass one or two economic and/or insurance underwriting cycles. As can be seen, our long-term trends outperform these indices.

OLD REPUBLIC INTERNATIONAL CORPORATION
Total Returns Compared to Selected S&P Indices' Returns

	Old Republic International Corporation (1)					S&P 500 Index (2)	S&P P&C Insurance Index (2)
Year	**Year End Book Value**	**Year End Market Price**	**Annual Cash Dividend Declared**	**Book Value Annual Compound Total Return (*)**	**Market Value Annual Compound Total Return (**)**	**Annual Compound Total Return**	**Annual Compound Total Return**
1968	$0.280	$0.472	$0.007	18.2%	41.8%	11.0%	
1969	0.312	0.336	0.010	15.1%	-26.6%	-8.4%	
1970	0.360	0.528	0.012	19.2%	60.7%	3.9%	
1971	0.472	0.840	0.014	34.9%	61.7%	14.3%	
1972	0.480	1.240	0.016	5.1%	49.5%	19.0%	
1973	0.472	0.456	0.018	2.2%	-61.7%	-14.7%	
1974	0.376	0.408	0.020	-16.1%	-6.1%	-26.5%	
1975	0.288	0.440	0.020	-18.1%	12.7%	37.2%	
1976	0.560	0.624	0.011	98.3%	44.4%	23.9%	
1977	0.792	0.792	0.022	45.3%	30.4%	-7.2%	
1978	0.976	0.976	0.033	27.4%	27.4%	6.6%	
1979	1.080	1.112	0.052	16.0%	19.3%	18.6%	
1980	1.224	0.888	0.054	18.3%	-15.3%	32.5%	
1981	1.392	1.144	0.054	18.1%	34.9%	-4.9%	
10 Year Annual Compound Total Return				**15.9%**	**7.1%**	**6.5%**	
1982	1.648	1.456	0.056	22.4%	32.2%	21.6%	
1983	1.888	2.353	0.058	18.1%	65.6%	22.6%	
1984	2.208	2.039	0.059	20.1%	-11.2%	6.3%	
1985	2.304	3.014	0.062	7.1%	51.4%	31.7%	
1986	2.528	2.316	0.065	12.5%	-21.0%	18.7%	
1987	2.952	1.861	0.068	19.5%	-16.7%	5.3%	
1988	3.152	2.345	0.071	9.2%	29.8%	16.6%	
1989	3.544	2.604	0.076	14.8%	14.3%	31.7%	
1990	3.920	2.465	0.081	12.9%	-2.2%	-3.2%	-2.3%
1991	4.456	4.207	0.086	15.9%	74.2%	30.5%	25.3%
10 Year Annual Compound Total Return				**15.2%**	**17.2%**	**17.6%**	
1992	5.072	5.896	0.094	15.9%	42.4%	7.6%	17.2%
1993	5.744	5.363	0.102	15.3%	-7.3%	10.1%	-1.8%
1994	6.112	5.037	0.111	8.3%	-4.0%	1.3%	4.8%
1995	7.248	8.415	0.121	20.6%	70.1%	37.6%	35.4%
1996	7.768	9.511	0.148	9.2%	15.1%	23.0%	21.5%
1997	8.312	13.222	0.178	9.3%	41.2%	33.4%	45.5%
1998	9.216	12.000	0.206	13.4%	-7.8%	28.6%	-6.6%
1999	9.590	7.267	0.262	6.9%	-37.5%	21.0%	-25.5%
2000	11.000	17.066	0.294	17.8%	142.1%	-9.1%	55.9%
2001	12.480	14.938	0.314	16.3%	-10.6%	-11.9%	-8.1%
10 Year Annual Compound Total Return				**13.2%**	**15.9%**	**12.9%**	**11.2%**
2002	13.960	14.934	0.336	14.6%	2.0%	-22.1%	-11.0%
2003	15.650	20.288	0.890 ***	18.5%	42.4%	28.7%	26.4%
2004	16.940	20.240	0.403	10.8%	1.9%	10.9%	10.4%
2005	17.530	21.008	1.312 ***	11.2%	10.5%	4.9%	15.1%
2006	18.910	23.280	0.590	11.2%	13.9%	15.8%	12.8%
2007	19.710	15.410	0.630	7.6%	-31.5%	5.6%	-14.0%
2008	15.910	11.920	0.670	-15.9%	-18.0%	-37.0%	-29.4%
2009	16.490	10.040	0.680	7.9%	-10.1%	26.5%	12.4%
2010	16.160	13.630	0.690	2.2%	43.4%	15.1%	8.9%
2011	14.760	8.920	0.700	-4.3%	-27.2%	2.1%	-0.3%
10 Year Annual Compound Total Return				**5.9%**	**-0.2%**	**2.9%**	**1.8%**
2012	14.030	10.650	0.710	-0.1%	23.4%	16.0%	20.1%
2013	14.640	17.270	0.720	9.5%	70.7%	32.4%	38.3%
2014	15.150	14.630	0.730	8.5%	-11.2%	13.7%	15.7%
2015	14.980	18.630	0.740	3.8%	33.4%	1.4%	9.5%
2016	17.160	19.000	0.750	19.6%	6.2%	11.9%	15.7%
2017	17.720	21.380	1.760 ***	13.5%	16.9%	21.8%	22.4%
2018	17.230	20.570	0.780	1.6%	4.8%	-4.4%	-4.7%
2019	19.980	22.370	1.800 ***	26.4%	17.8%	31.5%	25.9%
2020	20.750	19.710	1.840 ***	13.1%	-7.7%	18.4%	6.3%
2021	$22.760	$24.580	$2.380 ***	21.2%	45.2%	28.7%	17.5%
10 Year Annual Compound Total Return				**11.4%**	**17.7%**	**16.5%**	**16.2%**
54 Year Annual Compound Total Return				**12.9%**	**12.5%**	**10.7%**	**9.6%**

Sources: (1) Old Republic Database
(2) Standard & Poor's Indices from S&P Global Market Intelligence LLC. Data for years 1989 and prior is not available for the S&P P&C Insurance Index.

Notes: (*) Calculated as the sum of the annual change in book value per share, plus cash dividends.
(**) Calculated as the sum of the annual change in market value per share, assuming cash dividends are reinvested in shares when paid.
(***) Includes special cash dividends declared of $1.500, $1.000, $1.000, $1.000, $0.800, and $0.534 per share in 2021, 2020, 2019, 2017, 2005, and 2003, respectively.

ORI OFFICE OF THE CHIEF EXECUTIVE OFFICER

Thomas A. Dare
ORI Senior Vice President,
Secretary, and
General Counsel

W. Todd Gray
ORI Executive
Vice President
and Treasurer

Stephen J. Oberst
ORI Executive
Vice President;
Executive Vice President –
Old Republic General
Insurance Group

Craig R. Smiddy
ORI President and
Chief Executive Officer;
President and
Chief Executive Officer –
Old Republic General
Insurance Group

Frank J. Sodaro
ORI Senior Vice President
and Chief Financial
Officer

Rande K. Yeager
Executive Chairman –
Old Republic Title
Insurance Group

ORI BOARD OF DIRECTORS

Barbara A. Adachi
Chief Executive and National
Managing Partner (Retired)
Delotte Consulting's Human
Capital Consulting Practice

Steven J. Bateman
Partner (Retired)
PricewaterhouseCoopers LLP
Accountants

Lisa J. Caldwell
Executive Vice President and
Chief Human Resources
Officer (Retired)
Reynolds American, Inc.

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

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

Michael D. Kennedy
Senior Client Partner
Korn Ferry

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

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

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

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

Craig R. Smiddy
President and
Chief Executive Officer

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

Fredricka Taubitz
Executive Vice President and
Chief Financial Officer
(Retired) Zenith National
Insurance Corporation;
Partner, Coopers & Lybrand
Prior Thereto

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

Old Republic International Corporation
Corporate and Shareholders' Information

Corporate Governance

The financial statements and other information included in this 98th Annual Report to the Shareholders have been compiled under the overall supervision of Old Republic's Chief Executive Officer and Chief Financial Officer. This report is intended to inform shareholders about Old Republic's most recent operating results and financial position.

To ensure the reliability and integrity of financial statements and other data used in the normal course of business, management of the Company and its subsidiaries employ systems of operational and internal controls deemed to be cost effective and tailored to Old Republic's mode of operations.

The Board of Directors regularly meets four times per annum. Financial and other data provided to the Directors of the Company and its subsidiaries are intended to afford them a current understanding of operating results and major corporate decisions and policies. An Audit Committee, consisting of eight independent Directors, meets periodically with representatives of management and of the independent registered public accounting firm retained each year to audit the financial statements. The independent registered public accounting firm has access to the Audit Committee, and the meetings are held with and without management representatives present. The Audit Committee is empowered to oversee the integrity of the Company's financial statements and the Company's compliance with legal and regulatory requirements, the independent qualifications and performance of the Company's internal auditors and independent registered public accounting firm, and the selection of the independent registered public accounting firm. The Board of Directors also has Nominating and Compensation Committees consisting solely of independent Directors, and a six member Executive Committee consisting of five independent Directors, inclusive of the Chairman of the Board, and the Chief Executive Officer.

During calendar year 2021, the Company's Chief Executive Officer filed an unqualified Annual CEO Certification, pursuant to the requirements of Section 303A.12(a) of the New York Stock Exchange Listed Company Manual. Additionally, the Company's Chief Executive Officer and Chief Financial Officer each filed with the Company's Annual and Quarterly Reports the Certifications of Disclosure required under Rule 13A-14(a)/15d-14(a) of the Securities and Exchange Commission.

Stock Information

The Company's common stock is traded on the New York Stock Exchange under the symbol of ORI.

	Sales Price Range of Common Stock	Cash Dividends
1st Quarter 2021	$17.94 - $22.71	$ .22
2nd Quarter 2021	21.68 - 26.69	.22
3rd Quarter 2021	22.18 - 26.68	1.72 (*)
4th Quarter 2021	$22.94 - $26.53	$ .22

	Sales Price Range of Common Stock	Cash Dividends
1st Quarter 2020	$11.88 - $23.62	$ .21
2nd Quarter 2020	13.08 - 18.67	.21
3rd Quarter 2020	13.93 - 17.81	.21
4th Quarter 2020	$14.55 - $19.79	$1.21 (**)

(*) *In addition to the regular quarterly dividend payment, a special cash dividend of $1.50 per share was declared in August 2021 and subsequently paid in October 2021.*

(**) *In addition to the regular quarterly dividend payment, a special cash dividend of $1.00 per share was declared in December 2020 and subsequently paid in January 2021.*

Shareholder Purchase & Reinvestment Plan

The Corporation has a Shareholder Purchase and Reinvestment Plan ("Plan") for the benefit of its common stockholders. The Plan provides a convenient way to purchase shares or increase shareholders' holdings of Old Republic common stock. Pursuant to the Plan, participating shareholders may elect to have all or part of their quarterly cash dividends reinvested in additional shares of Old Republic common stock. Participants may also elect to make optional cash payments as frequently as each month. Such additional cash payments may be for no less than $100 up to a maximum of $15,000 each quarter and the amount invested can vary with each payment. The dividends reinvested as well as any optional cash payments will be used to purchase shares of Old Republic's common stock as of each dividend payment date or investment date. The purchase price will be either the average of the high and low trading price for the day on which shares are issued by the Corporation or the market price if purchased on the open market.

Employees of Old Republic and any of its majority-owned subsidiaries and affiliates may purchase shares or make optional cash payments through payroll deductions. To do so, they need only request and sign the appropriate payroll department forms, including thereon the amount they wish to have withheld from each paycheck. The Plan is administered through EQ Shareowner Services who will send participants a statement showing the shares purchased following each transaction.

To obtain more information about the Plan and on how to enroll in it, contact EQ Shareowner Services as shown below.

Direct Dividend Deposit Plan

Shareholders can have their quarterly cash dividends deposited directly into their checking or savings account. The main benefit of this Direct Deposit feature is that dividends are deposited in a shareholder's checking or savings account on the date of payment, thereby obviating the wait caused by mail deliveries. The deposit is made automatically for you and your monthly bank statement should confirm the deposit.

To participate in this Direct Dividend Deposit Plan, contact EQ Shareowner Services as shown below.

Contact Information for EQ Shareowner Services

Mail: EQ Shareowner Services
P.O. Box 64874
St. Paul, Minnesota 55164-0874

Courier or in person: EQ Shareowner Services
1110 Centre Point Curve, Suite 101
MAC N9173-010
Mendota Heights, Minnesota 55120-4100

Website: www.shareowneronline.com

Telephone: 1-800-468-9716
Use their automated system available 24 hours a day, 7 days a week or
speak with a customer service representative from 7:00 a.m. to 7:00 p.m., CST, Monday through Friday

Telephone number for the hearing impaired (TDD): 1-800-877-4833

Financial Information Availability

Old Republic's Annual Report to Shareholders, which includes its Annual Report on Form 10-K, is available at no charge without exhibits. Shareholders wishing to obtain a copy of this report may do so by writing to: Office of the Chief Executive Officer, Old Republic International Corporation, 307 North Michigan Avenue, Chicago, Illinois 60601.

The Company's report is also available for viewing and/or copying at the U.S. Securities and Exchange Commission's ("SEC") Public Reference Room located at 450 Fifth Street, NW., Washington, DC 20549. Information regarding the operation of the Public Reference Room can be obtained by calling 1-800-SEC-0330.

Additionally, the Company's report is available, free of charge, by visiting the SEC's internet website (http://www.sec.gov) and accessing its EDGAR database to view or print copies of the electronic version of the report; or by visiting the Company's internet website (http://www.oldrepublic.com), and selecting *Investors* then *Financials* then *SEC Filings* to view or print copies of the electronic version of the report.

Annual Meeting of the Shareholders

Our 2022 Annual Meeting of the Shareholders will be held virtually. There will be no physical location for the meeting and Old Republic's representatives will participate via webcast, at 3:00 P.M. CST, on Thursday, May 26, 2022. The virtual meeting can be accessed at the following internet link: www.virtualshareholdermeeting.com/ORI2022. We plan to announce any updates regarding our Shareholder Meeting through a press release and on our website (www.oldrepublic.com). We encourage you to check our website prior to the meeting if you plan to attend.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)
☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: December 31, 2021 OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____________ to ____________

Commission File Number: **001-10607**

OLD REPUBLIC INTERNATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	36-2678171
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
307 North Michigan Avenue Chicago Illinois	60601
(Address of principal executive office)	(Zip Code)

Registrant's telephone number, including area code: 312-346-8100
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock / $1 par value	ORI	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes: ☒ **No:** ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes: ☐ **No:** ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. **Yes:** ☒ **No:** ☐

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). **Yes:** ☒ **No:** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).**Yes:** ☐ **No:** ☒

The aggregate fair value of the registrant's voting Common Stock held by non-affiliates of the registrant (assuming, for purposes of this calculation only, that the registrant's directors and executive officers, the registrant's various employee benefit plans and American Business & Mercantile Insurance Mutual, Inc. and its subsidiaries are all affiliates of the registrant), based on the closing sale price of the registrant's common stock on June 30, 2021, the last day of the registrant's most recently completed second fiscal quarter, was $6,921,960,833.

The registrant had 307,601,232 shares of Common Stock outstanding as of January 31, 2022.

Documents incorporated by reference:

The following documents are incorporated by reference into that part of this Form 10-K designated to the right of the document title.

Title	**Part**
Proxy statement for the 2022 Annual Meeting of Shareholders	III, Items 10, 11, 12, 13 and 14
Exhibits as specified in exhibit index (page 100)	IV, Item 15

There are 101 pages in this report

PART I

Item 1 - Business

(a) General Description of Business. Old Republic International Corporation is a Chicago based holding company engaged in the single business of insurance underwriting and related services. It conducts its operations through a number of regulated insurance company subsidiaries organized into three major segments: General Insurance (property and liability insurance), Title Insurance, and Republic Financial Indemnity Group ("RFIG") Run-off. References herein to such groups apply to the Company's subsidiaries engaged in these respective segments of business. The results of a small life and accident insurance business are included within the Corporate & Other caption of this report. "Old Republic" or "the Company" refers to Old Republic International Corporation and its subsidiaries as the context requires.

The insurance business is distinguished from most others in that the prices (premiums) charged for various insurance products are set without certainty of the ultimate benefit and claim costs that will emerge, often many years after issuance and expiration of a policy. This basic fact casts Old Republic as a risk-taking enterprise managed for the long run. Management therefore conducts the business with a primary focus on achieving favorable underwriting results over cycles, and on the maintenance of financial soundness in support of the insurance subsidiaries' long-term obligations to policyholders and their beneficiaries. To achieve these objectives, adherence to insurance risk management principles is stressed, and asset diversification and quality are emphasized. The underwriting principles encompass:

- Disciplined risk selection, evaluation, and pricing to reduce uncertainty and adverse selection;

- Enhancing the predictability of expected outcomes through insurance of the largest number of homogeneous risks as to each type of coverage;

- Reducing the insurance portfolio risk profile through:
    - diversification and spread of insured risks; and
    - assimilation of uncorrelated asset and liability exposures across economic sectors that tend to offset or counterbalance one another; and

- Effective management of gross and net limits of liability through appropriate use of reinsurance.

In addition to income arising from Old Republic's basic underwriting and related services functions, significant investment income is earned from invested funds generated by those functions and from capital resources. Investment management aims for stability of income from interest and dividends, protection of capital, and for sufficiency of liquidity to meet insurance underwriting and other obligations as they become payable in the future. Securities trading and the realization of capital gains are not primary objectives. The investment philosophy is therefore best characterized as emphasizing value, credit quality, and relatively long-term holding periods. The Company's ability to hold both fixed maturity and equity securities for long periods of time is enabled by the scheduling of maturities in contemplation of an appropriate matching of assets and liabilities, and by investments in large capitalization, highly liquid equity securities.

In light of the above factors, the Company is managed for the long run and without significant regard to quarterly or even annual reporting periods that American industry must observe. In Old Republic's view, such short reporting time frames do not coincide well with the long-term nature of much of its business. Management therefore believes that the Company's operating results and financial condition can best be evaluated by observing underwriting and overall operating performance trends over five- or preferably ten-year intervals. A ten-year period will likely encompass at least one economic and/or underwriting cycle and thereby provide an appropriate time frame for such cycle to run its course, and for premium rate changes and reserved claim costs to be quantified and emerge in financial results with greater finality and effect.

The contributions to consolidated revenues and pretax income, and the assets of each Old Republic segment are set forth in the following table. This information should be read in conjunction with the consolidated financial statements, the notes thereto, and the "Management Analysis of Financial Position and Results of Operations" appearing elsewhere in this report.

Financial Information Relating to Segments of Business ($ in Millions)

Revenues (a) Years Ended December 31:	2021	2020	2019
General	$ 4,042.5	$ 3,876.8	$ 3,920.8
Title	4,449.3	3,329.3	2,778.1
Corporate & Other - net (b)	47.5	41.4	48.5
Subtotal	8,539.3	7,247.6	6,747.5
RFIG Run-off	44.1	60.4	76.8
Subtotal	8,583.5	7,308.0	6,824.4
Consolidated investment gains (losses) (a)	758.0	(142.0)	636.1
Consolidated	$ 9,341.6	$ 7,166.0	$ 7,460.5

Pretax Income (Loss) Years Ended December 31:	2021	2020	2019
General	$ 589.6	$ 439.8	$ 370.2
Title	515.7	344.0	230.8
Corporate & Other - net (b)	25.7	36.7	54.8
Subtotal	1,131.1	820.5	655.9
RFIG Run-off	32.8	9.8	30.3
Subtotal	1,164.0	830.4	686.2
Consolidated investment gains (losses)	758.0	(142.0)	636.1
Consolidated	$ 1,922.1	$ 688.4	$ 1,322.4

Assets As of December 31:	2021	2020	2019
General	$ 20,660.9	$ 19,226.1	$ 17,870.0
Title	2,234.2	1,920.9	1,695.0
Corporate & Other - net (b)	1,570.2	1,085.1	896.0
Subtotal	24,465.3	22,232.2	20,461.1
RFIG Run-off	516.4	582.9	615.1
Consolidated	$ 24,981.8	$ 22,815.2	$ 21,076.3

(a) Revenues consist of net premiums, fees, net investment and other income earned. Investment gains (losses), which include unrealized gains (losses) on equity securities, are shown on a consolidated basis since the investment portfolio is managed as a whole.

(b) Includes amounts for a small life and accident insurance business as well as those of the parent holding company, its internal corporate services subsidiaries and consolidation elimination adjustments.

Consolidated Underwriting Statistics

The following table reflects underwriting statistics covering premiums and related loss, expense, and policyholders' dividend ratios for the major coverages underwritten in the Company's insurance segments.

	($ in Millions)		
Years Ended December 31:	2021	2020	2019
General Insurance:			
Overall Experience:			
Net Premiums Earned	$ 3,555.5	$ 3,394.2	$ 3,432.4
Claim Ratio	64.8 %	69.9%	71.8%
Expense Ratio	26.5	25.6	25.7
Combined Ratio	91.3 %	95.5%	97.5%
Experience by Major Coverages:			
Commercial Automobile (Mostly Trucking):			
Net Premiums Earned	$ 1,408.6	$ 1,304.5	$ 1,279.4
Claim Ratio	70.8 %	80.8%	84.0%
Workers' Compensation:			
Net Premiums Earned	$ 778.6	$ 863.8	$ 999.2
Claim Ratio	58.9 %	60.8%	63.2%
General Liability:			
Net Premiums Earned	$ 184.4	$ 204.7	$ 227.4
Claim Ratio	64.1 %	73.6%	77.8%
Three Above Coverages Combined:			
Net Premiums Earned	$ 2,371.7	$ 2,373.2	$ 2,506.1
Claim Ratio	66.4 %	72.9%	75.1%
Financial Indemnity: (a)			
Net Premiums Earned	$ 344.0	$ 272.7	$ 218.7
Claim Ratio	53.9 %	57.1%	64.0%
Inland Marine and Commercial Multi-Peril:			
Net Premiums Earned	$ 345.3	$ 294.1	$ 261.8
Claim Ratio	59.4 %	58.3%	62.6%
Home and Automobile Warranty:			
Net Premiums Earned	$ 332.4	$ 318.0	$ 309.3
Claim Ratio	68.8 %	68.1%	65.5%
Other Coverages: (b)			
Net Premiums Earned	$ 157.9	$ 142.3	$ 139.3
Claim Ratio	59.2 %	65.3%	52.2%
Title Insurance: (c)			
Net Premiums & Fees Earned	$ 4,404.3	$ 3,286.3	$ 2,736.0
Claim Ratio	2.6 %	2.3%	2.5%
Expense Ratio	86.7	88.4	90.5
Combined Ratio	89.3 %	90.7%	93.0%
RFIG Run-off:			
Net Premiums Earned	$ 32.6	$ 45.1	$ 59.2
Claim Ratio	(5.3)%	81.7%	53.5%
Expense Ratio	39.9	30.2	25.0
Combined Ratio	34.6 %	111.9%	78.5%
All Coverages Consolidated:			
Net Premiums & Fees Earned	$ 8,003.6	$ 6,737.8	$ 6,241.1
Claim Ratio	30.2 %	37.0%	41.2%
Expense Ratio	59.7	56.3	54.1
Combined Ratio	89.9 %	93.3%	95.3%

(a) Includes Fidelity, Surety, Errors & Omissions, Directors & Officers and Guaranteed Asset Protection coverages.

(b) Consists principally of aviation and travel accident coverages.

(c) Title claim, expense, and combined ratios are calculated on the basis of combined net premiums and fees earned.

General Insurance

Old Republic's General Insurance segment is best characterized as a commercial lines insurance business with a strong focus on liability insurance coverages. Most of these coverages are provided to businesses, government, and other institutions. The Company does not have a meaningful exposure to personal lines insurance such as homeowners and private automobile coverages. In continuance of its commercial lines orientation, Old Republic also focuses on specific sectors of the North American economy, most prominently the transportation (trucking and general aviation), commercial construction, healthcare, education, retail and wholesale trade, forest products, energy, general manufacturing, and financial services industries. In managing the insurance risks it undertakes, the Company employs various underwriting and loss mitigation techniques such as utilization of policy deductibles, captive insurance risk-sharing arrangements, retrospective rating and policyholder dividend plans. These underwriting techniques are intended to better correlate premium charges with the ultimate claims experience of individual or groups of assureds and align our interests with those of the assureds.

Over the years, the General Insurance segment's operations have been developed steadily through a combination of internal growth, the establishment of additional subsidiaries focused on new types of coverages and/or industry sectors, and through several mergers of smaller companies. As a result, this segment has become widely diversified with a business base encompassing the following major coverages:

Automobile Extended Warranty Insurance: Coverage is provided to the vehicle owner for certain mechanical or electrical repair or replacement costs after the manufacturer's warranty has expired.

Aviation: Insurance policies protect the value of aircraft hulls and afford liability coverage for acts that result in injury, loss of life, and property damage to passengers and others on the ground or in the air.

Commercial Automobile Insurance: Covers vehicles (mostly trucks) used principally in commercial pursuits. Policies cover damage to insured vehicles and liabilities incurred by an assured for bodily injury and property damage sustained by third parties.

Commercial Multi-Peril ("CMP"): Policies afford liability coverage for claims arising from the acts of owners or employees, and protection for the physical assets of businesses.

Commercial Property: Insurance policies protect an assured’s real and personal property from risk of direct physical loss of damage, including subsequent business interruption and expense.

Financial Indemnity: Multiple types of specialty coverages, including most prominently the following four, are underwritten by Old Republic within this financial indemnity products classification.

> ***Errors & Omissions ("E&O")/Directors & Officers ("D&O"):*** E&O liability policies are written for non-medical professional service providers such as lawyers, architects, and consultants, and provide coverage for legal expenses, and indemnity settlements for claims alleging breaches of professional standards. D&O coverage provides for the payment of legal expenses, and indemnity settlements for claims made against the directors and officers of corporations from a variety of sources, most typically shareholders.
>
> ***Fidelity:*** Bonds cover the exposures of financial institutions and commercial and other enterprises for losses of monies or debt and equity securities due to acts of employee dishonesty.
>
> ***Guaranteed Asset Protection ("GAP"):*** This insurance indemnifies an automobile loan borrower for the dollar value difference between an insurance company's liability for the total loss (remaining cash value) of an insured vehicle and the amount still owed on an automobile loan.
>
> ***Surety:*** Bonds are insurance company guarantees of performance by a corporate principal or individual such as for the completion of a building or road project, or payment on various types of contracts.

General Liability: Protects against liability of an assured which stems from carelessness, negligence, or failure to act, and results in property damage or personal injury to others.

Home Warranty Insurance: This product provides repair and/or replacement coverage for home systems (e.g. plumbing, heating, and electrical) and designated appliances.

Inland Marine: Coverage pertains to the insurance of property in transit over land and of property which is mobile by nature.

Travel Accident: Coverages provided under these policies, some of which are also underwritten by the Company's Canadian life insurance affiliate, cover monetary losses arising from trip delay and cancellation for individual insureds.

Workers' Compensation: This coverage is purchased by employers to provide insurance for employees' lost wages and medical benefits in the event of work-related injury, disability, or death.

Approximately 93% of General Insurance premiums are produced through independent agency or brokerage channels, while the remaining 7% is obtained through direct production facilities.

Net Premiums Earned

Commercial automobile, general liability and workers' compensation insurance policy coverages are produced in tandem for many assureds. For 2021, production of commercial automobile direct insurance premiums accounted for approximately 37.3% of consolidated General Insurance direct premiums written, while workers' compensation and general liability direct premium production amounted to approximately 22.8% and 15.1%, respectively, of such consolidated totals.

General Insurance net premiums earned increased 4.8% for 2021, with rising premiums in commercial auto, financial indemnity, and property lines of coverage. Strong premium rate increases for most lines of coverage, other than workers' compensation, high renewal retention ratios, and new business production all contributed. Conversely, net premiums earned were down slightly for 2020.

Claim Ratios

Variations in claim ratios are typically caused by changes in the frequency and severity of claims incurred, changes in premium rates, the level of premium refunds, and periodic changes in claim and claim expense reserve estimates. The Company can therefore experience period-to-period volatility in the underwriting results posted for individual coverages. In light of Old Republic's basic underwriting focus in managing its business, a long-term objective has been to dampen this volatility by diversifying coverages offered and industries served.

The claim ratios include loss adjustment expenses where appropriate. Policyholders' dividends, which apply principally to workers' compensation insurance, are typically a reflection of changes in loss experience from prior years for individual or groups of policies, rather than current year results, and should be viewed in conjunction with claim ratio trends.

The General Insurance claim ratios are summarized as follows:

	Reported Claim Ratio	Effect of Prior Periods' (Favorable)/ Unfavorable Claim Reserves Development	Claim Ratio Excluding Prior Periods' Claim Reserves Development
2017	71.8%	0.7 %	71.1%
2018	72.2	—	72.2
2019	71.8	0.4	71.4
2020	69.9	(0.8)	70.7
2021	64.8%	(3.8)%	68.6%

The Company generally underwrites concurrently workers' compensation, commercial automobile (liability and physical damage), and general liability insurance coverages for a large number of customers. Given this concurrent underwriting approach, an evaluation of trends in premiums, claim and dividend ratios for these individual coverages is more appropriately considered for the aggregate of these coverages. As the table above indicates, claim ratios have been on a fairly consistent downtrend during the past five years. The improvement has arisen from slightly lower estimates of current accident years' claim provisions, and in 2021 and 2020, by the impacts from development of prior years' reserve estimates. Favorable development was higher in 2021 due predominantly to better than expected claims experience related to workers' compensation and commercial automobile reserves on older, more developed years.

Claims are a major cost factor and changes reflect continually evolving pricing and risk selection together with variability in loss severity and frequency trends. Changes in commercial automobile claim ratios are primarily due to fluctuations in claim severity. Claim ratios for workers' compensation and liability insurance can reflect greater variability due to chance events in any one year, changes in loss costs emanating from participation in involuntary markets (i.e. insurance assigned risk pools and associations in which participation is basically mandatory), and estimated provisions for loss costs not recoverable from assuming reinsurers which may experience financial difficulties from time to time. Additionally, workers' compensation claim costs in particular are affected by a variety of underwriting techniques such as the use of captive reinsurance retentions, retrospective premium plans, and self-insured or deductible insurance programs that are intended to mitigate claim costs over time. Claim ratios for a relatively small book of general liability coverages tend to be highly volatile year to year due to the impact of changes in claim emergence and severity of legacy asbestosis and environmental claims exposures.

Claim Reserves

The Company's property and liability insurance subsidiaries establish claim reserves which consist of estimates to settle: a) reported claims; b) claims which have been incurred as of each balance sheet date but have not as yet been reported ("IBNR") to the insurance subsidiaries; c) direct costs (fees and costs which are allocable to individual claims); and d) indirect costs (such as salaries and rent applicable to the overall management of claim departments) to administer known and IBNR claims. Such claim reserves, except as to classification in the Consolidated Balance Sheets as to gross and reinsured portions and purchase accounting adjustments, are reported for financial and regulatory reporting purposes at amounts that are substantially the same.

The establishment of claim reserves by the Company's insurance subsidiaries is a reasonably complex and dynamic process influenced by a large variety of factors. These factors principally include past experience applicable to the anticipated costs of various types of claims, continually evolving and changing legal theories emanating from the judicial system, recurring accounting, statistical, and actuarial studies, the professional experience and expertise of the Company's claim departments' personnel or attorneys and independent claim adjusters, ongoing changes in claim frequency or severity patterns such as those caused by natural disasters, illnesses, accidents, work-related injuries, and changes in general and industry-specific economic conditions. Consequently, the reserves established are a reflection of the opinions of a large number of persons, of the application and interpretation of historical precedent and trends, of expectations as to future developments, and of management's judgment in interpreting all such factors. At any point in time, the Company is exposed to the possibility of higher or lower than anticipated claim costs due to all of these factors, and to the evolution, interpretation, and expansion of tort law, as well as the effects of unexpected jury verdicts.

In establishing claim reserves, the potential increase in future loss settlement costs caused by inflation is considered implicitly, along with the many other factors cited above. Reserves are generally set to provide for the ultimate cost of all claims. With regard to workers' compensation reserves, however, the ultimate cost of long-term disability type claims is generally discounted to present value based on interest rates generally ranging from 3.0% to 4.0%.

Over the years, the subject of property and liability insurance claim reserves has been written about and analyzed extensively by a large number of professionals and regulators. Accordingly, the above discussion should be regarded as a basic outline of the subject and not as a definitive presentation. Management believes that its overall reserving practices have been consistently applied over many years, and that its aggregate net reserves have generally resulted in reasonable approximations of the ultimate net costs of claims incurred. However, no representation is made nor is any guaranty given that ultimate net claim and related costs will not develop in future years to be significantly greater or lower than currently established reserve estimates.

Federal Black Lung Regulations

Early in 2001, the Federal Department of Labor revised the Federal Black Lung Program regulations. The revisions basically require a reevaluation of previously settled, denied, or new occupational disease claims in the context of newly devised, more lenient standards when such claims are resubmitted. Following a number of challenges and appeals by the insurance and coal mining industries, the revised regulations were, for the most part, upheld in June, 2002 and are to be applied prospectively. Since 2001, black lung claims filed or refiled pursuant to these revised regulations have increased, though the volume of new claim reports has abated in recent years.

In March 2010, federal regulations were revised once again as part of the Patient Protection and Affordability Act. These revisions reinstitute two provisions that can potentially benefit claimants. In response to this legislation and the above noted 2001 change, black lung claims filed or refiled have risen once again. The vast majority of claims filed to date against Old Republic pertain to business underwritten through loss sensitive programs that permit the charge of additional or refund of return premiums to wholly or partially offset changes in estimated claim costs, or to business underwritten as a service carrier on behalf of various industry-wide involuntary market (i.e. assigned risk) pools. A much smaller portion pertains to business produced on a traditional risk transfer basis.

Asbestosis and Environmental ("A&E") Reserves

Old Republic's reserve estimates also include provisions for indemnity and settlement costs for various A&E claims that have been filed in the normal course of business against a number of its insurance subsidiaries. Many such claims relate to policies incepting prior to 1985, including many issued during a short period between 1981 and 1982 pursuant to an agency agreement canceled in 1982. Over the years, the Company's property and liability insurance subsidiaries have typically issued general liability insurance policies with face amounts ranging between $1.0 million and $2.0 million and rarely exceeding $10.0 million. Such policies have, in turn, been subject to reinsurance cessions which have typically reduced the subsidiaries' net retentions to $500 thousand or less as to each claim.

Old Republic's exposure to A&E claims cannot, however, be calculated by conventional insurance reserving methods for a variety of reasons, including: a) the absence of statistically valid data inasmuch as such claims generally involve long reporting delays and very often uncertainty as to the number and identity of insureds against whom such claims have arisen or will arise; and b) the litigation history of such or similar claims. Inconsistent court decisions stem from such questions as: when an alleged loss occurred, which policies provide coverage, how a loss is to be allocated among potentially responsible insureds and/or their insurance carriers, how policy coverage exclusions are to be interpreted, what types of environmental impairment or toxic tort claims are covered, when the insurer's duty to defend is triggered, how policy limits are to be calculated, and whether clean-up costs constitute property damage.

Over time, the Executive Branch and/or the Congress of the United States have proposed or considered changes in the legislation and rules affecting the determination of liability for A&E claims. As of December 31, 2021, however, there is no solid evidence to suggest that possible future changes might mitigate or reduce some or all of these claim exposures. Because of the above issues and uncertainties, estimation of reserves for losses and allocated loss adjustment expenses for A&E claims in particular is much more difficult to quantify with a high degree of precision. Accordingly, no representation can be made that the Company's reserves for such claims and related costs will not prove to be overstated or understated in the future.

Reinsurance and Retrospective Adjustments

In order to maintain premium production within its capacity and limit maximum losses for which it might become liable under its policies, Old Republic, as is the common practice in the insurance industry, may cede all or a portion of its premiums and related liabilities on certain classes of insurance, individual policies, or blocks of business to other insurers and reinsurers. Although the ceding of insurance does not ordinarily discharge an insurer from its direct liability to a policyholder, it is industry practice to establish the reinsured part of risks as the liability of the reinsurer. Old Republic also employs retrospective premium and a large variety of risk-sharing procedures and arrangements for parts of its business in order to reduce underwriting losses for which it might become liable under insurance policies it issues, and to afford its customers or producers a degree of participation in the risks and rewards associated with such business. Under retrospective arrangements, Old Republic collects additional premiums if losses are greater than originally anticipated and refunds a portion of original premiums if loss costs are lower. Pursuant to risk sharing arrangements, the Company adjusts production costs or premiums retroactively to likewise reflect deviations from originally expected loss costs. The amount of premium, production costs and other retrospective adjustments which may be made is either limited or unlimited depending on the Company's evaluation of risks and related contractual arrangements.

Title Insurance

Title Insurance's business consists primarily of the issuance of policies to real estate purchasers and investors based upon searches of the public records which contain information concerning interests in real property. The policies insure against losses arising out of defects, liens and encumbrances affecting the insured title and not excluded or excepted from the coverage of the policy. For the year ended December 31, 2021, approximately 22% of the Company's consolidated title premium and related fee income stemmed from direct operations (which include branch offices of its title insurers and wholly owned agency subsidiaries of the Company), while the remaining 78% emanated from independent title agents.

There are two basic types of title insurance policies: lenders' policies and owners' policies. Both are issued for a one-time premium. Most mortgages made in the United States are extended by mortgage bankers, savings and commercial banks, state and federal agencies, and life insurance companies. These financial institutions secure title insurance policies to protect their mortgagees' interest in the real property. This protection remains in effect for as long as the mortgagee has an interest in the property. A separate title insurance policy may be issued to the owner of the real estate. An owner's policy of title insurance protects an owner's interest in the title to the property.

In connection with its Title Insurance operations, Old Republic also provides escrow closing and construction disbursement services, as well as real estate information products, national default management services, and a variety of other services pertaining to real estate transfers and loan transactions. As lenders and the title insurance industry transition into the evolving digital landscape of eClosings and eMortgages, Old Republic believes it is well positioned with technology and business process innovations to remain competitive in the market.

Net Premiums Earned

The premiums charged for the issuance of title insurance policies vary with the policy amount and the type of policy issued. The premium is collected in full when the real estate transaction is closed, with there being no recurring fee thereafter. Premiums charged on subsequent policies on the same property, typically related to refinancing, may be reduced depending generally upon the time elapsed between issuance of the previous policies and the nature of the transactions for which the policies are issued. Most of the charge to the customer relates to title services rendered in conjunction with the issuance of a policy rather than to the possibility of loss due to risks insured against. Accordingly, the cost of services performed by a title insurer relates for the most part to the prevention of loss rather than to the assumption of the risk of loss. Claim costs that do occur result primarily from title search and examination mistakes, fraud, forgery, incapacity, missing heirs and escrow processing errors.

Title Insurance's premium and fee revenue is closely related to the level of activity in the real estate market. The volume of real estate activity is affected by the availability and cost of financing, population growth, family movements and other socio-economic factors. Also, the title insurance business is seasonal. During the winter months, new building activity is reduced and, accordingly, the Company produces less title insurance business relative to new construction during such months than during the rest of the year. The most important factors, insofar as Old Republic's title business is concerned, however, are the rates of activity in the resale and refinance markets for residential properties and more recently, growth in commercial title business.

The Title Insurance segment experienced strong growth in premium and fee revenues in 2021 and 2020. This performance was attributable to a low interest rate environment and a robust real estate market. Increased revenue generated on purchase transactions in both years was partially offset by a decline in refinance activity beginning in 2021.

Claim Ratios

Title Insurance claim ratios have remained in the single digits for a number of years due to a continuation of favorable trends in claims frequency and severity. Favorable developments of reserves established in prior years continued to reduce the claim ratios for the periods shown in the following table:

	Reported Claim Ratio	Effect of Prior Periods' (Favorable)/ Unfavorable Claim Reserves Development	Claim Ratio Excluding Prior Periods' Claim Reserves Development
2017	0.8%	(3.0)%	3.8%
2018	1.9	(1.8)	3.7
2019	2.5	(1.2)	3.7
2020	2.3	(1.3)	3.6
2021	2.6%	(1.0)%	3.6%

Republic Financial Indemnity Group (RFIG) Run-off

Historically, Old Republic's RFIG Run-off business consisted of its mortgage guaranty and consumer credit indemnity ("CCI") operations.

During 2011, the Company's flagship mortgage guaranty insurance carrier, Republic Mortgage Insurance Company ("RMIC") and its sister company Republic Mortgage Guaranty Insurance Corporation ("RMGIC"), discontinued writing new business in all states and limited themselves to servicing the run-off of their existing business. A long-used standard model of forecasted results indicates that underwriting performance of the book of business is not expected to have a material impact on Old Republic's consolidated results during the remaining run-off period.

CCI policies provide limited indemnity coverage to lenders and other financial intermediaries. The coverage is for the risk of non-payment of loan balances by individual buyers and borrowers. During 2008, the Company ceased the underwriting of new policies and the existing book of business was placed in run-off operating mode. Results for the CCI coverages are expected to be immaterial in the remaining run off periods and effective July 1, 2019, these results have been reclassified to the General Insurance segment for all future periods.

Private mortgage insurance protects mortgage lenders and investors from default related losses on residential mortgage loans made primarily to homebuyers who make down payments of less than 20% of the home's purchase price. The mortgage guaranty operation insures only first mortgage loans, primarily on residential properties incorporating one-to-four family dwelling units.

Primary mortgage insurance, which represents the vast majority of the remaining risk in force, provides mortgage default protection on individual loans and covers a stated percentage of the unpaid loan principal, delinquent interest, and certain expenses associated with the default and subsequent foreclosure. Traditional primary insurance was issued on an individual loan basis to mortgage bankers, brokers, commercial banks and savings institutions through a network of Company-managed underwriting sites located throughout the country. Traditional primary loans were individually reviewed (except for loans insured under delegated underwriting programs) and priced according to filed premium rates. In underwriting traditional primary business, the Company generally adhered to the underwriting guidelines published by Fannie Mae or Freddie Mac, both of which were purchasers of many of the loans the Company insured. Delegated underwriting programs allowed approved lenders to commit the Company to insure loans provided they adhered to predetermined underwriting guidelines. In lieu of paying the stated coverage percentage, the Company may pay the entire claim amount, take title to the mortgaged property, and subsequently sell the property to mitigate its loss.

As of December 31, 2021, RFIG Run-off's mortgage insurance subsidiaries had total statutory capital, inclusive of a contingency reserve of $257.7 million, of $385.0 million.

Net Premiums Earned

Single premiums are paid at the inception of coverage and provide coverage for the entire policy term. Annual and monthly premiums are renewable on their anniversary dates with the premium charge determined on the basis of the original or outstanding loan amount. Premiums may be paid by borrowers as part of their monthly mortgage payment and passed through to the Company by the servicer of the loan, or paid directly by the originator of, or investor in the mortgage loan.

As to all types of mortgage insurance products, the amount of premium charge depended on various underwriting criteria such as loan-to-value ratios, the level of coverage being provided, the borrower's credit history, the type of loan instrument (whether fixed rate/fixed payment or an adjustable rate/adjustable payment), documentation type, and whether or not the insured property is categorized as an investment or owner occupied property. Coverage is non-cancelable by the Company (except in the case of non-payment of premium or certain master policy violations) and premiums are paid under single, annual, or monthly payment plans. The majority of the Company's direct premiums were written under monthly premium plans.

RFIG Run-off earned premium volume has reflected a continuing drop in line with the declining risk in force.

Claim Ratios

The RFIG Run-off 2021 claim costs reflect fewer newly reported delinquencies along with improving trends in cure rates and lower claim severity influenced by the ongoing economic recovery and continued strength in the real estate market. The 2020 claim ratio reflects greater reserve provisions due to elevated delinquencies and the economic impacts of the COVID-19 pandemic.

	Reported Claim Ratio	Effect of Prior Periods' (Favorable)/ Unfavorable Claim Reserves Development	Claim Ratio Excluding Prior Periods' Claim Reserves Development
2017	57.6 %	(38.3)%	95.9%
2018	43.2	(27.0)	70.2
2019	55.0	(12.5)	67.5
2020	81.7	(26.5)	108.2
2021	(5.3)%	(67.5)%	62.2%

Corporate & Other

Corporate & Other operations include the accounts of a small life and accident insurance business as well as those of the parent holding company and its internal corporate services subsidiaries that perform cash and investment management, payroll, administrative and marketing services. The life and accident business registered net premium revenues of $11.0 million, $12.0 million, and $13.4 million in 2021, 2020 and 2019, respectively. Life and accident business is conducted in both the United States and Canada and consists mostly of limited product offerings sold through financial intermediaries such as automobile dealers, travel agents, and marketing channels that are also utilized in some of Old Republic's General Insurance operations. Production of term life insurance, accounting for net premiums earned of $4.8 million, $5.3 million, and $5.7 million in 2021, 2020 and 2019, respectively, was terminated and placed in run off as of year-end 2004.

(b) Marketing. The personal contacts, relationships, reputations, and intellectual capital of Old Republic's key executives and other associates responsible for the production of business are a vital element in obtaining and retaining much of its business. Many of the Company's customers produce large amounts of premiums and fees and therefore warrant substantial levels of attention and involvement by these persons. In this respect, Old Republic's mode of operation is similar to that of professional reinsurers and commercial insurance brokers, and relies on the marketing, underwriting, and management skills of relatively few key people for large parts of its business.

Historically, several types of insurance coverages underwritten by Old Republic have been affected in varying degrees by changes in national economic conditions. During periods when housing activity or mortgage lending are constrained by any combination of rising interest rates, tighter mortgage underwriting guidelines, falling home prices, excess housing supply and/or economic recession, operating and/or claim costs pertaining to such coverages tend to rise disproportionately to revenues and can result in underwriting losses and reduced levels of profitability.

At least one Old Republic General Insurance subsidiary is licensed to do business in each of the 50 states, the District of Columbia, Puerto Rico, Virgin Islands, Guam, and each of the Canadian provinces. Title Insurance subsidiaries are licensed to do business in 50 states, the District of Columbia and Guam. Although not currently writing new business, the RFIG Run-off subsidiaries are licensed in 50 states and the District of Columbia. Consolidated direct premium volume distributed among the various geographical regions shown was as follows for the past three years:

Geographical Distribution of Consolidated Direct Premiums Written

	2021	2020	2019
United States:			
Northeast	12.3%	12.3%	12.2%
Mid-Atlantic	8.0	8.0	7.5
Southeast	20.6	20.7	20.6
Southwest	12.0	12.0	11.8
East North Central	10.7	10.7	10.9
West North Central	9.5	9.5	9.7
Mountain	8.7	8.7	8.2
Western	16.1	16.1	16.3
Foreign (Principally Canada)	2.1	2.0	2.8
Total	100.0%	100.0%	100.0%

Commercial automobile (mostly trucking), workers' compensation and general liability insurance underwritten for business enterprises and public entities is marketed primarily through independent insurance agents and brokers with the assistance of Old Republic's trained sales, underwriting, actuarial, and loss control personnel. The remaining property and liability commercial insurance written by Old Republic is obtained through insurance agents or brokers who are independent contractors and by direct sales. No single source accounted for over 10% of Old Republic's premium volume in 2021.

A substantial portion of the Company's Title Insurance business is referred to it by title insurance agents, builders, lending institutions, real estate developers, realtors, and lawyers. Title insurance and related real estate settlement products are sold through 275 Company branch offices and owned agency subsidiaries of the Company in the District of Columbia and all 50 states. Policies are also issued through independent title agents (not themselves title insurers) pursuant to underwriting agreements. These agreements generally provide that the agent may cause title policies of the Company to be issued, and the latter is responsible under such policies for any payments to the insured. Issuing agents are authorized to issue commitments and title insurance policies based on their own search and examination, or on the basis of abstracts and opinions of approved attorneys. Typically, the agent deducts the major portion of the title insurance charge to the customer as its commission for services. During 2021, approximately 78% of Title Insurance premiums and fees were accounted for by policies issued by independent title agents.

The Company's mortgage guaranty insurance carriers ceased underwriting new policies and the existing book of business was placed in run-off operating mode effective August 31, 2011. Prior to that date, traditional primary mortgage insurance was marketed principally through a direct sales force which called on mortgage bankers, brokers, commercial banks, savings institutions and other mortgage originators. No sales commissions or other forms of remuneration were paid to the lending institutions or others for the procurement or development of business.

(c) Competition. The insurance business is highly competitive and Old Republic competes with many stockholder-owned and mutual insurance companies. Many of these competitors offer more insurance coverages and have substantially greater financial resources than the Company. The rates charged for many of the insurance coverages in which the Company specializes, such as workers' compensation insurance, other property and liability insurance and title insurance, are primarily regulated by the states. The basic methods of competition available to Old Republic, aside from rates, are service to customers, expertise in tailoring insurance programs to the specific needs of its clients, efficiency and flexibility of operations, personal involvement by its key executives, and, as to title insurance, accuracy and timely delivery of evidences of title issued.

The Company believes its experience and expertise have enabled it to develop a variety of specialized insurance programs and related services for its customers, and to secure state insurance departments' approval of these programs.

(d) Investments. In common with other insurance organizations, Old Republic invests most of its capital and operating funds in income producing securities. Investments must comply with applicable insurance laws and regulations. These laws and regulations prescribe the nature, form, quality, and relative amounts of investments which may be made by insurance companies. Generally, these laws and regulations permit insurance companies to invest within varying limitations in state, municipal and federal government obligations, corporate debt, preferred and common stocks, certain types of real estate, and first mortgage loans. For many years, Old Republic's investment policy has therefore been to acquire and retain primarily investment grade, publicly traded, fixed maturity securities, and in more recent years, a greater amount of high yielding, publicly traded, large capitalization equity securities.

The investment policy is also influenced by the terms of the insurance coverages written by the Company, by its expectations as to the timing of claim and benefit payments, and by income tax considerations. As a consequence of all these factors, the Company's invested assets portfolio is directed in consideration of enterprise-wide risk management objectives. Most importantly, these are intended to ensure solid funding of the insurance subsidiaries' long-term obligations to customers, policyholders and their beneficiaries, as well as the long-term stability of the subsidiaries' capital accounts. For these reasons, the investment portfolio contains no significant insurance risk-correlated asset exposures to real estate, mortgage-backed securities, collateralized debt obligations ("CDO's"), derivatives, hybrid securities, or illiquid private equity and hedge fund investments. Moreover, the Company does not engage in hedging or securities lending transactions, nor does it invest in securities whose values are predicated on non-regulated financial instruments exhibiting amorphous or unfunded counter-party risk attributes.

(e) Government Regulation. In common with all insurance companies, Old Republic's insurance subsidiaries are subject to the regulation and supervision of the jurisdictions in which they do business. The method of such regulation varies, but, generally, regulation has been delegated to state insurance commissioners. The state insurance commissioners are granted broad administrative powers relating to: the licensing of insurers and their agents; the nature of and limitations on investments; approval of policy forms; reserve requirements; and trade practices. In addition to these types of regulation, many classes of insurance, including most of the Company's insurance coverages, are subject to rate regulations which require that rates be reasonable, adequate, and not unfairly discriminatory.

Most states have also enacted insurance holding company laws which require registration and periodic reporting by insurance companies controlled by other corporations licensed to transact business within their respective jurisdictions. Old Republic's insurance subsidiaries are subject to such legislation and are registered as controlled insurers in those jurisdictions in which such registration is required. Such legislation varies from state to state but typically requires periodic disclosure concerning the corporation which controls the registered insurers, or ultimate holding company, and all subsidiaries of the ultimate holding company, and prior approval of certain intercorporate transfers of assets (including payments of dividends in excess of specified amounts by the insurance subsidiary) within the holding company system.

Each state has established minimum capital and surplus requirements to conduct insurance business. At December 31, 2021 each of the Company’s General, Title, Mortgage Guaranty and Life and Accident insurance subsidiaries exceeded the minimum statutory capital and surplus requirements.

Data Protection and Cybersecurity

The Company is subject to U.S. federal and state laws and regulations that require financial institutions, insurance companies and other businesses to protect the security and confidentiality of personal information, and to provide notice of their practices relating to the collection and disclosure of personal information. State insurance privacy laws and regulations, enacted to implement the privacy requirements of the federal Gramm-Leach-Bliley Act of 1999, impose restrictions on the Company’s ability to collect and share consumer personal information, and require notices and disclosures to consumers.

To the extent that the Company collects and processes information that is not subject to the privacy restrictions and requirements applicable to the financial services and insurance industries, the California Consumer Privacy Act and the California Privacy Rights Act have granted California residents certain rights concerning a broad range of information, and has imposed corresponding obligations and disclosure requirements on the Company. Similar laws are expected to become effective in other states.

Cybersecurity requirements specific to the insurance industry to which the Company is subject have been adopted by the New York Department of Financial Services, and in 18 states that have adopted requirements based on the Insurance Data Security Model Law promulgated by the National Association of Insurance Commissioners. Additional states are expected to adopt similar requirements, and various states also impose more general requirements to protect personal information.

The Company is also subject to laws and regulations requiring notification to affected individuals and regulatory agencies of security breaches.

Privacy and cybersecurity laws and regulations in the U.S. are evolving and subject to continual change.

(f) Employees. Old Republic’s approximately 9,600 associates — the Company’s human and intellectual capital — form a key stakeholder group and a most important resource for managing the Company's business. Creating the most appropriate culture and offering professional opportunities are the primary goals of Old Republic’s human capital management. There is significant competition for talent in the insurance industry and the Company’s ability to recruit, retain and develop its associates is a key driver for its long-term success.

As with many elements of the Company’s business, the first and primary level of human capital management occurs in the Company’s operating subsidiaries. This approach reflects the different needs and expectations of each operating subsidiary based on the industry specialization, lines of business, and geographical location of each subsidiary. In addition, the flexibility of this approach to human capital management benefits the entire enterprise and leads to the identification of methods and solutions that can eventually be applied across the entire business.

At the holding company level, Old Republic emphasizes its corporate culture and coordinates the compensation and benefits philosophy that applies to all operating subsidiaries. Old Republic's culture is one that focuses on managing the business in the best interest of its shareholders and key stakeholders, including associates. The long-term success of Old Republic’s associates means:

- Training & Development – Investment in associates means investment in the business. Old Republic offers many training opportunities, including professional certifications, mentoring programs and leadership training.

- Engagement – Old Republic believes that an engaged workforce will be a successful workforce. The Company seeks to create and maintain engaged associates by offering opportunities to interact with industry, professional and charitable & community organizations.
- Planning Ahead – Offering the right compensation and benefit packages and meaningful opportunities to invest in retirement gives Old Republic associates the opportunity to plan ahead.

The importance of Old Republic’s human capital to the Company’s success was never more clearly demonstrated than during the COVID-19 pandemic. In this challenging environment, Old Republic associates continued to serve customers and operate the Company’s businesses with no meaningful interruption in service. This level of performance was the result of both their dedication and loyalty to the business, as well as the investments made by the Company in information technology, employee training and working arrangements sufficiently flexible for conditions.

(g) Website access. The Company files various reports with the U.S. Securities and Exchange Commission ("SEC"), including its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. The Company's reports are available by visiting the SEC's website (http://www.sec.gov) and accessing its EDGAR database to view or print copies of the electronic versions of the Company's reports. Additionally, the Company's reports can be obtained, free of charge, by visiting its website (http://www.oldrepublic.com), selecting *Investors* then *Financials* to view or print copies of the electronic versions of the Company's SEC and other reports. The contents of the Company's website are not intended to be, nor should they be considered incorporated by reference in any of the reports the Company files with the SEC.

Item 1A - Risk Factors

In evaluating the Company, the factors described below should be considered carefully. The occurrence or reoccurrence of one or more of these events could significantly and adversely affect the Company’s business, financial condition and results of operations.

RISKS RELATING TO OLD REPUBLIC AND ITS BUSINESSES

The ongoing COVID-19 pandemic and the associated governmental responses could materially adversely affect Old Republic’s business and its investment portfolio.

The COVID-19 pandemic continued to adversely impact the U.S. economy and financial markets. New variants of the COVID-19 virus or a resurgence in infection rates could lead to a reduction in economic activity, resulting in a decline in demand for the Company’s products. The pandemic could also have a more significant impact on Old Republic’s claims experience in future periods, resulting in a decrease in profitability.

Actions taken in response to the pandemic by federal, state and local government authorities, including state insurance departments, could, individually or in the aggregate, adversely affect Old Republic’s business. In addition, a resurgence in infection rates could impact the financial markets and adversely impact the value of Old Republic's investment portfolio and its investment income.

Old Republic’s loss reserves are based on estimates and if these prove to be inadequate to cover its actual insured losses, Old Republic’s business, financial condition and results of operations could be adversely affected.

To recognize liabilities for anticipated policy losses, the Company establishes reserves as balance sheet liabilities representing its best estimate of amounts needed to pay reported and unreported losses and the related loss adjustment expenses. It is not possible to calculate precisely what these liabilities will amount to in advance and, accordingly, the reserves represent a best estimate at a point in time. Estimating loss reserves is a difficult, complex and inherently uncertain process involving many variables and subjective judgments. These estimates are based upon known historical loss data, assumptions and expectations of future trends in claim frequency and severity, changes in legal, regulatory and litigation environments, and inflation and other economic considerations.

Moreover, for long-tail coverages, which generally include workers' compensation, commercial automobile (mostly trucking) liability, general liability, errors and omissions and directors’ and officers' liability, as well as title insurance, significant periods of time often elapse between the occurrence of an insured loss, the reporting of the loss to the Company and the payment of that loss. The length of time required to ultimately settle long-tailed claims and the costs associated with resolving these claims, coupled with uncertain and sometimes variable judicial rulings on coverage and policy allocation issues along with the possibility of legislative actions, makes reserving for these exposures highly uncertain and creates a risk of possibly adverse developments in both known and as-yet-unknown claims.

As a result of these uncertainties, the ultimate paid loss and loss adjustment expense may deviate, perhaps substantially, from the point-in-time estimates of such losses and expenses, as reflected in the loss reserves included in the Company’s financial statements. For example, for the years ended December 31, 2021, 2020 and 2019, the Company experienced consolidated favorable development of reserves for losses and loss adjustment expenses incurred in prior years of $210.6 million, $83.8 million and $30.9 million, respectively, which had a positive effect on results of operations in those periods. To the extent that loss and loss adjustment expenses exceed initial estimates, the Company will be required to immediately recognize the less favorable experience and increase loss reserves, with a corresponding reduction in net income in the period in which the unfavorable development is identified.

If the Company is unable to accurately underwrite risks and charge competitive yet profitable rates to its policyholders and customers, the Company's business, financial condition, and results of operations could be materially and adversely affected.

In general, the premiums for the Company's insurance policies are established at the time a policy is issued and, therefore, before all of the underlying liabilities and costs associated with the policy are known. Like other insurance companies, Old Republic relies on estimates and assumptions in setting premium rates. Establishing adequate premiums is necessary to generate sufficient revenue to offset losses, loss adjustment expenses and other underwriting costs and to earn an underwriting profit. If the Company does not accurately assess and underwrite the risks that it assumes, it may not charge adequate premiums to cover its losses and expenses, which would adversely affect the Company's financial condition and results of operations. Alternatively, the Company could set its premiums too high, which could reduce its competitiveness and lead to lower revenues.

Pricing involves the acquisition and analysis of historical loss data, and the projection of future trends, loss costs and expenses, and inflation trends, among other factors, for each of the Company's products. In order to accurately price its policies, the Company:

- collects and analyzes a substantial volume of data from its insureds;
- develops, tests and applies appropriate projections and rating formulas;
- closely monitors and timely recognizes changes in trends; and;
- seeks to project expected losses for its insureds with reasonable accuracy.

The Company seeks to implement its pricing accurately in accordance with its assumptions, data available to it and its analysis of that data. Given the uncertainties generally inherent in estimates and assumptions, the Company's ability to undertake these efforts successfully and, as a result, accurately price its policies, is not free from risk.

If the Company is unable to realize its investment objectives, its financial condition and results of operations may be adversely affected.

Investment income is an important component of the Company's net income and one of its primary sources of cash flow to support operations. As of December 31, 2021, the consolidated investment portfolio reflected an allocation of approximately 68% to fixed-maturity (bonds and notes) and short-term investments, and 32% to equity securities (common stocks). For the years ended December 31, 2021, 2020 and 2019, the Company reported $434.3 million, $438.9 million and $450.7 million of net investment income, respectively.

The Company's investments are subject to market-wide risks and fluctuations, as well as to risks inherent in particular securities. Changing or unprecedented market conditions, such as experienced in the first half of 2020 as a result of the COVID-19 pandemic, could decrease liquidity and materially impact the future valuation of fixed maturity and equity securities in the investment portfolio.

In structuring its investment portfolio, the Company seeks to align its policyholder obligations and the maturity of its fixed maturity portfolio. As a result of either an unexpected increase in policyholder obligations (e.g., because of an underestimate in reserves) or a short fall in funds available (e.g., because of a default in a fixed maturity investment), the Company could have difficulty in meeting its obligations. In this case, the Company could be forced to liquidate its investments before their maturity or under adverse securities market conditions to obtain the funds necessary to meet its obligations. This could result in unexpected losses in the portfolio. Additionally, the Company may be forced to change its investments or investment policies depending upon regulatory, economic and market conditions, thus affecting the existing or anticipated financial condition and operating needs, including the tax position, of its business. In such circumstances, the Company's investment objectives may not be achieved, and its financial condition and results of operations may be adversely affected.

Losses due to nonperformance or defaults by counterparties can have a material adverse effect on the Company's profitability or sources of liquidity.

The Company has credit risk with counterparties associated with investments, premiums receivable and reinsurance recoverables. The Company's subsidiaries have significant business relationships with financial institutions, particularly national banks. To secure the obligations of the insureds and certain reinsurers, the insurance subsidiaries are often the beneficiaries of a significant amount of security in the form of letters of credit, trust funds and pledged investments. Other banks serve as depositories holding large sums of money in escrow accounts established by the Company's Title Insurance subsidiaries. Accordingly, there is a risk of concentrated financial exposure in one or more such commercial banking institutions. These counterparties may default on their obligations to the Company due to bankruptcy, insolvency, lack of liquidity, adverse economic conditions, operational failure, fraud, government intervention and other reasons. If any of these institutions fail or are unable to honor their credit obligations, or if escrowed funds become lost or tied up due to the failure of a bank, the result could have a materially adverse effect on the Company's business, results of operations and financial condition.

The Company is also exposed to credit risk with its reinsurers. Reinsurance does not discharge the Company's insurance subsidiaries of their obligations under their insurance policies. The Company's insurance subsidiaries remain liable to policyholders even if they are unable to make recoveries that they believe they are entitled to receive under their reinsurance contracts. With respect to long-tail coverages, the creditworthiness of the Company's reinsurers may change before it can recover amounts to which it is entitled. If a reinsurer is unable to meet any of its obligations to the Company, it would be responsible for all claims and claim settlement expenses for which it would have otherwise received payment from the reinsurer. If the Company is unable to collect amounts recoverable from reinsurers, its business, financial condition and results of operations would be adversely affected.

The Company's status as a holding company with no direct operations could adversely affect its liquidity and its ability to service debt and pay dividends.

Old Republic is an insurance holding company that transacts business solely through its operating subsidiaries. Old Republic's primary assets are the investments in these operating subsidiaries, and substantially all of the Company's assets consist of those used for the business conducted by its insurance subsidiaries. Old Republic relies upon dividends and interest from these subsidiaries in order to pay the interest and principal on its debt obligations, dividends to shareholders, and corporate expenses.

The payment of dividends by the Company's insurance subsidiaries is restricted by state insurance laws or subject to approval of the insurance regulatory authorities in the jurisdictions in which they are domiciled. These authorities recognize only statutory accounting practices for determining financial position, results of operations and the ability of an insurer to pay dividends to its shareholders. The specific rules governing the payment of dividends by the Company's insurance subsidiaries vary from jurisdiction to jurisdiction. The Company's insurance subsidiaries are domiciled in many different jurisdictions. Generally, the insurance subsidiaries are prohibited from paying dividends to the holding company in excess of either the greater or lesser of (depending upon the state involved) 10% of statutory surplus or a portion of statutory net income, without the prior approval of the applicable insurance regulatory authority. Dividends declared during the fiscal years ended December 31, 2021, 2020 and 2019 to the holding company by its subsidiaries amounted to $566.7 million, $472.4 million and $399.5 million, respectively. There can be no assurance that the Company's subsidiaries will be able to continue to pay such dividends to the Company in the future. If the Company's subsidiaries are unable to pay dividends to the holding company in amounts necessary to satisfy existing obligations, the Company's ability to service its debt and pay dividends to its shareholders would be adversely affected.

Old Republic may not be able to maintain paying dividends at current rates, or at all.

Old Republic has a long history of paying regular quarterly dividends and in recent years has paid special dividends. Any determination to pay either type of dividend to the Company's stockholders in the future will be at the discretion of the board of directors and will depend on the Company's results of operations, financial condition and other factors deemed relevant by the board of directors. Old Republic's ability to pay dividends depends largely on the Company's subsidiaries' earnings and operating capital requirements, and is subject to regulatory and other constraints of the subsidiaries, including the effect of any such dividends or distributions on the AM Best rating or other ratings of the insurance subsidiaries. In addition, the Company may choose to retain capital to support growth or further mitigate risk, instead of returning excess capital to its shareholders. As a result, there can be no assurance that Old Republic will be able to maintain paying dividends as it has in the past.

Technology and security breaches or failures, including cybersecurity incidents, could disrupt the Company's operations, result in financial losses, the loss of critical and confidential information and expose the Company to additional liabilities, which could adversely affect its reputation and results of operations.

The Company depends upon technology to conduct business. The Company uses computer systems to store and manage customer, employee, and company data and information. These computer systems include both proprietary and third party technology systems and tools. In addition, the Company routinely transmits, receives and stores personal, confidential and proprietary information by email and other electronic means. The Company and its employees and agents also transfer significant amounts of funds using electronic means.

The Company's systems and processes have been, and will likely remain, subject to cyber-attacks and other intrusions. These attacks are occurring with greater frequency and sophistication, and include malware and computer virus attacks, ransomware, unauthorized access, misuse, denial-of-service attacks, system failures and disruptions. A future breach of the Company's systems or the systems of a third-party vendor or services provider could disrupt the Company's ability to conduct business operations. During such an event, systems may be inaccessible to employees, customers or business partners for an extended period of time and employees may be unable to perform their duties. These attacks could expose the Company to substantial costs and negative consequences, including the loss of funds, costs of investigation and remediation, lost revenues and reputational damage.

In addition, the email and computer systems used by the Company, its service providers and agents for the transfer of funds have been subject to fraudulent spoofing attacks. In some cases, unauthorized access or fraudulent attacks have not been immediately detected, thereby increasing the severity of the incident. Funds transferred to a fraudulent recipient are not always recoverable and the Company may be liable for those unrecovered funds. Losses resulting from unrecovered funds could result in a material adverse effect on the Company's financial condition and results of operations.

Old Republic regularly monitors its networks, infrastructure and procedures in an effort to prevent, detect, address and mitigate these risks. There is no assurance that the Company's security procedures will provide fully effective protection from such events. A cyber incident or fraud attack could have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, Old Republic's businesses must comply with laws and regulations enacted by U.S. federal and state governments, as well as laws enacted by various regulatory organizations or exchanges relating to the privacy and security of the information of clients, employees or others. These laws and regulations are increasing in complexity and number, change frequently and sometimes conflict. The compromise of personal, confidential or proprietary information could expose the Company to liability under federal and state laws, and subject it to litigation and investigations and result in reputational harm, which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may suffer losses from litigation, which could materially and adversely affect its financial condition and business operations.

Like other large insurance companies, Old Republic continually faces risks associated with litigation of various types, including claims litigation arising in the ordinary course, corporate litigation, and disputes relating to bad faith allegations that could result in the Company incurring losses in excess of policy limits. The Company typically is a party to a variety of litigation matters throughout the year. Litigation is subject to inherent uncertainties, and if there were an outcome unfavorable to the Company, there exists the possibility of a material adverse impact on its results of operations and financial position in the period in which the outcome occurs. Even if an unfavorable outcome does not materialize, the Company still may face substantial expense and disruption associated with the litigation.

The Company competes with a large number of companies in the insurance industry for premium revenues.

Each of the Company's lines of continuing insurance business is highly competitive and is likely to remain so for the foreseeable future. The Company faces competition from specialty insurance companies, underwriting agencies and intermediaries, as well as diversified financial services companies that are significantly larger than it is and that have significantly greater financial, marketing, management and other resources. The Company may also face competition from new sources of capital such as institutional investors seeking access to the insurance market, sometimes referred to as alternative capital, which may depress pricing or limit the Company's opportunities to write business. The emergence of insurtech companies and other companies that may seek to write business without the appropriate regard for risk and profitability may lead to increased competition for premiums. All of these increases in competition threaten to reduce demand for the Company's insurance products, reduce its market share and growth prospects, and potentially reduce the Company's premium revenues and profitability.

If the Company is unable to keep pace with the technological advancements in the insurance industry, its ability to compete effectively could be impaired.

The Company's operations rely upon complex and expensive information technology systems for interacting with policyholders, brokers and other business partners. The pace at which information systems must be upgraded is continually increasing, requiring an ongoing commitment of significant resources to maintain or upgrade to current standards. Many of the Company's operating subsidiaries maintain separate IT systems. The Company will need to continue to develop and maintain information technology systems that will allow its insurance subsidiaries to compete effectively. The development of new technologies may result in the Company being competitively disadvantaged if it is unable to upgrade its systems in a timely manner. If the Company is unable to keep pace with the advancements being made in technology, the Company's ability to compete with other insurance companies that have more advanced technological capabilities will be negatively affected. Further, if the Company is unable to effectively update or replace its key legacy technology systems as they become obsolete or as emerging technology renders them competitively inefficient, the Company's competitive position and its cost structure could be adversely affected.

Old Republic is subject to extensive governmental regulation, and if the Company fails to comply with these regulations, it can be subject to penalties, including fines and suspensions, which may adversely affect the Company's realization of its business objectives as well as its financial condition, results of operations and reputation.

Most insurance regulations are designed to protect the interests of policyholders rather than shareholders and other investors. These regulations are generally administered by a department of insurance in each state and territory in which the Company does business, and relate to, among other things, policy forms, premium rates, capital requirements, licensing, investments, policy limits, accounting methods and reserving.

State insurance departments also conduct periodic examinations of the conduct and affairs of insurance companies and require the filing of annual, quarterly and other reports relating to financial condition, holding company issues and other matters. At any given time, governmental agencies are examining or investigating certain of the Company's operations. These include examinations or investigations of market conduct, competitive practices and other regulatory compliance matters. Changes in the level of regulation of the insurance industry or changes in laws or regulations themselves or interpretations by governmental or regulatory authorities could adversely affect the Company's ability to operate its business as currently conducted and adversely affect or inhibit Old Republic's ability to achieve some or all of its business objectives.

Regulatory authorities have relatively broad discretion to deny or revoke licenses for various reasons, including the violation of regulations. In some instances, the Company follows practices based on its interpretations of regulations or practices that it believes may be generally followed by the industry. These practices may turn out to be different from the interpretations of regulatory authorities. If the Company does not have the requisite licenses and approvals or does not comply with applicable regulatory requirements, insurance regulatory authorities could initiate investigations or other proceedings, fine the Company, preclude or temporarily suspend the Company from carrying on some or all of its activities or otherwise penalize the Company. This could adversely affect the Company's ability to operate its business.

In addition to regulations specific to the insurance industry, as a public company, Old Republic is also subject to the rules and regulations of the Securities and Exchange Commission and the New York Stock Exchange, each of which regulate many areas such as financial and business disclosures, corporate governance and shareholder matters. Old Republic is also subject to the corporation laws of Delaware, its state of incorporation. At the federal level, among other laws, the Company is subject to the Sarbanes-Oxley Act and the Dodd-Frank Act, each of which regulate corporate governance, executive compensation and other areas, as well as laws relating to federal trade restrictions, privacy/data security and terrorism risk insurance laws. The Company monitors these laws, regulations and rules to assess the Company's compliance and make appropriate changes as necessary. Implementing such changes may require adjustments to the Company's business methods, increases to its costs and other changes that could cause the Company to be less competitive in the industry.

Climate Change could materially have an adverse effect on Old Republic's business and investments.

Old Republic is primarily involved in the commercial liability, risk management and title insurance businesses. The Company believes the impact of climate change will not materially affect its Title Insurance business as title insurance does not provide property or liability coverage, but rather protects against defects in title ownership. With regard to its liability insurance business, it is mostly concentrated in workers' compensation and vehicle liability insurance. The Old Republic property and casualty insurance companies utilize recognized catastrophic modeling resources and reinsurance coverage to mitigate risk. Additionally, its underwriting risk is mostly subjected to re-pricing on an annual basis; therefore, to the extent that climate change may impact the number and severity of losses for Old Republic's policyholders and clients, that impact would likely be long-term in nature and would be considered in Old Republic's normal pricing and underwriting process.

With regard to its current facilities and buildings, the Company periodically assesses and attempts to reduce or mitigate its emissions by acting in an environmentally responsible manner and implementing green strategies, where feasible. The Company decreases the environmental impact of its facilities and buildings by conserving energy and reducing natural resource consumption and greenhouse gas emissions. Further, it has implemented environmentally sustainable practices, including paper resources conservation, energy conservation, water conservation, waste management, recycling programs, and employee awareness. Finally, the Company periodically attempts to improve energy efficiencies in given facilities through repairs and replacements.

As an insurance organization, Old Republic has a large investment portfolio of which a significant portion consists of fixed rate income investments that have an average term to maturity of under 5 years. While the Company believes its portfolio is well diversified, it has a significant amount invested in electric utilities and in the natural gas exploration and distribution industry. Many of these investments are for relatively short terms and some are for upgrading coal generation power plants to reduce emissions, for building or upgrading clean energy operations, natural gas or nuclear power plants, or for natural gas exploration, as well as, other alternative energy initiatives that are pursued individually by these entities.

Old Republic does not specifically direct equity investments into specialized "climate change" entities, but passively participates in climate control issues through its fixed income investments, as outlined above.

If climate change has a significant impact on a specific bond issuer, or the economy in general, investment losses or reduction in sales/revenue could potentially occur. In that event, Old Republic would address such issues pursuant to sound business and investment practices.

While Old Republic believes it has taken a reasonable position on the risk of climate change, there can be no assurance that these assumptions or its policies and practices will be sufficient to insulate it from any long-term effects of climate change.

SPECIFIC RISKS RELATING TO GENERAL INSURANCE

Catastrophic losses, including those caused by natural disasters such as earthquakes or man-made events such as terrorist attacks, are inherently unpredictable and could cause the Company to suffer material financial losses.

While the General Insurance segment does not have a meaningful exposure to homeowners or other real property coverages, the casualty or liability insurance it underwrites creates exposure to claims arising out of catastrophes. The two principal catastrophe exposures are earthquakes and acts of terrorism in areas where there are large concentrations of employees of an insured employer or other individuals who could potentially be injured and assert claims against an insured under workers' compensation policies. Collateral damage to property or persons from acts of terrorism and other calamities could also expose general liability policies.

Following the September 11, 2001 terrorist attack, the reinsurance industry eliminated coverage from substantially all reinsurance contracts for claims arising from acts of terrorism. As discussed elsewhere in this report, the U.S. Congress subsequently passed TRIA, TRIREA, and TRIPRA legislation that required primary insurers to offer coverage for certified acts of terrorism under most commercial property and casualty insurance policies. Although these programs established a temporary federal reinsurance program through December 31, 2027, primary insurers like the Company's General Insurance subsidiaries retain significant exposure for terrorist act-related losses.

Since January 1, 2005, the Company has maintained maximum treaty reinsurance coverage of up to $200.0 million for workers' compensation exposures. Pursuant to regulatory requirements, however, all workers' compensation primary insurers such as the Company remain liable for unlimited amounts in excess of reinsured limits. Therefore, it is possible that in the event of a catastrophe such as an earthquake that could lead to the death or injury of a large number of persons concentrated in a single place, the Company could experience significant non-reinsured losses if the losses exceeded its reinsurance coverage, which could materially and adversely affect the Company's financial condition and results of operations.

In addition, natural events such as the COVID-19 pandemic can have a particular impact on certain business lines. For example, the General Insurance segment writes workers' compensation business covering the continuing care industry, which has been adversely affected by the pandemic. The impact of the pandemic on covered individuals in this sector could cause the Company to experience increased claims and losses, which could also materially and adversely affect the Company's financial condition and results of operations.

Economic conditions could adversely affect the Company's financial condition and results of operations.

Negative trends in employment rates can adversely affect Old Republic's workers' compensation business. If the Company's customers reduce their workforce levels, the level of workers' compensation insurance coverage they require and, as a result the premiums that the Company charges, would be reduced, and if the customer ceases operations, it will not renew its policy. For example, if the COVID-19 pandemic continues or current economic conditions deteriorate, Old Republic could experience future decreases in business activity, which could have an adverse effect on the Company's financial condition and results of operation.

If the Company is not able to obtain reinsurance on favorable terms, its business, financial condition and results of operations could be adversely affected.

Reinsurance is a contractual arrangement whereby one insurer (the reinsurer) assumes some or all of the risk exposure written by another insurer (the reinsured). The Company depends on reinsurance to manage its risks both in terms of the amount of coverage it is able to write, the amount it is able to retain for its own account, and the price at which the Company is able to write it. The availability of reinsurance and its price, however, are generally determined in the reinsurance market by conditions beyond the Company's control.

Because reinsurance does not relieve the Company of its primary liability to insureds in the event of a loss, the ability of reinsurers to honor their counterparty obligations to the Company represents credit risk. The Company attempts to mitigate this risk by limiting reinsurance placements to those reinsurers it considers the best credit risks. In recent years, however, there has been an ever decreasing number of acceptable reinsurers. There can be no assurance that the Company will be able to find the desired or even adequate amounts of reinsurance at favorable rates from acceptable reinsurers in the future. If unable to do so, the Company would have greater exposure to catastrophic losses and be forced to reduce the volume of business written or retain increased amounts of liability exposure. In either case, any reduction or other changes in the Company's reinsurance could adversely affect the Company's business, results of operations, and financial condition.

Losses due to defaults by insureds with which the Company has entered into risk sharing arrangements could adversely affect its profitability.

A significant amount of Old Republic's liability and workers' compensation business, particularly for large commercial insureds, is written on the basis of risk sharing underwriting methods. These methods may include the use of large deductibles, captive insurance risk retentions, or other arrangements by which the insureds effectively retain and fund all or a portion of the loss experience. An insured's financial strength and ability to pay are carefully evaluated as part of the underwriting process and monitored periodically thereafter. In addition, the exposure retained by an insured is estimated and collateralized based on a credit analysis and evaluation. Because the Company is primarily liable for losses incurred under its policies, the failure or inability of insureds to honor their retained liability represents a credit risk. If the Company incorrectly estimates the proper amount of collateral or if there is an impediment to the Company's ability to access that collateral, it could have a material adverse effect on the General Insurance segment's profitability, results of operation and financial condition.

SPECIFIC RISKS RELATING TO TITLE INSURANCE

The Title Insurance segment's products and services and claims experience may suffer as a result of deteriorations in the real estate market.

Demand for the products and services provided by the Title Insurance segment is generally dependent on the strength of the real estate market and the frequency of real estate transactions. If real estate market conditions and real estate values decline, the number of real estate transactions may decrease as a result of high or increasing mortgage interest rates and limited or decreasing availability of credit, including commercial and residential mortgage funding. Historically, increasing foreclosure activity has led to an increase in claims. These factors may adversely affect both net premiums and fees earned and profitability in the segment.

A significant portion of the Title Insurance segment’s business is generated by independent title agents. If this segment’s products and services become less attractive to these independent title agents, or if there is a decrease in the amount of title industry business placed by independent title agents, it could have a material adverse impact on this segment.

For the year ended December 31, 2021, approximately $3.4 billion or 78% of the Title Insurance segment’s consolidated premium and related fee income was produced by independent title agents. The other three large national title insurers generate a higher percentage of their business through employees or owned insurance agencies. Independent title agents can direct business to any title insurer, whereas owned agencies will typically direct business solely to their parent or affiliated title insurers. If the products and services provided by competitors are more attractive to independent title agents, or if the number of, or amount of business produced by, independent title agents decreases, the segment’s business may be adversely affected.

Because independent title agents issue a significant portion of the Title Insurance segment's policies and operate with substantial independence from the business, the independent operations of these title agents could adversely affect the financial condition and profitability of this segment.

The Title Insurance segment issues a significant portion of its policies through title agents that operate largely independently and without direct supervision. The independent agents typically perform title searches and examinations and make underwriting decisions for which the Title Insurance segment bears the risk. The activities of these independent title agents are governed by contract. While the Title Insurance business has policies to audit and monitor their activities, there is no guarantee that these title agents will fulfill their contractual obligations. For example, an independent agent may issue a policy that is in excess of contractual limits or the independent title agent may not adhere to required underwriting standards. The Title Insurance segment’s contracts with agents generally limit an agent’s liability for losses. However, under certain circumstances, the segment may be liable to third parties for actions (including defalcations) or omissions of these agents. In certain states a title insurer may be held liable for the actions or omissions of its agents in those states, including instances in which the insurer has issued a closing protection letter, regardless of contractual limitations imposed on an agent’s actions. A closing protection letter indemnifies the lender and borrower against losses relating to the status of title arising from certain actions of the agent. As a result, the use of independent title agents could result in increased claims and an increase in other costs and expenses.

Regulation of title insurance rates could adversely affect the Title Insurance segment.

Title insurance rates are subject to extensive regulation, which varies from state to state. In many states the approval of the applicable state insurance regulator is required prior to implementing a rate change. These regulations could hinder the Title Insurance segment’s ability to promptly adapt to changing market dynamics through price adjustments, which could adversely affect its results of operations, particularly in a rapidly declining market.

The Title Insurance segment’s business may be adversely affected by business or regulatory conditions that disproportionately affect Florida.

Florida is the largest source of revenue for the Title Insurance segment. In the aggregate in 2021, Florida accounted for approximately 19% of total segment consolidated premium and related fee income. As a result of the significant income derived from customers in this state, the Title Insurance segment is exposed to adverse business or regulatory conditions that significantly or disproportionally affect Florida. For example, a declining business climate or real estate market that is localized in Florida could have an adverse effect on the segment’s results of operations. Adverse regulatory developments, including reductions in rates or increased regulatory or capital requirements in Florida could similarly adversely affect the segment’s business, financial condition and results of operations.

A title failure or other claim on a large commercial title policy could adversely affect the Title Insurance segment and the Company.

The Title Insurance segment’s commercial business involves the issuance of title policies on commercial properties. Policies insuring title on large commercial properties (or aggregations of many smaller properties) may have policy exposure extending into the hundreds of millions of dollars. Historically, the segment has not obtained reinsurance on its large commercial policies. Given the large policy limits, a significant loss on one of these policies would have a material adverse effect on the Title segment and the Company.

SPECIFIC RISKS RELATING TO THE RFIG-RUNOFF SEGMENT

Inadequate reserves for losses could materially adversely affect the RFIG Run-off segment.

The Company establishes reserves for losses and loss adjustment expenses for its RFIG Run-off segment based upon loans reported by mortgage servicers to be in default, as well as estimates of those in default but not yet reported. The reserves are best estimates by management and take into consideration many variables, including the number of reported defaults, the payment status of those defaults, the segment’s historical loss data and management’s assumptions and expectations regarding future trends in housing and mortgage markets, unemployment rates and the economy in general.

Estimating reserves for mortgage guaranty exposures is an inherently uncertain process insofar as it is based on information reported by third parties and is subject to changes in economic conditions which could have a material impact on ultimate losses and loss adjustment expenses.

Claim reserve estimates for the RFIG Run-off segment rely on the accuracy and timeliness of information provided by mortgage servicers with regards to the number and payment status of mortgage loans in default. Inaccuracies or delays in the reporting of default information could adversely affect the level of carried reserves or the timing in which such reserves or changes therein are recorded. Changes in economic trends and conditions, periods of sustained economic distress such as those experienced during the Great Recession of 2007-2012 or, more recently, by the adverse economic effects of the COVID-19 pandemic, subject estimates of loss reserves to an even greater degree of uncertainty and volatility.

As a result of these risk factors, the rate and severity of actual losses could prove to be greater than expected and could require the Company to effect substantial increases in RFIG Run-off segment loss reserves. Depending upon the magnitude, such increases could have a material adverse impact on the segment’s capital position and the Company's consolidated results of operations and financial condition. There can be no assurance that the actual losses for the RFIG Run-off segment will not be materially greater than previously established loss reserves.

Item 1B - Unresolved Staff Comments

None

Item 2 - Properties

The principal executive offices of the Company are located in the Company-owned Old Republic Building in Chicago, Illinois. In addition to its Chicago building, a subsidiary of the Title Insurance segment owns and partially occupies its operations headquarters building in Minneapolis, Minnesota. Certain smaller buildings are owned by Old Republic and its subsidiaries in various parts of the nation and are primarily used for its business.

Other operations of the Company and its subsidiaries are directed from leased premises. See Note 13 of the Notes to Consolidated Financial Statements for a summary of all material lease obligations.

Item 3 - Legal Proceedings

Legal proceedings against the Company and its subsidiaries routinely arise in the normal course of business and usually pertain to claim matters related to insurance policies and contracts issued by its insurance subsidiaries. At December 31, 2021, the Company had no material non-claim litigation exposures in its consolidated business.

Item 4 - Mine Safety Disclosures

Not applicable.

PART II

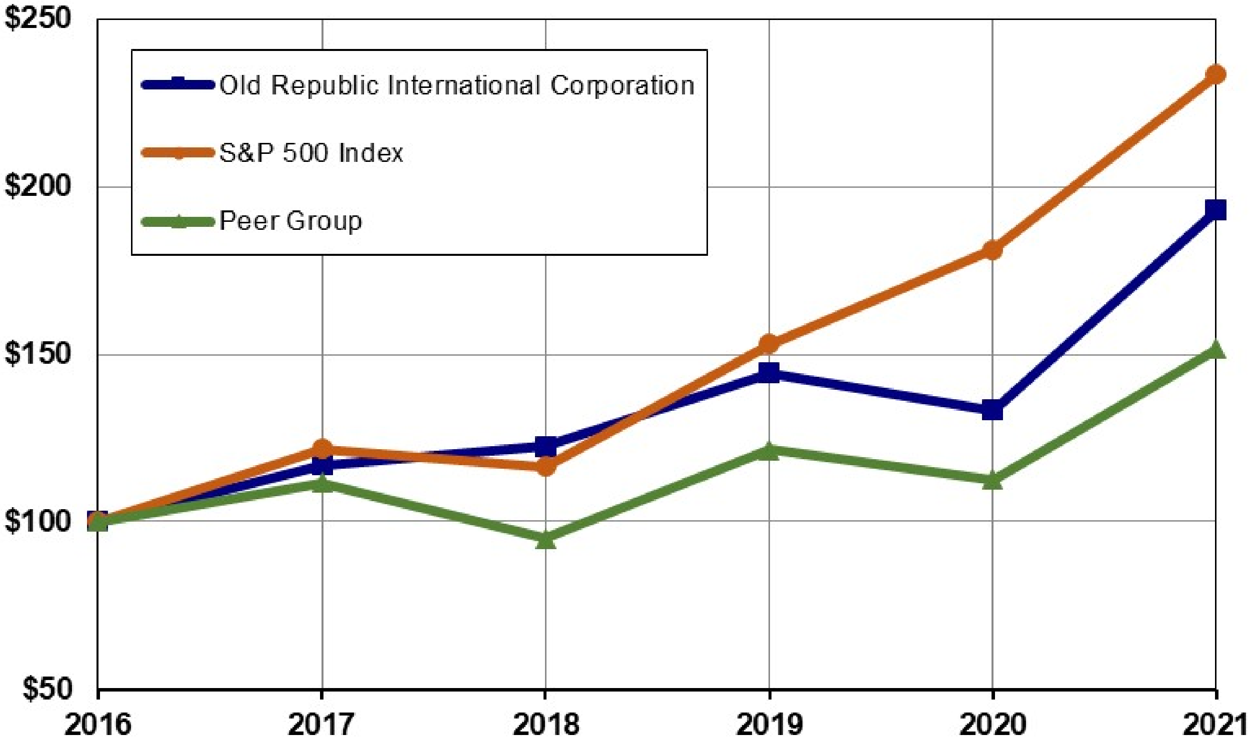
Item 5 - Market for the Registrant's Common Equity, Related Security Holder Matters and Issuer Purchases of Equity Securities

The Company's common stock is traded on the New York Stock Exchange under the symbol "ORI". As of January 31, 2022, there were 2,072 registered holders of the Company's Common Stock. See Note 11 of the Notes to Consolidated Financial Statements for a description of certain regulatory restrictions on the payment of dividends by Old Republic's insurance subsidiaries.

Comparative Five Year Performance Graphs for Common Stock

The following table, prepared on the basis of market and related data furnished by Standard & Poor's Total Return Service, reflects total market return data for the most recent five calendar years ended December 31, 2021. For purposes of the presentation, the information is shown in terms of $100 invested at the close of trading on the last trading day preceding the first day of the fifth preceding year. The $100 investment is deemed to have been made either in Old Republic Common Stock, in the S&P 500 Index of common stocks, or in an aggregate of the common shares of the Peer Group of publicly held insurance businesses selected by Old Republic. The cumulative total return assumes reinvestment of cash dividends on a pretax basis. The information utilized to prepare the following table has been obtained from sources believed to be reliable, but no representation is made that it is accurate or complete in all respects.

Comparison of Five Year Total Market Return
OLD REPUBLIC INTERNATIONAL CORPORATION vs. S&P 500 vs. Peer Group
(For the five years ended December 31, 2021)



	Dec. 16	Dec. 17	Dec. 18	Dec. 19	Dec. 20	Dec. 21
ORI	$ 100.00	$ 116.87	$ 122.54	$ 144.29	$ 133.26	$ 193.12
S&P 500	100.00	121.83	116.49	153.17	181.35	233.41
Peer Group	100.00	111.59	95.11	121.58	112.69	151.61

The Peer Group has been approved by the Compensation Committee of the Company's Board of Directors and consists of the following publicly held corporations with which the Company competes in various regards: American Financial Group, Inc., American International Group, Inc., W.R. Berkley Corporation, Chubb Limited, Cincinnati Financial Corporation, CNA Financial Corporation, Fidelity National Financial, Inc., First American Financial Corporation, The Hartford Financial Services Group, Inc., Stewart Information Services Corporation, and The Travelers Companies, Inc.

OVERVIEW

This management analysis of financial position and results of operations pertains to the consolidated accounts of Old Republic International Corporation ("Old Republic", "ORI" or "the Company"). The Company conducts its operations through a number of regulated insurance company subsidiaries organized into three major segments: General Insurance (property and liability insurance), Title Insurance and Republic Financial Indemnity Group ("RFIG") Run-off. A small life and accident insurance business, accounting for .2% of consolidated operating revenues for the year ended December 31, 2021 and .5% of consolidated assets as of that date, is included within the Corporate & Other caption of this report.

The consolidated accounts are presented in conformity with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") of accounting principles generally accepted in the United States of America ("GAAP"). As a publicly held company, Old Republic utilizes GAAP to comply with the financial reporting requirements of the Securities and Exchange Commission ("SEC"). From time to time the FASB and the SEC issue various releases, most of which require additional financial statement disclosures and provide related application guidance. Of particular relevance to the Company's financial statements is guidance recently issued by the FASB relative to lease accounting and accounting for credit losses on financial instruments, which are discussed further in the Notes to Consolidated Financial Statements.

As a state regulated financial institution vested with the public interest, however, business of the Company's insurance subsidiaries is managed pursuant to the laws, regulations, and accounting practices of the various states in the U.S. and those of a small number of other jurisdictions outside the U.S. in which they operate. In comparison with GAAP, the statutory accounting practices reflect greater conservatism and comparability among insurers, and are intended to address the primary financial security interests of policyholders and their beneficiaries. Additionally, these practices also affect a significant number of important factors such as product pricing, risk bearing capacity and capital adequacy, the determination of Federal income taxes payable currently among ORI's tax-consolidated entities, and the upstreaming of dividends by insurance subsidiaries to the parent holding company. The major differences between these statutory financial accounting practices and GAAP are summarized in Note 1 to the consolidated financial statements included elsewhere in this report.

The insurance business is distinguished from most others in that the prices (premiums) charged for various insurance products are set without certainty of the ultimate benefit and claim costs that will emerge, often many years after issuance and expiration of a policy. This basic fact casts Old Republic as a risk-taking enterprise managed for the long run. Management therefore conducts the business with a primary focus on achieving favorable underwriting results over cycles, and on the maintenance of financial soundness in support of the insurance subsidiaries' long-term obligations to policyholders and their beneficiaries. To achieve these objectives, adherence to insurance risk management principles is stressed, and asset diversification and quality are emphasized. In addition, Management engages in an ongoing assessment of operating risks, such as cybersecurity risks, that could adversely affect the Company's business and reputation.

In addition to income arising from Old Republic's basic underwriting and related services functions, significant investment income is earned from invested funds generated by those functions and from capital resources. Investment management aims for stability of income from interest and dividends, protection of capital, and for sufficiency of liquidity to meet insurance underwriting and other obligations as they become payable in the future. Securities trading and the realization of capital gains are not primary objectives. The investment philosophy is therefore best characterized as emphasizing value, credit quality, and relatively long-term holding periods. The Company's ability to hold both fixed maturity and equity securities for long periods of time is enabled by the scheduling of maturities in contemplation of an appropriate matching of assets and liabilities, and by investments in large capitalization, highly liquid equity securities.

In light of the above factors, the Company is managed for the long run and without significant regard to quarterly or even annual reporting periods that American industry must observe. In Old Republic's view, such short reporting time frames do not coincide well with the long-term nature of much of its business. Management therefore believes that the Company's operating results and financial condition can best be evaluated by observing underwriting and overall operating performance trends over five- or preferably ten-year intervals. A ten-year period will likely encompass at least one economic and/or underwriting cycle and thereby provide an appropriate time frame for such cycle to run its course, and for premium rate changes and reserved claim costs to be quantified and emerge in financial results with greater finality and effect.

This management analysis should be read in conjunction with the consolidated financial statements and the footnotes appended to them.

EXECUTIVE SUMMARY

Old Republic International Corporation reported the following consolidated results:

OVERALL RESULTS

Years Ended December 31:	2021	2020	2019
Pretax income (loss)	$ 1,922.1	$ 688.4	$ 1,322.4
Pretax investment gains (losses)	758.0	(142.0)	636.1
Pretax income (loss) excluding investment gains (losses)	$ 1,164.0	$ 830.4	$ 686.2
Net income (loss)	$ 1,534.3	$ 558.6	$ 1,056.4
Net of tax investment gains (losses)	598.4	(112.1)	502.2
Net income (loss) excluding investment gains (losses)	$ 935.9	$ 670.8	$ 554.2

PER DILUTED SHARE

Years Ended December 31:	2021	2020	2019
Net income (loss)	$ 5.05	$ 1.87	$ 3.51
Net of tax investment gains (losses)	1.97	(0.37)	1.67
Net income (loss) excluding investment gains (losses)	$ 3.08	$ 2.24	$ 1.84

SHAREHOLDERS' EQUITY

December 31:	2021	2020
Total	$ 6,893.2	$ 6,186.6
Per Common Share	$ 22.76	$ 20.75

The Company reported pretax income, exclusive of all investment gains of $1.16 billion for 2021, representing growth of 40.2% compared to 2020. General Insurance and Title Insurance both produced solid underwriting results that drove a consolidated combined ratio of 89.9% for 2021 compared to 93.3% and 95.3% in 2020 and 2019, respectively. In addition to these strong underwriting results, total and per share net income for 2021 also reflects an increase in the fair value of equity securities.

Consolidated net premiums and fees earned of $8.0 billion for 2021 represent growth of 18.8% compared to 2020. General Insurance net earned premiums grew by mid-single digits over the prior year, while Title Insurance continued to experience significant growth in premium and fees attributable to a low interest rate environment and a robust real estate market. Net investment income remained relatively flat in 2021, reflecting growth in the invested asset base, offset by lower investment yields.

Book value per share advanced to $22.76 as of December 31, 2021. With the addition of dividends declared during the year, this was an increase of 21.2% over year-end 2020, primarily driven by strong operating earnings and by gains in our investment portfolio.

Old Republic's business is managed for the long run. In this context management's key objectives are to achieve highly profitable operating results over the long term, and to ensure balance sheet strength for the primary needs of the insurance subsidiaries' underwriting and related services business. In this view, the evaluation of periodic and long-term results excludes consideration of all investment gains (losses). Under Generally Accepted Accounting Principles (GAAP), however, net income (loss), inclusive of investment gains (losses), is the measure of total profitability.

In management's opinion, the focus on income (loss) excluding investment gains (losses) provides a better way to analyze, evaluate, and establish accountability for the results of the insurance operations. The inclusion of realized investment gains (losses) in net income (loss) can mask trends in operating results. That is because their realization is, more often than not, highly discretionary. Similarly, the inclusion of unrealized investment gains (losses) in equity securities can further distort such operating results with significant period-to-period fluctuations in reported net income (loss).

FINANCIAL HIGHLIGHTS

				% Change	
				2021	2020
Years Ended December 31:	2021	2020	2019	vs. 2020	vs. 2019
SUMMARY INCOME STATEMENTS:					
Revenues:					
Net premiums and fees earned	$ 8,003.6	$ 6,737.8	$ 6,241.1	18.8 %	8.0 %
Net investment income	434.3	438.9	450.7	(1.1)	(2.6)
Other income	145.6	131.2	132.6	11.0	(1.0)
Total operating revenues	8,583.5	7,308.0	6,824.4	17.5	7.1
Investment gains (losses):					
Realized from actual transactions	6.9	14.2	38.6		
Realized from impairments	—	—	(2.0)		
Unrealized from changes in fair value of equity securities	751.1	(156.2)	599.5		
Total investment gains (losses)	758.0	(142.0)	636.1		
Total revenues	9,341.6	7,166.0	7,460.5		
Operating expenses:					
Claim costs	2,420.9	2,491.4	2,572.7	(2.8)	(3.2)
Sales and general expenses	4,942.3	3,942.4	3,525.4	25.4	11.8
Interest and other costs	56.2	43.7	40.0	28.7	9.1
Total operating expenses	7,419.5	6,477.5	6,138.1	14.5 %	5.5 %
Pretax income (loss)	1,922.1	688.4	1,322.4		
Income taxes (credits)	387.7	129.7	265.9		
Net income (loss)	$ 1,534.3	$ 558.6	$ 1,056.4		
COMMON STOCK STATISTICS:					
Components of net income (loss) per share:					
Basic net income (loss) excluding investment gains (losses)	$ 3.10	$ 2.24	$ 1.85	38.4 %	21.1 %
Net investment gains (losses):					
Realized from actual transactions and impairments	0.02	0.04	0.10		
Unrealized from changes in fair value of equity securities	1.96	(0.41)	1.57		
Basic net income (loss)	$ 5.08	$ 1.87	$ 3.52		
Diluted net income (loss) excluding investment gains (losses)	$ 3.08	$ 2.24	$ 1.84	37.5 %	21.7 %
Net investment gains (losses):					
Realized from actual transactions and impairments	0.02	0.04	0.10		
Unrealized from changes in fair value of equity securities	1.95	(0.41)	1.57		
Diluted net income (loss)	$ 5.05	$ 1.87	$ 3.51		
Cash dividends on common stock	$ 2.38	$ 1.84	$ 1.80		
Book value per share	$ 22.76	$ 20.75	$ 19.98	9.7 %	3.9 %

Management believes the information presented in the table on the following page, prior to the inclusion of investment gains (losses), highlights the most meaningful, realistic indicators of ORI's segmented and consolidated financial performance. The information underscores management's view of reported results by separating the inherent volatility of securities markets and their above-noted impact on reported net income (loss).

	Major Segmented and Consolidated Elements of Income (Loss)				
Years Ended December 31:	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
A. Net premiums, fees, and other income:					
General Insurance	$3,555.5	$3,394.2	$3,432.4	4.8 %	(1.1)%
Title Insurance	4,404.3	3,286.3	2,736.0	34.0	20.1
Corporate & Other	11.0	12.0	13.4	(8.8)	(10.0)
Other income	145.6	131.2	132.6	11.0	(1.0)
Subtotal	8,116.5	6,823.9	6,314.4	18.9	8.1
RFIG Run-off	32.6	45.1	59.2	(27.6)	(23.8)
Consolidated	$8,149.2	$6,869.1	$6,373.7	18.6 %	7.8 %
B. Underwriting and related services income (loss):					
General Insurance	$ 311.4	$ 151.8	$ 84.9	105.1 %	78.8 %
Title Insurance	474.0	305.8	193.5	55.0	58.0
Corporate & Other	(20.9)	(17.0)	(15.5)	(22.7)	(9.5)
Subtotal	764.6	440.5	262.8	73.5	67.6
RFIG Run-off	21.3	(5.3)	12.7	497.1	(142.3)
Consolidated	$ 785.9	$ 435.2	$ 275.6	80.6 %	57.9 %
C. Consolidated underwriting ratio:					
Claim ratio:					
Current year	32.9 %	38.2 %	41.7 %		
Prior years	(2.7)	(1.2)	(.5)		
Total	30.2	37.0	41.2		
Expense ratio	59.7	56.3	54.1		
Combined ratio	89.9 %	93.3 %	95.3 %		
D. Net investment income:					
General Insurance	$ 342.4	$ 352.2	$ 356.4	(2.8)%	(1.2)%
Title Insurance	43.8	42.0	41.4	4.3	1.3
Corporate & Other	36.5	29.4	35.1	24.0	(16.2)
Subtotal	422.8	423.6	433.0	(0.2)	(2.2)
RFIG Run-off	11.4	15.2	17.6	(24.7)	(13.4)
Consolidated	$ 434.3	$ 438.9	$ 450.7	(1.1)%	(2.6)%
E. Interest and other charges (credits):					
General Insurance	$ 64.2	$ 64.2	$ 71.1		
Title Insurance	2.1	3.8	4.1		
Corporate & Other (a)	(10.1)	(24.3)	(35.2)		
Subtotal	56.2	43.7	40.0		
RFIG Run-off	—	—	—		
Consolidated	$ 56.2	$ 43.7	$ 40.0	28.7 %	9.1 %
F. Segmented and consolidated pretax income (loss) excluding investment gains (losses)(B+D-E):					
General Insurance	$ 589.6	$ 439.8	$ 370.2	34.1 %	18.8 %
Title Insurance	515.7	344.0	230.8	49.9	49.0
Corporate & Other	25.7	36.7	54.8	(29.8)	(33.1)
Subtotal	1,131.1	820.5	655.9	37.9	25.1
Run-off	32.8	9.8	30.3	232.3	(67.4)
Consolidated	1,164.0	830.4	686.2	40.2 %	21.0 %
Income taxes (credits) on above (b)	228.1	159.6	132.0		
G. Net income (loss) excluding investment gains (losses)	935.9	670.8	554.2	39.5 %	21.0 %
H. Consolidated pretax investment gains (losses):					
Realized from actual transactions and impairments	6.9	14.2	36.6		
Unrealized from changes in fair value of equity securities	751.1	(156.2)	599.5		
Total	758.0	(142.0)	636.1		
Income taxes (credits) on above	159.6	(29.8)	133.8		
Net of tax investment gains (losses)	598.4	(112.1)	502.2		
I. Net income (loss)	$1,534.3	$ 558.6	$1,056.4		
J. Consolidated operating cash flow	$1,311.7	$1,185.0	$ 936.2		

(a) Includes consolidation/elimination entries. (b) The effective tax rates applicable to pretax income excluding investment gains and (losses) were 19.6%, 19.2% and 19.2% for the years ended December 31, 2021, 2020 and 2019, respectively.

General Insurance Segment Results

	General Insurance Summary Operating Results				
				% Change	
Years Ended December 31:	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
Net premiums written	$ 3,680.9	$ 3,431.3	$ 3,469.0	7.3 %	(1.1)%
Net premiums earned	3,555.5	3,394.2	3,432.4	4.8	(1.1)
Net investment income	342.4	352.2	356.4	(2.8)	(1.2)
Other income	144.5	130.3	131.9	10.9	(1.2)
Operating revenues	4,042.5	3,876.8	3,920.8	4.3	(1.1)
Claim costs	2,303.1	2,372.0	2,464.6	(2.9)	(3.8)
Sales and general expenses	1,085.4	1,000.7	1,014.7	8.5	(1.4)
Interest and other costs	64.2	64.2	71.1	0.1	(9.7)
Operating expenses	3,452.8	3,436.9	3,550.5	0.5	(3.2)
Segmented pretax operating income (loss)	$ 589.6	$ 439.8	$ 370.2	34.1 %	18.8 %
Claim ratio	64.8%	69.9%	71.8%		
Expense ratio	26.5	25.6	25.7		
Combined ratio	91.3%	95.5%	97.5%		

General Insurance net premiums earned increased 4.8% for 2021, with rising premiums in commercial auto, financial indemnity, and property lines of coverage. Strong premium rate increases for most lines of coverage, other than workers' compensation, high renewal retention ratios, and new business production all contributed. Conversely, net premiums earned were down slightly in 2020 compared to 2019. The economic impacts of the COVID-19 pandemic and tightened underwriting standards were mitigated by strong premium rate increases for most insurance products. Declining workers' compensation and general liability premiums were largely offset by rising premiums in commercial auto, financial indemnity and property coverages. Net investment income decreased in both 2021 and 2020, reflecting lower investment yields partially offset by growth in the invested asset base.

The reported claim ratio for General Insurance improved in 2021 and 2020, inclusive of favorable reserve development from prior periods and a lower current period claim provision, attributable to several years of premium rate increases and underwriting actions. Favorable development was higher in 2021 due predominantly to better than expected claims experience related to workers' compensation and commercial auto reserves on older, more developed years. The 2021 expense ratio was slightly elevated compared to the prior years, generally reflecting variability of sales and general expenses within the line of coverage mix.

Together, these factors produced significantly greater pretax operating income for the periods reported.

The following table shows recent annual claim ratios and the effects of claim development trends:

	Reported Claim Ratio	Effect of Prior Periods' (Favorable)/ Unfavorable Claim Reserves Development	Claim Ratio Excluding Prior Periods' Claim Reserves Development
2017	71.8%	0.7 %	71.1%
2018	72.2	—	72.2
2019	71.8	0.4	71.4
2020	69.9	(0.8)	70.7
2021	64.8%	(3.8)%	68.6%

Annual claim ratios and trends may not be particularly meaningful indicators of future outcomes for an insurance company with a liability-oriented coverage mix and its relatively long claim payment patterns. Management's long-term targets, assuming the current coverage mix, are for annually reported claim ratio averages in the high 60% to low 70% range, expense ratio averages of 25% or below, and a combined ratio ranging between 90% and 95%.

Title Insurance Segment Results

	Title Insurance Summary Operating Results				
				% Change	
Years Ended December 31:	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
Net premiums and fees earned	$ 4,404.3	$ 3,286.3	$ 2,736.0	34.0 %	20.1 %
Net investment income	43.8	42.0	41.4	4.3	1.3
Other income	1.1	0.9	0.7	14.9	39.1
Operating revenues	4,449.3	3,329.3	2,778.1	33.6	19.8
Claim costs	112.9	75.3	67.4	49.9	11.8
Sales and general expenses	3,818.4	2,906.1	2,475.7	31.4	17.4
Interest and other costs	2.1	3.8	4.1	(42.7)	(7.7)
Operating expenses	3,933.5	2,985.3	2,547.3	31.8	17.2
Segmented pretax operating income (loss)	$ 515.7	$ 344.0	$ 230.8	49.9 %	49.0 %
Claim ratio	2.6%	2.3%	2.5%		
Expense ratio	86.7	88.4	90.5		
Combined ratio	89.3%	90.7%	93.0%		

Title Insurance net premiums and fees earned grew by 34.0% and 20.1% for 2021 and 2020, respectively, attributable to a low interest rate environment and a robust real estate market. Increased revenue generated on purchase transactions in both years was partially offset by a decline in refinance activity beginning in 2021. Revenue from independent title agents continued to increase over prior years although at a lower rate in more recent quarters, while revenue from direct production channels declined slightly in the later part of 2021. Net investment income increased in both 2021 and 2020, reflecting growth in the invested asset base, somewhat offset by lower investment yields.

Title Insurance's reported claim ratios were relatively flat for the years presented, inclusive of favorable development. The expense ratios reflect the benefit of greater leverage of the expense structure on significantly higher premium and fee volume, tempered by an increased mix of agency produced revenues late in 2021.

Together, these factors produced significantly greater pretax operating income for the periods reported.

The following table shows recent annual claim ratios and the effects of claim development trends:

	Reported Claim Ratio	Effect of Prior Periods' (Favorable)/ Unfavorable Claim Reserves Development	Claim Ratio Excluding Prior Periods' Claim Reserves Development
2017	0.8%	(3.0)%	3.8%
2018	1.9	(1.8)	3.7
2019	2.5	(1.2)	3.7
2020	2.3	(1.3)	3.6
2021	2.6%	(1.0)%	3.6%

RFIG Run-off Segment Results

Years Ended December 31:	2021	2020	2019	% Change 2021 vs. 2020	% Change 2020 vs. 2019
Mortgage Insurance (MI)					
Net premiums earned	$ 32.6	$ 45.1	$ 58.8	(27.6)%	(23.3)%
Net investment income	11.4	15.2	17.3	(24.7)	(12.0)
Claim costs	(1.7)	36.9	32.3	(104.7)	14.1
MI pretax operating income (loss)	$ 32.8	$ 9.8	$ 29.2	232.3 %	(66.2)%
Claim ratio	(5.3)%	81.7%	55.0%		
Expense ratio	39.9	30.2	24.8		
Combined ratio	34.6 %	111.9%	79.8%		
Consumer Credit Insurance (CCI) (a)					
CCI pretax operating income (loss)	$ —	$ —	$ 1.0		
Total MI and CCI run-off business (a)					
Segment pretax operating income (loss)	$ 32.8	$ 9.8	$ 30.3	232.3 %	(67.4)%

RFIG Run-off Summary Operating Results (a)

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

Pretax operating results of RFIG Run-off reflect the continuing drop in net earned premiums in line with the declining risk in force and significantly lower claim costs in 2021 compared to 2020. Claim costs in 2021 reflect fewer newly reported delinquencies along with improving trends in cure rates and lower claim severity influenced by the ongoing economic recovery and continued strength in the real estate market. Claim costs for 2020 reflected greater reserve provisions due to elevated delinquencies and the economic impacts of the COVID-19 pandemic. Investment income decreased in both years reflecting a declining invested asset base and lower investment yields. Extraordinary dividends of $100.0 million and $37.7 million were paid to the parent company in 2021 and 2020, respectively.

The following table shows recent annual claim ratios and the effects of claim development trends:

	Reported Claim Ratio	Effect of Prior Periods' (Favorable)/ Unfavorable Claim Reserves Development	Claim Ratio Excluding Prior Periods' Claim Reserves Development
2017	57.6 %	(38.3)%	95.9%
2018	43.2	(27.0)	70.2
2019	55.0	(12.5)	67.5
2020	81.7	(26.5)	108.2
2021	(5.3)%	(67.5)%	62.2%

Corporate & Other Operating Results

	Corporate & Other Summary Operating Results				
				% Change	
Years Ended December 31:	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
Net life and accident premiums earned	$ 11.0	$ 12.0	$ 13.4	(8.8)%	(10.0)%
Net investment income	36.5	29.4	35.1	24.0	(16.2)
Other operating income	—	—	—	—	—
Operating revenues	47.5	41.4	48.5	14.7	(14.6)
Claim costs	6.5	7.1	8.8	(7.9)	(19.7)
Insurance expenses	3.4	4.2	4.5	(17.6)	(6.6)
Corporate, interest and other expenses - net	11.6	(6.6)	(19.7)	N/M	66.3
Operating expenses	21.7	4.7	(6.3)	N/M	174.7
Corporate & Other pretax operating income (loss)	$ 25.7	$ 36.7	$ 54.8	(29.8)%	(33.1)%

This segment includes the combination of a small life and accident insurance business and the net costs associated with the parent holding company and its internal corporate services subsidiaries. The segment tends to produce highly variable results stemming from volatility inherent from the lack of scale. Interest expense increased in 2021 related to the issuance of $650 million of debt late in the second quarter. This increase was largely offset by net investment income from a higher level of investments.

Summary Consolidated Balance Sheet

	December 31,	
	2021	2020
Assets:		
Cash and fixed maturity securities	$ 11,399.6	$ 11,365.1
Equity securities	5,302.8	4,054.8
Other invested assets	116.5	115.3
Cash and invested assets	16,818.9	15,535.3
Accounts and premiums receivable	1,768.7	1,593.9
Federal income tax recoverable: Current	11.8	—
Reinsurance balances recoverable	4,943.4	4,362.8
Deferred policy acquisition costs	350.4	328.0
Sundry assets	1,088.4	995.0
Total assets	$ 24,981.8	$ 22,815.2
Liabilities and Shareholders' Equity:		
Policy liabilities	$ 2,752.0	$ 2,593.1
Claim reserves	11,425.5	10,671.0
Federal income tax payable: Current	—	4.2
Deferred	249.5	137.3
Reinsurance balances and funds	866.0	725.4
Debt	1,588.5	966.4
Sundry liabilities	1,206.9	1,530.8
Total liabilities	18,088.6	16,628.5
Shareholders' equity	6,893.2	6,186.6
Total liabilities and shareholders' equity	$ 24,981.8	$ 22,815.2

Cash, Invested Assets, and Shareholders' Equity

As of December 31:	2021	2020	2019	% Change Dec. '21 / Dec. '20	% Change Dec. '20 / Dec. '19
Cash and invested assets:					
Fixed maturity securities, cash and other invested assets	$11,516.1	$11,480.4	$10,496.9	0.3 %	9.4 %
Equity securities	5,302.8	4,054.8	4,030.5	30.8	0.6
Total per balance sheet	$16,818.9	$15,535.3	$14,527.4	8.3 %	6.9 %
Total at cost for all	$15,045.8	$14,151.6	$13,327.2	6.3 %	6.2 %
Composition of shareholders' equity per share:					
Equity before items below	$ 18.50	$ 17.73	$ 17.25	4.3 %	2.8 %
Unrealized investment gains (losses) and other accumulated comprehensive income (loss)	4.26	3.02	2.73		
Total	$ 22.76	$ 20.75	$ 19.98	9.7 %	3.9 %
Segmented composition of shareholders' equity per share:					
Excluding RFIG Run-off segment	$ 21.47	$ 19.25	$ 18.37	11.5 %	4.8 %
RFIG Run-off segment	1.29	1.50	1.61		
Consolidated total	$ 22.76	$ 20.75	$ 19.98	9.7 %	3.9 %

Old Republic's invested assets portfolio is directed in consideration of enterprise-wide risk management objectives. Most importantly, these are intended to ensure solid funding of the insurance subsidiaries' long-term obligations to customers, policyholders and their beneficiaries, as well as the long-term stability of the subsidiaries' capital accounts. For these reasons, the investment portfolio contains no significant insurance risk-correlated asset exposures to real estate, mortgage-backed securities, collateralized debt obligations ("CDO's"), derivatives, hybrid securities, or illiquid private equity and hedge fund investments. Moreover, the Company does not engage in hedging or securities lending transactions, nor does it invest in securities whose values are predicated on non-regulated financial instruments exhibiting amorphous or unfunded counter-party risk attributes.

As of December 31, 2021, the consolidated investment portfolio reflected an allocation of approximately 68% to fixed-maturity (bonds and notes) and short-term investments, and 32% to equity securities (common stocks). The fixed-maturity portfolio continues to be the anchor for the insurance underwriting subsidiaries' obligations. The maturities are stratified and conservatively matched to the expected timing of paying those obligations in the future. The quality of the investment portfolio remains at high levels.

In recent years, a significant portion of our investable funds have been directed toward high-quality common stocks of U.S. companies (currently limited to fewer than 100 issues). We favor those with long-term records of reasonable earnings growth and steadily increasing dividends. Pursuant to enterprise risk management guidelines and controls, we perform regular stress tests of the equities portfolio to gain reasonable assurance that periodic downdrafts in market prices would not seriously undermine our financial strength and the long-term continuity and prospects of our insurance underwriting business.

Changes in shareholders' equity per share are reflected in the following table. As shown, these resulted mostly from net income excluding net investment gains (losses), realized and unrealized investment gains (losses), and dividend payments to shareholders.

	Shareholders' Equity Per Share		
	December 31,		
	2021	2020	2019
Beginning balance	$ 20.75	$ 19.98	$ 17.23
Changes in shareholders' equity:			
Net income (loss) excluding net investment gains (losses)	3.10	2.24	1.85
Net of tax realized investment gains (losses)	0.02	0.04	0.10
Net of tax unrealized investment gains (losses):			
Fixed maturity securities	(0.97)	0.91	0.96
Equity securities	1.96	(0.41)	1.57
Total net of tax realized and unrealized investment gains (losses)	1.01	0.54	2.63
Cash dividends	(2.38)	(1.84)	(1.80)
Other	0.28	(0.17)	0.07
Net change	2.01	0.77	2.75
Ending balance	$ 22.76	$ 20.75	$ 19.98
Percentage change for the period	9.7 %	3.9 %	16.0%

Capitalization

	Capitalization		
	December 31,		
	2021	2020	2019
Debt:			
4.875% Senior Notes due 2024	$ 398.4	$ 397.9	$ 397.3
3.875% Senior Notes due 2026	547.3	546.8	546.2
3.850% Senior Notes due 2051	642.6	—	—
Other miscellaneous debt	—	21.7	30.4
Total debt	1,588.5	966.4	974.0
Common shareholders' equity	6,893.2	6,186.6	6,000.1
Total capitalization	$ 8,481.7	$ 7,153.1	$ 6,974.2
Capitalization ratios:			
Debt	18.7%	13.5%	14.0%
Common shareholders' equity	81.3	86.5	86.0
Total	100.0%	100.0%	100.0%

DETAILED MANAGEMENT ANALYSIS

This section of the Management Analysis of Financial Position and Results of Operations is additive to and should be read in conjunction with the Executive Summary which precedes it.

RESULTS OF OPERATIONS

Consolidated Overview

COVID-19 Pandemic and Old Republic's Business

Throughout 2021, the economy continued to recover from the effects of the COVID-19 pandemic and the associated governmental responses ("COVID-19" or "the pandemic"). Most of Old Republic's business operations have permitted associates to return to the office. Old Republic experienced no meaningful interruption in its ability to service the needs of customers throughout the remote working environment or the beginning stages of the return to office.

Demand for several of the Company's insurance coverages in the General Insurance segment is related to overall economic conditions, however, the Company's exposure to the sectors impacted the most by COVID-19 has not been significant. Additionally, aside from higher reported delinquencies and resulting claims costs experienced within the RFIG Run-off segment during 2020, the overall impact of COVID-19 on the Company's claims experience has not been significant.

The COVID-19 pandemic continues to adversely impact the U.S. economy and financial markets. New variants of the COVID-19 virus or a resurgence in infection rates could lead to a reduction in economic activity, resulting in a decline in demand for the Company's products. As a result, the Company's operating results, business and financial condition could be adversely affected in subsequent periods by future economic disruptions caused by the COVID-19 pandemic.

Premiums & Fees

The major sources of Old Republic's consolidated earned premiums and fees for the periods shown were as follows:

	Earned Premiums and Fees					
	General	Title	RFIG Run-off	Corporate & Other	Total	% Change from prior period
Years Ended December 31:						
2019	$ 3,432.4	$ 2,736.0	$ 59.2	$ 13.4	$ 6,241.1	5.1 %
2020	3,394.2	3,286.3	45.1	12.0	6,737.8	8.0
2021	$ 3,555.5	$ 4,404.3	$ 32.6	$ 11.0	$ 8,003.6	18.8 %

Net Investment Income

Net investment income is affected by trends in interest and dividend yields for the types of securities in which the Company's funds are invested during each reporting period. The following tables reflect the segmented and consolidated invested asset bases as of the indicated dates, and the investment income earned and resulting yields on such assets. Since the Company can exercise little control over fair values, yields are evaluated on the basis of investment income earned in relation to the cost of the underlying invested assets, though yields based on the fair values of such assets are also shown in the statistics that follow.

	Invested Assets at Cost					Fair Value Adjust-ment	Invested Assets at Fair Value
	General	Title	RFIG Run-off	Corporate & Other	Total		
As of December 31:							
2020	$ 10,987.8	$ 1,328.4	$ 545.1	$ 1,083.8	$ 13,945.2	$ 1,384.9	$ 15,330.1
2021	$ 11,379.7	$ 1,569.2	$ 459.0	$ 1,394.8	$ 14,802.9	$ 1,773.4	$ 16,576.3

	Net Investment Income					Yield at	
	General	Title	RFIG Run-off	Corporate & Other	Total	Original Cost	Fair Value
Years Ended December 31:							
2019	$ 356.4	$ 41.4	$ 17.6	$ 35.1	$ 450.7	3.48%	3.30%
2020	352.2	42.0	15.2	29.4	438.9	3.24	2.96
2021	$ 342.4	$ 43.8	$ 11.4	$ 36.5	$ 434.3	3.02%	2.72%

Consolidated net investment income decreased by 1.1% in 2021 and 2.6% in 2020. This revenue source is affected by changes in the invested asset base mainly driven by consolidated operating cash flows and the issuance of debt in 2021, by a concentration of investable assets in interest-bearing securities, and by changes in market rates of return. The yields on interest bearing securities for 2021 and 2020 reflect a lower interest rate environment.

Benefits and Claims

The Company records the benefits, claims and related settlement costs that have been incurred during each accounting period. Total claim costs are affected by the amount of paid claims and the adequacy of reserve estimates established for current and prior years' claim occurrences at each balance sheet date.

The following table shows a breakdown of gross and net of reinsurance claim reserve estimates for major types of insurance coverages as of December 31, 2021 and 2020:

	Claim and Loss Adjustment Expense Reserves			
December 31:	2021		2020	
	Gross	Net	Gross	Net
Workers' compensation	$ 4,893.0	$ 2,955.6	$ 4,929.2	$ 3,044.1
General liability	1,324.4	630.7	1,309.4	641.5
Commercial automobile (mostly trucking)	2,850.0	1,736.5	2,379.8	1,591.5
Other coverages	1,355.5	979.3	1,086.2	782.4
Unallocated loss adjustment expense reserves	285.2	284.8	269.1	268.3
Total General Insurance reserves	10,708.4	6,587.0	9,973.9	6,328.0
Title	594.2	594.2	556.1	556.1
RFIG Run-off	111.2	111.2	127.6	127.6
Life and accident	11.6	7.6	13.2	8.6
Total claim and loss adjustment expense reserves	$11,425.5	$ 7,300.2	$10,671.0	$ 7,020.4
Asbestosis and environmental claim reserves included in the above General Insurance reserves:				
Amount	$ 118.1	$ 77.2	$ 127.6	$ 82.4
% of total General Insurance reserves	1.1%	1.2%	1.3%	1.3%

A summary of changes in aggregate reserves for claims and related costs is included in Note 4 of the Consolidated Financial Statements.

The percentage of net claims, benefits and related settlement expenses incurred as a percentage of premiums and related fee revenues of the Company's three major operating segments and for consolidated operations were as follows:

Years Ended December 31:	2021	2020	2019
General	64.8 %	69.9%	71.8%
Title	2.6	2.3	2.5
RFIG Run-off	(5.3)	81.7	53.5
Consolidated claim ratio	30.2 %	37.0%	41.2%
Reconciliation of consolidated claim ratio:			
Provision for insured events of the current year	32.9 %	38.2%	41.7%
Change in provision for insured events of prior years:			
net (favorable) unfavorable development	(2.7)	(1.2)	(.5)
Consolidated claim ratio	30.2 %	37.0%	41.2%

The consolidated claim ratio reflects the changing effects of period-to-period contributions of each segment to consolidated results, and this ratio's variances within each segment. For the three most recent calendar years, the above table indicates that the one-year development of consolidated reserves at the beginning of each year produced favorable developments in 2021, 2020, and 2019, which on average decreased the consolidated claim ratio by 1.6 percentage points.

Management believes that its overall reserving practices have been consistently applied over many years, and that its aggregate net reserves have generally resulted in reasonable approximations of the ultimate net costs of claims incurred. However, no representation is made nor is any guaranty given that ultimate net claim and related costs will not develop in future years to be significantly greater or lower than currently established reserve estimates. In management's opinion, such changes in net claims and related costs are not likely to have a material effect on the Company's consolidated financial position, although it could affect materially its consolidated results of operations for any one annual or interim reporting period. See further discussion in this Annual Report on Form 10-K under Item 1A - Risk Factors.

Underwriting Acquisition and Other Expenses

The following table sets forth the expense ratios registered by each major business segment and in consolidation for the periods shown:

	General	Title	RFIG Run-off	Consolidated
Years Ended December 31:				
2019	25.7%	90.5%	25.0%	54.1%
2020	25.6	88.4	30.2	56.3
2021	26.5%	86.7%	39.9%	59.7%

Variations in the Company's consolidated expense ratios reflect a continually changing mix of coverages sold and costs of producing business in the Company's three largest operating segments. To a significant degree, expense ratios for both the General and Title Insurance segments are mostly reflective of variable costs, such as commissions or similar charges, that rise or decline along with corresponding changes in premium and fee income. Moreover, general operating expenses can contract or expand in differing proportions due to varying levels of operating efficiencies and expense management opportunities in the face of changing market conditions. The 2021 General Insurance expense ratio was also impacted by changes in line of coverage mix and certain operating expense charges. The Title Insurance ratios reflect the benefit of greater leverage of the expense structure on significantly higher premium and fee volume, tempered by an increased mix of agency produced revenues late in 2021.

Combined Ratios

The combined ratios of the above summarized net claims, benefits and underwriting expenses are as follows:

	General	Title	RFIG Run-off	Consolidated
Years Ended December 31:				
2019	97.5%	93.0%	78.5%	95.3%
2020	95.5	90.7	111.9	93.3
2021	91.3%	89.3%	34.6%	89.9%

Net Investment Gains (Losses)

The Company's investment policies are not designed to maximize or emphasize the realization of investment gains. Rather, these policies aim for a stable source of income from interest and dividends, protection of capital, and providing sufficient liquidity to meet insurance underwriting and other obligations as they become payable in the future. Dispositions of fixed maturity securities generally arise from scheduled maturities and early calls; in 2021, 2020, and 2019, 80.7%, 76.2% and 54.0%, respectively, of all such dispositions resulted from these occurrences. The realization of investment gains or losses can be highly discretionary and can be affected by such factors as the timing of individual securities sales, the recording of estimated losses from write-downs of impaired securities, tax-planning and tax-rate change considerations, and modifications of investment management judgments regarding the direction of securities markets or the future prospects of individual investees or industry sectors.

The following table reflects the composition of net investment gains or losses for the periods shown.

	Realized Investment Gains (Losses) from Actual Transactions			Impairment Losses on Securities			Unrealized Gains (Losses) from Changes in Fair Value of Equity Securities	Total Investment Gains (Losses)
	Fixed Maturity Securities	Equity Securities and Miscellaneous Investments	Total	Fixed Maturity Securities	Miscellaneous Investments	Total		
Years Ended December 31:								
2019	$ (1.9)	$ 40.6	$ 38.6	$ (2.0)	$ —	$ (2.0)	$ 599.5	$ 636.1
2020	(7.4)	21.6	14.2	—	—	—	(156.2)	(142.0)
2021	$ 1.5	$ 5.3	$ 6.9	$ —	$ —	$ —	$ 751.1	$ 758.0

Income Taxes

The effective consolidated income tax rates were 20.2%, 18.9%, and 20.1% in 2021, 2020, and 2019, respectively. The rates for each year reflect primarily the varying proportions of pretax operating income (loss) derived from partially tax preferred investment income (principally tax-exempt interest and dividend income), the combination of fully taxable investment income, investment gains or losses, underwriting and service income and adjustments regarding the recoverability of deferred tax assets.

Segment Overview

General Insurance

Summary Operating Results

Years Ended December 31:	2021	2020	2019	% Change 2021 vs. 2020	% Change 2020 vs. 2019
Net premiums earned	$ 3,555.5	$ 3,394.2	$ 3,432.4	4.8 %	(1.1)%
Net investment income	342.4	352.2	356.4	(2.8)	(1.2)
Claim costs	2,303.1	2,372.0	2,464.6	(2.9)	(3.8)
Sales and general expenses	1,085.4	1,000.7	1,014.7	8.5	(1.4)
Segmented pretax operating income (loss)	$ 589.6	$ 439.8	$ 370.2	34.1 %	18.8 %
Claim ratio	64.8%	69.9%	71.8%		
Expense ratio	26.5	25.6	25.7		
Combined ratio	91.3%	95.5%	97.5%		

Premiums & Fees

The percentage allocation of net premiums earned for major insurance coverages in General Insurance was as follows:

	General Insurance Earned Premiums by Type of Coverage					
	Commercial Automobile (mostly trucking)	Workers' Compensation	Financial Indemnity	Inland Marine and Property	General Liability	Other
Years Ended December 31:						
2019	37.2%	29.1%	6.4%	7.6%	6.6%	13.1%
2020	38.4	25.4	8.0	8.7	6.0	13.5
2021	39.7%	21.9%	9.7%	9.7%	5.2%	13.8%

General Insurance net premiums earned increased 4.8% for 2021 with rising premiums in commercial auto, financial indemnity, and property lines of coverage. Strong premium rate increases for most lines of coverage, other than workers' compensation, high renewal retention ratios, and new business production all contributed. Conversely, net premiums earned were down slightly in 2020 compared to 2019. The economic impacts of the COVID-19 pandemic and tightened underwriting standards were mitigated by strong premium rate increases for most insurance products. Declining workers' compensation and general liability premiums were largely offset by rising premiums in commercial auto, financial indemnity and property coverages.

Benefits and Claims

The percentage of net claims, benefits and related settlement expenses measured against premiums earned by major types of insurance coverage were as follows:

	General Insurance Claim Ratios by Type of Coverage						
	All Coverages	Commercial Automobile (mostly trucking)	Workers' Compen-sation	Inland Marine and Property	Financial Indemnity	General Liability	Other
Years Ended December 31:							
2019	71.8%	84.0%	63.2%	62.6%	64.0%	77.8%	61.4%
2020	69.9	80.8	60.8	58.3	57.1	73.6	67.2
2021	64.8%	70.8%	58.9%	59.4%	53.9%	64.1%	65.7%

The General Insurance claim ratio improved in 2021 and 2020 and was primarily driven by prior periods' favorable reserve developments and a lower current period claim provision as more fully described in the Executive Summary of the Management Analysis of Financial Position and Results of Operations.

Unfavorable asbestosis and environmental ("A&E") claim developments, although not material in any of the periods presented, are typically attributable to periodic re-evaluations of such reserves as well as subsequent reclassifications of other coverages' reserves, most often workers' compensation, deemed assignable to A&E category of losses. Except for a small portion that emanates from ongoing primary insurance operations, a large majority of the A&E claim reserves posted by Old Republic stem mainly from its participations in assumed reinsurance treaties and insurance pools which were discontinued during the 1980's and have since been in run-off status. With respect to the primary portion of gross A&E reserves, Old Republic administers the related claims through its claims personnel as well as outside attorneys, and posted reserves reflect its best estimates of ultimate claim costs. Claims administration for the assumed portion of the Company's A&E exposures is handled by the claims departments of unrelated primary or ceding reinsurance companies. While the Company performs periodic reviews of certain claim files managed by third parties, the overall A&E reserves it establishes respond to the paid claim and case reserve activity reported to the Company as well as available industry statistical data such as survival ratios. Such ratios represent the number of years' average paid losses for the three or five most recent calendar years that are encompassed by an insurer's A&E reserve level at any point in time. According to this simplistic appraisal of an insurer's A&E loss reserve level, Old Republic's average five year paid loss survival ratios stood at 5.9 years (gross) and 6.8 years (net of reinsurance) as of December 31, 2021 and 6.3 years (gross) and 7.1 years (net of reinsurance) as of December 31, 2020. Fluctuations in this ratio between years can be caused by the inconsistent pay out patterns associated with these types of claims. Incurred net losses for A&E claims have averaged .3% of General Insurance net incurred losses for the five years ended December 31, 2021.

A summary of reserve activity, including estimates for IBNR, relating to A&E claims at December 31, 2021 and 2020 is as follows:

December 31:	2021		2020	
	Gross	Net	Gross	Net
Asbestosis:				
Reserves at beginning of year	$ 84.7	$ 59.1	$ 79.2	$ 58.5
Loss and loss expenses incurred	10.2	2.8	17.7	8.2
Claims and claim adjustment expenses paid	10.0	7.1	12.1	7.5
Reserves at end of year	85.0	54.9	84.7	59.1
Environmental:				
Reserves at beginning of year	42.8	23.2	47.6	24.8
Loss and loss expenses incurred	6.5	4.6	.8	1.7
Claims and claim adjustment expenses paid	16.3	5.4	5.6	3.2
Reserves at end of year	33.0	22.3	42.8	23.2
Total asbestosis and environmental reserves	$ 118.1	$ 77.2	$ 127.6	$ 82.4

Title Insurance

Summary Operating Results

				% Change	
Years Ended December 31:	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
Net premiums and fees earned	$ 4,404.3	$ 3,286.3	$ 2,736.0	34.0 %	20.1 %
Net investment income	43.8	42.0	41.4	4.3	1.3
Claim costs	112.9	75.3	67.4	49.9	11.8
Sales and general expenses	3,818.4	2,906.1	2,475.7	31.4	17.4
Segmented pretax operating income (loss)	$ 515.7	$ 344.0	$ 230.8	49.9 %	49.0 %
Claim ratio	2.6%	2.3%	2.5%		
Expense ratio	86.7	88.4	90.5		
Combined ratio	89.3%	90.7%	93.0%		

Premiums & Fees

Title Insurance premium and fee revenues stemming from the Company's direct operations (which include branch offices of its title insurers and wholly owned agency subsidiaries) represent approximately 22% of 2021 consolidated title business revenues. Such premiums are generally recognized as income at the escrow closing date which approximates the policy effective date. Fee income related to escrow and other closing services is recognized when the related services have been performed and completed. The remaining 78% of consolidated title premium and fee revenues is produced by independent title agents. Rather than making estimates that could be subject to significant variance from actual premium and fee production, the Company recognizes revenues from those sources upon receipt. Such receipts can reflect a three to four month lag relative to the effective date of the underlying title policy, and are offset concurrently by production expenses and claim reserve provisions.

The following table shows the percentage distribution of Title Insurance premium and fee revenues by production sources:

Premium and Fee Production by Source

	Direct Operations	Independent Title Agents
Years Ended December 31:		
2019	24.9%	75.1%
2020	24.9	75.1
2021	22.0%	78.0%

Title Insurance premium and fee revenues grew by 34.0% and 20.1% in 2021 and 2020, respectively. This performance was attributable to a low interest rate environment and a robust real estate market. Increased revenue generated on purchase transactions in both years was partially offset by a decline in refinance activity beginning in 2021.

Benefits and Claims

Title Insurance claim ratios have remained in the single digits for a number of years due to a continuation of favorable trends in claims frequency and severity. Favorable developments of reserves established in prior years continued to reduce the claim ratios as more fully described in the Executive Summary of the Management Analysis of Financial Position and Results of Operations.

RFIG Run-off

Summary Operating Results

Years Ended December 31:	2021	2020	2019	% Change 2021 vs. 2020	% Change 2020 vs. 2019
Net premiums earned	$ 32.6	$ 45.1	$ 58.8	(27.6)%	(23.3)%
Net investment income	11.4	15.2	17.3	(24.7)	(12.0)
Claim costs	(1.7)	36.9	32.3	(104.7)	14.1
Pretax operating income (loss)	$ 32.8	$ 9.8	$ 29.2	232.3 %	(66.2)%
Claim ratio	(5.3)%	81.7%	55.0%		
Expense ratio	39.9	30.2	24.8		
Combined ratio	34.6 %	111.9%	79.8%		

RFIG Run-off's mortgage guaranty insurance carriers ceased the underwriting of new policies effective August 31, 2011 and the existing book of business was placed in run-off operating mode.

Premiums & Fees

RFIG Run-off's mortgage guaranty premiums primarily stem from monthly installments paid on long-duration, guaranteed renewable insurance policies. Such premiums are written and earned in the month coverage is effective. With respect to relatively few annual or single premium policies, earned premiums are largely recognized on a pro-rata basis over the terms of the policies.

The following tables provide information on production and related risk exposure trends for Old Republic's mortgage guaranty insurance operation:

Premium and Persistency Trends:	Net Earned Premiums	Persistency
Years Ended December 31:		
2019	$ 58.8	77.5%
2020	45.1	77.6
2021	$ 32.6	74.8%

RFIG Run-off earned premium volume has reflected a continuing drop in line with the declining risk in force.

Net Risk in Force

Net Risk in Force By Type:	Traditional Primary	Bulk & Other	Total
As of December 31:			
2019	$ 2,388.3	$ 201.8	$ 2,590.1
2020	1,842.2	169.0	2,011.2
2021	$ 1,364.9	$ 140.4	$ 1,505.4

Risk Distribution By Property State:

	FL	IL	GA	CA	NJ	MD	NY	TX	PA	NC
As of December 31:										
2019	8.9%	6.7%	6.1%	5.7%	5.0%	4.9%	3.9%	4.8%	4.1%	3.8%
2020	9.2	7.0	6.0	5.8	5.3	5.1	4.2	4.5	4.1	3.7
2021	9.8%	7.2%	6.1%	5.8%	5.5%	5.1%	4.9%	4.4%	4.1%	3.6%

Benefits and Claims

Certain mortgage guaranty average claim-related trends are listed below:

		Average Settled Claim Amount (a)	Reported Delinquency Ratio at End of Period
Years Ended December 31:			
2019	$	49,195	10.1%
2020		37,172	14.2%
2021	$	31,682	12.4%

(a) Amounts are in whole dollars.

	Total Delinquency Rates for Top Ten States (includes "other" business) (b):									
	FL	IL	GA	CA	NJ	MD	NY	TX	PA	NC
As of December 31:										
2019	8.8%	9.0%	8.6%	6.5%	12.4%	10.4%	20.7%	12.4%	12.4%	9.6%
2020	13.1	13.8	12.7	9.9	18.2	15.2	25.5	18.7	15.7	13.2
2021	10.5%	12.4%	9.3%	7.3%	14.8%	12.8%	23.1%	16.3%	14.9%	11.2%

(b) As determined by risk in force as of December 31, 2021, these 10 states represent approximately 56.5% of total risk in force.

The RFIG Run-off 2021 claim costs reflect fewer newly reported delinquencies along with improving trends in cure rates and lower claim severity influenced by the ongoing economic recovery and continued strength in the real estate market. The 2020 claim ratio reflects greater reserve provisions due to elevated delinquencies and the economic impacts of the COVID-19 pandemic.

FINANCIAL POSITION

The Company's financial position at December 31, 2021 reflected increases in assets, liabilities and common shareholders' equity of 9.5%, 8.8% and 11.4%, respectively, when compared to the immediately preceding year-end. Cash and invested assets represented 67.3% and 68.1% of consolidated assets as of December 31, 2021 and 2020, respectively. As of year-end 2021, the cash and invested asset base increased by 8.3% to $16,818.9.

Investment Portfolio

During 2021 and 2020, the Company committed the majority of investable funds to short to intermediate-term fixed maturity securities and higher yielding publicly traded large capitalization equity securities. Old Republic continues to adhere to its long-term policy of investing primarily in investment grade, marketable securities. At both December 31, 2021 and 2020, nearly all of the Company's investments consisted of marketable securities. The investment portfolio contains no significant insurance risk-correlated asset exposures to real estate, mortgage-backed securities, collateralized debt obligations ("CDO's"), derivatives, hybrid securities, or illiquid private equity and hedge fund investments. Moreover, the Company does not engage in hedging or securities lending transactions, nor does it invest in securities whose values are predicated on non-regulated financial instruments exhibiting amorphous or unfunded counter-party risk attributes. At December 31, 2021, the Company had no fixed maturity investments in default as to principal and/or interest.

Short-term maturity investment positions reflect a large variety of seasonal and intermediate-term factors including current operating needs, expected operating cash flows, seasonality of quarterly cash flow, debt maturities, and investment strategy considerations. Accordingly, the future level of short-term investments will vary and respond to the interplay of these factors and may, as a result, increase or decrease from current levels.

The Company does not own or utilize derivative financial instruments for the purpose of hedging, enhancing the overall return of its investment portfolio, or reducing the cost of its debt obligations. With regard to its equity portfolio, the Company does not own any options nor does it engage in any type of option writing. Traditional investment management tools and techniques are employed to address the yield and valuation exposures of the invested assets base. The fixed maturity investment portfolio is managed so as to limit various risks inherent in the bond market. Credit risk is addressed through asset diversification and the purchase of investment grade securities. Reinvestment rate risk is reduced by concentrating on non-callable issues, and by taking asset-liability matching considerations into account. Purchases of mortgage and asset backed securities, which have variable principal prepayment options, are generally avoided. Market value risk is limited through the purchase of bonds of intermediate maturity. The combination of these investment management practices is expected to produce a more stable fixed maturity investment portfolio that is not subject to extreme interest rate sensitivity and principal deterioration.

The fair value of the Company's fixed maturity investment portfolio is sensitive, however, to fluctuations in the level of interest rates, but not materially affected by changes in anticipated cash flows caused by any prepayments. The impact of interest rate movements on the fixed maturity investment portfolio generally affects net unrealized gains or losses. As a general rule, rising interest rates enhance currently available yields but typically lead to a reduction in the fair value of existing fixed maturity investments. By contrast, a decline in such rates reduces currently available yields but usually serves to increase the fair value of the existing fixed maturity investment portfolio. All such changes in fair value of securities are reflected, net of deferred income taxes, directly in the shareholders' equity account, and as a separate component of the statements of comprehensive income. Given the Company's inability to forecast or control the movement of interest rates, Old Republic sets the maturity spectrum of its fixed maturity securities portfolio within parameters of estimated liability payouts, and focuses the overall portfolio on high quality investments. By so doing, Old Republic believes it is reasonably assured of its ability to hold securities to maturity as it may deem necessary in changing environments, and of ultimately recovering their aggregate cost.

Possible future declines in fair values for Old Republic's fixed maturity portfolio would negatively affect the common shareholders' equity account at any point in time, but would not necessarily result in the recognition of realized investment losses.

The following tables show certain information relating to the Company's fixed maturity and equity portfolios as of the dates shown:

Fixed Maturity Securities Stratified by Credit Quality (a)

December 31:	2021	2020
Aaa	25.1%	24.6%
Aa	12.3	13.1
A	31.9	33.0
Baa	28.5	26.5
Total investment grade	97.8	97.2
All other (b)	2.2	2.8
Total	100.0%	100.0%

(a) Credit quality ratings referred to herein are a blend of those assigned by the major credit rating agencies for U.S. and Canadian Governments, Agencies, Corporates and Municipal issuers, which are converted to the above ratings classifications.

(b) "All other" includes non-investment grade or non-rated issuers.

Gross Unrealized Losses Stratified by Industry Concentration for Fixed Maturity Securities

December 31, 2021	Amortized Cost		Gross Unrealized Losses
Fixed Maturity Securities by Industry Concentration:			
Utilities	$ 390.9		$ 14.7
Consumer Staples	222.2		6.7
U.S. Government & Agencies	745.6		6.6
Industrial	315.3		6.6
Retail	166.8		5.4
Health Care	155.2		5.0
Technology	147.1		3.8
Other (includes 13 industry groups)	940.7		22.9
Total	$ 3,084.2	(c)	$ 72.2

(c) Represents 29.6% of the total fixed maturity portfolio.

Gross Unrealized Losses Stratified by Industry Concentration for Equity Securities

December 31, 2021	Cost	Gross Unrealized Losses
Equity Securities by Industry Concentration:		
Energy	$ 301.0	$ 48.8
Telecom	72.5	16.8
Basic Industry	37.4	6.9
Insurance	44.7	5.4
Other (includes 4 industry groups)	141.0	6.5
Total	$ 596.8 (d)	$ 84.5 (e)

(d) Represents 15.9% of the total equity portfolio.

(e) Represents 2.3% of the cost of the total equity portfolio, while gross unrealized gains represent 43.0% of the equity portfolio.

Gross Unrealized Losses Stratified by Maturity Ranges for All Fixed Maturity Securities

	Amortized Cost		Gross Unrealized Losses	
December 31, 2021	All	Non-Investment Grade Only	All	Non-Investment Grade Only
Maturity Ranges:				
Due in one year or less	$ 188.3	$ —	$ .1	$ —
Due after one year through five years	594.0	—	5.5	—
Due after five years through ten years	2,242.1	33.6	64.7	.6
Due after ten years	59.6	—	1.7	—
Total	$ 3,084.2	$ 33.6	$ 72.2	$ .6

Gross Unrealized Losses Stratified by Duration and Amount of Unrealized Losses for All Fixed Maturity Securities

	Amount of Gross Unrealized Losses			
December 31, 2021	Less than 20% of Cost	20% to 50% of Cost	More than 50% of Cost	Total Gross Unrealized Loss
Number of Months in Unrealized Loss Position:				
Fixed Maturity Securities:				
One to six months	$ 12.1	$ —	$ —	$ 12.1
Seven to twelve months	49.6	—	—	49.6
More than twelve months	10.3	—	—	10.3
Total	$ 72.2	$ —	$ —	$ 72.2
Number of Issues in Unrealized Loss Position:				
Fixed Maturity Securities:				
One to six months	208	—	—	208
Seven to twelve months	211	—	—	211
More than twelve months	32	—	—	32
Total	451	—	—	451 (f)

(f) At December 31, 2021, the number of issues in an unrealized loss position represent 23.8% of the total number of such fixed maturity issues held by the Company.

Age Distribution of Fixed Maturity Securities

December 31:	2021	2020
Maturity Ranges:		
Due in one year or less	11.7%	9.8%
Due after one year through five years	49.7	57.0
Due after five years through ten years	37.6	31.4
Due after ten years through fifteen years	.9	1.7
Due after fifteen years	.1	.1
Total	100.0%	100.0%
Average Maturity in Years	4.4	4.3
Duration (g)	4.0	3.8

(g) Duration is used as a measure of bond price sensitivity to interest rate changes. A duration of 4.0 as of December 31, 2021 implies that a 100 basis point parallel increase in interest rates from current levels would result in a possible decline in the fair value of the fixed maturity investment portfolio of approximately 4.0%.

Liquidity and Capital Resources

The parent holding company meets its liquidity and capital needs principally through dividends and interest on intercompany financing arrangements paid by its subsidiaries. The insurance subsidiaries' ability to pay cash dividends to the parent company is generally restricted by law or subject to approval of the insurance regulatory authorities. The Company can receive up to $982.0 in ordinary dividends from its subsidiaries in 2022 without the prior approval of regulatory authorities. The liquidity achievable through such permitted dividend payments is sufficient to cover the parent holding company's currently expected cash outflows represented mostly by interest, reasonably anticipated cash dividend payments to shareholders, modest operating expenses, and the near-term capital needs of its operating subsidiaries.

Old Republic's total capitalization of $8,481.7 at December 31, 2021 consisted of debt of $1,588.5 and common shareholders' equity of $6,893.2. Changes in the common shareholders' equity account reflect primarily net income excluding net investment gains (losses), realized and unrealized gains (losses), and dividend payments to shareholders for the year then ended.

Old Republic has paid a cash dividend without interruption since 1942 (80 years), and it has raised the annual cash dividend payment for each of the past 40 years. The dividend rate is reviewed and approved by the Board of Directors on a quarterly basis each year. In establishing each year's cash dividend rate the Company does not follow a strict formulaic approach. Rather, it favors a gradual rise in the annual dividend rate that is largely reflective of long-term consolidated operating earnings trends. Accordingly, each year's dividend rate is set judgmentally in consideration of such key factors as the dividend paying capacity of the Company's insurance subsidiaries, the trends in average annual earnings for the five to ten most recent calendar years, and management's long-term expectations for the Company's consolidated business and its individual operating subsidiaries. The Company's Board of Directors declared special cash dividends of $1.50 per share in August 2021 (paid on October 6, 2021) and $1.00 per share in December 2020 (paid on January 15, 2021) and September 2019 (paid on September 16, 2019).

Under state insurance regulations, the Company's three mortgage guaranty insurance subsidiaries are required to hold minimum amounts of capital based on specified formulas. Since the Company's mortgage insurance subsidiaries have discontinued writing new business the risk-to-capital ratio considerations are therefore no longer of consequence.

The Company's principal mortgage insurance subsidiaries sought and received approval from the North Carolina Department of Insurance to pay extraordinary dividends amounting to $100.0 in 2021.

Other Assets

Substantially all of the Company's receivables are current. Reinsurance recoverable balances on paid or estimated unpaid losses are deemed recoverable from solvent reinsurers or have otherwise been reduced by allowances for estimated credit losses. Deferred policy acquisition costs are estimated by taking into account the direct costs relating to the successful acquisition of new or renewal insurance contracts and evaluating their recoverability on the basis of recent trends in claims costs.

Contractual Obligations

The following table shows certain information relating to the required reporting of contractual obligations as of December 31, 2021:

	2022	2023 and 2024	2025 and 2026	2027 and After	Total
Contractual Obligations:					
Debt	$ —	$ 400.0	$ 550.0	$ 650.0	$ 1,600.0
Interest on Debt	65.8	131.6	92.6	613.1	903.3
Operating Leases	61.6	96.0	59.1	91.7	308.5
Pension Benefits Contributions (a)	—	—	—	—	—
Claim & Claim Expense Reserves (b)	2,882.3	2,789.3	1,616.3	4,137.5	11,425.5
Total	$ 3,009.8	$ 3,417.0	$ 2,318.1	$ 5,492.4	$ 14,237.4

(a) Represents estimated minimum funding of contributions for the Old Republic International Salaried Employees Retirement Plan. Funding of the plan is dependent on a number of factors including actual performance versus actuarial assumptions made at the time of the actuarial valuation, as well as the maintenance of certain funding levels relative to regulatory requirements.

(b) Amounts are reported gross of reinsurance. As discussed herein with respect to the nature of loss reserves and the estimating process utilized in their establishment, the Company's loss reserves do not have a contractual maturity date. Estimated gross loss payments are based primarily on historical claim payment patterns, are subject to change due to a wide variety of factors, do not reflect anticipated recoveries under the terms of reinsurance contracts, and cannot be predicted with certainty. Actual future loss payments may differ materially from the current estimates shown in the table above.

Reinsurance Programs

In order to maintain premium production within its capacity and limit maximum losses for which it might become liable under its policies, Old Republic, as is common practice in the insurance industry, may cede all or a portion of its premiums and related liabilities on certain classes of insurance, individual policies, or blocks of business to other insurers and reinsurers.

The Company does not anticipate any significant changes in its reinsurance programs during 2022.

The following table displays the Company's General Insurance liabilities reinsured by its ten largest reinsurers as of December 31, 2021.

		Reinsurance Recoverable			
Reinsurer	A.M. Best Rating	on Paid Claims	on Claim Reserves	Total Exposure to Reinsurer	% of Total Consolidated Reinsured Liabilities
Day One Insurance, Inc.	Unrated	$ —	$ 598.8	$ 598.8	14.2 %
Archway Insurance, Ltd.	Unrated	2.5	395.6	398.2	9.4
Hannover Ruckversicherungs	A+	11.4	333.2	344.6	8.2
Munich Re America, Inc.	A+	20.6	253.2	273.8	6.5
Summit Insurance, Ltd.	Unrated	—	170.3	170.4	4.0
AXIS Reinsurance Company	A	2.2	162.6	164.8	3.9
Swiss Reinsurance America Corporation	A+	14.4	115.5	129.9	3.1
Transatlantic Reinsurance Company	A+	5.4	117.0	122.5	2.9
Partner Reinsurance Company of the U.S.	A+	1.9	117.5	119.5	2.8
Endurance Assurance Corporation	A+	1.1	115.5	116.6	2.8
		$ 59.9	$ 2,379.7	$ 2,439.6	57.7 %

Reinsurance recoverable asset balances represent amounts due from or credited by assuming reinsurers for paid and unpaid claims and premium reserves. Such reinsurance balances recoverable from non-admitted foreign and certain other reinsurers such as captive insurance companies owned by assureds or business producers, as well as similar balances or credits arising from policies that are retrospectively rated or subject to assureds' high deductible retentions are substantially collateralized by irrevocable letters of credit, securities, and other financial instruments. Old Republic evaluates on a regular basis the financial condition of its assuming reinsurers and assureds who purchase its retrospectively rated or high deductible policies. Allowances for estimated credit losses are recognized since reinsurance, retrospectively rated and self-insured deductible policies and contracts do not relieve Old Republic from its direct obligations to assureds or their beneficiaries.

Old Republic's reinsurance practices with respect to portions of its business also result from its desire to bring its sponsoring organizations and customers into some degree of joint venture or risk sharing relationship. The Company may, in exchange for a ceding commission, reinsure up to 100% of the underwriting risk, and the premium applicable to such risk, to commercial institutions generally whose customers are insured by Old Republic, or individual customers who have formed captive insurance companies. The ceding commissions received compensate Old Republic for performing the direct insurer's functions of underwriting, actuarial, claim settlement, loss control, legal, reinsurance, and administrative services to comply with local and federal regulations, and for providing appropriate risk management services.

Remaining portions of Old Republic's business are reinsured in most instances with independent insurance or reinsurance companies pursuant to excess of loss agreements. Except as noted in the following paragraph, reinsurance protection on property and liability coverages generally limits the net loss on most events to a maximum of: $5.2 for workers' compensation; $7.0 for commercial automobile (mostly trucking) liability; $7.0 for general liability; $12.0 for executive protection (directors & officers and errors & omissions); $2.0 for aviation; and $6.0 for property coverages. Title insurance risk assumptions are generally limited to a maximum of $500.0 as to any one policy. The vast majority of title policies issued, however, carry exposures of less than $1.0. The average direct primary mortgage guaranty exposure is (in whole dollars) $37,000 per insured loan.

Since January 1, 2005, the Company has had maximum treaty reinsurance coverage of up to $200.0 for its workers' compensation exposures. Pursuant to regulatory requirements, however, all workers' compensation primary insurers such as the Company remain liable for unlimited amounts in excess of reinsured limits. Other than the substantial concentration of workers' compensation losses caused by the September 11, 2001 terrorist attack on America, to the best of the Company's knowledge there had not been a similar accumulation of claims in a single location from a single occurrence prior to that event. Nevertheless, the possibility continues to exist that non-reinsured losses could, depending on a wide range of severity and frequency assumptions, aggregate several hundred million dollars to an insurer such as the Company. Such aggregation of losses could occur in the event of a catastrophe such as an earthquake that could lead to the death or injury of a large number of persons concentrated in a single facility such as a high rise building.

As a result of the September 11, 2001 terrorist attack on America, the reinsurance industry eliminated coverage from substantially all contracts for claims arising from acts of terrorism. Primary insurers like the Company thus became fully exposed to such claims. Late in 2002, the Terrorism Risk Insurance Act of 2002 (the "TRIA") was signed into law, immediately establishing a temporary federal reinsurance program administered by the Secretary of the Treasury. The program applied to insured commercial property and casualty losses resulting from an act of terrorism, as defined in the TRIA. Congress extended and modified the program in late 2005 through the Terrorism Risk Insurance Revision and Extension Act of 2005 (the "TRIREA"). TRIREA expired on December 31, 2007. Congress enacted a revised program in December 2007 through the Terrorism Risk Insurance Program Reauthorization Act (the "TRIPRA") of 2007. The TRIPRA has been extended on several occasions, most recently on December 20, 2019 for seven years.

The TRIA automatically voided all policy exclusions which were in effect for terrorism related losses and obligated insurers to offer terrorism coverage with most commercial property and casualty insurance lines. The TRIREA revised the definition of "property and casualty insurance" to exclude commercial automobile, burglary and theft, surety, professional liability and farm owners multi-peril insurance. TRIPRA did not make any further changes to the definition of property and casualty insurance, however, it did include domestic acts of terrorism within the scope of the program. Although insurers are permitted to charge an additional premium for terrorism coverage, insureds may reject the coverage. Under TRIPRA, the program's protection is not triggered for losses arising from an act of terrorism until the industry first suffers losses in excess of a prescribed aggregate deductible during any one year. The program deductible trigger was $200.0 for 2021. Once the program trigger is met, the program will be responsible for a fixed percentage of the Company's terrorism losses that exceed its deductible which ranges from 85% for 2015 and declined by one percentage point per year until it reached 80% in 2020. The Company's deductible amounts to 20% of direct earned premium on eligible property and casualty insurance coverages. The Company currently reinsures limits on a treaty basis of $195.0 in excess of $5.0 for claims arising from certain acts of terrorism for casualty clash and catastrophe workers' compensation liability insurance coverages. The Company also purchases facultative reinsurance on certain accounts in excess of $200.0 to manage the Company's net exposures.

CRITICAL ACCOUNTING ESTIMATES

The Company's annual financial statements incorporate a large number and types of estimates relative to matters which are highly uncertain at the time the estimates are made. The estimation process required of an insurance enterprise such as Old Republic is by its very nature highly dynamic inasmuch as it necessitates a continuous evaluation, analysis, and quantification of factual data as it becomes known to the Company. As a result, actual experienced outcomes can differ from the estimates made at any point in time and thus affect future periods' reported revenues, expenses, net income or loss, and financial condition.

Changes in estimates generally result from altered circumstances, the continuum of newly emerging information and its effect on past assumptions and judgments, the effects of securities markets valuations, and changes in inflation rates and future economic conditions beyond the Company's control. As a result, Old Republic cannot predict, quantify, or guaranty the likely impact that probable changes in estimates will have on its future financial condition or results of operations.

Old Republic believes that its most critical accounting estimates relate to the establishment of reserves for losses and loss adjustment expenses and the recoverability of reinsured outstanding losses. The major assumptions and methods used in setting these estimates are summarized as follows:

(a) The establishment of reserves for losses and loss adjustment expenses

The Company's reserves for losses and loss adjustment expenses represents the accumulation of estimates of ultimate losses payable, including incurred but not reported losses and loss adjustment expenses. The establishment of claim reserves by the Company's insurance subsidiaries is a reasonably complex and dynamic process influenced by a large variety of factors as further discussed below. Consequently, reserves established are a reflection of the opinions of a large number of persons, of the application and interpretation of historical precedent and trends, of expectations as to future developments, and of management's judgment in interpreting all such factors. At any point in time, the Company is exposed to the possibility of higher or lower than anticipated claim costs and the resulting changes in estimates are recorded in operations of the periods during which they are made. Increases to prior reserve estimates are often referred to as unfavorable development whereas any changes that decrease previous estimates of the Company's ultimate liability are referred to as favorable development.

Most of Old Republic's consolidated claim and related expense reserves stem from its General Insurance business. At December 31, 2021, such reserves accounted for 93.7% and 90.2% of consolidated gross and net of reinsurance reserves, respectively, while similar reserves at December 31, 2020 represented 93.5% and 90.1% of the respective consolidated amounts.

The Company's reserve setting process reflects the nature of its insurance business and the operationally decentralized basis upon which it is conducted. Old Republic's General Insurance operations encompass a large variety of coverages or classes of commercial insurance; it has negligible exposure to personal insurance coverages such as homeowners or private passenger automobile insurance that exhibit wide diversification of risks, significant frequency of claim occurrences, and high degrees of statistical credibility. Consequently, the wide variety of policies issued and commercial insurance customers served require that loss reserves be analyzed and established in the context of the unique or different attributes of each block or class of business produced by the Company. For example, accident liability claims emanating from insured trucking companies or from general aviation customers become known relatively quickly, whereas claims of a general liability nature arising from the building activities of a construction company may emerge over extended periods of time. Similarly, claims filed pursuant to errors and omissions or directors and officers' liability coverages are usually not prone to immediate evaluation or quantification inasmuch as many such claims may be litigated over several years and their ultimate costs may be affected by judge or jury verdicts. Approximately 90% of the General Insurance's claim reserves stem from liability insurance coverages for commercial customers which typically require more extended periods of investigation and at times protracted litigation before they are finally settled. As a consequence of these and other factors, Old Republic does not utilize a single, overarching loss reserving approach.

The Company prepares periodic analyses of its loss reserve estimates for its significant insurance coverages. It establishes point estimates for most losses on an insurance coverage line-by-line basis for individual subsidiaries, sub-classes, individual accounts, blocks of business or other unique concentrations of insurance risks such as directors and officers' liability, that have similar attributes. Actuarially or otherwise derived ranges of reserve levels are not utilized as such in setting these reserves. Instead the reported reserves encompass the Company's best point estimates at each reporting date and the overall reserve level at any point in time therefore represents the compilation of a very large number of reported reserve estimates and the results of a variety of formula calculations largely driven by analysis of historical data. Favorable or unfavorable developments of prior year reserves are implicitly covered by the point estimates incorporated in total reserves at each balance sheet date. The Company does not project future variability or make an explicit provision for uncertainty when determining its best estimate of loss reserves. Over the most recent decade actual incurred losses have developed within a reasonable range of their original estimates.

Aggregate loss reserves consist of liability estimates for claims that have been reported ("case") to the Company's insurance subsidiaries and reserves for claims that have been incurred but not yet reported ("IBNR") or whose ultimate costs may not become fully apparent until a future time. Additionally, the Company establishes unallocated loss adjustment expense reserves for loss settlement costs that are not directly related to individual claims. Such reserves are based on prior years' cost experience and trends, and are intended to cover the unallocated costs of claim departments' administration of case and IBNR claims over time.

A large variety of statistical analyses and formula calculations are utilized to provide for IBNR claim costs as well as additional costs that can arise from such factors as monetary and social inflation, changes in claims administration processes, changes in reinsurance ceded and recoverability levels, and expected trends in claim costs and related ratios. Typically, such formulas take into account link ratios that represent prior years' patterns of incurred or paid loss trends between succeeding years, or past experience relative to progressions of the number of claims reported over time and ultimate average costs per claim.

Overall, reserves pertaining to several hundred large individual commercial insurance accounts that exhibit sufficient statistical credibility, and at times may be subject to retrospective premium rating plans or the utilization of varying levels or types of self-insured retentions through captive insurers and similar risk management mechanisms are established on an account by account basis using case reserves and applicable formula-driven methods. Large account reserves are usually set and analyzed for groups of coverages such as workers' compensation, commercial automobile (mostly trucking) and general liability that are typically underwritten jointly for many customers. For certain long-tail categories of insurance such as retained or assumed excess liability or excess workers' compensation, officers and directors' liability, and commercial umbrella liability relative to which claim development patterns are particularly long, more volatile, and immature in their early stages of development, the Company judgmentally establishes the most current accident years' loss reserves on the basis of expected claim ratios. Such expected claim ratios typically reflect currently estimated claim ratios from prior accident years, adjusted for the effect of actual and anticipated rate changes, actual and anticipated changes in coverage, reinsurance, mix of business, and other anticipated changes in external factors such as trends in loss costs or the legal and claims environment. Expected claim ratios are generally used for the two to five most recent accident years depending on the individual class or category of business. As actual claims data emerges in succeeding interim and annual periods, the original accident year claim ratio assumptions are validated or otherwise adjusted sequentially through the application of statistical projection techniques such as the Bornhuetter/Ferguson method which utilizes data from the more mature experience of prior years to arrive at a likely indication of more recent years' loss trends and costs.

Title insurance and related escrow services loss and loss adjustment expense reserves are established as point estimates to cover the projected settlement costs of known as well as IBNR losses related to premium and escrow service revenues of each reporting period. Reserves for known claims are based on an assessment of the facts available to the Company during the settlement process. The point estimates covering all claim reserves take into account IBNR claims based on past experience and evaluations of such variables as changing trends in the types of policies issued, changes in real estate markets and interest rate environments, and changing levels of loan refinancing, all of which can have a bearing on the emergence, number, and ultimate costs of claims.

RFIG Run-off mortgage guaranty insurance reserves for unpaid claims and claim adjustment expenses are recognized only upon an instance of default, defined as an insured mortgage loan for which two or more consecutive monthly payments have been missed. Loss reserves are based on statistical calculations that take into account the number of reported insured mortgage loan defaults as of each balance sheet date, as well as experience-based estimates of loan defaults that have occurred but have not as yet been reported. Further, the loss reserve estimating process takes into account a large number of variables including trends in claim severity, potential salvage recoveries, expected cure rates for reported loan delinquencies at various stages of default, the level of coverage rescissions and claims denials due to material misrepresentation in key underwriting information or non-compliance with prescribed underwriting guidelines, and management judgments relative to future employment levels, housing market activity, and mortgage loan interest costs, demand, and extensions.

The Company has the legal right to rescind mortgage insurance coverage unilaterally as expressly stated in its policy. Moreover, two federal courts that have considered that policy wording have each affirmed that right. According to the policy, if any of those representations are materially false or misleading with respect to a loan, the Company has the right to cancel or rescind coverage for that loan retroactively to commencement of the coverage.

As discussed above, the reserves for losses and related loss adjustment expenses are based on a wide variety of factors and calculations. Among these the Company believes the most critical are:

- The establishment of expected claim ratios for at least the two to five most recent accident years, particularly for long-tail coverages as to which information about covered losses emerges and becomes more accurately quantifiable over long periods of time. Long-tail coverages generally include workers' compensation, commercial automobile (mostly trucking) liability, general liability, errors and omissions and directors and officers' liability, as well as title insurance. Gross loss reserves related to such long-tail coverages ranged between 94.4% and 95.2%, and averaged 94.8% of gross consolidated claim reserves as of the three most recent year ends. Net of reinsurance recoverables, such reserves ranged between 94.3% and 95.0% and averaged 94.6% as of the same dates.

- Loss trends that are considered when establishing the above noted expected claim ratios which take into account such variables as: judgments and estimates relative to premium rate trends and adequacy, current and expected interest rates, current and expected social and economic inflation trends, and insurance industry statistical claim trends. The Company applies these expected claim ratios to earned premiums when estimating the periodic reserve for losses and loss adjustment expenses.

- Loss development factors, expected claim rates and average claim costs, all of which are based on Company and/or industry statistics may also be used to project reported and unreported losses for each accounting period.

Volatility of Reserve Estimates and Sensitivity

There is a great deal of uncertainty in the estimates of loss and loss adjustment expense reserves, and unanticipated events can have both a favorable or unfavorable impact on such estimates. The Company believes that the factors most responsible, in varying and continually changing degrees, for such favorable or unfavorable development are as follows:

General Insurance net claim reserves can be affected by lower than expected frequencies of claims incurred but not reported, the effect of reserve discounts applicable to workers' compensation claims, higher than expected severity of litigated claims in particular, governmental or judicially imposed retroactive conditions in the settlement of claims such as noted elsewhere in this document in regard to black lung disease claims, greater than anticipated inflation rates applicable to repairs and the medical benefits portion of claims, and higher than expected IBNR due to the slower and highly volatile emergence patterns applicable to certain types of claims such as those stemming from litigated, assumed reinsurance, or A&E claims.

Title Insurance loss reserve levels can be impacted adversely by such developments as reduced loan refinancing activity, the effect of which can be to lengthen the period during which title policies remain exposed to loss emergence. Such reserve levels can also be affected by reductions in either property values or the volume of transactions which, by virtue of the speculative nature of some real estate developments, can lead to increased occurrences of fraud, defalcations or mechanics' liens.

RFIG Run-off net claim reserve levels can be influenced adversely by several factors. These include changes in the mix of insured business toward loans that have a higher probability of default, increases in the average risk per insured loan, the levels of estimated rescission and claim denial activity, the deterioration of regional or national economic conditions leading to a reduction in borrowers' income and thus their ability to make payments on outstanding loans, and reductions in housing values and/or increases in housing supply that can raise the rate at which defaults evolve into claims and affect their overall severity.

With respect to Old Republic's small ***life and accident*** insurance operations, reserve adequacy may be impacted adversely by greater than anticipated medical care cost inflation as well as greater than expected frequency and severity of claims. In life insurance, as in general insurance, concentrations of insured lives coupled with a catastrophic event would represent the Company's largest exposure.

Consolidated claim costs developed favorably in the three most recent calendar years. This development had the consequent effect of reducing consolidated annual loss costs for the three most recent years within a range of 1.2% and 8.1%, or by an average of approximately 4.2% per annum. As a percentage of each of these years' consolidated earned premiums and fees, the favorable developments have ranged between .5% and 2.7%, and have averaged 1.6%.

The consolidated cumulative development on prior year loss reserves over the past ten years through December 31, 2021 has ranged from 2.4% unfavorable in 2011 to 10.7% favorable in 2016 and averaged 5.6% favorable. Although management does not have a practical business reason for making projections of likely outcomes of future loss developments, its analysis and evaluation of Old Republic's existing business mix, the natural offset effects of its diverse coverage, current aggregate loss reserve levels, and loss development patterns suggests a reasonable likelihood that 2021 year-end loss reserves could ultimately develop within a range of +/- 7.5%. The most significant factors impacting the potential reserve development for each of the Company's insurance segments is discussed above. Old Republic has generally experienced favorable overall loss developments for the latest ten-year period. While General Insurance has experienced unfavorable developments of previously established reserves during three of the last five years, the current analysis of loss development factors and economic conditions influencing the Company's insurance coverages point to a position of reserve adequacy. In management's opinion, the other segments' loss reserve development patterns (most notably those associated with title and mortgage insurance) show greater variability due to changes in economic conditions which cannot be reasonably anticipated. Consequently, management believes that using a 7.5% potential range of reserve development provides a reasonable benchmark for a sensitivity analysis of the Company's consolidated reserves as of December 31, 2021.

(b) The recoverability of reinsured outstanding losses

Assets consisting of balance sheet date reserve estimates recoverable from assuming reinsurers in future periods as gross losses are settled and paid, are established at the same time as the gross losses are recorded as reserves. Accordingly, these assets are subject to the same estimation processes and valuations as the related gross amounts as is discussed above. As of the three most recent year ends, outstanding reinsurance recoverable balances ranged between 32.7% and 36.1% and averaged 34.3% of the related gross reserves. See Note 5 for further discussion regarding recoverability of the Company's reinsurance balances.

OTHER INFORMATION

Reference is here made to "Information About Segments of Business" appearing elsewhere herein.

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. It is possible that Old Republic's operating results, business and financial condition could be adversely affected in subsequent periods by future economic disruptions caused by the COVID-19 pandemic and the associated governmental responses.

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. Any such forward-looking statements involve assumptions, uncertainties, and risks that may affect the Company's future performance. With regard to Old Republic's General Insurance segment, its results can be particularly affected by the level of market competition, which is typically a function of available capital and expected returns on such capital among competitors, the levels of investment yields and inflation rates, and periodic changes in claim frequency and severity patterns caused by natural disasters, weather conditions, accidents, illnesses, work-related injuries, and unanticipated external events. Title Insurance and RFIG Run-off results can be affected by similar factors, and by changes in national and regional housing demand and values, the availability and cost of mortgage loans, employment trends, and default rates on mortgage loans. Life and accident insurance earnings can be affected by the levels of employment and consumer spending, changes in mortality and health trends, and alterations in policy lapsation rates. At the parent holding company level, operating earnings or losses are generally reflective of the amount of debt outstanding and its cost, interest income on temporary holdings of short-term investments, and period-to-period variations in the costs of administering the Company's widespread operations.

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

A more detailed listing and discussion of the risks and other factors which affect the Company's risk-taking insurance business are included in Part I, Item 1A - Risk Factors, of this Annual Report to the Securities and Exchange Commission, which Item is specifically incorporated 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.

Item 7A - Quantitative and Qualitative Disclosure About Market Risk
($ in Millions)

Market risk represents the potential for loss due to adverse changes in the fair value of financial instruments as a result of changes in interest rates, equity prices, foreign exchange rates and commodity prices. Old Republic's primary market risks consist of interest rate risk associated with investments in fixed maturities and equity price risk associated with investments in equity securities. The Company has no material foreign exchange or commodity risk.

The Company does not own or utilize derivative financial instruments for the purpose of hedging, enhancing the overall return of its investment portfolio, or reducing the cost of its debt obligations. With regard to its equity portfolio, the Company does not own any options nor does it engage in any type of option writing. Traditional investment management tools and techniques are employed to address the yield and valuation exposures of the invested assets base. The fixed maturity investment portfolio is managed so as to limit various risks inherent in the bond market. Credit risk is addressed through asset diversification and the purchase of investment grade securities. Reinvestment rate risk is reduced by concentrating on non-callable issues, and by taking asset-liability matching considerations into account. Purchases of mortgage and asset backed securities, which have variable principal prepayment options, are generally avoided. Market value risk is limited through the purchase of bonds of intermediate maturity. The combination of these investment management practices is expected to produce a more stable fixed maturity investment portfolio that is not subject to extreme interest rate sensitivity and principal deterioration.

The fair value of the Company's fixed maturity investment portfolio is sensitive, however, to fluctuations in the level of interest rates, but not materially affected by changes in anticipated cash flows caused by any prepayments. The impact of interest rate movements on the fixed maturity investment portfolio generally affects net unrealized gains or losses. As a general rule, rising interest rates enhance currently available yields but typically lead to a reduction in the fair value of existing fixed maturity investments. By contrast, a decline in such rates reduces currently available yields but usually serves to increase the fair value of the existing fixed maturity investment portfolio. All such changes in fair value of fixed maturity securities are reflected, net of deferred income taxes, directly in the shareholders' equity account, and as a separate component of the statements of comprehensive income. Given the Company's inability to forecast or control the movement of interest rates, Old Republic sets the maturity spectrum of its fixed maturity securities portfolio within parameters of estimated liability payouts, and focuses the overall portfolio on high quality investments. By so doing, Old Republic believes it is reasonably assured of its ability to hold securities to maturity as it may deem necessary in changing environments, and of ultimately recovering their aggregate cost.

The following table illustrates the hypothetical effect on the fixed maturity and equity investment portfolios resulting from movements in interest rates and fluctuations in the equity securities markets, using the S&P 500 index as a proxy, at December 31, 2021:

	Estimated Fair Value	Hypothetical Change in Interest Rates or S&P 500	Estimated Fair Value After Hypothetical Change in Interest Rates or S&P 500
Interest Rate Risk:			
Fixed Maturities	$ 10,675.7	100 basis point rate increase	$ 10,247.6
		200 basis point rate increase	9,819.5
		100 basis point rate decrease	11,103.8
		200 basis point rate decrease	$ 11,531.9
Equity Price Risk:			
Equity Securities	$ 5,302.8	10% increase in the S&P 500	$ 5,833.1
		20% increase in the S&P 500	6,363.4
		10% decline in the S&P 500	4,772.5
		20% decline in the S&P 500	$ 4,242.2

Item 8 - Financial Statements and Supplementary Data

Listed below are the consolidated financial statements included herein for Old Republic International Corporation and Subsidiaries:

Old Republic International Corporation and Subsidiaries

Consolidated Balance Sheets

($ in Millions, Except Share Data)

	December 31, 2021	December 31, 2020
Assets		
Investments:		
Available for sale:		
Fixed maturity securities (at fair value) (amortized cost: $10,438.6 and $9,897.6)	**$ 10,675.7**	$ 10,496.8
Short-term investments (at fair value which approximates cost)	**565.7**	749.6
Total	**11,241.4**	11,246.4
Equity securities (at fair value) (cost: $3,766.5 and $3,269.7)	**5,302.8**	4,054.8
Other investments	**32.0**	28.8
Total investments	**16,576.3**	15,330.1
Other Assets:		
Cash	**158.1**	118.7
Accrued investment income	**84.4**	86.4
Accounts and notes receivable	**1,768.7**	1,593.9
Federal income tax recoverable: Current	**11.8**	—
Reinsurance balances and funds held	**258.1**	205.0
Reinsurance recoverable: Paid losses	**118.2**	67.6
Policy and claim reserves	**4,825.1**	4,295.1
Deferred policy acquisition costs	**350.4**	328.0
Sundry assets	**830.3**	790.0
Total Other Assets	**8,405.5**	7,485.0
Total Assets	**$ 24,981.8**	$ 22,815.2
Liabilities, Preferred Stock, and Common Shareholders' Equity		
Liabilities:		
Losses, claims, and settlement expenses	**$ 11,425.5**	$ 10,671.0
Unearned premiums	**2,559.4**	2,397.1
Other policyholders' benefits and funds	**192.6**	195.9
Total policy liabilities and accruals	**14,177.5**	13,264.2
Commissions, expenses, fees, and taxes	**573.5**	663.5
Reinsurance balances and funds	**866.0**	725.4
Federal income tax payable: Current	**—**	4.2
Deferred	**249.5**	137.3
Debt	**1,588.5**	966.4
Sundry liabilities	**633.3**	867.3
Commitments and contingent liabilities		
Total Liabilities	**18,088.6**	16,628.5
Preferred Stock (1)	**—**	—
Common Shareholders' Equity:		
Common stock (1)	**307.5**	304.1
Additional paid-in capital	**1,376.1**	1,306.9
Retained earnings	**5,214.0**	4,394.8
Accumulated other comprehensive income (loss)	**78.0**	284.0
Unallocated ESSOP shares (at cost)	**(82.5)**	(103.2)
Total Common Shareholders' Equity	**6,893.2**	6,186.6
Total Liabilities, Preferred Stock and Common Shareholders' Equity	**$ 24,981.8**	$ 22,815.2

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(1) At December 31, 2021 and 2020, there were 75,000,000 shares of $0.01 par value preferred stock authorized, of which no shares were outstanding. As of the same dates, there were 500,000,000 shares of common stock, $1.00 par value, authorized, of which 307,565,632 and 304,122,180 were issued as of December 31, 2021 and 2020, respectively. At December 31, 2021 and 2020, there were 100,000,000 shares of Class B Common Stock, $1.00 par value, authorized, of which no shares were issued.

See accompanying Notes to Consolidated Financial Statements.

Old Republic International Corporation and Subsidiaries

Consolidated Statements of Income

($ in Millions, Except Share Data)

	Years Ended December 31,		
	2021	2020	2019
Revenues:			
Net premiums earned	**$ 7,559.8**	$ 6,345.8	$ 5,919.9
Title, escrow, and other fees	**443.8**	391.9	321.1
Total premiums and fees	**8,003.6**	6,737.8	6,241.1
Net investment income	**434.3**	438.9	450.7
Other income	**145.6**	131.2	132.6
Total operating revenues	**8,583.5**	7,308.0	6,824.4
Net Investment gains (losses):			
Realized from actual transactions	**6.9**	14.2	38.6
Realized from impairments	—	—	(2.0)
Unrealized from changes in fair value of equity securities	**751.1**	(156.2)	599.5
Total realized and unrealized investment gains (losses)	**758.0**	(142.0)	636.1
Total revenues	**9,341.6**	7,166.0	7,460.5
Benefits, Claims and Expenses:			
Benefits, claims and settlement expenses	**2,398.2**	2,472.5	2,545.3
Dividends to policyholders	**22.7**	18.9	27.3
Underwriting, acquisition, and other expenses	**4,942.3**	3,942.4	3,525.4
Interest and other charges	**56.2**	43.7	40.0
Total expenses	**7,419.5**	6,477.5	6,138.1
Income (loss) before income taxes (credits)	**1,922.1**	688.4	1,322.4
Income Taxes (Credits):			
Current	**221.7**	156.9	238.4
Deferred	**165.9**	(27.1)	27.4
Total	**387.7**	129.7	265.9
Net Income (Loss)	**$ 1,534.3**	$ 558.6	$ 1,056.4
Net Income (Loss) Per Share:			
Basic	**$ 5.08**	$ 1.87	$ 3.52
Diluted	**$ 5.05**	$ 1.87	$ 3.51
Average shares outstanding: Basic	**301,945,319**	298,407,921	299,885,468
Diluted	**303,667,669**	298,898,673	301,227,715

See accompanying Notes to Consolidated Financial Statements.

Old Republic International Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

($ in Millions)

	Years Ended December 31,		
	2021	2020	2019
Net Income (Loss) As Reported	**$ 1,534.3**	$ 558.6	$ 1,056.4
Other comprehensive income (loss):			
Unrealized gains (losses) on securities not included in the statements of income:			
Unrealized gains (losses) before reclassifications, not included in the statements of income	**(362.0)**	335.5	357.2
Amounts reclassified as realized investment (gains) losses in the statements of income	**(1.7)**	7.1	6.5
Pretax unrealized gains (losses) on securities not included in the statements of income	**(363.8)**	342.7	363.8
Deferred income taxes (credits)	**(76.8)**	72.3	76.6
Net unrealized gains (losses) on securities not included in the statements of income, net of tax	**(287.0)**	270.3	287.2
Defined benefit pension plans:			
Net pension adjustment before reclassifications	**94.5**	(88.4)	(11.0)
Amounts reclassified as underwriting, acquisition, and other expenses in the statements of income	**7.4**	3.6	4.1
Pretax net adjustment related to defined benefit pension plans	**101.9**	(84.8)	(6.8)
Deferred income taxes (credits)	**21.4**	(17.8)	(1.4)
Net adjustment related to defined benefit pension plans, net of tax	**80.5**	(67.0)	(5.4)
Foreign currency translation adjustment	**.4**	2.9	5.9
Total other comprehensive income (loss)	**(206.0)**	206.3	287.7
Comprehensive Income (Loss)	**$ 1,328.3**	$ 765.0	$ 1,344.2

See accompanying Notes to Consolidated Financial Statements.

Old Republic International Corporation and Subsidiaries

Consolidated Statements of Preferred Stock and Common Shareholders' Equity

($ in Millions, Except Share Data)

	Years Ended December 31,		
	2021	2020	2019
Convertible Preferred Stock:			
Balance, beginning and end of year	**$ —**	$ —	$ —
Common Stock:			
Balance, beginning of year	**$ 304.1**	$ 303.6	$ 302.7
Dividend reinvestment plan	**.1**	—	—
Net issuance of shares under stock based compensation plans	**3.2**	.4	.8
Balance, end of year	**$ 307.5**	$ 304.1	$ 303.6
Additional Paid-in Capital:			
Balance, beginning of year	**$ 1,306.9**	$ 1,297.5	$ 1,277.6
Dividend reinvestment plan	**3.5**	.9	1.7
Net issuance of shares under stock based compensation plans	**52.9**	5.2	11.0
Stock based compensation	**3.6**	2.4	4.0
ESSOP shares released	**9.1**	.9	3.0
Other	**—**	(.2)	—
Balance, end of year	**$ 1,376.1**	$ 1,306.9	$ 1,297.5
Retained Earnings:			
Balance, beginning of year	**$ 4,394.8**	$ 4,386.0	$ 3,849.8
Adoption of new accounting principle (1)	**—**	(2.3)	18.4
Balance, beginning of year, as adjusted	**4,394.8**	4,383.6	3,868.3
Net income (loss)	**1,534.3**	558.6	1,056.4
Dividends on common shares ($2.38, $1.84 and $1.80 per common share)	**(715.1)**	(547.5)	(538.7)
Balance, end of year	**$ 5,214.0**	$ 4,394.8	$ 4,386.0
Accumulated Other Comprehensive Income (Loss):			
Balance, beginning of year	**$ 284.0**	$ 77.7	$ (210.0)
Net unrealized gains (losses) on securities not included in the statements of income, net of tax	**(287.0)**	270.3	287.2
Net adjustment related to defined benefit pension plans, net of tax	**80.5**	(67.0)	(5.4)
Foreign currency translation	**.4**	2.9	5.9
Balance, end of year	**$ 78.0**	$ 284.0	$ 77.7
Unallocated ESSOP Shares:			
Balance, beginning of year	**$ (103.2)**	$ (64.8)	$ (73.9)
ESSOP shares released	**20.6**	11.5	9.1
Purchase of unallocated ESSOP shares	**—**	(50.0)	—
Balance, end of year	**$ (82.5)**	$ (103.2)	$ (64.8)

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(1) Reflects the Company's adoption of new accounting principles relating to credit losses and lease accounting effective January 1, 2020 and 2019, respectively. Refer to additional discussion in Notes 9 and 13 to the Consolidated Financial Statements.

See accompanying Notes to Consolidated Financial Statements.

Old Republic International Corporation and Subsidiaries
Consolidated Statements of Cash Flows
($ in Millions)

	Years Ended December 31,		
	2021	2020	2019
Cash flows from operating activities:			
Net income (loss)	**$ 1,534.3**	$ 558.6	$ 1,056.4
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Deferred policy acquisition costs	**(22.3)**	(2.5)	(8.9)
Premiums and other receivables	**(174.8)**	(123.4)	32.5
Unpaid claims and related items	**279.8**	340.7	214.6
Unearned premiums and other policyholders' liabilities	**103.4**	34.6	32.2
Income taxes	**151.4**	(18.3)	37.2
Prepaid federal income taxes	**—**	—	129.8
Reinsurance balances and funds	**36.9**	77.0	(9.7)
Realized investment (gains) losses from actual transactions and impairments	**(6.9)**	(14.2)	(36.6)
Unrealized investment (gains) losses from changes in fair value of equity securities	**(751.1)**	156.2	(599.5)
Accounts payable, accrued expenses and other	**160.9**	176.2	88.0
Total	**1,311.7**	1,185.0	936.2
Cash flows from investing activities:			
Fixed maturity securities:			
Available for sale:			
Maturities and early calls	**1,410.9**	1,280.1	779.0
Sales	**338.0**	399.5	663.1
Sales of:			
Equity securities	**540.7**	162.3	809.9
Other - net	**8.3**	8.8	33.0
Purchases of:			
Fixed maturity securities:			
Available for sale	**(2,330.7)**	(2,059.3)	(1,702.1)
Equity securities	**(1,032.2)**	(321.0)	(815.6)
Other - net	**(55.5)**	(50.2)	(60.9)
Purchase of a business	**—**	—	(1.2)
Net decrease (increase) in short-term investments	**183.9**	(265.0)	(129.7)
Other - net	**—**	(.3)	—
Total	**(936.5)**	(845.2)	(424.6)
Cash flows from financing activities:			
Issuance of debentures and notes	**642.5**	—	—
Issuance of common shares	**60.0**	6.7	13.8
Redemption of debentures and notes	**(21.7)**	(8.6)	(8.4)
Purchase of unallocated ESSOP shares	**—**	(50.0)	—
Dividends on common shares (including special dividends paid of $764.5 in 2021 and $303.4 in 2019)	**(1,019.2)**	(250.1)	(538.7)
Other - net	**2.5**	2.0	.2
Total	**(335.7)**	(300.0)	(533.1)
Increase (decrease) in cash:	**39.4**	39.8	(21.4)
Cash, beginning of year	**118.7**	78.8	100.3
Cash, end of year	**$ 158.1**	$ 118.7	$ 78.8
Supplemental cash flow information:			
Cash paid (received) during the period for: Interest	**$ 53.4**	$ 41.4	$ 42.1
Income taxes	**$ 236.5**	$ 149.3	$ 229.4

See accompanying Notes to Consolidated Financial Statements.

Old Republic International Corporation is a Chicago based holding company engaged in the single business of insurance underwriting and related services. It conducts its operations through a number of regulated insurance company subsidiaries organized into three major segments: General Insurance (property and liability insurance), Title Insurance, and Republic Financial Indemnity Group ("RFIG") Run-off. References herein to such segments apply to the Company's subsidiaries engaged in these respective segments of business. The results of a small life and accident insurance business are included within the Corporate & Other caption of this report. "Old Republic", or "the Company" refers to Old Republic International Corporation and its subsidiaries as the context requires.

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies employed by Old Republic International Corporation and its subsidiaries are set forth in the following summary.

Accounting Principles - The Company's insurance subsidiaries are managed pursuant to the laws and regulations of the various states in which they operate. As a result, the subsidiaries operate their business in the context of such laws and regulation, and maintain their accounts in conformity with accounting practices prescribed or permitted by various states' insurance regulatory authorities. Federal income taxes and dividends to shareholders are based on financial statements and reports complying with such practices. The statutory accounting requirements vary from the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") of accounting principles generally accepted in the United States of America ("GAAP") in the following major respects: (1) the costs of selling insurance policies are charged to operations immediately, while the related premiums are recognized as income over the terms of the policies. Ceding commissions received in excess of such acquisition costs are amortized over the effective period of the premiums ceded under the related reinsurance agreement; (2) investments in fixed maturity securities designated as available for sale are generally carried at amortized cost rather than their estimated fair value; (3) changes in the fair value of equity securities are recorded directly in earned surplus and not through the income statement as required under GAAP unless such securities are determined to be other-than-temporarily impaired for statutory reporting purposes; (4) certain assets classified as "non-admitted assets" are excluded from the balance sheet through a direct charge to earned surplus; (5) changes in deferred income tax assets or liabilities are recorded directly in earned surplus and not through the income statement; (6) mortgage guaranty contingency reserves intended to provide for future catastrophic losses are established as a liability through a charge to earned surplus whereas, GAAP does not allow provisions for future catastrophic losses; (7) title insurance premium reserves, which are intended to cover losses that will be reported at a future date are based on statutory formulas, and changes therein are charged in the income statement against each year's premiums written; (8) certain required formula-derived reserves for general insurance in particular are established for claim reserves in excess of amounts considered adequate by the Company as well as for credits taken relative to reinsurance placed with other insurance companies not licensed in the respective states, all of which are charged directly against earned surplus; and (9) surplus notes are classified as surplus rather than a liability. In consolidating the statutory financial statements of its insurance subsidiaries, the Company has therefore made necessary adjustments to conform their accounts with GAAP. The following table reflects a summary of all such adjustments:

	Shareholders' Equity		Net Income (Loss)		
	December 31,		Years Ended December 31,		
	2021	2020	2021	2020	2019
Statutory totals of insurance company subsidiaries (a):					
General	$ 4,802.9	$ 4,244.0	$ 496.8	$ 285.0	$ 332.2
Title	813.4	648.3	285.7	182.6	145.1
RFIG Run-off	127.2	118.5	27.3	1.9	(62.8)
Life & Accident	54.5	50.3	3.6	3.3	3.9
Sub-total	5,798.0	5,061.1	813.4	472.8	418.4
GAAP totals of non-insurance company subsidiaries and consolidation adjustments	1,019.3	753.1	177.0	28.4	153.2
Unadjusted totals	6,817.3	5,814.2	990.4	501.0	571.6
Adjustments to conform to GAAP statements:					
Deferred policy acquisition costs	221.1	211.7	9.4	7.4	9.4
Investment adjustments	234.8	589.7	606.6	4.5	466.3
Non-admitted assets	143.6	139.0	—	—	—
Deferred income taxes	(144.1)	(203.0)	(135.3)	23.6	(5.8)
Mortgage contingency reserves	257.7	316.7	—	—	—
Title insurance premium reserves	735.0	625.6	109.4	53.9	25.8
Losses, claims and settlement expenses	(523.9)	(474.8)	(48.7)	(24.8)	(7.9)
Surplus notes	(869.0)	(841.5)	—	—	—
Sundry adjustments	20.1	8.8	2.4	(7.3)	(3.2)
Total adjustments	75.6	372.2	543.6	57.5	484.5
Consolidated GAAP totals	$ 6,893.2	$ 6,186.6	$ 1,534.3	$ 558.6	$ 1,056.4

(a) The insurance laws of the respective states in which the Company's insurance subsidiaries are incorporated prescribe minimum capital and surplus requirements for the lines of business they are licensed to write. For domestic property and casualty and life and accident insurance companies the National Association of Insurance Commissioners also prescribes risk-based capital ("RBC") requirements. The RBC is a measure of statutory capital in relationship to a formula-driven definition of risk relative to a company's balance sheet and mix of business. The combined RBC ratio of our primary General Insurance subsidiaries was 656% and 625% of the company action level RBC at December 31, 2021 and 2020, respectively. The minimum capital requirements for the Company's Title Insurance subsidiaries are established by statute in the respective states of domicile. The minimum regulatory capital requirements are not significant in relationship to the recorded statutory capital of the Company's Title and Life & Accident insurance subsidiaries. At December 31, 2021 and 2020 each of the Company's General, Title, RFIG Run-off and Life and Accident insurance subsidiaries exceeded the minimum statutory capital and surplus requirements.

The preparation of financial statements in conformity with either statutory practices or GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Consolidation Practices - The consolidated financial statements include the accounts of the Company and those of all of its majority owned insurance underwriting and service subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Statement Presentation - Amounts shown in the consolidated financial statements and applicable notes are stated (except as otherwise indicated and as to share data) in millions, which amounts may not add to totals shown due to truncation. Reclassifications are made in prior periods' financial statements whenever appropriate to conform to the most current presentation.

Investments - The Company classifies its fixed maturity securities as those it either (1) has the intent and ability to hold until maturity, (2) has available for sale or (3) has the intention of trading. As of June 30, 2020 the Company changed its intent to hold its tax exempt municipal bond portfolio until maturity and consequently, reclassified these securities from their previous held to maturity designation to available for sale. As a result, cumulative net of tax unrealized gains of $48.5 were recognized in other comprehensive income as of that date. The Company's entire fixed maturity portfolio is now classified as available for sale.

Fixed maturity securities classified as available for sale are included at fair value with changes in such values, net of deferred income taxes, reflected directly in shareholders' equity. Equity securities are reported at fair value with changes in such values reflected as unrealized investment gains (losses) in the consolidated statements of income.

Fair values are based on quoted market prices or estimates using values obtained from recognized independent pricing services. Credit losses are recorded through an allowance with the corresponding charge to realized investment gains (losses). If the Company intends to sell or is more likely than not required to sell a security, the asset is written down to fair value directly through realized investment gains (losses).

The status and fair value changes of each of the fixed maturity investments are reviewed at least once per quarter during the year to assess whether a decline in fair value of an investment below its cost basis is the result of a credit loss. Factors considered in making this assessment include a security's market price history, as well as the issuer's operating results, financial condition and liquidity, its ability to access capital markets and to make scheduled principal or interest payments, credit rating trends, most current audited financial statements, industry and securities markets conditions and analyst expectations. Sudden fair value declines caused by such adverse developments as newly emerged or imminent bankruptcy filings, issuer default on significant obligations, or reports of financial accounting developments that bring into question the validity of the issuer's previously reported earnings or financial condition are recognized as realized losses as soon as credible publicly available information emerges to confirm such developments.

Investment income is reported net of allocated expenses and includes appropriate adjustments for amortization of premium and accretion of discount on fixed maturity securities acquired at other than par value. Dividends on equity securities are credited to income on the ex-dividend date. At December 31, 2021, the Company and its subsidiaries did not have significant amounts of non-income producing fixed maturity or equity securities.

Investment gains and losses, which result from sales or write-downs of securities, are reflected as revenues in the income statement and are determined on the basis of amortized value at date of sale for fixed maturity securities, and cost in regard to equity securities; such bases apply to the specific securities sold.

Revenue Recognition - Pursuant to GAAP applicable to the insurance industry, revenues are recognized as follows:

Substantially all general insurance premiums pertain to annual policies and are reflected in income on a pro-rata basis in association with the related benefits, claims, and expenses. Earned but unbilled premiums are generally taken into income on the billing date, while adjustments for retrospective premiums, commissions and similar charges or credits are accrued on the basis of periodic evaluations of current underwriting experience and contractual obligations.

Title premium and fee revenues stemming from the Company's direct operations (which include branch offices of its title insurers and wholly owned agency subsidiaries) represent 22% of 2021, 25% of 2020 and 25% of 2019 consolidated title business revenues. Such premiums are generally recognized as income at the escrow closing date which approximates the policy effective date. Fee income related to escrow and other closing services is recognized when the related services have been performed and completed. The remaining title premium and fee revenues are produced by independent title agents. Rather than making estimates that could be subject to significant variance from actual premium and fee production, the Company recognizes revenues from those sources upon receipt. Such receipts can reflect a three to four month lag relative to the effective date of the underlying title policy, and are offset concurrently by production expenses and claim reserve provisions.

The Company's mortgage guaranty premiums primarily stem from monthly installments paid on long-duration, guaranteed renewable insurance policies. Such premiums are written and earned in the month coverage is effective. With respect to relatively few annual or single premium policies, earned premiums are largely recognized on a pro-rata basis over the terms of the policies.

The Company recognized total contract revenue from customers of $210.2, $192.2 and $184.3 during 2021, 2020 and 2019, respectively. Of these amounts, approximately $127.0, $114.1 and $115.9 were generated from claims handling and related ancillary services (i.e. risk control services) provided to customers within the Company’s General Insurance segment. Claims handling revenues are recognized on a straight-line basis over the contract period (generally one year) which is commensurate with the entity’s efforts relative to claims adjudication. The related ancillary services revenues are recognized as services are provided and invoiced to the customer. Additionally, revenues from contracts with customers generated from the Company’s Title Insurance segment, consisting primarily of software licensing arrangements and electronic recording services totaled $75.6, $72.0 and $62.2 for the years ended December 31, 2021, 2020 and 2019, respectively. Such revenues are generally recognized at a point in time upon completion and invoicing of the services, or in the case of software maintenance agreements, on a straight-line basis over the life of the contract (generally one year).

Deferred Policy Acquisition Costs - Various insurance subsidiaries of the Company defer direct costs related to the successful production of business. Deferred costs consist principally of commissions, premium taxes and policy issuance expenses.

With respect to most coverages, deferred acquisition costs are amortized on the same basis as the related premiums are earned or, alternatively, over the periods during which premiums will be paid. To the extent that future revenues on existing policies are not adequate to cover related costs and expenses, deferred policy acquisition costs are charged to earnings. The Company considers investment income when evaluating the recoverability of deferred acquisition costs.

Losses, Claims and Settlement Expenses - The establishment of claim reserves by the Company's insurance subsidiaries is a reasonably complex and dynamic process influenced by a large variety of factors. These factors principally include past experience applicable to the anticipated costs of various types of claims, continually evolving and changing legal theories emanating from the judicial system, recurring accounting, statistical, and actuarial studies, the professional experience and expertise of the Company's claim departments' personnel or attorneys and independent claim adjusters, ongoing changes in claim frequency or severity patterns such as those caused by natural disasters, illnesses, accidents, work-related injuries, and changes in general and industry-specific economic conditions. Consequently, the reserves established are a reflection of the opinions of a large number of persons, of the application and interpretation of historical precedent and trends, of expectations as to future developments, and of management's judgment in interpreting all such factors. At any point in time, the Company is exposed to the possibility of higher or lower than anticipated claim costs due to all of these factors, and to the evolution, interpretation, and expansion of tort law, as well as the effects of unexpected jury verdicts.

All reserves are therefore based on estimates which are periodically reviewed and evaluated in the light of emerging claim experience and changing circumstances. The resulting changes in estimates are recorded in operations of the periods during which they are made. Return and additional premiums and policyholders' dividends, all of which tend to be affected by development of claims in future years, may offset, in whole or in part, favorable or unfavorable claim developments for certain coverages such as workers' compensation, portions of which are written under loss sensitive programs that provide for such adjustments. Management believes that its overall reserving practices have been consistently applied over many years, and that its aggregate net reserves have generally resulted in reasonable approximations of the ultimate net costs of claims incurred. However, no representation is made nor is any guaranty given that ultimate net claim and related costs will not develop in future years to be significantly greater or lower than currently established reserve estimates.

General Insurance reserves are established to provide for the ultimate expected cost of settling unpaid losses and claims reported at each balance sheet date. Such reserves are based on continually evolving assessments of the facts available to the Company during the settlement process which may stretch over long periods of time. Losses and claims incurred but not reported ("IBNR"), as well as expenses required to settle losses and claims are established on the basis of a large number of formulas that take into account various criteria, including historical cost experience and anticipated costs of servicing reinsured and other risks. As applicable, estimates of possible recoveries from salvage or subrogation opportunities are considered in the establishment of such reserves. Overall claim and claim expense reserves incorporate amounts covering net estimates of unusual claims such as those emanating from asbestosis and environmental ("A&E") exposures. Such reserves can affect claim costs and related claim ratios for such insurance coverages as general liability, commercial automobile (mostly trucking), workers' compensation, and property.

Title Insurance and related escrow services loss and loss adjustment expense reserves are established as point estimates to cover the projected settlement costs of known as well as IBNR losses related to premium and escrow service revenues of each reporting period. Reserves for known claims are based on an assessment of the facts available to the Company during the settlement process. The point estimates covering all claim reserves take into account IBNR claims based on past experience and evaluations of such variables as changing trends in the types of policies issued, changes in real estate markets and interest rate environments, and changing levels of loan refinancing, all of which can have a bearing on the emergence, number, and ultimate cost of claims.

RFIG Run-off mortgage guaranty insurance reserves for unpaid claims and claim adjustment expenses are recognized only upon an instance of default, defined as an insured mortgage loan for which two or more consecutive monthly payments have been missed. Loss reserves are based on statistical calculations that take into account the number of reported insured mortgage loan defaults as of each balance sheet date, as well as experience-based estimates of loan defaults that have occurred but have not as yet been reported. Further, the loss reserve estimating process takes into account a large number of variables including trends in claim severity, potential salvage recoveries, expected cure rates for reported loan delinquencies at various stages of default, the level of coverage rescissions and claims denials due to material misrepresentation in key underwriting information or non-compliance with prescribed underwriting guidelines, and management judgments relative to future employment levels, housing market activity, and mortgage loan interest costs, demand, and extensions.

The Company has the legal right to rescind mortgage insurance coverage unilaterally as expressly stated in its policy. Moreover, two federal courts that have considered that policy wording have each affirmed that right. According to the policy, if any of those representations are materially false or misleading with respect to a loan, the Company has the right to cancel or rescind coverage for that loan retroactively to commencement of the coverage. In recent years, the incidence of rescissions has been immaterial.

In addition to the above reserve elements, the Company establishes reserves for loss settlement costs that are not directly related to individual claims. Such reserves are based on prior years' cost experience and trends, and are intended to cover the unallocated costs of claim departments' administration of known and IBNR claims.

Reinsurance - The cost of reinsurance is recognized over the terms of reinsurance contracts. Amounts recoverable from reinsurers for loss and loss adjustment expenses are estimated in a manner consistent with the claim liability associated with the reinsured business. The Company evaluates the financial condition of its reinsurers on a regular basis and allowances are established for estimated credit losses. See Note 9 - Credit Losses for further discussion.

Income Taxes - The Company and most of its subsidiaries file a consolidated tax return and provide for income taxes payable currently. Deferred income taxes included in the accompanying consolidated financial statements will not necessarily become payable or recoverable in the future. The Company uses the asset and liability method of calculating deferred income taxes. This method results in the establishment of deferred tax assets and liabilities, calculated at currently enacted tax rates that are applied to the cumulative temporary differences between the financial statement and tax bases of assets and liabilities.

Property and Equipment - Property and equipment is generally depreciated or amortized over the estimated useful lives of the assets, (2 to 27 years), substantially by the straight-line method. Depreciation and amortization expenses related to property and equipment were $27.2, $26.9 and $26.8 in 2021, 2020, and 2019, respectively. Expenditures for maintenance and repairs are charged to income as incurred, and expenditures for major renewals and additions are capitalized.

Title Plants and Records - Title plants and records are carried at original cost or appraised value at the date of purchase. Such values represent the cost of producing or acquiring interests in title records and indexes and the appraised value of purchased subsidiaries' title records and indexes at dates of acquisition. The cost of maintaining, updating, and operating title records is charged to income as incurred. Title records and indexes are ordinarily not amortized unless events or circumstances indicate that the carrying amount of the capitalized costs may not be recoverable.

Goodwill and Intangible Assets - Goodwill resulting from business combinations is not amortizable against operations but must be tested annually for possible impairment of its continued value. Intangible assets with definitive lives are amortized against future operating results; whereas indefinite-lived intangibles are tested annually for impairment. Annual testing did not result in any impairment charges for the periods presented and reporting units with goodwill balances had estimated fair values in excess of their carrying values. The Company's consolidated goodwill balance of $174.5 and $175.1 as of December 31, 2021 and 2020, respectively, is included as part of sundry assets in the consolidated balance sheets. No significant changes to goodwill balances occurred in either period.

Employee Benefit Plans - The Company had an active pension plan (the "Plan") covering a portion of its work force until December 31, 2013. The Plan is a defined benefit plan pursuant to which pension payments are based primarily on years of service and employee compensation near retirement. The Plan was closed to new participants and benefits were frozen as of December 31, 2013. As a result, eligible employees retain all of the vested rights as of the effective date of the freeze. While additional benefits no longer accrue, the Company's cumulative obligation continues to be subject to further adjustment due to changes in actuarial assumptions such as expected mortality and changes in interest rates.

The funded status of a pension plan is measured as of December 31 of each year, as the difference between the fair value of plan assets and the projected benefit obligation. The underfunded status of the Plan is recognized as a net pension liability; offsetting entries are reflected as a component of shareholders' equity in accumulated other comprehensive income, net of deferred taxes.

The Company has a stock based compensation plan in effect for certain key employees. Stock options granted under this plan are valued using the Black-Scholes-Merton option pricing model and are generally expensed on a straight line basis over the vesting period.

Escrow Funds - Segregated cash deposit accounts and the offsetting liabilities for escrow deposits in connection with Title Insurance segment real estate transactions in the same amounts ($2,662.4 and $1,718.1 at December 31, 2021 and 2020, respectively) are not included as assets or liabilities in the accompanying consolidated balance sheets as the escrow funds are not available for regular operations.

Note 2 - Investments

The amortized cost and estimated fair values by type and contractual maturity of fixed maturity securities are shown in the following tables. Expected maturities will differ from contractual maturities since borrowers may have the right to call or repay obligations with or without call or prepayment penalties.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Fixed Maturity Securities by Type:				
December 31, 2021:				
U.S. & Canadian Governments	$ 2,121.6	$ 44.8	$ 7.9	$ 2,158.5
Tax-exempt	944.9	44.3	—	989.2
Corporate	7,372.1	220.0	64.2	7,527.9
	$ 10,438.6	$ 309.2	$ 72.2	$ 10,675.7
December 31, 2020:				
U.S. & Canadian Governments	$ 1,967.1	$ 96.4	$ .3	$ 2,063.2
Tax-exempt	997.1	66.3	—	1,063.5
Corporate	6,933.3	440.1	3.4	7,370.0
	$ 9,897.6	$ 602.9	$ 3.8	$ 10,496.8

	Amortized Cost	Estimated Fair Value
Fixed Maturity Securities Stratified by Contractual Maturity at December 31, 2021:		
Due in one year or less	$ 1,224.4	$ 1,234.4
Due after one year through five years	5,187.5	5,383.3
Due after five years through ten years	3,920.1	3,951.6
Due after ten years	106.5	106.2
	$ 10,438.6	$ 10,675.7

Bonds and other investments with a statutory carrying value of $958.6 as of December 31, 2021 were on deposit with governmental authorities by the Company's insurance subsidiaries to comply with insurance laws.

The following table reflects the Company's gross unrealized losses and fair value, aggregated by category and length of time that individual fixed maturity securities have been in an unrealized loss position. Fair value and issuer's cost comparisons follow:

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2021:						
Fixed Maturity Securities:						
U.S. & Canadian Governments	$ 761.8	$ 6.2	$ 43.2	$ 1.6	$ 805.0	$ 7.9
Corporate	2,032.8	55.5	174.1	8.7	2,207.0	64.2
	$ 2,794.7	$ 61.8	$ 217.3	$ 10.3	$ 3,012.0	$ 72.2
Number of securities in unrealized loss position		419		32		451
December 31, 2020:						
Fixed Maturity Securities:						
U.S. & Canadian Governments	$ 416.4	$ .3	$ —	$ —	$ 416.4	$ .3
Corporate	333.6	3.4	—	—	333.6	3.4
	$ 750.0	$ 3.8	$ —	$ —	$ 750.0	$ 3.8
Number of securities in unrealized loss position		74		3		77

In the above tables the unrealized losses on fixed maturity securities are primarily deemed to reflect changes in the interest rate environment. As part of its assessment of credit losses, the Company considers its intent and ability to continue to hold the securities until cost recovery, principally in consideration of its asset and liability maturity matching objectives. The Company recorded no allowance for credit losses as of December 31, 2021 and 2020. Impairment charges of $2.0 were recorded during the year ended December 31, 2019.

The following table shows cost and fair value information for equity securities:

	Equity Securities			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
December 31, 2021	$ 3,766.5	$ 1,620.8	$ 84.5	$ 5,302.8
December 31, 2020	$ 3,269.7	$ 1,028.1	$ 243.0	$ 4,054.8

During 2021, 2020 and 2019, the Company recognized pretax unrealized investment gains (losses) of $751.1, $(156.2) and $599.5, respectively, emanating from changes in the fair value of equity securities in the consolidated statements of income. Changes in the fair value of equity securities still held at December 31, 2021, 2020 and 2019 were $771.0, $(130.9) and $586.9, respectively, for the years then ended.

Fair Value Measurements - Fair value is defined as the estimated price that is likely to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (an exit price) at the measurement date. A fair value hierarchy is established that prioritizes the sources ("inputs") used to measure fair value into three broad levels: Level 1 inputs are based on quoted market prices in active markets; Level 2 observable inputs are based on corroboration with available market data; and Level 3 unobservable inputs are based on uncorroborated market data or a reporting entity's own assumptions. Following is a description of the valuation methodologies and general classification used for financial instruments measured at fair value.

The Company uses quoted values and other data provided by a nationally recognized independent pricing source as inputs into its quarterly process for determining fair values of fixed maturity and equity securities. To validate the techniques or models used by pricing sources, the Company's review process includes, but is not limited to: (i) initial and ongoing evaluation of methodologies used by outside parties to calculate fair value; and (ii) comparisons with other sources including the fair value estimates based on current market quotations, and with independent fair value estimates provided by the independent investment custodian. The independent pricing source obtains market quotations and actual transaction prices for securities that have quoted prices in active markets and uses their own proprietary method for determining the fair value of securities that are not actively traded. In general, these methods involve the use of "matrix pricing" in which the independent pricing source uses observable market inputs including, but not limited to, investment yields, credit risks and spreads, benchmarking of like securities, broker-dealer quotes, reported trades and sector groupings to determine a reasonable fair value.

Level 1 securities include U.S. and Canadian Treasury notes, publicly traded common stocks, mutual funds, and short-term investments in highly liquid money market instruments. Level 2 securities generally include corporate bonds, municipal bonds, and certain U.S. and Canadian government agency securities. Securities classified within Level 3 include non-publicly traded bonds and equity securities. There were no significant changes in the fair value of Level 3 assets as of December 31, 2021 and 2020.

The following tables show a summary of the fair value of financial assets segregated among the various input levels described above:

	Fair Value Measurements			
As of December 31, 2021:	Level 1	Level 2	Level 3	Total
Fixed maturity securities:				
U.S. & Canadian Governments	$ 1,453.8	$ 704.6	$ —	$ 2,158.5
Tax-exempt	—	989.2	—	989.2
Corporate	—	7,517.4	10.5	7,527.9
Short-term investments	565.7	—	—	565.7
Equity securities	$ 5,300.8	$ —	$ 1.9	$ 5,302.8
As of December 31, 2020:				
Fixed maturity securities:				
U.S. & Canadian Governments	$ 1,262.2	$ 801.0	$ —	$ 2,063.2
Tax-exempt	—	1,063.5	—	1,063.5
Corporate	—	7,359.5	10.5	7,370.0
Short-term investments	749.6	—	—	749.6
Equity securities	$ 4,052.9	$ —	$ 1.8	$ 4,054.8

There were no transfers between Levels 1, 2 or 3 during 2021 or 2020.

The following table reflects the composition of net investment income, net realized gains or losses, and the net change in unrealized investment gains or losses for each of the years shown.

Years Ended December 31:	2021	2020	2019
Investment income from:			
Fixed maturity securities	$ 280.6	$ 289.8	$ 300.3
Equity securities	157.5	149.8	141.3
Short-term investments	.1	2.2	10.1
Other sources	2.1	3.5	5.8
Gross investment income	440.4	445.6	457.7
Investment expenses (a)	6.1	6.6	6.9
Net investment income	$ 434.3	$ 438.9	$ 450.7
Investment gains (losses):			
From actual transactions:			
Fixed maturity securities:			
Gains	$ 3.4	$ 10.9	$ 9.7
Losses	(1.9)	(18.4)	(11.7)
Net	1.5	(7.4)	(1.9)
Equity securities:			
Gains	68.0	22.5	153.1
Losses	(62.8)	(1.2)	(109.9)
Net	5.1	21.3	43.2
Other long-term investments, net	.2	.3	(2.5)
Total from actual transactions	6.9	14.2	38.6
From impairments	—	—	(2.0)
From unrealized changes in fair value of equity securities	751.1	(156.2)	599.5
Total realized and unrealized investment gains (losses)	758.0	(142.0)	636.1
Current and deferred income taxes (credits)	159.6	(29.8)	133.8
Net of tax realized and unrealized investment gains (losses)	$ 598.4	$ (112.1)	$ 502.2
Changes in unrealized investment gains (losses) reflected directly in shareholders' equity on:			
Fixed maturity securities	$ (361.2)	$ 339.4	$ 362.6
Less: Deferred income taxes (credits)	(76.2)	71.6	76.3
	(284.9)	267.7	286.2
Other long-term investments	(2.5)	3.2	1.2
Less: Deferred income taxes (credits)	(.5)	.6	0.2
	(2.0)	2.5	1.0
Net changes in unrealized investment gains (losses), net of tax	$ (287.0)	$ 270.3	$ 287.2

(a) Investment expenses largely consist of personnel costs and investment management and custody service fees.

Note 3 - Deferred Policy Acquisition Costs

The following table shows the components of deferred policy acquisition costs:

Years Ended December 31:	2021	2020	2019
Deferred, beginning of year	$ 328.0	$ 325.4	$ 316.3
Acquisition costs deferred:			
Commissions - net of reinsurance	340.9	326.0	360.8
Premium taxes	135.2	127.4	130.2
Salaries and other underwriting expenses	48.3	50.7	50.3
Sub-total	524.6	504.2	541.4
Amortization charged to income	(502.2)	(501.5)	(532.2)
Change for the year	22.4	2.6	9.1
Deferred, end of year	$ 350.4	$ 328.0	$ 325.4

Note 4 - Losses, Claims and Settlement Expenses

The following table shows changes in aggregate reserves for the Company's losses, claims and settlement expenses:

Years Ended December 31:	2021	2020	2019
Gross reserves at beginning of year	$ 10,671.0	$ 9,929.5	$ 9,471.2
Less: reinsurance losses recoverable	3,650.5	3,249.7	3,006.3
Net reserves at beginning of year:			
General Insurance	6,328.0	6,021.3	5,766.1
Title Insurance	556.1	530.9	533.4
RFIG Run-off	127.6	118.9	154.5
Other	8.6	8.4	10.8
Sub-total	7,020.4	6,679.7	6,464.9
Incurred claims and claim adjustment expenses:			
Provisions for insured events of the current year:			
General Insurance	2,418.3	2,380.5	2,422.7
Title Insurance	160.6	117.2	99.5
RFIG Run-off	19.3	48.8	41.1
Other	12.0	11.2	14.1
Sub-total	2,610.4	2,557.8	2,577.6
Change in provision for insured events of prior years:			
General Insurance	(137.9)	(27.4)	14.5
Title Insurance	(47.6)	(41.8)	(32.1)
RFIG Run-off	(21.1)	(11.9)	(9.4)
Other	(3.9)	(2.5)	(3.9)
Sub-total	(210.6)	(83.8)	(30.9)
Total incurred claims and claim adjustment expenses	2,399.7	2,474.0	2,546.6
Payments:			
Claims and claim adjustment expenses attributable to insured events of the current year:			
General Insurance	781.5	783.2	835.4
Title Insurance	21.4	4.6	3.6
RFIG Run-off	.2	1.1	3.3
Other	7.7	6.4	9.1
Sub-total	810.9	795.5	851.5
Claims and claim adjustment expenses attributable to insured events of prior years:			
General Insurance	1,239.8	1,263.1	1,346.6
Title Insurance	53.4	45.4	66.2
RFIG Run-off	14.3	27.0	64.0
Other	1.3	2.0	3.3
Sub-total	1,309.0	1,337.7	1,480.2
Total payments	2,120.0	2,133.2	2,331.7
Amount of reserves for unpaid claims and claim adjustment expenses at the end of each year, net of reinsurance losses recoverable:			
General Insurance	6,587.0	6,328.0	6,021.3
Title Insurance	594.2	556.1	530.9
RFIG Run-off	111.2	127.6	118.9
Other	7.6	8.6	8.4
Sub-total	7,300.2	7,020.4	6,679.7
Reinsurance losses recoverable	4,125.3	3,650.5	3,249.7
Gross reserves at end of year	$ 11,425.5	$ 10,671.0	$ 9,929.5

For the three most recent calendar years, the above table indicates that the one-year development of consolidated reserves at the beginning of each year produced favorable developments of 3.0%, 1.3%, and .5% for 2021, 2020 and 2019, respectively, with average favorable annual developments of 1.6%. The Company believes that the factors most responsible, in varying and continually changing degrees, for favorable or unfavorable reserve developments include, as to many general insurance coverages, the effect of reserve discounts applicable to workers' compensation claims, changes in severity of litigated claims in particular, governmental or judicially imposed retroactive conditions in the settlement of claims such as noted above in regard to black lung disease claims, changes in inflation rates applicable to repairs and the medical portion of claims in particular, and changes in claims incurred but not reported due to the slower and highly volatile emergence patterns applicable to certain types of claims such as those stemming from litigated, assumed reinsurance, or the A&E types of claims noted above. Specifically, in 2021 General Insurance favorable development was higher due predominantly to better than expected claims experience related to workers' compensation and commercial automobile reserves on older, more developed years. Favorable development experienced in Title Insurance reflects the declining claims activity since the Great Recession years. With respect to the RFIG Run-off segment, changes in favorable or unfavorable reserve development result from sales and prices of homes that can impact claim costs upon the disposition of foreclosed properties, changes in regional or local economic conditions and employment levels, the number of coverage rescissions and claims denials due to material misrepresentation in key underwriting information or non-compliance with prescribed underwriting guidelines, the extent of loan refinancing activity that can reduce the period of time over which a policy remains at risk, and lower than expected frequencies of claims incurred but not reported.

Federal Black Lung Regulations

Early in 2001, the Federal Department of Labor revised the Federal Black Lung Program regulations. The revisions basically require a reevaluation of previously settled, denied, or new occupational disease claims in the context of newly devised, more lenient standards when such claims are resubmitted. Following a number of challenges and appeals by the insurance and coal mining industries, the revised regulations were, for the most part, upheld in June, 2002 and are to be applied prospectively. Since 2001 black lung claims filed or refiled pursuant to these revised regulations have increased, though the volume of new claim reports has abated in recent years.

In March 2010, federal regulations were revised once again as part of the Patient Protection and Affordability Act. These revisions reinstitute two provisions that can potentially benefit claimants. In response to this legislation and the above noted 2001 change, black lung claims filed or refiled have risen once again. The vast majority of claims filed to date against Old Republic pertain to business underwritten through loss sensitive programs that permit the charge of additional or refund of return premiums to wholly or partially offset changes in estimated claim costs, or to business underwritten as a service carrier on behalf of various industry-wide involuntary market (i.e. assigned risk) pools. A much smaller portion pertains to business produced on a traditional risk transfer basis. The Company has established applicable reserves for claims as they have been reported and for claims not as yet reported on the basis of its historical experience as well as assumptions relative to the effect of the revised regulations.

Asbestosis and Environmental (A&E) Reserves

At December 31, 2021 and 2020, Old Republic's aggregate indemnity and loss adjustment expense reserves specifically identified with A&E exposures amounted to approximately $118.1 and $127.6 gross, respectively, and $77.2 and $82.4 net of reinsurance, respectively.

Old Republic's reserve estimates also include provisions for indemnity and settlement costs for various A&E claims that have been filed in the normal course of business against a number of its insurance subsidiaries. Many such claims relate to policies incepting prior to 1985, including many issued during a short period between 1981 and 1982 pursuant to an agency agreement canceled in 1982. Over the years, the Company's property and liability insurance subsidiaries have typically issued general liability insurance policies with face amounts ranging between $1.0 and $2.0 and rarely exceeding $10.0. Such policies have, in turn, been subject to reinsurance cessions which have typically reduced the subsidiaries' net retentions to $500 thousand or less as to each claim.

Old Republic's exposure to A&E claims cannot, however, be calculated by conventional insurance reserving methods for a variety of reasons, including: a) the absence of statistically valid data inasmuch as such claims generally involve long reporting delays and very often uncertainty as to the number and identity of insureds against whom such claims have arisen or will arise; and b) the litigation history of such or similar claims. Inconsistent court decisions stem from such questions as: when an alleged loss occurred, which policies provide coverage, how a loss is to be allocated among potentially responsible insureds and/or their insurance carriers, how policy coverage exclusions are to be interpreted, what types of environmental impairment or toxic tort claims are covered, when the insurer's duty to defend is triggered, how policy limits are to be calculated, and whether clean-up costs constitute property damage.

Over time, the Executive Branch and/or the Congress of the United States have proposed or considered changes in the legislation and rules affecting the determination of liability for A&E claims. As of December 31, 2021, however, there is no solid evidence to suggest that possible future changes might mitigate or reduce some or all of these claim exposures. Because of the above issues and uncertainties, estimation of reserves for losses and allocated loss adjustment expenses for A&E claims in particular is much more difficult to quantify with a high degree of precision. Accordingly, no representation can be made that the Company's reserves for such claims and related costs will not prove to be overstated or understated in the future. Based on average annual claims payments during the five most recent calendar years, such reserves represented a paid loss survival ratio of 5.9 years (gross) and 6.8 years (net of reinsurance) as of December 31, 2021 and 6.3 years (gross) and 7.1 years (net of reinsurance) as of December 31, 2020. Fluctuations in this ratio between years can be caused by the inconsistent pay out patterns associated with these types of claims. For the five years ended December 31, 2021, incurred A&E claim and related loss settlement costs have averaged .3% of average annual General Insurance claims and related settlement costs.

The following represents the Company's incurred and paid loss development tables for the major types of insurance coverages as of December 31, 2021. The information about incurred and paid claims development for the years ended December 31, 2012 to 2020 is presented as supplementary information.

Workers' Compensation

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance (Undiscounted)										As of December 31, 2021	
	For the Years Ended December 31,											
Accident	Supplementary Information (Unaudited)											
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total of Incurred-but-Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims*
2012	$ 629.3	$ 647.2	$ 670.6	$ 678.1	$ 676.4	$ 671.1	$ 660.5	$ 654.7	$ 651.1	$ 646.5	$ 67.4	49,924
2013		700.9	705.3	716.9	722.7	726.3	717.2	689.7	691.0	686.7	83.2	49,025
2014			780.9	792.8	786.4	784.9	777.0	763.3	724.4	705.4	96.3	54,162
2015				794.3	792.6	787.3	785.5	769.1	742.4	695.8	167.2	55,203
2016					756.1	752.9	745.7	730.5	712.6	692.8	252.3	52,451
2017						727.0	713.9	700.3	683.4	676.3	239.6	51,736
2018							698.6	691.5	681.0	665.9	274.6	52,290
2019								664.6	657.4	653.2	212.6	51,652
2020									560.9	569.4	222.1	45,285
2021										500.3	280.9	35,347
									Total	$ 6,492.7	(A)	

* Reported claims are accumulated on an individual claimant basis and exclude external reinsurance assumed and participation in residual market pools as claim frequency information is not available.

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										
	For the Years Ended December 31,										
Accident	Supplementary Information (Unaudited)										
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
2012	$ 113.1	$ 265.8	$ 361.8	$ 426.7	$ 469.5	$ 496.6	$ 518.4	$ 531.5	$ 539.5	$ 545.2	
2013		107.6	274.3	381.2	449.8	501.9	526.8	547.0	558.3	565.4	
2014			116.9	293.7	397.1	466.0	499.5	524.8	544.9	554.6	
2015				109.0	274.9	379.3	435.1	466.7	484.7	499.8	
2016					102.5	253.5	334.4	383.5	408.4	425.2	
2017						99.6	244.6	334.8	383.1	414.3	
2018							94.8	240.6	320.5	367.2	
2019								102.9	239.8	329.6	
2020									84.3	211.6	
2021										80.1	
									Total	$ 3,993.4	(B)

Net incurred claims and allocated claim adjustment expenses (A)	$ 6,492.7
Less: net paid claims and allocated claim adjustment expenses (B)	3,993.4
Sub-total	2,499.3
All outstanding liabilities before 2012, net of reinsurance	631.1
Liabilities for claims and allocated claim adjustment expenses, net of reinsurance	$ 3,130.4

General Liability

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance (Undiscounted)										As of December 31, 2021	
	For the Years Ended December 31,											
Accident	Supplementary Information (Unaudited)										Total of Incurred-but-Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims*
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
2012	$ 95.0	$ 91.2	$ 89.2	$ 100.9	$ 107.3	$ 109.6	$ 108.2	$ 105.6	$ 105.0	$ 104.7	$ 7.7	5,274
2013		95.7	96.7	96.5	107.8	106.7	106.0	101.4	102.2	101.7	7.1	5,533
2014			107.0	110.4	109.4	111.0	117.0	117.1	112.3	112.8	9.5	6,012
2015				96.0	96.3	99.2	102.3	104.8	105.8	99.8	14.4	5,565
2016					92.4	96.7	98.8	100.3	101.0	104.4	27.5	83,202
2017						111.2	121.4	129.6	132.8	135.2	14.7	458,875
2018							120.5	119.7	125.1	135.4	28.2	459,814
2019								133.5	131.9	138.9	48.0	373,991
2020									112.4	111.7	71.5	5,211
2021										94.2	66.3	4,012
										$ 1,139.3	(A)	

* Reported claims are accumulated on an individual claimant basis and exclude external reinsurance assumed and participation in residual market pools as claim frequency information is not available. The increases beginning in 2016 are due to the addition of a national account with higher frequency yet lower severity than the existing book of business for accident years 2016 through 2019.

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										
	For the Years Ended December 31,										
Accident	Supplementary Information (Unaudited)										
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
2012	$ 5.5	$ 18.8	$ 36.0	$ 50.8	$ 67.4	$ 75.8	$ 86.4	$ 90.8	$ 93.2	$ 93.9	
2013		4.0	13.6	34.4	58.5	76.1	85.1	86.9	88.1	90.4	
2014			5.8	15.8	32.0	52.8	73.5	82.8	88.9	94.9	
2015				6.3	16.0	29.5	47.4	64.5	70.7	75.0	
2016					7.1	18.5	34.8	47.7	58.0	66.9	
2017						5.7	25.9	50.1	76.9	95.5	
2018							6.9	28.8	48.9	70.9	
2019								6.4	29.5	53.6	
2020									4.2	12.5	
2021										5.7	
										$ 659.7	(B)

Net incurred claims and allocated claim adjustment expenses (A)	$ 1,139.3
Less: net paid claims and allocated claim adjustment expenses (B)	659.7
Sub-total	479.6
All outstanding liabilities before 2012, net of reinsurance	151.1
Liabilities for claims and allocated claim adjustment expenses, net of reinsurance	$ 630.7

Commercial Automobile

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance (Undiscounted)										As of December 31, 2021	
	For the Years Ended December 31,											
Accident	Supplementary Information (Unaudited)										Total of Incurred-but-Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims*
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
2012	$ 622.5	$ 619.6	$ 603.9	$ 575.0	$ 573.1	$ 558.6	$ 558.0	$ 552.1	$ 551.4	$ 553.2	$ 4.1	98,053
2013		661.5	665.4	668.5	669.6	659.7	646.4	633.4	632.5	634.7	8.5	96,998
2014			687.8	689.2	691.7	688.0	688.6	687.8	683.8	683.0	11.4	103,235
2015				712.4	710.5	729.7	721.4	720.7	703.4	700.6	6.3	104,804
2016					755.9	768.9	786.0	780.8	779.3	762.1	15.3	110,708
2017						788.7	819.1	869.2	874.4	867.9	32.5	117,518
2018							883.2	947.9	989.9	992.1	46.4	129,003
2019								931.1	959.7	954.8	58.6	138,056
2020									941.1	913.7	116.9	116,059
2021										989.4	128.3	103,795
										$ 8,052.0	(A)	

* Reported claims are accumulated on an individual claimant basis and exclude external reinsurance assumed and participation in residual market pools as claim frequency information is not available.

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										
	For the Years Ended December 31,										
Accident	Supplementary Information (Unaudited)										
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
2012	$ 229.0	$ 351.4	$ 442.9	$ 498.6	$ 525.9	$ 539.1	$ 543.9	$ 545.3	$ 545.5	$ 546.5	
2013		248.3	398.1	511.0	578.1	611.5	622.9	626.3	619.5	620.9	
2014			267.4	430.5	536.9	605.4	640.3	664.9	658.4	664.3	
2015				265.1	438.9	541.8	626.2	669.7	680.6	687.3	
2016					290.2	469.6	585.1	677.8	710.8	725.5	
2017						307.9	512.0	657.1	746.5	791.2	
2018							330.0	557.5	730.4	836.7	
2019								330.4	549.0	681.6	
2020									290.1	464.3	
2021										302.7	
										$ 6,321.4	(B)

Net incurred claims and allocated claim adjustment expenses (A)	$ 8,052.0
Less: net paid claims and allocated claim adjustment expenses (B)	6,321.4
Sub-total	1,730.6
All outstanding liabilities before 2012, net of reinsurance	5.9
Liabilities for claims and allocated claim adjustment expenses, net of reinsurance	$ 1,736.5

The following represents a reconciliation of the incurred and paid loss development tables to total claim and loss adjustment expense reserves as reported in the consolidated balance sheets.

	December 31,	
	2021	2020
Net claim and allocated loss adjustment expense reserves:		
Workers' compensation (a)	$ 2,955.6	$ 3,044.1
General liability	630.7	641.5
Commercial automobile	1,736.5	1,591.5
Three above coverages combined	5,322.8	5,277.2
Other short-duration insurance coverages	979.3	782.4
Subtotal	6,302.2	6,059.7
Reinsurance recoverable on claim reserves:		
Workers' compensation	1,937.4	1,885.0
General liability	693.6	667.9
Commercial automobile	1,113.5	788.3
Three above coverages combined	3,744.7	3,341.3
Other short-duration insurance coverages	376.2	303.8
Subtotal	4,120.9	3,645.1
Insurance coverages other than short-duration	674.1	654.5
Unallocated loss adjustment expense reserves	328.2	311.6
	1,002.4	966.2
Gross claim and loss adjustment expense reserves	$ 11,425.5	$ 10,671.0

(a) Long-term disability type workers' compensation reserves are discounted to present value based on interest rates generally ranging from 3.0% to 4.0%. The amount of discount reflected in the year-end net reserves totaled $174.8 and $196.9 as of December 31, 2021 and 2020, respectively. Interest accretion of $42.0, $35.7 and $34.5 for the years ended December 31, 2021, 2020, and 2019, respectively, was recognized as unfavorable development of prior year reserves within benefits, claims and settlement expenses in the consolidated statements of income.

The table below is supplementary information and presents the historical average annual percentage payout of incurred claims by age, net of reinsurance.

	Supplementary Information (Unaudited)									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Workers' compensation	15.6 %	22.8 %	13.9 %	8.4 %	5.3 %	3.3 %	2.8 %	1.7 %	1.1 %	.9 %
General liability	5.2 %	11.9 %	16.3 %	17.5 %	15.4 %	8.0 %	5.4 %	3.6 %	2.3 %	.8 %
Commercial automobile	36.1 %	22.9 %	16.0 %	10.8 %	5.2 %	2.3 %	.4 %	— %	.1 %	.2 %

Note 5 - Reinsurance and Retention Limits

In order to maintain premium production within its capacity and limit maximum losses for which it might become liable under its policies, Old Republic, as is the common practice in the insurance industry, may cede all or a portion of its premiums and related liabilities on certain classes of insurance, individual policies, or blocks of business to other insurers and reinsurers. Although the ceding of insurance does not ordinarily discharge an insurer from its direct liability to a policyholder, it is industry practice to establish the reinsured part of risks as the liability of the reinsurer. Old Republic also employs retrospective premium and a large variety of risk-sharing procedures and arrangements for parts of its business in order to reduce underwriting losses for which it might become liable under insurance policies it issues. To the extent that any reinsurance companies, retrospective related risks, or producers might be unable to meet their obligations under existing reinsurance, retrospective insurance and production agreements, Old Republic would be liable for the defaulted amounts. In these regards, however, the Company generally protects itself by withholding funds, securing indemnity agreements, obtaining surety bonds, or otherwise collateralizing such obligations through irrevocable letters of credit, cash or securities.

Except as noted in the following paragraph, reinsurance protection on property and liability coverages generally limits the net loss on most events to a maximum of: $5.2 for workers' compensation; $7.0 for commercial automobile (mostly trucking) liability; $7.0 for general liability; $12.0 for executive protection (directors & officers and errors &

omissions); $2.0 for aviation; and $6.0 for property coverages. Title insurance risk assumptions are generally limited to a maximum of $500.0 as to any one policy. The vast majority of title policies issued, however, carry exposures of less than $1.0. The average direct primary mortgage guaranty exposure is (in whole dollars) $37,000 per insured loan.

Since January 1, 2005, the Company has had maximum treaty reinsurance coverage of up to $200.0 for its workers' compensation exposures. Pursuant to regulatory requirements, however, all workers' compensation primary insurers such as the Company remain liable for unlimited amounts in excess of reinsured limits. Other than the substantial concentration of workers' compensation losses caused by the September 11, 2001 terrorist attack on America, to the best of the Company's knowledge there had not been a similar accumulation of claims in a single location from a single occurrence prior to that event. Nevertheless, the possibility continues to exist that non-reinsured losses could, depending on a wide range of severity and frequency assumptions, aggregate several hundred million dollars to an insurer such as the Company. Such aggregation of losses could occur in the event of a catastrophe such as an earthquake that could lead to the death or injury of a large number of persons concentrated in a single facility such as a high rise building.

As a result of the September 11, 2001 terrorist attack on America, the reinsurance industry eliminated coverage from substantially all contracts for claims arising from acts of terrorism. Primary insurers like the Company thus became fully exposed to such claims. Late in 2002, the Terrorism Risk Insurance Act of 2002 (the "TRIA") was signed into law, immediately establishing a temporary federal reinsurance program administered by the Secretary of the Treasury. The program applied to insured commercial property and casualty losses resulting from an act of terrorism, as defined in the TRIA. Congress extended and modified the program in late 2005 through the Terrorism Risk Insurance Revision and Extension Act of 2005 (the "TRIREA"). TRIREA expired on December 31, 2007. Congress enacted a revised program in December 2007 through the Terrorism Risk Insurance Program Reauthorization Act (the "TRIPRA") of 2007. The TRIPRA has been extended on several occasions, most recently on December 20, 2019 for seven years.

The TRIA automatically voided all policy exclusions which were in effect for terrorism related losses and obligated insurers to offer terrorism coverage with most commercial property and casualty insurance lines. The TRIREA revised the definition of "property and casualty insurance" to exclude commercial automobile, burglary and theft, surety, professional liability and farm owners multi-peril insurance. TRIPRA did not make any further changes to the definition of property and casualty insurance, however, it did include domestic acts of terrorism within the scope of the program. Although insurers are permitted to charge an additional premium for terrorism coverage, insureds may reject the coverage. Under TRIPRA, the program's protection is not triggered for losses arising from an act of terrorism until the industry first suffers losses in excess of a prescribed aggregate deductible during any one year. The program deductible trigger was $200.0 for 2021. Once the program trigger is met, the program will be responsible for a fixed percentage of the Company's terrorism losses that exceed its deductible which ranges from 85% in 2015 and declined by one percentage point per year until it reached 80% in 2020. The Company's deductible amounts to 20% of direct earned premium on eligible property and casualty insurance coverages. The Company currently reinsures limits on a treaty basis of $195.0 in excess of $5.0 for claims arising from certain acts of terrorism for casualty clash and catastrophe workers' compensation liability insurance coverages. The Company also purchases facultative reinsurance on certain accounts in excess of $200.0 to manage the Company's net exposure.

Reinsurance ceded by the Company's insurance subsidiaries in the ordinary course of business is typically placed on an excess of loss basis. Under excess of loss reinsurance agreements, the companies are generally reimbursed for losses exceeding contractually agreed-upon levels. Quota share reinsurance is most often effected between the Company's insurance subsidiaries and industry-wide assigned risk plans or captive insurers owned by assureds. Under quota share reinsurance, the Company remits to the assuming entity an agreed-upon percentage of premiums written and is reimbursed for underwriting expenses and proportionately related claims costs.

Reinsurance recoverable asset balances represent amounts due from or credited by assuming reinsurers for paid and unpaid claims and premium reserves. Such reinsurance balances are recoverable from non-admitted foreign and certain other reinsurers such as captive insurance companies owned by assureds or business producers, as well as similar balances or credits arising from policies that are retrospectively rated or subject to assureds' high deductible retentions are substantially collateralized by irrevocable letters of credit, securities, and other financial instruments. Old Republic evaluates on a regular basis the financial condition of its assuming reinsurers and assureds who purchase its retrospectively rated or high deductible policies. Estimates of credit losses are included in the Company's net claim and claim expense reserves since reinsurance, retrospectively rated, and self-insured deductible policies and contracts do not relieve Old Republic from its direct obligations to assureds or their beneficiaries. See Note 9.

At December 31, 2021, General Insurance segment's ten largest reinsurers represented approximately 58% of the total consolidated reinsurance recoverable on paid and unpaid losses, with Day One Insurance, Inc. the largest reinsurer representing 14.2% of the total recoverable balance. Of the balances due from these ten reinsurers, 52.1% was recoverable from A or better rated reinsurance companies, 24.6% from domestic unrated companies and 23.3% from foreign unrated companies.

The following information relates to reinsurance and related data for the General Insurance segment for the three years ended December 31, 2021. Reinsurance transactions of the Title Insurance and RFIG Run-off segments and the small life and accident insurance operation are not material.

Years Ended December 31:		2021	2020	2019
General Insurance				
Written premiums:	Direct	$ 5,691.3	$ 5,206.9	$ 4,966.4
	Assumed	74.0	70.6	66.9
	Ceded	$ 2,084.4	$ 1,846.2	$ 1,564.3
Earned premiums:	Direct	$ 5,509.1	$ 5,030.2	$ 4,857.0
	Assumed	73.7	70.3	56.4
	Ceded	$ 2,027.3	$ 1,706.3	$ 1,481.1
Claims ceded		$ 1,255.6	$ 1,100.7	$ 910.2

Note 6 - Income Taxes

The provision for combined current and deferred income taxes (credits) reflected in the consolidated statements of income does not bear the usual relationship to income before income taxes (credits) as the result of permanent and other differences between pretax income or loss and taxable income or loss determined under existing tax regulations. The more significant differences, their effect on the statutory income tax rate (credit), and the resulting effective income tax rates (credits) are summarized below:

Years Ended December 31:	2021	2020	2019
Statutory tax rate (credit)	21.0 %	21.0 %	21.0 %
Tax rate increases (decreases):			
Tax-exempt interest	(.2)	(.5)	(.2)
Dividends received exclusion	(.7)	(1.8)	(.9)
Meals & entertainment	.1	.1	.2
Prior year adjustments	—	—	—
Other items - net	—	.1	—
Effective tax rate (credit)	20.2 %	18.9 %	20.1 %

The tax effects of temporary differences that give rise to significant portions of the Company's net deferred tax assets (liabilities) are as follows at the dates shown:

December 31:	2021	2020	2019
Deferred Tax Assets:			
Losses, claims, and settlement expenses	$ 214.2	$ 201.6	$ 195.2
Pension and deferred compensation plans	42.4	63.0	48.3
Net operating loss carryforward	9.6	11.7	13.8
AMT credit carryforward	9.0	9.0	9.0
Operating leases	49.7	52.0	49.9
Other temporary differences	12.3	15.7	15.0
Total deferred tax assets	337.5	353.2	331.4
Deferred Tax Liabilities:			
Unearned premium reserves	61.0	41.6	34.5
Deferred policy acquisition costs	68.5	65.0	63.7
Amortization of fixed maturity securities	5.2	4.4	3.4
Net unrealized investment gains	372.6	295.9	257.8
Title plants and records	2.8	2.8	2.9
Tax reform transition adjustment on unpaid losses, claims and settlement expenses	13.8	17.2	19.5
Operating leases	45.8	48.4	46.8
Other temporary differences	17.2	14.9	14.7
Total deferred tax liabilities	586.9	490.6	443.5
Net deferred tax assets (liabilities)	$ (249.5)	$ (137.3)	$ (112.2)

At December 31, 2021, the Company had available net operating loss ("NOL") carryforwards of $45.7 which will expire in years 2023 through 2029, and a $9.0 alternative minimum tax ("AMT") credit carryforward. The NOL carryforward is subject to the limitations set by Section 382 of the Internal Revenue Code and is available to reduce future years' taxable income by a maximum of $9.8 each year until expiration.

In valuing the deferred tax assets, the Company considered certain factors including primarily the scheduled reversals of certain deferred tax liabilities, estimates of future taxable income, the impact of available carryback and carryforward periods, as well as the availability of certain tax planning strategies. The Company estimates that all gross deferred tax assets at year-end 2021 will more likely than not be fully realized.

Tax positions taken or expected to be taken in a tax return by the Company are recognized in the financial statements when it is more likely than not that the position would be sustained upon examination by tax authorities. To the best of management's knowledge there are no tax uncertainties that are expected to result in significant increases or decreases to unrecognized tax benefits within the next twelve month period. The Company views its income tax exposures as primarily consisting of timing differences whereby the ultimate deductibility of a taxable amount is highly certain but the timing of its deductibility is uncertain. Such differences relate principally to the timing of deductions for loss and premium reserves. As in prior examinations, the Internal Revenue Service ("IRS") could assert that claim reserve deductions were overstated thereby reducing the Company's statutory taxable income in any particular year. The Company believes that it establishes its reserves fairly and consistently at each balance sheet date, and that it would succeed in defending its tax position in these regards. Because of the impact of deferred tax accounting, the possible accelerated payment of tax to the IRS would not necessarily affect the annual effective tax rate. The Company classifies interest and penalties as income tax expense in the consolidated statements of income. The Company is not currently under audit by the IRS and 2018 and subsequent tax years remain open.

Note 7 - Employee Benefit Plans

The funded status of the Company's pension plan is reflected below.

Years Ended December 31:	2021	2020	2019
Projected benefit obligation at beginning of year	$ 639.7	$ 586.4	$ 530.1
Increases (decreases) during the year attributable to:			
Interest cost	15.2	19.1	22.6
Actuarial (gains) losses	(22.2)	60.8	59.8
Benefits paid	(28.0)	(26.6)	(26.0)
Net increase (decrease) for the year	(35.1)	53.3	56.3
Projected benefit obligation at end of year	$ 604.6	$ 639.7	$ 586.4

Years Ended December 31:	2021	2020	2019
Fair value of net assets available for plan benefits			
At beginning of the year	$ 479.6	$ 492.8	$ 430.2
Increases (decreases) during the year attributable to:			
Actual return on plan assets	104.4	6.8	82.1
Sponsor contributions	—	6.6	6.5
Benefits paid	(28.0)	(26.6)	(26.0)
Net increase (decrease) for year	76.3	(13.1)	62.5
Fair value of net assets available for plan benefits			
At end of the year	$ 556.0	$ 479.6	$ 492.8
Funded status	$ (48.6)	$ (160.1)	$ (93.6)
Amounts recognized in accumulated other comprehensive income	$ (123.2)	$ (224.8)	$ (140.5)

Funding of the Plan is dependent on a number of factors including actual performance versus actuarial assumptions made at the time of the actuarial valuation, as well as the maintenance of certain funding levels relative to regulatory requirements. The Company currently does not expect to make cash contributions in calendar year 2022 based on minimum funding requirements.

Net periodic pension expense (income) recognized during 2021, 2020 and 2019 was $(9.8), $(11.0), and $(3.0), respectively.

The projected benefit obligation and net periodic benefit cost for the Plan were determined using the following weighted-average assumptions:

	Projected Benefit Obligation		Net Periodic Benefit Cost		
As of December 31:	2021	2020	2021	2020	2019
Settlement discount rates	2.80%	2.45%	2.45%	3.35%	4.40%
Long-term rates of return on plan assets	N/A	N/A	7.00%	7.00%	7.00%

The assumed settlement discount rates were determined by matching the current estimate of the Plan's projected cash outflows against spot rate yields on a portfolio of high quality bonds as of the measurement date. To develop the expected long-term rate of return on assets assumption, historical returns and the future return expectations for each asset class, as well as the target asset allocation of the pension portfolio were considered. The investment policy of the Plan takes into account the matching of assets and liabilities, appropriate risk aversion, liquidity needs, the preservation of capital, and the attainment of modest growth. The weighted-average asset allocations of the Plan were as follows:

As of December 31:	2021	2020	Investment Policy Asset Allocation % Range Target
Equity securities:			
Common shares of Company stock	12.5%	11.7%	
Other	74.6	74.0	
Sub-total	87.1	85.7	40% to 80%
Fixed maturity securities	10.4	10.6	15% to 60%
Other	2.5	3.7	1% to 10%
Total	100.0%	100.0%	

Quoted values and other data provided by the respective investment custodians are used as inputs for determining fair value of the Plan's debt and equity securities. The custodians are understood to obtain market quotations and actual transaction prices for securities that have quoted prices in active markets and use their own proprietary method for determining the fair value of securities that are not actively traded. In general, these methods involve the use of "matrix pricing" in which the investment custodian uses observable market inputs, including, but not limited to, investment yields, credit risks and spreads, benchmarking of like securities, broker-dealer quotes, reported trades and sector groupings to determine a reasonable fair value.

The following tables present a summary of the Plan's assets segregated among the various input levels described in Note 2.

	Fair Value Measurements			
As of December 31, 2021:	Level 1	Level 2	Level 3	Total
Equity securities:				
Common shares of Company stock	$ 69.5	$ —	$ —	$ 69.5
Other	414.5	—	—	414.5
Sub-total	484.1	—	—	484.1
Fixed maturity securities	—	57.9	—	57.9
Other	7.2	—	2.6	9.9
Total at fair value	$ 491.3	$ 57.9	$ 2.6	551.9
Securities at net asset value				4.0
Total				$ 556.0
As of December 31, 2020:				
Equity securities:				
Common shares of Company stock	$ 55.7	$ —	$ —	$ 55.7
Other	341.7	—	—	341.7
Sub-total	397.4	—	—	397.4
Fixed maturity securities	2.0	49.0	—	51.0
Other	9.6	—	4.5	14.2
Total at fair value	$ 409.1	$ 49.0	$ 4.5	462.7
Securities at net asset value				16.8
Total				$ 479.6

Level 1 assets include U.S. Treasury notes, publicly traded common stocks, mutual funds and short-term investments. Level 2 assets generally include corporate and government agency bonds. Level 3 assets primarily consist of an immediate participation guaranteed fund.

The benefits expected to be paid as of December 31, 2021 for the next 10 years are as follows: 2022: $31.9; 2023: $32.8; 2024: $33.4; 2025 $33.8; 2026: $34.4 and for the five years after 2026: $170.5.

The Company has a number of profit sharing and other incentive compensation programs for the benefit of a substantial number of its employees. The costs related to such programs are summarized below:

Years Ended December 31:	2021	2020	2019
Employees Savings and Stock Ownership Plan ("ESSOP")	$ 44.6	$ 30.6	$ 21.7
Other profit sharing plans	26.1	24.0	18.4
Cash and deferred incentive compensation	$ 71.6	$ 53.7	$ 48.3

A majority of the Company's employees participate in the ESSOP. Company contributions are provided in the form of Old Republic common stock. Dividends on shares are allocated to participants as earnings, and likewise invested in Company stock; dividends on unallocated shares are used to pay debt service costs. The Company's annual contributions are based on a formula that takes the growth in net operating income per share over consecutive five year periods into account. During 2015, the ESSOP purchased 2,200,000 shares of Old Republic common stock for $34.0. The purchases were financed by a loan from the Company. During 2018, the ESSOP purchased 2,383,625 shares of Old Republic common stock for $50.0 and during 2020, the ESSOP purchased 3,337,000 shares of Old Republic common stock for $50.0. These purchases were financed by loans to the ESSOP from participating subsidiaries. As of December 31, 2021, there were 18,991,924 Old Republic common shares owned by the ESSOP, of which 12,958,437 were allocated to employees' account balances. There are no repurchase obligations in existence.

As periodically amended, the Company has had a stock based compensation plan in effect for certain eligible employees since 1978. Under the 2016 Incentive Compensation Plan (the "Incentive Plan"), 15.0 million shares became available for future awards. The maximum number of options available as of December 31, 2021 for future issuance under this amended plan was approximately 4.7 million shares.

The exercise price of stock options is equal to the closing market price of the Company's common stock on the date of grant, and the contractual life of the grant is generally ten years from the date of grant. Options granted may be exercised to the extent of 10% of the number of shares covered thereby as of December 31st of the year of the grant and, cumulatively, to the extent of an additional 15%, 20%, 25% and 30% on and after the second through fifth calendar years, respectively. Options granted to employees who meet certain retirement eligibility provisions are fully vested on the date of grant.

The following table presents the stock based compensation expense and income tax benefit recognized in the financial statements:

Years Ended December 31:	2021	2020	2019
Stock based compensation expense	$ 3.2	$ 2.1	$ 3.7
Income tax benefit	$ .6	$ .4	$ .7

The following table presents the key assumptions used to value the awards granted during the periods presented. Expected volatilities are based on the historical experience of Old Republic's common stock. The expected term of stock options represents the period of time that stock options granted are assumed to be outstanding. The Company uses historical data to estimate the effect of stock option exercise and employee departure behavior; groups of employees that have similar historical behavior are considered separately for valuation purposes. The risk-free rate of return for periods within the contractual term of the share option is based on the U.S. Treasury rate in effect at the time of the grant.

	2021	2020	2019
Expected volatility	.20	.17	.18
Expected dividends	4.76%	5.72%	4.10%
Expected term (in years)	7	7	7
Risk-free rate	1.21%	.72%	2.54%

A summary of stock option activity under the Incentive Plan as of December 31, 2021, 2020 and 2019, and changes in outstanding options during the years then ended is presented below:

	As of and for the Years Ended December 31,					
	2021		2020		2019	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	9,494,651	$ 18.36	8,009,237	$ 18.43	7,163,567	$ 17.24
Granted	2,216,250	21.30	1,901,100	17.24	1,777,500	21.14
Exercised	3,259,273	17.28	397,653	14.44	848,923	14.14
Forfeited and expired	107,158	18.32	18,033	16.72	82,907	17.05
Outstanding at end of year	8,344,470	19.57	9,494,651	18.36	8,009,237	18.43
Exercisable at end of year	4,652,951	$ 19.22	6,138,602	$ 17.81	5,100,009	$ 17.18
Weighted average fair value of options granted during the year (a)	$ 1.86	per share	$ .88	per share	$ 2.35	per share

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(a) Based on the Black-Scholes-Merton option pricing model and the assumptions outlined above.

A summary of stock options outstanding and exercisable at December 31, 2021 follows:

		Options Outstanding			Options Exercisable	
			Weighted - Average			
Exercise Prices	Year of Grant	Number Outstanding	Remaining Contractual Life	Exercise Price	Number Exercisable	Weighted Average Exercise Price
$10.80	2012	26,925	0.25	$ 10.80	26,925	$ 10.80
$12.57	2013	133,225	1.25	12.57	133,225	12.57
$16.06	2014	256,700	2.25	16.06	256,700	16.06
$15.26	2015	310,157	3.25	15.26	310,157	15.26
$18.14	2016	498,291	4.25	18.14	498,291	18.14
$19.98	2017	867,958	5.25	19.98	867,958	19.98
$20.98	2018	1,133,162	6.25	20.98	830,420	20.98
$21.12 to $21.99	2019	1,486,282	7.25	21.14	820,072	21.14
$16.17 to $22.72	2020	1,587,670	8.25	17.21	487,334	17.44
$21.30	2021	2,044,100	9.25	21.30	421,869	21.30
Total		8,344,470		$ 19.57	4,652,951	$ 19.22

As of December 31, 2021, there was $3.4 of total unrecognized compensation cost related to nonvested stock-based compensation arrangements granted under the plan. That cost is expected to be recognized over a weighted average period of approximately 3 years.

The cash received from stock option exercises, the total intrinsic value of stock options exercised, and the actual tax benefit realized for the tax deductions from option exercises are as follows:

	2021	2020	2019
Cash received from stock option exercise	$ 56.3	$ 5.7	$ 12.0
Intrinsic value of stock options exercised	24.2	2.8	6.8
Actual tax benefit realized for tax deductions from stock options exercised	$ 5.0	$ .5	$ 1.4

At December 31, 2021, the Company had restricted common stock issued to certain employees which are expected to vest over a weighted average period of approximately 3 years. During the vesting period, restricted shares are nontransferable and subject to forfeiture. Compensation expense for the restricted stock award is recognized over the vesting period of the award and was immaterial for the years ended December 31, 2021, 2020 and 2019.

Note 8 - Net Income Per Share

Consolidated basic earnings per share excludes the dilutive effect of common stock equivalents and is computed by dividing income (loss) available to common stockholders by the weighted-average number of common shares actually outstanding for the year. Diluted earnings per share are similarly calculated with the inclusion of dilutive common stock equivalents. The following table provides a reconciliation of net income (loss) and the number of shares used in basic and diluted earnings per share calculations.

Years Ended December 31:	2021	2020	2019
Numerator:			
Basic and diluted earnings per share - income (loss) available to common stockholders	$ 1,534.3	$ 558.6	$ 1,056.4
Denominator:			
Basic earnings per share - weighted-average shares (a)	301,945,319	298,407,921	299,885,468
Effect of dilutive securities - stock based compensation awards	1,722,350	490,752	1,342,247
Diluted earnings per share - adjusted weighted-average shares (a)	303,667,669	298,898,673	301,227,715
Earnings per share: Basic	$ 5.08	$ 1.87	$ 3.52
Diluted	$ 5.05	$ 1.87	$ 3.51
Anti-dilutive common stock equivalents excluded from earning per share computations:			
Stock based compensation awards	—	5,853,469	1,200,250

(a) In calculating earnings per share, accounting standards require that common shares owned by the Company's ESSOP that are as yet unallocated to participants in the plan be excluded from the calculation. Such shares are issued and outstanding, and have the same voting and other rights applicable to all other common shares.

Note 9 - Credit Losses

Effective January 1, 2020, the Company adopted the FASB's accounting guidance on current expected credit losses ("CECL") which requires the immediate recognition of estimated credit losses expected to occur over the remaining life of certain financial assets measured at amortized cost, primarily including the Company's reinsurance recoverables, and its accounts and notes receivable. CECL replaced the incurred loss impairment model that recognized losses when a probability threshold is met with a requirement to recognize lifetime expected credit losses immediately when a financial asset is originated or purchased and at subsequent measurement dates. The expected credit losses, and subsequent adjustment to such losses, are recorded through an allowance account that is deducted from the amortized cost basis of the financial asset, with the net carrying value of the asset presented on the consolidated balance sheets.

The guidance relating to financial assets measured at amortized cost was adopted on a modified retrospective basis, resulting in a net of tax adjustment to January 1, 2020 retained earnings of $2.3. The Company's January 1, 2020 credit loss allowance of $30.1 was comprised of $14.5 related to reinsurance recoverables, $15.5 related to accounts and notes receivable, and an immaterial amount related to held to maturity securities. The allowance was comprised of $16.0 related to reinsurance recoverables as of both December 31, 2021 and 2020, and $24.1 and $20.5 related to accounts and notes receivable, as of December 31, 2021 and 2020, respectively. No significant changes were made to the allowance during 2021 or 2020.

The guidance also modifies the impairment model for available for sale fixed maturity securities by requiring the recognition of credit losses through an allowance account, as opposed to a charge that cannot be revised should the underlying security recover. Under the guidance, the length of time a security has been in an unrealized loss position will no longer impact the determination as to whether a credit loss exists. The revised guidance for available for sale fixed maturity securities was adopted on a prospective basis and the related disclosures summarizing this standard's impact on the Company's investment portfolio are included in Note 2.

The Company is not exposed to material concentrations of credit risks as to any one issuer of investment securities.

Note 10 - Debt

Consolidated debt of Old Republic and its subsidiaries is summarized below:

December 31:	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
4.875% Senior Notes issued in 2014 and due 2024	$ 398.4	$ 435.8	$ 397.9	$ 457.7
3.875% Senior Notes issued in 2016 and due 2026	547.3	597.0	546.8	634.1
3.850% Senior Notes issued in 2021 and due 2051	642.6	702.9	—	—
Other miscellaneous debt	—	—	21.7	21.7
Total debt	$ 1,588.5	$ 1,735.7	$ 966.4	$ 1,113.6

On June 11, 2021, the Company completed a public offering of $650.0 aggregate principal amount of Senior Notes. The notes bear interest at a rate of 3.850% per year and mature on June 11, 2051.

On August 26, 2016, the Company completed a public offering of $550.0 aggregate principal amount of Senior Notes. The notes bear interest at a rate of 3.875% per year and mature on August 26, 2026.

On September 23, 2014, the Company completed a public offering of $400.0 aggregate principal amount of Senior Notes. The notes bear interest at a rate of 4.875% per year and mature on October 1, 2024.

During 2021, 2020 and 2019, $55.9, $42.5 and $43.2, respectively, of interest expense on debt was charged to consolidated operations.

Fair Value Measurements - The Company utilizes indicative market prices, which incorporate recent actual market transactions and current bid/ask quotations to estimate the fair value of outstanding debt securities that are classified within Level 2 of the fair value hierarchy as presented below. The Company uses an internally generated interest yield market matrix table, which incorporates maturity, coupon rate, credit quality, structure and current market conditions to estimate the fair value of its debt securities that are classified within Level 3.

The following table shows a summary of financial liabilities disclosed, but not carried, at fair value, segregated among the various input levels described in Note 2 above:

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial Liabilities:					
Debt:					
December 31, 2021	$ 1,588.5	$ 1,735.7	$ —	$ 1,735.7	$ —
December 31, 2020	$ 966.4	$ 1,113.6	$ —	$ 1,091.9	$ 21.7

Note 11 - Shareholders' Equity

Preferred Stock - At December 31, 2021, there were 75,000,000 shares of preferred stock authorized. The Company has designated one series of preferred stock: 10,000,000 shares of Series A Junior Participating Preferred Stock (Series A). No shares have been issued or are outstanding. The Series A Stock, if and when issued, shall pay a dividend of the greater of $1.00 or 100 times (subject to adjustment) the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of common stock declared on the common stock of the Company. Each share of Series A stock shall have 100 votes on each matter submitted to a vote of the shareholders.

Common Stock - At December 31, 2021, there were 500,000,000 shares of common stock authorized. At the same date, there were 100,000,000 shares of Class "B" common stock authorized, though none were issued or outstanding. Class "B" common shares have the same rights as common shares except for being entitled to 1/10th of a vote per share.

Common stock held by the ESSOP is classified as a charge to the common shareholders' equity account until it is allocated to participating employees' accounts contemporaneously with the repayment of the ESSOP debt incurred for its acquisition. Such unallocated shares are not considered outstanding for purposes of calculating earnings per share. Dividends on unallocated shares are used to pay debt service costs.

Cash Dividend Restrictions - The payment of cash dividends by the Company is principally dependent upon the amount of its insurance subsidiaries' statutory policyholders' surplus available for dividend distribution. The insurance subsidiaries' ability to pay cash dividends to the parent company is in turn generally restricted by law or subject to approval of the insurance regulatory authorities. These authorities recognize only statutory accounting practices for determining financial position, results of operations, and the ability of an insurer to pay dividends to its shareholders. Based on year-end 2021 data, the maximum amount of dividends payable to the parent company by its insurance and a small number of non-insurance company subsidiaries during 2022 without the prior approval of appropriate regulatory authorities is approximately $982.0. Ordinary cash dividends declared during 2021, 2020 and 2019 to the parent company by its subsidiaries amounted to $566.7, $472.4 and $399.5, respectively. In addition to ordinary dividends, the Company's principal mortgage insurance subsidiaries sought and received approval from the North Carolina Department of Insurance to pay extraordinary dividends amounting to $100.0 and $37.7 during 2021 and 2020, respectively.

Cash Dividends - In addition to regular cash dividends, the Company's Board of Directors declared special cash dividends of $1.50 per share in August 2021 (paid on October 6, 2021) and $1.00 per share in December 2020 (paid on January 15, 2021) and in August 2019 (paid on September 16, 2019).

Note 12 - Commitments and Contingent Liabilities

General - In the normal course of business, the Company and its subsidiaries are subject to various contingent liabilities, including possible income tax assessments resulting from tax law interpretations or issues raised by taxing or regulatory authorities in their regular examinations, catastrophic claim occurrences not indemnified by reinsurers such as noted in Note 5, or failure to collect all amounts on its investments or balances due from assureds and reinsurers. The Company does not have a basis for anticipating any significant losses or costs that could result from any known or existing contingencies.

From time to time, in order to assure possible liquidity needs, the Company may guaranty the timely payment of principal and/or interest on certain intercompany balances, debt, or other securities held by some of its insurance and non-insurance affiliates. At December 31, 2021, the aggregate principal amount of such guaranties was $12.5.

Legal Proceedings - Legal proceedings against the Company and its subsidiaries routinely arise in the normal course of business and usually pertain to claim matters related to insurance policies and contracts issued by its insurance subsidiaries. At year-end 2021, the Company had no material non-claim litigation exposures in its consolidated business.

Note 13 - Leases

Several of the Company's subsidiaries maintain their offices in leased premises. A number of these leases provide for the payment of real estate taxes, insurance, and other operating expenses. In addition, many of the subsidiaries also lease equipment for use in their businesses. Substantially all of the Company's leases are classified as operating leases.

Effective January 1, 2019, the Company adopted new lease accounting guidance issued by the FASB which requires the balance sheet recognition of all leases with a term greater than 12 months. The Company’s adoption of this standard resulted in the establishment of a right of use asset ($226.9) and corresponding lease liability ($241.4) equal to the present value of future lease payments, reflected within sundry assets and liabilities in the consolidated balance sheets. Furthermore, the Company recognized $18.4, net of tax, in previously deferred gains associated with sale leaseback transactions as an adjustment to beginning retained earnings.

The Company has made certain elections available under the guidance, primarily regarding lease classification and the treatment of certain lease executory costs resulting in an immaterial effect on the Company’s consolidated financial statements. In determining the lease liability, the Company estimated the discount rate (weighted average 5.03%) for each lease based upon the type of underlying asset and remaining term (weighted average 7.1 years). Total lease costs were $75.6, $73.9 and $73.0 in 2021, 2020 and 2019, respectively. Fixed lease payments for 2021, 2020 and 2019 were $65.0, $64.0 and $64.9, respectively.

The following table presents a summary of future undiscounted lease payments as of the dates shown:

	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter	Total	Discount	Lease Liability
December 31, 2021	$ 61.6	$ 52.8	$ 43.2	$ 35.6	$ 23.4	$ 91.7	$ 308.5	$ 72.0	$ 236.5
December 31, 2020	$ 61.3	$ 54.0	$ 43.7	$ 34.0	$ 27.1	$ 96.4	$ 316.8	$ 69.3	$ 247.6

Note 14 - Consolidated Quarterly Results - Unaudited

Old Republic's consolidated quarterly operating results for the two years ended December 31, 2021 is presented below. In management's opinion, however, quarterly operating results for insurance enterprises such as the Company are not indicative of results to be achieved in succeeding quarters or years. The long-term nature of the insurance business, seasonal and cyclical factors affecting premium production, the fortuitous nature and, at times, delayed emergence of claims, and changes in yields on invested assets are some of the factors necessitating a review of operating results, changes in shareholders' equity, and cash flows for periods of several years to obtain a proper indicator of performance trends. The information below should be read in conjunction with the "Management Analysis of Financial Position and Results of Operations".

In management's opinion, normal recurring adjustments necessary for a fair statement of quarterly results have been reflected in the information which follows.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Year Ended December 31, 2021:				
Operating Summary:				
Net premiums, fees, and other income	$ 1,875.2	$ 2,025.1	$ 2,093.2	$ 2,155.5
Net investment income and investment gains (losses)	479.8	228.6	(81.0)	564.9
Total revenues	2,355.0	2,253.7	2,012.2	2,720.5
Benefits, claims, and expenses	1,724.4	1,857.7	1,906.2	1,931.0
Net income (loss)	$ 502.1	$ 316.4	$ 88.7	$ 627.0
Net income (loss) per share: Basic	$ 1.68	$ 1.06	$ .29	$ 2.07
Diluted	$ 1.68	$ 1.05	$ .29	$ 2.06
Average shares outstanding:				
Basic	298,753,131	299,934,621	301,577,493	302,589,671
Diluted	299,693,514	302,328,012	303,539,358	304,351,209

Year Ended December 31, 2020:				
Operating Summary:				
Net premiums, fees, and other income	$ 1,594.0	$ 1,571.5	$ 1,764.6	$ 1,938.8
Net investment income and investment gains (losses)	(830.0)	455.4	187.1	484.3
Total revenues	764.0	2,027.0	1,951.7	2,423.2
Benefits, claims, and expenses	1,534.0	1,527.8	1,644.7	1,770.9
Net income (loss)	$ (604.8)	$ 397.7	$ 246.0	$ 519.7
Net income (loss) per share: Basic	$ (2.01)	$ 1.34	$ .83	$ 1.74
Diluted	$ (2.01)	$ 1.34	$ .83	$ 1.74
Average shares outstanding:				
Basic	300,280,398	297,523,559	297,729,418	297,960,133
Diluted	300,280,398	297,776,315	297,990,822	298,474,209

Note 15 - Information About Segments of Business

The Company is engaged in the single business of insurance underwriting and related services. It conducts its operations through a number of regulated insurance company subsidiaries organized into three major segments: General Insurance (property and liability insurance), Title Insurance and RFIG Run-off. The results of a small life and accident insurance business are included within the Corporate & Other caption of this report.

The Company does not derive over 10% of its consolidated revenues from any one customer. Revenues and assets connected with foreign operations are not significant in relation to consolidated totals.

General Insurance provides property and liability insurance primarily to commercial clients. Old Republic does not have a meaningful participation in personal insurance coverages. Commercial automobile (mostly trucking) and workers' compensation are the largest types of coverages underwritten by General Insurance, accounting for 37.3% and 22.8%, respectively, of the segment's direct premiums written in 2021. The remaining premiums written by General Insurance are derived largely from a wide variety of coverages, including general liability, general aviation, directors and officers indemnity, fidelity and surety indemnities, and home and auto warranties.

Title Insurance consists primarily of the issuance of policies to real estate purchasers and investors based upon searches of the public records which contain information concerning interests in real property. The policies insure against losses arising out of defects, liens and encumbrances affecting the insured title and not excluded or excepted from the coverage of the policy.

Private mortgage insurance produced by RFIG Run-off protects mortgage lenders and investors from default related losses on residential mortgage loans made primarily to homebuyers who make down payments of less than 20% of the home's purchase price. The RFIG Run-off mortgage guaranty operations insures only first mortgage loans, primarily on residential properties incorporating one-to-four family dwelling units.

Old Republic's business is managed for the long run. In this context management's key objectives are to achieve highly profitable operating results over the long term, and to ensure balance sheet strength for the primary needs of the insurance subsidiaries' underwriting and related services business. In this view, the evaluation of periodic and long-term results excludes consideration of net investment gains (losses). Under GAAP, however, net income (loss), inclusive of net investment gains (losses), is the measure of total profitability.

In management's opinion, the focus on income (loss) excluding net investment gains (losses), also described herein as segment pretax operating income (loss), provides a better way to analyze, evaluate, and establish accountability for the results of the insurance operations. The inclusion of net realized investment gains (losses) in net income (loss) can mask trends in operating results. That is because their realization is, more often than not, highly discretionary. Similarly, the inclusion of unrealized investment gains (losses) in equity securities can further distort such operating results with significant period-to-period fluctuations in reported net income (loss).

The accounting policies of the segments parallel those described in the summary of significant accounting policies pertinent thereto.

Segmented and Consolidated Results

Years Ended December 31:	2021	2020	2019
General Insurance:			
Net premiums earned	$ 3,555.5	$ 3,394.2	$ 3,432.4
Net investment income and other income	486.9	482.6	488.4
Total revenues excluding investment gains (losses)	$ 4,042.5	$ 3,876.8	$ 3,920.8
Segment pretax operating income (loss) (a)	$ 589.6	$ 439.8	$ 370.2
Income tax expense (credits) on above	$ 116.1	$ 82.6	$ 69.9
Title Insurance:			
Net premiums earned	$ 3,960.5	$ 2,894.4	$ 2,414.8
Title, escrow and other fees	443.8	391.9	321.1
Sub-total	4,404.3	3,286.3	2,736.0
Net investment income and other income	44.9	42.9	42.1
Total revenues excluding investment gains (losses)	$ 4,449.3	$ 3,329.3	$ 2,778.1
Segment pretax operating income (loss) (a)	$ 515.7	$ 344.0	$ 230.8
Income tax expense (credits) on above	$ 110.2	$ 72.0	$ 49.5
RFIG Run-off			
Net premiums earned	$ 32.6	$ 45.1	$ 59.2
Net investment income and other income	11.4	15.2	17.6
Total revenues excluding investment gains (losses)	$ 44.1	$ 60.4	$ 76.8
Segment pretax operating income (loss)	$ 32.8	$ 9.8	$ 30.3
Income tax expense (credits) on above	$ 6.4	$ 1.5	$ 5.8
Consolidated Revenues:			
Total revenues of Company segments	$ 8,536.0	$ 7,266.6	$ 6,775.9
Other sources (b)	166.6	149.6	170.0
Consolidated investment gains (losses):			
Realized from actual transactions and impairments	6.9	14.2	36.6
Unrealized from changes in fair value of equity securities	751.1	(156.2)	599.5
Total realized and unrealized investment gains (losses)	758.0	(142.0)	636.1
Consolidation elimination adjustments	(119.0)	(108.2)	(121.4)
Consolidated revenues	$ 9,341.6	$ 7,166.0	$ 7,460.5
Consolidated Pretax Income (Loss):			
Total segment pretax operating income (loss) of Company segments	$ 1,138.2	$ 793.7	$ 631.4
Other sources - net (b)	25.7	36.7	54.8
Consolidated investment gains (losses):			
Realized from actual transactions and impairments	6.9	14.2	36.6
Unrealized from changes in fair value of equity securities	751.1	(156.2)	599.5
Total realized and unrealized investment gains (losses)	758.0	(142.0)	636.1
Consolidated income (loss) before income taxes (credits)	$ 1,922.1	$ 688.4	$ 1,322.4
Consolidated Income Tax Expense (Credits):			
Total income tax expense (credits) of Company segments	$ 232.8	$ 156.2	$ 125.3
Other sources - net (b)	(4.7)	3.4	6.6
Income tax expense (credits) on consolidated realized and unrealized investment gains (losses)	159.6	(29.8)	133.8
Consolidated income tax expense (credits)	$ 387.7	$ 129.7	$ 265.9

December 31:	2021	2020
Consolidated Assets:		
General Insurance	$ 20,660.9	$ 19,226.1
Title Insurance	2,234.2	1,920.9
RFIG Run-off	516.4	582.9
Total assets of company segments	23,411.6	21,730.0
Other assets (b)	1,716.3	1,318.2
Consolidation elimination adjustments	(146.1)	(233.0)
Consolidated assets	$ 24,981.8	$ 22,815.2

(a) Segment pretax operating income (loss) is reported net of interest charges on intercompany financing arrangements with Old Republic's holding company parent for the following segments: General - $63.5, $63.0 and $71.5 for the years ended December 31, 2021, 2020, and 2019, respectively; Title - $1.9, $2.8 and $5.5 for the years ended December 31, 2021, 2020, and 2019, respectively.

(b) Includes amounts for a small life and accident insurance business as well as those of the parent holding company and its internal corporate services subsidiaries.

Note 16 - Transactions with Affiliates

The Company is affiliated with a policyholder owned mutual insurer, American Business & Mercantile Insurance Mutual, Inc. ("AB&M" or "the Mutual") whose formation it sponsored in 1981. The Mutual is managed through a service agreement with several Old Republic subsidiaries. AB&M's underwriting operations are limited to certain types of coverages not provided by Old Republic, and to a small amount of intercompany reinsurance placements. The following table shows certain unaudited information reflective of such business:

	Assumed from Old Republic			Ceded to Old Republic		
Years Ended December 31:	2021	2020	2019	2021	2020	2019
Premiums earned	$ 1.5	$ 3.6	$ 3.2	$ .2	$ .3	$ .4
Commissions and fees	.4	1.1	1.0	—	—	—
Losses and loss expenses	1.1	2.4	(.5)	.5	.8	(.2)
Loss and loss expense reserves	8.5	8.7	10.5	3.1	3.9	3.4
Unearned premiums	$ —	$ —	$ —	$ —	$ —	$ —

As of December 31, 2021 and 2020, the Mutual's statutory capital included surplus notes due to Old Republic of $10.5 out of total statutory capital of $56.8 and $44.3, respectively.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Old Republic International Corporation:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Old Republic International Corporation and subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, preferred stock and common shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes and financial statement schedules I to VI (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1)

relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Estimation of liability for losses, claims, and settlement expenses

As discussed in Note 1 to the consolidated financial statements, the Company estimates the liability for losses, claims, and settlement expenses using a number of considerations to determine its best estimate of the cost of settling claims reported and claims incurred but not reported. The Company estimates the liability by applying expected claim ratios by line of business to the related earned premium revenue. The Company's liability for losses, claims, and settlement expenses (reserves) at December 31, 2021 was $11,425.5 million.

We identified the estimation of the liability for losses, claims, and settlement expenses as a critical audit matter. The assessment of the estimates of the reserves involved a high degree of judgment due to the inherent uncertainty in determining certain assumptions, including expected claim ratios. The expected claim ratios used in the estimate may be affected by various internal and external considerations, including loss trends, premium rate trends and adequacy, interest rates, and social and economic trends. Specialized skills and knowledge were required to assess the Company's estimate of the reserves.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's process for estimating the liability for losses, claims, and settlement expense. This included controls related to the development of the expected claim ratios as well as comparison of the recorded reserves based on expected claim ratios to the Company's actuarially derived reserves. We involved actuarial professionals with specialized skills and knowledge, who assisted in:

- Assessing the Company's reserving methodologies by comparing to methods consistent with actuarial standards of practice
- Evaluating the Company's estimates by developing independent analyses for certain reserve groups using the Company's underlying historical claims data
- Assessing the Company's internally prepared actuarial analyses for other reserve groups by inspecting the assumptions and actuarial methods utilized in comparison to internal experience and related industry trends
- Developing an independent consolidated range of reserves based on actuarial methodologies and comparing to the Company's recorded reserves
- Assessing year-over-year movements of the Company's recorded reserves within the independently developed actuarial range.

/s/ KPMG LLP

We have served as the Company's auditor since 2010.

Chicago, Illinois
February 28, 2022

Management's Responsibility for Financial Statements

Management is responsible for the preparation of the Company's consolidated financial statements and related information appearing in this report. Management believes that the consolidated financial statements fairly reflect the form and substance of transactions and that the financial statements reasonably present the Company's financial position and results of operations in conformity with generally accepted accounting principles. Management also has included in the Company's financial statement amounts that are based on estimates and judgments which it believes are reasonable under the circumstances.

The independent registered public accounting firm has advised that they audit the Company's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board, as stated in its reports, included herein.

The Board of Directors of the Company has an Audit Committee composed of eight non-management Directors. The committee meets periodically with financial management, the internal auditors and the independent registered public accounting firm to review accounting, control, auditing and financial reporting matters.

Item 9 - Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A - Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's principal executive officer and its principal accounting officer have evaluated the Company's disclosure controls and procedures as of the end of the period covered by this annual report. Based upon their evaluation, the principal executive officer and principal accounting officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective for the above referenced evaluation period.

Changes in Internal Control

During the three month period ended December 31, 2021, there were no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal accounting officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on our evaluation under the framework in *Internal Control - Integrated Framework (2013),* our management concluded that our internal control over financial reporting was effective as of December 31, 2021. KPMG LLP (PCAOB ID 185), an independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2021. Their report is shown on page 83 in this Annual Report.

Item 9B - Other Information

Pursuant to the requirements of Section 303A.12(a) of the New York Stock Exchange Listed Company Manual, the Company has filed the Annual CEO Certification with the New York Stock Exchange on June 10, 2021.

PART III

Item 10 - Directors, Executive Officers, and Corporate Governance
Information about our Executive Officers:

The following table sets forth certain information as of December 31, 2021, regarding the senior officers of the Company:

Name	Age	Position
Thomas A. Dare	60	Senior Vice President, Secretary and General Counsel since January 2021; served as Deputy General Counsel since June 2017.
W. Todd Gray	54	Senior Vice President and Treasurer since June 2018; Senior Vice President - Operations & Finance - Old Republic General Insurance Companies since September 2015. Prior to that, Mr. Gray was a senior executive at Oak Street Funding.
Stephen J. Oberst	54	Executive Vice President since October 2019; President and CEO at Old Republic Risk Management, Inc. which he joined in 1999.
Craig R. Smiddy	57	President and Chief Executive Officer since June 2018 and October 2019, respectively; President and Chief Operating Officer of Old Republic General Insurance Companies since August 2015 and August 2013, respectively. Prior to joining Old Republic, Mr. Smiddy was President of the Specialty Markets Division of Munich Reinsurance America, Inc.
Frank J. Sodaro	53	Senior Vice President and Chief Financial Officer since July 2021; served as Deputy Chief Financial Officer since June 2017.
Rande K. Yeager	73	Senior Vice President - Title Insurance since March 2003; Chairman and Chief Executive Officer of Old Republic Title Insurance Companies since July 2010 and March 2002 respectively.

The term of office of each officer of the Company expires on the date of the annual meeting of the board of directors, which is generally held in May of each year. There is no family relationship between any of the executive officers named above. Except as otherwise noted, each of these named officers have been employed in senior capacities with the Company and/or its subsidiaries for the past five years.

The Company will file with the Commission a definitive proxy statement pursuant to Regulation 14a in connection with its Annual Meeting of Shareholders to be held on May 26, 2022. A list of Directors appears on the "Signature" page of this report. Information about the Company's directors is contained in the Company's definitive proxy statement for the 2021 Annual Meeting of shareholders, which is incorporated herein by reference.

The Company has adopted a Code of Business Conduct and Ethics (the code of ethics) that applies to all employees, including executive officers and directors. The code of ethics is available on the *Governance* section of the Company's website at www.oldrepublic.com. Where permitted, disclosure of any waivers or amendments of the code of ethics will be made on the Company's website rather than by filing a current report on Form 8-K.

Item 11 - Executive Compensation

Information with respect to this Item is incorporated herein by reference to the section entitled "Executive Compensation" in the Company's proxy statement in connection with the Annual Meeting of Shareholders to be held on May 26, 2022, which will be on file with the Commission.

Item 12 - Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information with respect to this Item is incorporated herein by reference to the sections entitled "General Information" and "Principal Holders of Securities" in the Company's proxy statement to be filed with the Commission in connection with the Annual Meeting of Shareholders to be held on May 26, 2022.

Item 13 - Certain Relationships and Related Transactions

Information with respect to this Item is incorporated herein by reference to the sections entitled "Procedures for the Approval of Related Person Transactions" and "The Board of Directors Responsibilities and Independence" contained in the Company's Proxy Statement in connection with the Annual Meeting of Shareholders to be held on May 26, 2022, which will be on file with the Commission.

Item 14 - Principal Accountant Fees and Services

Information with respect to this Item is incorporated herein by reference to the paragraphs following Item 2 concerning the "Ratification of the Selection of an Independent Registered Public Accounting Firm" contained in the Company's Proxy Statement in connection with the Annual Meeting of Shareholders to be held on May 26, 2022, which will be on file with the Commission.

PART IV

Item 15 - Exhibits

Documents filed as a part of this report:

1. Financial statements: See Item 8, Index to Financial Statements.
2. See exhibit index on page 100 of this report.
3. Financial Statement Schedules.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized (Name, Title or Principal Capacity, and Date).

(Registrant): **Old Republic International Corporation**

By: /s/ Craig R. Smiddy 02/28/2022
Craig R. Smiddy, President, Chief Executive Officer and Director Date

By: /s/ Frank J. Sodaro 02/28/2022
Frank J. Sodaro, Senior Vice President,
Chief Financial Officer and
Principal Accounting Officer Date

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated (Name, Title or Principal Capacity, and Date).

/s/ Barbara A. Adachi
Barbara A. Adachi, Director*

/s/ Steven J. Bateman
Steven J. Bateman, Director*

/s/ Lisa J. Caldwell
Lisa J. Caldwell, Director*

/s/ Jimmy A. Dew
Jimmy A. Dew, Director*

/s/ John M. Dixon
John M. Dixon, Director*

/s/ Michael D. Kennedy
Michael D. Kennedy, Director*

/s/ Charles J. Kovaleski
Charles J. Kovaleski, Director*

/s/ Spencer LeRoy, III
Spencer LeRoy, III, Director*

/s/ Peter B. McNitt
Peter B. McNitt, Director*

/s/ Glenn W. Reed
Glenn W. Reed, Director*

/s/ Arnold L. Steiner
Arnold L. Steiner, Director*

/s/ Fredricka Taubitz
Fredricka Taubitz, Director*

/s/ Steven R. Walker
Steven R. Walker, Director*

* By /s/ Craig R. Smiddy
Attorney-in-fact
Date: February 28, 2022

INDEX TO FINANCIAL STATEMENT SCHEDULES

OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES

Schedules other than those listed are omitted for the reason that they are not required, are not applicable or that equivalent information has been included in the financial statements, notes thereto, or elsewhere herein.

OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES
SCHEDULE I - SUMMARY OF INVESTMENTS - OTHER THAN INVESTMENTS IN RELATED PARTIES
As of December 31, 2021
($ in Millions)

Column A	Column B	Column C	Column D
Type of investment	Cost (1)	Fair Value	Amount at which shown in balance sheet
Available for sale:			
Fixed maturity securities:			
United States Government and government agencies and authorities	$ 1,930.0	$ 1,965.7	$ 1,965.7
States, municipalities and political subdivisions	944.9	989.2	989.2
Foreign government	191.6	192.7	192.7
Corporate, industrial and all other	7,372.1	7,527.9	7,527.9
	10,438.6	$ 10,675.7	10,675.7
Short-term investments	565.7		565.7
Total	11,004.4		11,241.4
Equity securities:			
Non-redeemable preferred stocks	.6	$ 1.2	1.2
Common stocks:			
Banks, trusts and insurance companies	183.8	310.6	310.6
Industrial, miscellaneous and all other	3,436.4	4,818.3	4,818.3
Indexed mutual funds	145.6	172.6	172.6
	3,766.5	$ 5,302.8	5,302.8
Other investments	32.0		32.0
Total Investments	$ 14,803.0		$ 16,576.3

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(1) Represents original cost of equity securities, and as to fixed maturities, original cost reduced by repayments and adjusted for amortization of premium or accrual of discount.

OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES
SCHEDULE II - CONDENSED FINANCIAL INFORMATION OF REGISTRANT
BALANCE SHEETS
OLD REPUBLIC INTERNATIONAL CORPORATION (PARENT COMPANY)
($ in Millions)

	December 31,	
	2021	2020
Assets:		
Bonds and notes	$ 10.5	$ 10.5
Short-term investments	11.2	32.7
Cash	2.0	1.9
Investments in, and indebtedness of related parties	8,556.7	7,668.0
Other assets	89.3	113.9
Total Assets	$ 8,669.8	$ 7,827.1
Liabilities and Common Shareholders' Equity:		
Liabilities:		
Accounts payable and accrued expenses	$ 84.4	$ 530.3
Debt and debt equivalents	1,588.5	964.2
Indebtedness to affiliates and subsidiaries	103.6	145.7
Commitments and contingent liabilities		
Total Liabilities	1,776.6	1,640.4
Common Shareholders' Equity:		
Common stock	307.5	304.1
Additional paid-in capital	1,376.1	1,306.9
Retained earnings	5,214.0	4,394.8
Accumulated other comprehensive income (loss)	78.0	284.0
Unallocated ESSOP shares (at cost)	(82.5)	(103.2)
Total Common Shareholders' Equity	6,893.2	6,186.6
Total Liabilities and Common Shareholders' Equity	$ 8,669.8	$ 7,827.1

See accompanying Notes to Condensed Financial Statements.

OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES
SCHEDULE II - CONDENSED FINANCIAL INFORMATION OF REGISTRANT
STATEMENTS OF INCOME
OLD REPUBLIC INTERNATIONAL CORPORATION (PARENT COMPANY)
($ in Millions)

	Years Ended December 31,		
	2021	2020	2019
Revenues:			
Investment income from subsidiaries	$ 100.3	$ 89.5	$ 105.1
Real estate and other income	4.3	4.6	5.0
Other investment income	.2	.4	.9
Realized investment gains (losses)	—	—	(.2)
Total revenues	104.9	94.7	110.9
Expenses:			
Interest - subsidiaries	3.9	3.8	3.1
Interest - other	55.9	42.3	42.9
Real estate and other expenses	4.7	4.8	4.7
General expenses, taxes and fees	17.4	14.6	13.4
Total expenses	82.0	65.7	64.3
Revenues, net of expenses	22.8	29.0	46.6
Federal income taxes (credits)	(.9)	5.0	8.8
Income (loss) before equity in earnings (losses) of subsidiaries	23.7	23.9	37.7
Equity in Earnings (Losses) of Subsidiaries:			
Dividends received	566.7	472.4	411.8
Earnings (losses) in excess of dividends	943.8	62.3	606.9
Net Income (Loss)	$ 1,534.3	$ 558.6	$ 1,056.4

See accompanying Notes to Condensed Financial Statements.

OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES
SCHEDULE II - CONDENSED FINANCIAL INFORMATION OF REGISTRANT
STATEMENTS OF CASH FLOWS
OLD REPUBLIC INTERNATIONAL CORPORATION (PARENT COMPANY)
($ in Millions)

	Years Ended December 31,		
	2021	2020	2019
Cash flows from operating activities:			
Net income (loss)	$ 1,534.3	$ 558.6	$ 1,056.4
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Accounts receivable	.6	.3	(.7)
Income taxes - net	(17.9)	4.4	.4
Excess of equity in net (income) loss of subsidiaries over cash dividends received	(943.8)	(62.3)	(620.0)
Realized investment (gains) losses	—	—	.2
Accounts payable, accrued expenses and other	11.5	4.6	(1.0)
Total	584.7	505.7	435.3
Cash flows from investing activities:			
Sale of fixed assets for company use	.1	—	.4
Purchase of fixed assets for company use	(6.9)	(3.2)	—
Net repayment (issuance) of notes to related parties	(351.6)	(275.0)	102.5
Net decrease (increase) in short-term investments	21.5	(15.6)	(10.8)
Investment in, and indebtedness of related parties-net	100.0	37.7	10.9
Total	(236.9)	(256.1)	103.0
Cash flows from financing activities:			
Issuance of debt	642.5	—	—
Net receipt (repayment) of notes and loans from related parties	(13.5)	48.4	(10.3)
Issuance of common shares	60.0	6.7	13.8
Redemption of debentures and notes	(19.5)	(6.5)	(6.5)
Purchase of unallocated ESSOP shares	—	(50.0)	—
Dividends on common shares	(1,019.2)	(250.1)	(538.7)
Other - net	2.0	1.8	.2
Total	(347.6)	(249.6)	(541.5)
Increase (decrease) in cash	.1	—	(3.1)
Cash, beginning of year	1.9	1.9	5.0
Cash, end of year	$ 2.0	$ 1.9	$ 1.9

See accompanying Notes to Condensed Financial Statements.

OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES
SCHEDULE II - CONDENSED FINANCIAL INFORMATION OF REGISTRANT
NOTES TO CONDENSED FINANCIAL STATEMENTS
($ in Millions)

Note 1 - Summary of Significant Accounting Policies

Old Republic International Corporation's ("the Company" or "Old Republic") condensed financial statements are presented in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") of accounting principles generally accepted in the United States of America ("GAAP") and should be read in conjunction with the consolidated financial statements and notes thereto of Old Republic International Corporation and Subsidiaries included in its Annual Report on Form 10-K.

Note 2 - Investments in Consolidated Subsidiaries

Old Republic International Corporation's investments in consolidated subsidiaries are reflected in the condensed financial statements in accordance with the equity method of accounting. Undistributed earnings in excess of dividends received are recorded as separate line items in the condensed statements of income.

Note 3 - Debt

On June 11, 2021, the Company completed a public offering of $650.0 aggregate principal amount of Senior Notes. The notes bear interest at a rate of 3.850% per year and mature on June 11, 2051.

On August 26, 2016, the Company completed a public offering of $550.0 aggregate principal amount of Senior Notes. The notes bear interest at a rate of 3.875% per year and mature on August 26, 2026.

On September 23, 2014, the Company completed a public offering of $400.0 aggregate principal amount of Senior Notes. The notes bear interest at a rate of 4.875% per year and mature on October 1, 2024.

OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES

SCHEDULE III - SUPPLEMENTARY INSURANCE INFORMATION

For the Years Ended December 31, 2021, 2020 and 2019

($ in Millions)

Column A	Column B	Column C	Column D	Column E	Column F
Segment	Deferred Policy Acquisition Costs	Losses, Claims and Settlement Expenses	Unearned Premiums	Other Policyholders' Benefits and Funds	Premium Revenue
Year Ended December 31, 2021:					
Insurance Underwriting:					
General Insurance	$ 349.9	$ 6,587.0	$ 1,870.7	$ 133.6	$ 3,555.5
Title Insurance	—	594.2	—	6.2	3,960.5
RFIG Run-off	—	111.2	.2	—	32.6
Corporate & Other (1)	.5	7.6	—	41.3	11.0
Reinsurance Recoverable (2)	—	4,125.3	688.4	11.3	—
Consolidated	$ 350.4	$ 11,425.5	$ 2,559.4	$ 192.6	$ 7,559.8
Year Ended December 31, 2020:					
Insurance Underwriting:					
General Insurance	$ 327.2	$ 6,328.0	$ 1,765.2	$ 133.8	$ 3,394.2
Title Insurance	—	556.1	—	6.5	2,894.4
RFIG Run-off	—	127.6	.4	—	45.1
Corporate & Other (1)	.8	8.6	—	42.4	12.0
Reinsurance Recoverable (2)	—	3,650.5	631.4	13.1	—
Consolidated	$ 328.0	$ 10,671.0	$ 2,397.1	$ 195.9	$ 6,345.8
Year Ended December 31, 2019:					
Insurance Underwriting:					
General Insurance	$ 324.0	$ 6,021.3	$ 1,733.0	$ 129.1	$ 3,432.4
Title Insurance	—	530.9	—	6.0	2,414.8
RFIG Run-off	—	118.9	1.3	—	59.2
Corporate & Other (1)	1.4	8.4	—	44.0	13.4
Reinsurance Recoverable (2)	—	3,249.7	490.4	15.1	—
Consolidated	$ 325.4	$ 9,929.5	$ 2,224.7	$ 194.4	$ 5,919.9

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(1) Includes amounts for a small life and accident insurance business as well as those of the parent holding company, its internal corporate services subsidiaries and consolidation elimination adjustments.

(2) In accordance with GAAP, reinsured losses and unearned premiums are to be reported as assets. Assets and liabilities were, as a result, increased by corresponding amounts of approximately $4.8 billion, $4.2 billion, and $3.7 billion at December 31, 2021, 2020 and 2019, respectively. This accounting treatment does not have any effect on the Company's results of operations.

OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES
SCHEDULE III - SUPPLEMENTARY INSURANCE INFORMATION
For the Years Ended December 31, 2021, 2020 and 2019
($ in Millions)

Column A	Column G	Column H	Column I	Column J	Column K
Segment	Net Investment Income	Benefits, Claims, Losses and Settlement Expenses	Amortization of Deferred Policy Acquisition Costs	Other Operating Expenses	Premiums Written
Year Ended December 31, 2021:					
Insurance Underwriting:					
General Insurance	$ 342.4	$ 2,303.1	$ 501.9	$ 648.0	$ 3,680.9
Title Insurance	43.8	112.9	—	3,820.6	3,960.5
RFIG Run-off	11.4	(1.7)	—	13.0	32.4
Corporate & Other (1)	36.5	6.5	.3	14.5	10.9
Reinsurance Recoverable (2)	—	—	—	—	—
Consolidated	$ 434.3	$ 2,420.9	$ 502.2	$ 4,496.3	$ 7,685.0
Year Ended December 31, 2020:					
Insurance Underwriting:					
General Insurance	$ 352.2	$ 2,372.0	$ 500.9	$ 564.0	$ 3,431.3
Title Insurance	42.0	75.3	—	2,909.9	2,894.4
RFIG Run-off	15.2	36.9	—	13.6	44.3
Corporate & Other (1)	29.4	7.1	.5	(3.1)	12.0
Reinsurance Recoverable (2)	—	—	—	—	—
Consolidated	$ 438.9	$ 2,491.4	$ 501.5	$ 3,484.5	$ 6,382.1
Year Ended December 31, 2019:					
Insurance Underwriting:					
General Insurance	$ 356.4	$ 2,464.6	$ 531.5	$ 554.3	$ 3,469.0
Title Insurance	41.4	67.4	—	2,479.8	2,414.8
RFIG Run-off	17.6	31.7	—	14.8	57.5
Corporate & Other (1)	35.1	8.8	.7	(15.9)	13.3
Reinsurance Recoverable (2)	—	—	—	—	—
Consolidated	$ 450.7	$ 2,572.7	$ 532.2	$ 3,033.1	$ 5,954.8

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(1) Includes amounts for a small life and accident insurance business as well as those of the parent holding company, its internal corporate services subsidiaries and consolidation elimination adjustments.

(2) In accordance with GAAP, reinsured losses and unearned premiums are to be reported as assets. Assets and liabilities were, as a result, increased by corresponding amounts of approximately $4.8 billion, $4.2 billion, and $3.7 billion at December 31, 2021, 2020 and 2019, respectively. This accounting treatment does not have any effect on the Company's results of operations.

OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES
SCHEDULE IV - REINSURANCE
For the years ended December 31, 2021, 2020 and 2019
($ in Millions)

Column A	Column B	Column C	Column D	Column E	Column F
	Gross Amount	Ceded to Other Companies	Assumed from Oher Companies	Net Amount	Percentage of Amount Assumed to Net
Year Ended December 31, 2021:					
Life insurance in force	$ 1,473.2	$ 878.5	$ —	$ 594.6	—%
Premium Revenues:					
General Insurance	$ 5,509.1	$ 2,027.3	$ 73.7	$ 3,555.5	2.1%
Title Insurance	3,958.6	—	1.8	3,960.5	—
RFIG Run-off	32.6	—	—	32.6	—
Life and Health Insurance:					
Life insurance	7.8	3.0	—	4.8	—
Accident and health insurance	15.2	9.0	—	6.1	—
Total Life & Health Insurance	23.1	12.1	—	11.0	—
Consolidating adjustments	—	(.4)	(.4)	—	—
Consolidated	$ 9,523.6	$ 2,039.0	$ 75.1	$ 7,559.8	1.0%
Year Ended December 31, 2020:					
Life insurance in force	$ 1,665.7	$ 936.8	$ —	$ 728.8	—%
Premium Revenues:					
General Insurance	$ 5,030.2	$ 1,706.3	$ 70.3	$ 3,394.2	2.1%
Title Insurance	2,892.8	.1	1.6	2,894.4	.1
RFIG Run-off	45.1	—	—	45.1	—
Life and Health Insurance:					
Life insurance	7.8	2.4	—	5.3	—
Accident and health insurance	17.1	10.4	—	6.6	—
Total Life & Health Insurance	24.9	12.9	—	12.0	—
Consolidating adjustments	—	(.4)	(.4)	—	—
Consolidated	$ 7,993.2	$ 1,718.9	$ 71.5	$ 6,345.8	1.1%
Year Ended December 31, 2019:					
Life insurance in force	$ 2,119.0	$ 1,135.9	$ —	$ 983.0	—%
Premium Revenues:					
General Insurance	$ 4,857.0	$ 1,481.1	$ 56.4	$ 3,432.4	1.6%
Title Insurance	2,412.8	—	1.9	2,414.8	.1
RFIG Run-off	59.2	—	—	59.2	—
Life and Health Insurance:					
Life insurance	9.5	3.8	—	5.7	—
Accident and health insurance	19.5	11.8	—	7.6	—
Total Life & Health Insurance	29.0	15.6	—	13.4	—
Consolidating adjustments	—	(.9)	(.9)	—	—
Consolidated	$ 7,358.2	$ 1,495.8	$ 57.4	$ 5,919.9	1.0%

OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES

SCHEDULE V - VALUATION AND QUALIFYING ACCOUNTS

For the years ended December 31, 2021, 2020 and 2019

($ in Millions)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts - Describe (1)	Deductions - Describe	Balance at End of Period
Year Ended December 31, 2021:					
Deducted from Asset Accounts:					
Reserve for credit losses	$ 36.5	$ 3.5	$ —	$ —	$ 40.1
Year Ended December 31, 2020:					
Deducted from Asset Accounts:					
Reserve for credit losses	$ —	$ 6.4	$ 30.1	$ —	$ 36.5
Year Ended December 31, 2019:					
Deducted from Asset Accounts:					
Reserve for unrecoverable reinsurance	$ —	$ —	$ —	$ —	$ —

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(1) Relates to the Company's adoption of the FASB's current expected credit loss standard effective January 1, 2020.

OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES
SCHEDULE VI - SUPPLEMENTAL INFORMATION CONCERNING PROPERTY-CASUALTY INSURANCE OPERATIONS

For the years ended December 31, 2021, 2020 and 2019

($ in Millions)

Column A	Column B	Column C	Column D	Column E
Affiliation With Registrant (1)	Deferred Policy Acquisition Costs	Reserves for Unpaid Claims and Claim Adjustment Expenses (2)	Discount, If Any, Deducted in Column C	Unearned Premiums (2)
Year Ended December 31:				
2021	$ 349.9	$ 6,587.0	$ 174.8	$ 1,870.7
2020	327.2	6,328.0	196.9	1,765.2
2019	324.0	6,021.3	209.6	1,733.0

Column A	Column F	Column G	Column H	
			Claims and Claim Adjustment Expenses Incurred Related to	
Affiliation With Registrant (1)	Earned Premiums	Net Investment Income	Current Year	Prior Years
Year Ended December 31:				
2021	$ 3,555.5	$ 342.4	$ 2,418.3	$ (137.9)
2020	3,394.2	352.2	2,380.5	(27.4)
2019	3,433.3	356.7	2,424.1	12.4

Column A	Column I	Column J	Column K
Affiliation With Registrant (1)	Amortization of Deferred Policy Acquisition Costs	Paid Claims and Claim Adjustment Expenses	Premiums Written
Year Ended December 31:			
2021	$ 501.9	$ 2,021.3	$ 3,680.9
2020	500.9	2,046.3	3,431.3
2019	531.5	2,171.3	3,469.3

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(1) Includes consolidated property-casualty entities. The amounts relating to the Company's unconsolidated property-casualty subsidiaries and the proportionate share of the registrant's and its subsidiaries' 50%-or-less owned property-casualty equity investees are immaterial and have, therefore, been omitted from this schedule.

(2) See note (2) to Schedule III.

EXHIBIT INDEX

An index of exhibits required by Item 601 of Regulation S-K follows:

(3) Articles of incorporation and by-laws.

(A) * Restated Certificate of Incorporation. (Exhibit 3(A) to Registrant's June 30, 2014 report on Form 10-Q).

(B) Amended and Restated By-laws.

(4) Instruments defining the rights of security holders, including indentures.

(A) * Amended and Restated Rights Agreement dated as of June 26, 2017 between Old Republic International Corporation and Equinity Trust Company (as successor to Wells Fargo Bank, NA). (Exhibit 4.1 to Registrant's Form 8-A/A filed August 28, 2017).

(B) * Agreement to furnish certain long-term debt instruments to the Securities & Exchange Commission upon request. (Exhibit 4(D) to Registrant's Form 8 dated August 28, 1987).

(C) * Form of Indenture dated as of August 15, 1992 between Old Republic International Corporation and the Wilmington Trust Company, as Trustee (refiled as Exhibit 4.1 to Registrant's Form 8-K filed April 22, 2009).

(D) * Supplemental Indenture No. 1 dated as of June 15, 1997, supplementing the Indenture. (Exhibit 4.3 to the Registrant's Form 8-A filed June 16, 1997).

(E) * Supplemental Indenture No. 2 dated as of December 31, 1997 supplementing the Indenture. (Exhibit 4.3 to the Registrant's Form S-3/A filed January 7, 1998).

(F) * Fifth Supplemental Indenture dated as of September 25, 2014 between Old Republic International Corporation and the Wilmington Trust Company, as Trustee. (Exhibit 4.1 to Registrant's Form 8-K filed September 25, 2014).

(G) * Sixth Supplemental Indenture dated as of August 26, 2016 between Old Republic International Corporation and the Wilmington Trust Company, as Trustee. (Exhibit 4.1 to Registrant's Form 8-K filed August 26, 2016).

(H) * Seventh Supplemental Indenture dated as of June 11, 2021 between Old Republic International Corporation and the Wilmington Trust Company, as Trustee. (Exhibit 4.1 to Registrant's Form 8-K filed June 8, 2021).

(I) * Description of Common Stock of the Registrant. (Exhibit 4(H) to Registrant's Annual Report on Form 10-K for 2019).

(10) Material contracts.

** (A) * Old Republic International Corporation Key Employees Performance Recognition Plan. (Exhibit 10(A) to Registrant's Annual Report on Form 10-K for 2018).

** (B) * Amended and Restated Old Republic International Corporation 2006 Incentive Compensation Plan. (Exhibit 10(a) to Registrant's March 31, 2014 report on Form 10-Q).

** (C) * Old Republic International Corporation 2016 Incentive Compensation Plan. (Exhibit 99.1 to Registrant's Form 8-K filed May 28, 2015).

** (D) * Forms of Agreement for Old Republic International Corporation to use as a Sign-On Restricted Stock Award or as a Restricted Stock Award for awards granted to certain employees or officers of the Registrant or its Subsidiaries. (Exhibit 10(F) to Registrant's Annual Report on Form 10-K for 2017).

** (E) * Form of Indemnity Agreement between Old Republic International Corporation and each of its directors and certain officers. (Exhibit 10(F) to Registrant's Annual Report on Form 10-K for 2018.)

(F) * Form of Tax Sharing Agreement between Old Republic International Corporation and each of its subsidiary companies. (Exhibit 10(a) to Registrant's March 31, 2013 report on Form 10-Q).

(Exhibit Index, Continued)

(21)	Subsidiaries of the registrant.
(23.1)	Consent of KPMG LLP.
(24)	Powers of attorney.
(31.1)	Certification by Craig R. Smiddy, Chief Executive Officer, pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbannes-Oxley Act of 2002.
(31.2)	Certification by Frank J. Sodaro, Chief Financial Officer, pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbannes-Oxley Act of 2002.
(32.1)	Certification by Craig R. Smiddy, Chief Executive Officer, pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbannes-Oxley Act of 2002.
(32.2)	Certification by Frank J. Sodaro, Chief Financial Officer, pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbannes-Oxley Act of 2002.
(101.INS)	XBRL Instance Document - The instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
(101.SCH)	XBRL Taxonomy Extension Schema
(101.CAL)	XBRL Taxonomy Extension Calculation Linkbase
(101.DEF)	XBRL Taxonomy Extension Definition Linkbase
(101.LAB)	XBRL Taxonomy Extension Label Linkbase
(101.PRE)	XBRL Taxonomy Extension Presentation Linkbase

* Exhibit incorporated herein by reference.

** Denotes a management or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.

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OLD REPUBLIC INTERNATIONAL CORPORATION

NOTICE OF ANNUAL MEETING OF THE SHAREHOLDERS

TIME AND DATE	3:00 P.M. Central Daylight Time, Thursday, May 26, 2022.
PLACE	This year's Annual Meeting of Shareholders will be held virtually. There will be no physical location and Old Republic's representatives will participate via webcast. The virtual meeting can be accessed at the following internet link: www.virtualshareholdermeeting.com/ORI2022
ITEMS OF BUSINESS	• To elect four members of the Class 2 Board of Directors, each for a term of three years. • To ratify the selection of KPMG LLP (“KPMG”) as the Company’s independent registered public accounting firm for 2022. • To vote in an advisory capacity concerning the Company’s executive compensation. • To approve the Old Republic International Corporation 2022 Incentive Compensation Plan. • To transact such other business as may properly come before the meeting and any adjournment or postponement thereof.
RECORD DATE	You can vote if you are a shareholder of record on March 28, 2022.
ANNUAL REPORT TO SHAREHOLDERS	Our annual report to shareholders for 2021 is printed together with this proxy statement. The Company’s Forms 10-K, 10-Q and other reports to shareholders may also be accessed through our website at www.oldrepublic.com or by writing to Investor Relations at the Company address.
PROXY VOTING	It is important that your shares be represented and voted at the Annual Meeting of the Shareholders. You can vote your shares by completing and returning your proxy card, by voting on the Internet, or by telephone.

March 31, 2022

By order of the Board of Directors

Thomas A. Dare
Senior Vice President, General Counsel
and Secretary

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Proxy Statement

OLD REPUBLIC INTERNATIONAL CORPORATION
ANNUAL MEETING OF THE SHAREHOLDERS
May 26, 2022

GENERAL INFORMATION

This proxy statement is being furnished to the shareholders of Old Republic International Corporation, a Delaware insurance holding corporation (together with its subsidiaries, the “Company”, “Old Republic” or “ORI”), with its executive office at 307 North Michigan Avenue, Chicago, Illinois 60601. This Statement is furnished in connection with the solicitation of proxies by ORI’s Board of Directors for use at the Annual Meeting of the Shareholders to be held on May 26, 2022 and any adjournments thereof. The approximate date on which this proxy statement and the accompanying proxy are first being sent to the shareholders is March 31, 2022.

Old Republic intends to conduct our 2022 Annual Meeting of Shareholders as a "virtual" meeting. Shareholders of record at the close of business on March 28, 2022, are invited to vote their shares at proxyvote.com. Important information about attending and voting at the virtual meeting will be posted on Old Republic's website (www.oldrepublic.com) under the heading "2022 Annual Meeting Information".

Virtual meeting date: Thursday May 26, 2022
Virtual meeting time: 3 P.M. Central Daylight Time
Virtual meeting link: www.virtualshareholdermeeting.com/ORI2022

Shareholders may vote their shares and review the list of registered shareholders during the virtual meeting using the directions on the meeting website shown above. Additional information regarding the rules and procedures for the meeting will be posted on the meeting website and can be viewed during the meeting. Technical assistance will be available for those attending the meeting. If there are any technical issues in convening or hosting the meeting, additional information will be promptly posted on Old Republic's website (www.oldrepublic.com) under the heading "2022 Annual Meeting Information".

All shareholders will need their sixteen-digit control number in order to be authenticated and to vote during the meeting. Each shareholder's control number can be found on your notice or proxy card. Shareholders without a control number may attend as guests of the meeting, but they will not have the option to vote their shares or review the list of registered shareholders during the virtual meeting.

Your proxy may be revoked at any time before shares are voted by written notification addressed to the persons named therein as proxies, and mailed or delivered to the Company at the above address. All shares represented by effective proxies will be voted at the meeting and at any adjournments thereof.

If the enclosed proxy is properly executed and returned in time for voting, the shares represented thereby will be voted as indicated thereon. If no specification is made, the proxy will be voted by the Company’s proxy committee (whose members are listed on the proxy card) for: (a) the election of the director nominees named below (or substitutes thereof if any nominees are unable or refuse to serve); (b) the selection of the Company’s independent registered public accounting firm; (c) the advisory vote concerning the Company’s executive compensation as recommended by the Board of Directors; (d) the approval of the Old Republic International Corporation 2022 Incentive Compensation Plan; and (e) in the discretion of the proxy committee upon any other matters which may properly come before the meeting.

The Company has one class of voting stock outstanding - Common Stock, $1.00 par value per share (“Common Stock”). On March 1, 2022, there were 308,188,004 shares of Common Stock outstanding and entitled to one vote each on all matters to be considered at the meeting. Shareholders of record as of the close of business on March 28, 2022 are entitled to notice of and to vote at the meeting. There are no cumulative voting rights with respect to the election of directors.

VOTING PROCEDURES

The Company’s Restated Certificate of Incorporation and Amended and Restated By-laws prescribe voting procedures for certain, but not all corporate actions. When no procedures are prescribed, the General Corporation Law of the State of Delaware applies. Matters presented at the Company’s Shareholder Meetings are decided as follows: (1) directors are elected by a plurality of the shares present in person or by proxy at the meeting and entitled to vote; (2) amendments to the Company’s Restated Certificate of Incorporation are determined by the affirmative vote of the majority of shares outstanding and entitled to vote, except for: (a) amendments that concern approval thresholds for plans of merger or other business transactions not unanimously approved by the Board of Directors, which require the approval of 80% of the shares entitled to vote, or (b) amendments that concern the number or terms of the Board of Directors, which require the approval of 66-2/3% of the shares entitled to vote; (3) shareholder action to repeal, alter, amend or adopt new by-laws, which require the approval of 66% of the shares entitled to vote; and (4) all other matters are determined by the affirmative vote of the majority of shares present in person or by proxy at the meeting and entitled to vote.

Under Delaware law, the votes at the Company’s Annual Meeting of the Shareholders will be counted by the inspectors of election appointed by the chair at the meeting. The inspectors are charged with ascertaining the number of shares outstanding, the number of shares present, whether in person or by proxy, and the validity of all proxies. The inspectors are entitled to rule on any voting challenges and are responsible for the tabulation of the voting results.

A quorum for the Company’s Annual Meeting of the Shareholders is one third of the shares outstanding and entitled to vote appearing in person or by proxy at the meeting. Under Delaware law, abstentions are counted in determining the quorum of the meeting and as having voted on any proposal on which an abstention is voted. Therefore, on those proposals that require a plurality vote of the shares entitled to vote in person or by proxy at the meeting, the vote of an abstention has no effect. However, on those proposals that require an affirmative vote of at least a majority of shares present in person or by proxy at the meeting, the vote of an abstention has the effect of a vote against the proposal.

Shares beneficially owned but registered in the name of a broker or bank will be counted for the determination of a quorum for the meeting if there is a discretionary voting item on the meeting agenda within the meaning of section 402.08 of the New York Stock Exchange (“NYSE”) Listed Company Manual. If there is a discretionary item on the agenda and the broker or bank does not vote these shares (a “non-vote”), they will not be counted as having voted on the proposal. Therefore, on those proposals that require a plurality or at least a majority vote of the shares at the meeting that are entitled to vote, a non-vote will have no effect. However, on those proposals that require an affirmative vote of at least a majority of the shares outstanding that are entitled to vote, a non-vote has the effect of a vote against the proposal. If there are no discretionary voting items on the meeting agenda, shares beneficially held in the name of a broker or bank shall not be counted in determining a quorum. This year Item 2 is a discretionary voting item; all other items are non-discretionary.

Shareholders can simplify their voting and save Old Republic expense by voting by telephone or by Internet. If you vote by telephone or Internet, you need not mail back your proxy card. Telephone and Internet voting information is provided on your proxy card. A Control Number, located on the proxy card, is designed to verify your identity and allow you to vote your shares and confirm that your voting instructions have been properly recorded. If your shares are held in the name of a bank or broker, follow the voting instructions on the form you receive from that firm. To revoke a proxy given, or change your vote cast, by telephone or Internet, you must do so by following the directions on your proxy card, provided such changes are made by 11:59 PM, Eastern Daylight Time on May 25, 2022.

HOUSEHOLDING OF PROXIES

The Securities and Exchange Commission (“SEC”) has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for annual reports and proxy statements with respect to two or more shareholders sharing the same address by delivering a single annual report and/or proxy statement addressed to those shareholders. This process, which is commonly referred to as “householding,” potentially provides extra convenience for shareholders and cost savings for companies. The Company and some brokers who distribute annual reports and proxy materials may deliver a single annual report and/or proxy statement to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders.

Once you have received notice from your broker or the Company that your broker or the Company will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. You may request to receive promptly at any time a separate copy of our annual report or proxy statement by sending a written request to the Company at the above address, attention Investor Relations, or by visiting our website, www.oldrepublic.com and downloading this material.

If, at any time, you no longer wish to participate in householding and would prefer to receive a separate annual report and proxy statement in the future, please notify your broker if your shares are held in a brokerage account, or if you hold registered shares, the Company's transfer agent, EQ Shareowner Services, P.O. Box 64874, St. Paul, MN 55164, phone number 800-401-1957.

OTHER MATTERS FOR THE ANNUAL MEETING OF THE SHAREHOLDERS

The Company knows of no matters, other than those referred to herein, that will be presented at the meeting. If, however, any other appropriate business should properly be presented at the meeting, or any adjustment or postponement thereof, the proxies named in the enclosed form of proxy will vote the proxies in accordance with their best judgment.

EXPENSES OF SOLICITATION

All expenses incident to the solicitation of proxies by the Company will be paid by the Company. In addition to solicitation by mail, the Company has retained D. F. King & Company of New York City, to assist in the solicitation of proxies. Fees for this solicitation are expected to be approximately $9,500. The Company intends to reimburse brokerage houses and other custodians, nominees and fiduciaries for reasonable out-of-pocket expenses incurred in forwarding copies of solicitation material to beneficial owners of Common Stock held of record by such persons. In a limited number of instances, regular employees of the Company may solicit proxies in person or by telephone.

PRINCIPAL HOLDERS OF SECURITIES

The following tabulation shows with respect to (i) each person who is known to be the beneficial owner of more than 5% of the Common Stock of the Company; (ii) the Company's Employees Savings and Stock Ownership Plan (ESSOP); (iii) each director and executive officer of the Company (including nominees); and (iv) all directors and executive officers, as a group: (a) the total number of shares of Common Stock beneficially owned as of March 1, 2022, except as otherwise noted, and (b) the percent of the class of Common Stock so owned:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class(*)
Common Stock Shareholders' beneficial ownership of more than 5% of the Common Stock and the ESSOP ownership	BlackRock, Inc. 55 East 52nd Street New York, New York 10022	30,370,463 (1)	9.9
	The Vanguard Group 100 Vanguard Blvd. Malvern, Pennsylvania 19355	28,119,286 (1)	9.2
	State Street Corporation State Street Financial Center One Lincoln Street Boston, Massachusetts 02111	22,446,874 (1)	7.3
	Old Republic International Corporation Employees Savings and Stock Ownership Trust 307 N. Michigan Avenue Chicago, Illinois 60601	18,991,960 (2)	6.2

Common Stock	Name of Beneficial Owner	Shares Subject to Stock Options(*)	Shares Held by Employee Plans(*)(2)(3)	Other Shares Beneficially Owned(*)	Total	Percent of Class (*)
Directors' and Executive Officers' (including nominees) Beneficial Ownership	Barbara A. Adachi	0	0	2,300	2,300 (***)	**
	Steven J. Bateman	0	0	25,569	25,569	**
	Harrington Bischof	0	0	20,239	20,239 (4)	**
	Lisa J. Caldwell	0	0	786	786	**
	Thomas A. Dare	12,500	2,969	6,306	21,775	**
	Jimmy A. Dew	0	132,207	745,657	877,864 (5)	0.3
	John M. Dixon	0	0	21,061	21,061	**
	W. Todd Gray	12,925	2,171	22,155	37,251	**
	Michael D. Kennedy	0	0	7,322	7,322	**
	Charles J. Kovaleski	0	0	13,396	13,396	**
	Spencer LeRoy III	0	0	100,686	100,686 (6)	**
	Peter B. McNitt	0	0	10,280	10,280	**
	Karl W. Mueller	105,000	30,190	39,078	174,268	0.1
	Stephen J. Oberst	130,900	76,483	6,805	214,188 (7)	0.1
	Glenn W. Reed	0	0	14,415	14,415	**
	Craig R. Smiddy	203,750	26,825	8,584	239,159	0.1
	Frank J. Sodaro	21,750	1,638	6,751	30,139 (8)	**
	Arnold L. Steiner	0	0	705,188	705,188 (9)	0.2
	Fredricka Taubitz	0	0	21,000	21,000	**
	Steven R. Walker	0	0	67,500	67,500 (10)	**
	Rande K. Yeager	0	67,373	45,297	112,670	0.1
	Aldo C. Zucaro	335,540	0	2,035,000	2,370,540 (11)	0.8
	Directors and all Executive Officers, as a group (22 individuals)	822,365	339,856	3,925,375	5,087,596	1.6

* Calculated pursuant to Rule 13d 3(d) of the Securities Exchange Act of 1934. Unless otherwise stated below, each such person has sole voting and investment power with respect to all such shares. Under Rule 13d 3(d), shares not outstanding that are subject to options, warrants, rights or conversion privileges exercisable within 60 days are deemed outstanding for the purpose of calculating the number and percentage owned by such person, but are not deemed outstanding for the purpose of calculating the percentage owned by each other person listed. None of the options shown for executive officers were exercised prior to the Company's record date and therefore are not eligible to vote at the Annual Meeting of the Shareholders.

** Less than one-tenth of one percent.

*** Reflects shares acquired by Ms. Adachi on March 18, 2022.

(1) Reflects the number of shares as of December 31, 2021 shown in the most recent Schedule 13G filings with the SEC. BlackRock, Inc. has reported sole and shared voting power for 29,001,224 and -0- shares, respectively, and sole and shared dispositive power for 30,370,463 and -0- shares, respectively. The Vanguard Group has reported that it has sole and shared voting power for -0- and 149,290 shares, respectively, and sole and shared dispositive power for 27,720,973 shares and 398,313 shares, respectively. State Street Corporation has reported that it has no sole and shared voting power for shares but sole and shared dispositive power for 21,911,037 and 22,446,874 shares, respectively.

(2) Reflects the number of shares held as of December 31, 2021 as follows:

(a) Under the terms of the Old Republic International Corporation Employees Savings and Stock Ownership Plan ("ESSOP"), a participant is entitled to vote the Company Common Stock held by the ESSOP, the shares of which have been allocated to the participant's account. The Executive Committee of the Company is authorized to vote the Company Common Stock held by the ESSOP until such time as the shares of such stock have been allocated to a participant's account or where a participant fails to exercise his or her voting rights. In these regards, the Executive Committee may be deemed to have sole investment power with respect to unallocated stock and shared power for allocated stock held by the ESSOP.

(b) In addition to the ESSOP, the Old Republic International Employees Retirement Plan holds an aggregate of 2,829,509 shares of the Company's Common Stock not included in this table. The voting of these shares is controlled, directly or indirectly in a fiduciary capacity, by the Executive Committee.

(c) The trustees of the Company's Baseline Security Plan ("BSP"), on December 31, 2021, owned an aggregate of 636,580 shares of the Company Common Stock. These shares are not included in this table, because each participant is entitled to vote the shares of the Company's Common Stock held by the BSP that have been allocated to their account.

(d) American Business & Mercantile Insurance Mutual Inc. ("ABM") and its subsidiary own 1,286,700 shares of the Company's Common Stock. ABM is a mutual insurer controlled by its policyholders and indirectly by the Company through management agreements, the ownership of its surplus notes, and by directors and officers who are employees of the Company. These shares are not included in this table.

(3) Includes only the shares that have been allocated to the employer matching and employee savings accounts of the director or executive officer as a participant in the ESSOP. Excludes those shares for which the director or executive officer may be deemed to have investment and voting power as a result of being a member of the Executive Committee.

(4) Includes 8,437 shares held in an IRA trust for Mr. Bischof's benefit.

(5) Includes 315,908 shares owned by Mr. Dew's wife and 93,682 shares held in an IRA trust for Mr. Dew.

(6) Includes 40,587 shares held in IRA or Roth IRA trusts for Mr. LeRoy's benefit.

(7) Includes 34 shares held by Mr. Oberst's son.

(8) Includes 1,503 shares that have a vesting restriction until June 13, 2022.

(9) Includes 87,152 shares owned by Mr. Steiner directly, 183,085 shares held in certain trusts, 343,750 shares held in trust for Mr. Steiner's children, for which he is a co-trustee, and 91,201 shares held by the Steiner Foundation for which Mr. Steiner disclaims beneficial ownership.

(10) Includes 28,500 shares held in IRA and SEP-IRA trusts for Mr. Walker's benefit, and 24,500 shares held by his wife.

(11) Includes 715,000 shares held in IRA trusts for Mr. Zucaro.

ITEM 1
ELECTION OF DIRECTORS

The following table lists the nominees and continuing directors of the Company. Four Class 2 directors are to be elected at the Annual Meeting of the Shareholders for a term of three years and until their successors are elected and qualified. The nominees are current directors standing for re-election. It is intended that, in the absence of contrary specifications, votes will be cast pursuant to the enclosed proxies for the election of such nominees. Should any of the nominees become unable or unwilling to accept nomination or election, it is intended that, in the absence of contrary specifications, the proxies will be voted for the balance of those named and for a substitute nominee or nominees. However, the Company does not expect such an occurrence. All of the nominees have consented to be slated and to serve as directors if elected.

Jimmy A. Dew is not slated for reelection at the end of his three-year term expiring at the upcoming Annual Meeting of the Shareholders. At that time, the size of the Board will be reduced from fourteen to thirteen members. Mr. Dew will continue to serve as a director on the Boards of the RMIC Companies.

Aldo C. Zucaro resigned as Chairman of the Board and as a Director, effective October 27, 2021. Upon his resignation, Spencer LeRoy III was elected Chairman of the Board.

Lisa J. Caldwell was elected a Class 2 director, effective April 15, 2021. She is considered independent and was also named a member of the Compensation and Governance and Nominating Committees. The Governance and Nominating Committee approved her nomination and she was unanimously elected by the Board of Directors. No third party was involved in her recruitment or selection as a director and no fee was paid to any individual or entity in connection with her selection.

Barbara A. Adachi was elected a Class 3 director, effective December 16, 2021, and will stand for re-election in 2023. She is considered independent and was named a member of the Audit and Governance and Nominating Committees. The Governance and Nominating Committee approved her nomination and she was unanimously elected by the Board of Directors. No third party was involved in her recruitment or selection as a director and no fee was paid to any individual or entity in connection with her selection.

Given the reasons and background information cited next to each nominee's name below, the Board of Directors believes that each of the nominees and the other continuing directors are eminently qualified to serve Old Republic's shareholders and other stakeholders.

Name	Age	Positions with Company, Business Experience and Qualifications
Nominees For Election: CLASS 2 (Term to expire in 2025)		
Steven J. Bateman	63	Director since 2017. An audit partner with the accounting firm of PricewaterhouseCoopers LLP until his retirement, he had a 37 year career as an auditor and business advisor for a large number of organizations engaged in all major insurance fields. During that period of time, he gained a wealth of knowledge and experience in the business and the risk factors associated with the insurance industry. His background and experience harmonizes with the Company's business and the Board's governance objectives.
Lisa J. Caldwell	61	Director since 2021. Ms. Caldwell is the Chief Executive Officer of Caldwell Collection, LLC, a fashion retail organization, and previously served as the Executive Vice President and Chief Human Resources Officer of Reynolds American, R. J. Reynolds Tobacco Company, and RAI Services until her retirement in 2018. She is a member of the founding board of directors of Triad Business Bank and she has served in leadership roles at many charitable and educational organizations. Ms. Caldwell brings to the Board her general business and entrepreneurial expertise, her experience as an executive officer of a large corporation and her extensive knowledge of human resource matters.
John M. Dixon	82	Director since 2003. Chair of the Compensation Committee. Formerly Chief Executive Partner with the law firm of Chapman and Cutler, Chicago, Illinois until his retirement in 2002. His qualifications include his extensive background as an attorney and his knowledge of corporate law and the legal and other risks associated with corporations similar to the Company.
Glenn W. Reed	69	Director since 2017. Mr. Reed served as a Managing Director of The Vanguard Group, Inc., one of the world's largest asset-management firms until his retirement from the firm in 2017. While at Vanguard, Mr. Reed had overall responsibility for Vanguard's corporate finance and mutual fund finance functions, most recently heading up the firm's Strategy division. Prior to joining Vanguard in 2007, he served as general counsel for a multi-line health and life insurance company following a 21-year career as a partner of the Chicago-based law firm of Gardner, Carton & Douglas (now Faegre Drinker Biddle & Reath). This long experience and deep knowledge in these fields harmonizes well with the Company's business needs and the Board's governance objectives.

Continuing Directors: CLASS 3 (Term expires in 2023)

Barbara A. Adachi	71	Director since December 16, 2021. Retired since 2013, she was formerly the chief executive and National Managing Partner for Deloitte Consulting's Human Capital Consulting Practice. Her extensive general business experience, in insurance, consulting and human resource matters harmonizes well with the Company's business needs.
Charles J. Kovaleski	73	Director since 2018. Retired as an attorney, he was formerly with Attorneys' Title Insurance Fund, Orlando, Florida as well as an officer with one of the Company's Title subsidiaries for many years. He brings extensive general business experience to Old Republic's Board particularly in real estate and title insurance that harmonizes well with the Company's business needs.
Craig R. Smiddy	57	Director since 2019. President and Chief Executive Officer as of the same date and Chair of the Executive Committee since December 2021. Prior to that President and Chief Operating Officer of the Company since June 2018. From 2013 to 2018, President and Chief Operating Officer of Old Republic General Insurance Group, Inc. Before joining the Company, he was President of the Specialty Markets Division of Munich Reinsurance America, Inc. He has significant experience in, and knowledge of, the business and the risk factors associated with the insurance industry and especially the insurance specialty markets harmonizing well with the Company's business needs.
Arnold L. Steiner	84	Director since 1974. Lead Independent Director until June 30, 2021. Retired from Steiner Bank, Birmingham, Alabama of which he was President and a substantial owner. He has long and significant experience in financial businesses and has extensive knowledge of the Company and its risk factors.
Fredricka Taubitz	78	Director since 2003. Chair of the Audit Committee. A CPA by training, she was until 2000 Executive Vice President and Chief Financial Officer of Zenith National Insurance Corp. Until 1985, she was a partner with the accounting firm of Coopers & Lybrand (now PricewaterhouseCoopers LLP). During her long professional career she has gained significant experience in, and knowledge of, the business and the risk factors associated with the insurance industry that harmonizes well with the Company's business needs.

Continuing Directors: CLASS 1 (Term expires in 2024)

Michael D. Kennedy	65	Director since 2020. Mr. Kennedy is a senior client partner with Korn Ferry, the global organizational consulting firm, where he is a member of that firm's global financial services market and a leader with Korn Ferry's Diversity Center of Expertise. Prior to joining Korn Ferry, he served in senior positions at several financial services firms, including GE Capital, Wachovia and J.P. Morgan & Co. Mr. Kennedy was appointed by President Obama to serve as the chair of the Federal Retirement Thrift Investment Board, the largest pension fund in the U.S. where he served until his term ended in 2020. Mr. Kennedy brings to the board his expertise and long experience in the financial services industry.
Spencer LeRoy III	75	Director since 2015. Chairman of the Board since October 27, 2021. Until his retirement in 2014, he was Senior Vice President, Secretary and General Counsel of the Company since 1992. Prior to that, he was a partner with the law firm of Lord, Bissell and Brook, (now Locke Lord LLP). His legal career involved all aspects of insurance, corporate governance and financial-related matters. Mr. LeRoy has a long and significant legal experience and extensive knowledge of the Company and its risk factors.
Peter B. McNitt	67	Director since 2019. He is the retired Vice Chair of BMO Harris Bank; a position he held since 2006. Prior to that, he led BMO Harris' U.S. Corporate Banking as Executive Vice President and U.S. Investment Banking as Executive Managing Director. Mr. McNitt also serves as a director of Hub Group, Inc. (NASDAQ: HUB), a provider of intermodal highway and logistics services. He has long-term experience and deep knowledge gained during his more than 40 year-long career. His wide range of responsibilities focused on the delivery of the full breadth of wealth, and commercial and investment banking services to customers. His extensive experience harmonizes well with the Company's business needs and governance objectives.
Steven R. Walker	76	Director since 2006. Lead Independent Director since July 1, 2021 and Chair of the Governance and Nominating Committee. Formerly Senior Counsel and Partner with Leland, Parachini, Steinberg, Matzger & Melnick, LLP, attorneys, San Francisco, California. He has significant experience as both an attorney and a business manager during a long career largely focused on the title insurance industry. His extensive experience harmonizes well with the Company's business needs and governance objectives.

BOARD OF DIRECTORS' RECOMMENDATION

The Board of Directors recommends a vote FOR the Class 2 directors listed above. Proxies solicited by the Board of Directors will be voted in favor of the election of these nominees unless shareholders specify to the contrary. The results of this vote shall be disclosed in a filing made with the SEC shortly after the Annual Meeting of the Shareholders and will be available for review on the Company's website, www.oldrepublic.com.

CORPORATE GOVERNANCE:
BINDING ORGANIZATION, PURPOSE, AND LONG-TERM STRATEGY

Old Republic is a for-profit **Organization** that is a shareholder-owned insurance holding company chartered under the General Corporation Law of the State of Delaware. As a holding company, it has no operations of its own; rather its primary assets are the stock and debt instruments issued by its many subsidiaries. Nearly all of its consolidated business is conducted through 30 insurance underwriting subsidiaries that are chartered in 11 states and in three foreign jurisdictions. The Company also owns the equity and debt securities of over 100 other subsidiaries. Many of these subsidiaries produce revenue and provide risk management, claims management and other services for the Company's insurance underwriting subsidiaries and outside parties.

This organizational structure ensures that Old Republic remains firmly established as a legal person with an indefinite life. Shareholders are not the direct owners of its assets or properties. Their rights are limited by Delaware law, which provides that shareholders delegate to the board of directors the responsibility for controlling, directing, and using those assets and properties based on the directors' business judgment. Old Republic's shareholders can be confident that the board of directors' successful, long-standing governance practices are guided by its experienced business judgment and the Company's charter and by-laws.

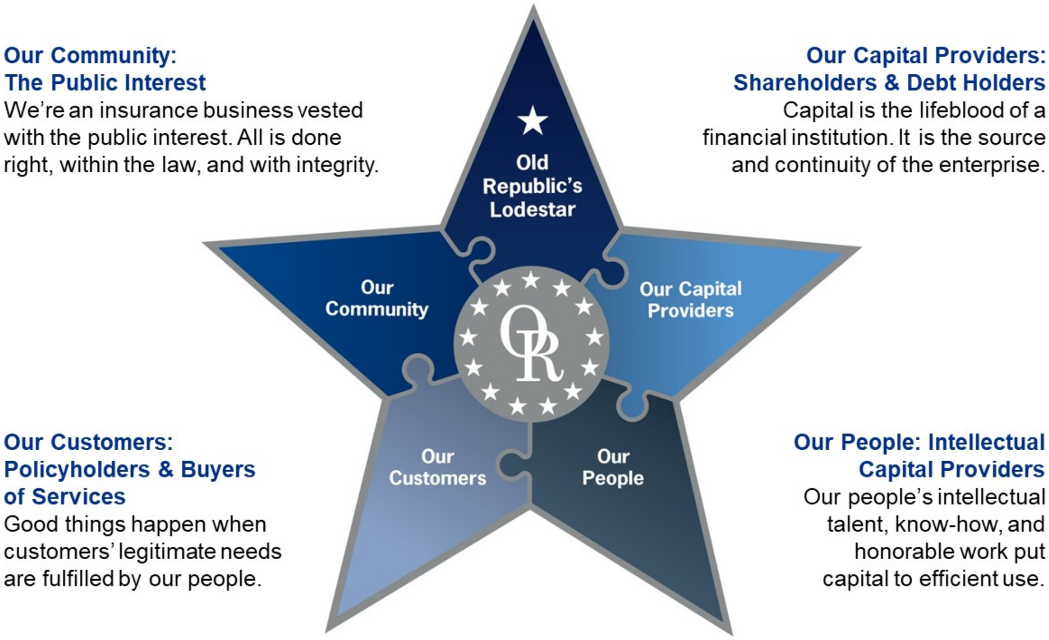
Our insurance subsidiaries are vested with a public trust. Accepting premium and insurance-related fees from policyholders and other buyers of related services forms the basis of this trust. This makes policyholders important stakeholders. They depend on the subsidiaries' ability to meet their obligations of financial indemnity over long periods of time. In observance of these relationships, state insurance laws impose requirements on insurance companies to protect the legitimate interests of policyholders, as well as the community at large. As a result, Old Republic is by necessity governed for the long run envisaged by the long-term promises of financial indemnity and the public trust imbued in its insurance subsidiaries. Together with the principles and practices contained in the charter and by-laws, our governance is intended to ensure the following:

- Operation of the business within the law, with integrity, and in a socially responsible manner,
- Maintenance of the business's competitive position to enable the continued growth of economic value in the interests of all stakeholders.

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

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

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



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.

We pursue our Mission and Purpose using the long-standing principles and practices of: 1) our governance, 2) our service culture, 3) our value system, 4) the institutional memory that connects successive generations of managers, and 5) appreciation of our people and the intellectual capital they bring to managing our wide-ranging business. In operating a business within America's free enterprise system, we are focused on achieving two interrelated outcomes:

A. Create long-term value for all stakeholders, including shareholders, policyholders, our people, and the American community at large. We believe that this desired outcome is best achieved by:

  - Enhancing the Company's competitive position, which increases its economic value to all stakeholders in a socially responsible manner.
  - Steadily building the Company's business competitiveness and earnings prospects. This adds to our financial and intellectual capital, while at the same time:
    - Providing a financial cushion to support insurance obligations in case they prove greater than anticipated.

  - – Enhancing the Company's ability to handle its insurance risk-bearing and related functions to meet society's increasing demands for protecting the property and other assets of a growing economy.

We use all of these means to achieve our Purpose and help meet the community's long-term expectations of economic growth, sustainable employment, and an increasing tax base to accomplish social goals.

B. Create long-term value for long-term shareholders*,* whose interests are aligned with our Mission as they provide and support the paid-in capital and retained earnings in the business. We measure this value over consecutive 10-year annual periods by assessing:

- Total returns of Old Republic's common stock performance in the market place. This is calculated as the sum of the annual change in market value per share, assuming cash dividends are reinvested in shares when paid.
- Total returns of Old Republic's common stock book value. This is calculated as the sum of the annual change in book value per share, plus cash dividends.
- Total return on shareholders' equity. This is calculated by dividing net operating income (excluding both realized and unrealized investment gains or losses) by shareholders' equity (which also excludes those factors).

In assessing the above, we seek to achieve consecutive 10-year annual compound total returns per share that exceed comparable returns of the Standard & Poor's (S&P) 500 Index and the S&P P&C Insurance Index.

Our **Long-Term Strategy** is aligned with our Mission and governing principles. The linchpin of this strategy is the conservative, long-term management of Old Republic's balance sheet. In this approach, periodic income statements are the linked outcomes from two succeeding balance sheet dates. The maintenance of a strong financial position supports the insurance subsidiaries' risk-taking and obligations to policyholders, and underlies our stewardship for all stakeholders. We accomplish this through enterprise risk management and with insurance underwriting discipline. This discipline rests on key operating tenets of our business:

- Employing disciplined risk selection, evaluation, and pricing practices to reduce the possibility of adverse risk selection and to mitigate the uncertainty of insurance underwriting outcomes;
- Focusing on diversification and spreading of insured risks by geography and among industries that are core to the North American economy, while staying in areas in which we have demonstrated competency and proficiency;
- Emphasizing a balanced mix of insurance coverages for all the industries we serve and balancing the demands on our risk-bearing capital;
- Reducing and mitigating insured exposures through underwriting risk-sharing arrangements with policyholders to:
  - – Encourage a partnership approach to the cost and management of risk
  - – Bring greater efficiencies to capital management.

Achieving positive underwriting results is complemented by investment income, which we derive from investments of underwriting cash flows, shareholders' capital, and funds provided by debt holders. Through the years, the combination of underwriting and investment income has led to: 1) increased earnings over cycles, 2) the maintenance of balance sheet strength, and 3) increasing cash dividends to shareholders. This strategy is evaluated each year by the Board of Directors when it reviews and approves management's annual operating and capital allocation budgets. The evaluation includes, among other things, these major considerations:

- The diversification of the business by types of insurance coverages and product distribution;
- The business's performance over multi-year insurance cycles. Reviews of 10-year trends are favored, as these likely encompass one or two economic and/or insurance underwriting cycles. This allows sufficient time for these cycles to run their course, for premium rate changes and subsequent underwriting results to appear in financial statements, and for reserved claim costs to be quantified with greater accuracy ;
- The allocation of capital to Old Republic's key insurance underwriting subsidiaries, based on their risk-taking appetites and abilities, and their reserves to pay claims.

Old Republic's capital management strategy is underpinned by:

- Retaining favorable independent financial ratings for the Company's insurance underwriting subsidiaries;
- Increasing cash dividend payments over time based on the Company's earnings power and trends. These payments benefit shareholders either directly or as beneficiaries of assets held by institutions or investment managers.

Old Republic's dedication to steadily rising cash dividends rests on our belief that its long-term shareholders can benefit from the total return on their investment, whether measured by:

- The combination of the annual cash dividends and the annual change in year-end market value per share, or
- The combination of the annual cash dividends and the annual change in the Company's book value per share.

Old Republic's consistent cash dividend policy has produced these results:

- Dividend payments have been made without interruption since 1942 (in 81 of the Company's 98 years);
- The annual cash dividend rate has been raised in each of the past 41 years.

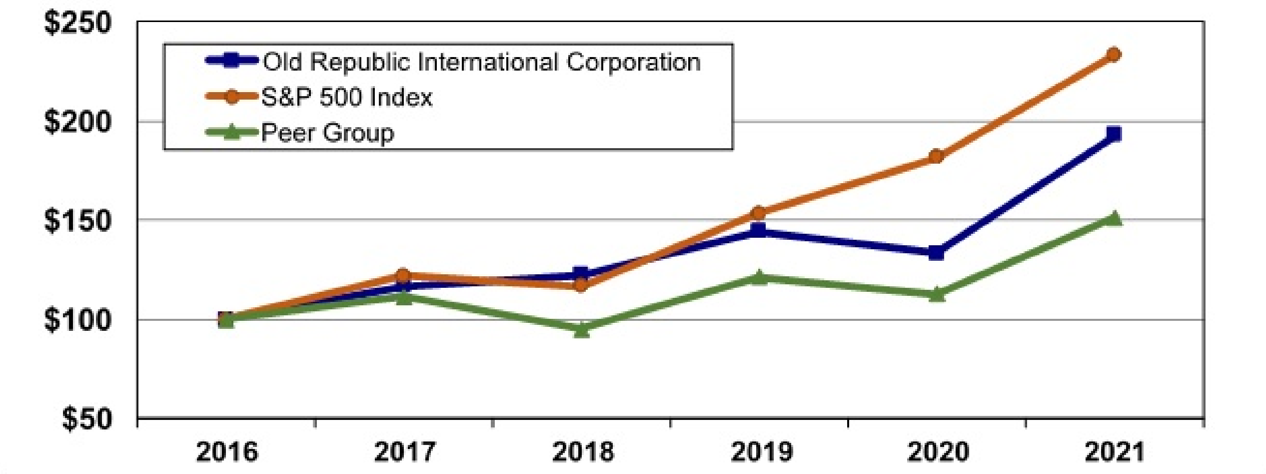
The binding of **Organization, Purpose, and Long-Term Strategy** is buttressed by Old Republic's by-laws and charter provisions from which its long-established policies of corporate governance emanate. The structure and policies of this governance have emphasized the stability, continuity, and sustainability of the enterprise for achieving long-term value for all stakeholders and are discussed in the following two sections:

- **Leadership Structure and Risk Management**, and
- **Board of Directors' Responsibilities and Independence**.

The following table shows the total return to shareholders, assuming reinvested cash dividends, of Old Republic's common stock in comparison with the selected benchmark and a peer group of companies.

Five Year Peer Group Comparisons of Total Returns

		Indexed Returns Years Ending				
Company Name / Index	Base Period Dec 16	Dec 17	Dec 18	Dec 19	Dec 20	Dec 21
Old Republic International	$100.00	$116.87	$122.54	$144.29	$133.26	$193.12
S&P 500 Index	$100.00	$121.83	$116.49	$153.17	$181.35	$233.41
Peer Group	$100.00	$111.59	$95.11	$121.58	$112.69	$151.61



The Peer Group has been approved by the Compensation Committee of Old Republic's Board of Directors. The Peer Group consists of American Financial Group, Inc.; American International Group, Inc.; W.R. Berkley Corporation; Chubb Limited; Cincinnati Financial Corporation; CNA Financial Corporation; Fidelity National Financial, Inc.; First American Financial Corporation; The Hartford Financial Services Group, Inc.; Stewart Information Services Corporation; and The Travelers Companies, Inc.

LEADERSHIP STRUCTURE AND RISK MANAGEMENT

The Company’s leadership structure and its risk management processes are overseen and monitored by the Board of Directors. Old Republic’s Board holds management accountable for protecting and enhancing the value of the Company and its businesses and holds its CEO responsible for setting the proper tone in shaping and nurturing the Company’s culture and values for the benefit of shareholders and all other stakeholders. These other stakeholders include: the policyholders to whom long-term promises of financial indemnity and stability are made by the Company’s insurance subsidiaries, the employees who provide the intellectual capital and business relationships necessary for the conduct and success of the Company, the debt holders who extend a portion of the capital at risk, and the regulators who protect the public interest vested in the Company’s insurance businesses. To meet these responsibilities and objectives, the Board expects the CEO to be a knowledgeable and well-rounded leader who, as chief enterprise risk manager, is dedicated to Old Republic’s overall Mission and is best qualified to address and balance the interests of all stakeholders.

The Board believes that the Company's decades-long practice of joining the Chairman and CEO positions has been best suited to ensure the long-term value, financial stability, and growth of the Company and its insurance underwriting subsidiaries in the interest of its Purpose, Mission, and its stakeholders. During transition periods affecting the Chairman's and/or CEO's roles, the Board has discretion to separate the Chairman and CEO positions, and assign them to two individuals with extensive and complementary operating knowledge of the Company and its insurance underwriting subsidiaries. In 2019, the Board named Craig Smiddy CEO. In 2021, Spencer LeRoy III, an independent director, was named Chairman and Mr. Smiddy became Chair of the Executive Committee.

The Company also has a Lead Independent Director. The Lead Independent Director is appointed from among the independent directors and serves as that group’s liaison to the Chairman and CEO. In this capacity, the Lead Independent Director may preside at Board meetings in the Chairman’s absence, provide input to meeting agendas of the: 1) full Board, 2) independent directors, and 3) Board committees, and act as liaison among various committee chairs in the resolution of inter-committee governance issues that may arise on occasion.

Old Republic’s business is managed through a relatively flat, non-bureaucratic organizational structure. The CEO is primarily responsible for managing enterprise-wide risks. The CEO and the Company use long-established control processes and a variety of long-established methods to coordinate system-wide risk taking and risk management. These processes and methods are based on the following major functions: lines of business responsibility, enterprise functions, and internal audit and peer reviews.

The managers of the lines of business operations are responsible for identifying, monitoring, quantifying, and mitigating insurance underwriting risks falling within their areas of responsibility. These managers use reports covering annual, quarterly or monthly time frames to identify the status and content of risk, including pricing or underwriting changes. These management reports ensure the continuity and timeliness of appropriate risk management monitoring and enterprise-wide oversight of existing or emerging issues.

The enterprise functions incorporate system-wide risk management, including asset/liability matching that aligns underwriting exposure, regulatory and public interest compliance, finance, actuarial, and legal functions. These functions are independent of lines of business operations and are coordinated on an enterprise-wide basis by the CEO and other executive officers.

The internal audit processes provide independent assessments of management’s performance and internal control systems. Internal audit activities are intended to give reasonable assurance that resources are adequately protected and that significant financial, managerial and operating information is materially complete, accurate and reliable. This process is also intended to ensure that employees’ actions are in compliance with corporate policies, standards, procedures, internal control guidelines, and applicable laws and regulations.

The corporate culture, the actions of our employees, and continuity of employment are critical to the Company’s risk management processes. Old Republic’s Code of Business Conduct and Ethics provides a framework for all employees to conduct themselves with integrity in the delivery of the Company’s services to its customers and in connection with all Company relationships and activities.

BOARD OF DIRECTORS' RESPONSIBILITIES AND INDEPENDENCE

Old Republic believes that good corporate governance begins with a Board of Directors that appreciates the Company's special place as a holding company for state-regulated insurance underwriting companies that are vested with a public trust. In line with the governance features set forth in the Company's Corporate Governance Guidelines (see Governance section at www.oldrepublic.com), Old Republic seeks to attract and has retained for many years Board members who possess certain critical personal characteristics, most importantly: (i) intelligence, honesty, good judgment, high ethics, and standards of integrity, fairness and responsibility, (ii) respect within the social, business and professional community for their principles and insights; (iii) demonstrated analytic ability; and (iv) ability and initiative to frame insightful questions, to challenge questionable assumptions collegially, and to disagree in a constructive fashion in such circumstances as may arise in the course of the Company's activities.

The Board of Directors' main responsibility is to oversee the Company's operations, directly and through several committees operating in a coordinated and collegial manner. In exercising this responsibility, each director is expected to utilize his or her business judgment in the best interests of the Company, its shareholders and all other stakeholders. The Board's oversight duties include:

- Ascertain that strategies and policies are in place to encourage the growth of consolidated earnings and shareholders' equity over the long term;
- Ascertain that the Company's business is managed in a sound and conservative manner that takes into account the public interest vested in its insurance subsidiaries;
- Provide advice and counsel to management on business opportunities and strategies;
- Review and approve major corporate transactions;
- Monitor the adequacy of the Company's internal control and financial reporting systems and practices to safeguard assets and to comply with applicable laws and regulations;
- Ascertain that appropriate policies and practices are in place for managing the risks faced by the enterprise;
- Evaluate periodically the performance of the CEO in the context of the Company's Mission and performance;
- Review and approve senior management's base and incentive compensation taking into account the business's performance gauged by its intermediate and long-term returns on equity, growth of operating earnings, and financial soundness;
- Periodically review senior management development and succession plans at corporate and operating subsidiary levels;
- Select and recommend for shareholder election candidates deemed qualified for Board service;
- Select and retain an independent registered public accounting firm for the purpose of expressing its opinion on the annual financial statements and internal controls over financial reporting of the Company and its subsidiaries;
- Act as the Board of Directors of the Company's significant regulated insurance company subsidiaries; and
- Monitor, review and approve the operations and major policy decisions of the Company's insurance subsidiaries.

In considering *the qualifications and independence of Board members and candidates*, the Governance and Nominating Committee and full Board seek to identify individuals who, at a minimum:

- Satisfy the requirements for director independence, as set out in the Company's Corporate Governance Guidelines, in the Listed Company Standards of the NYSE, and in the regulations of the SEC;
- Are, or have been, senior executives of businesses or professional organizations; and
- Have significant business, financial, accounting and/or legal backgrounds that lend themselves to the unique nature of the Company's insurance underwriting operations so as to address market, customer, and societal needs.

In attracting and retaining members of the Board of Directors, the Company adheres faithfully to a non-discrimination policy. While the Company does not have a formal policy governing diversity among directors or candidates, the Board believes that diverse backgrounds are valuable attributes to service on our Board. In addition to the professional and personal qualifications already noted, consideration is given to matters of inclusion in the nomination process. The Board's current composition includes three female directors, two African Americans, and one Japanese American.

Old Republic places great value on members’ long-term, successful experience in businesses and professions that can add to its Mission and long-term strategy. In this regard, long board tenure is favored as it enables a knowledge-based, long-term perspective on the Company’s business, and provides greater assurance of stability, continuity, and sustainability of the enterprise and its Mission. To these ends, Old Republic’s and its significant regulated insurance company subsidiaries’ Boards of Directors have been classified into three classes for many decades. This staggered board organization recognizes policyholders’ dependence on stability and reliability to meet obligations of financial indemnity over long periods of time.

The long-term orientation to board service notwithstanding, an individual will not be slated for election to the Board following his or her 75th birthday, unless such individual is subject to a review by the Governance and Nominating Committee. This review will consider an individual's willingness to serve and his or her ability to make an ongoing contribution to the Company's governance and operations. Pursuant to this policy, the Board, at its meeting to slate directors for 2022, evaluated the qualifications and long-term and continuing contributions of Mr. Dixon as a director. The Board, with Mr. Dixon abstaining, unanimously recommended waiving the policy’s application and he was slated as an incumbent director for re-election.

With the reduction in the size of the Board following the Shareholder meeting, twelve of the Company’s directors will have been affirmatively determined to qualify as “independent” directors in accordance with Section 303A.02 of the Listed Company Standards of the NYSE, Rule 10C-1 and item 407 (a) of Regulation S-K of the SEC. Neither they nor any members of their immediate families have had any of the types of disqualifying relationships with the Company or any of its subsidiaries in the last three years, as set forth in subsection (b) of Section 303A.02 of the NYSE’s Listed Company Standards. The entire Board and each of its standing Committees conduct an annual self-evaluation that includes a determination of each member’s independence. The independent directors, who are listed below, selected a Lead Independent Director from among themselves. During 2021, the independent directors met in executive session without management present. The Lead Independent Director is nominated by the Governance and Nominating Committee and is elected annually by the independent directors. Arnold L. Steiner was Lead Independent Director in 2021 until June 30th. Effective July 1st, Mr. Walker assumed that position and Mr. LeRoy was named Deputy Lead Independent Director. When Mr. LeRoy was named Chairman of the Board on October 27th, he resigned as Deputy Independent Director, as Vice Chair of the Governance and Nominating Committee and as a member of the Audit Committee.

Directors receive a broad array of public and internal proprietary information upon becoming members of the Board. This enables them to become familiar with the Company’s business, strategic plans, significant financial, accounting and management matters, compliance programs, conflict of interest policies, Code of Business Conduct and Ethics (see Code of Business Conduct and Ethics in the Governance section at www.oldrepublic.com), Corporate Governance Guidelines (see Governance section at www.oldrepublic.com), principal officers, and the independent registered public accounting firm. Further, the Company supports directors taking advantage of, and attending, director education programs whenever convenient and appropriate. Even with such assistance and in part as the result of the specialized nature of the Company’s businesses and the regulatory framework in which it operates, it is the Company’s view that some time is typically required for a new director to develop knowledge of the Company’s business. Reflecting this necessary personal development, each director is expected to serve two or more three-year terms on the Company’s classified Board, on several of its significant regulated insurance company subsidiaries’ boards, and on one or more Board Committees. Owing to the risk-taking nature of much of the Company’s business, a demonstrated long-term orientation in a Board member’s business dealings and thought processes is considered very important.

RECENT DEVELOPMENTS IN CORPORATE GOVERNANCE

The Board is committed to corporate governance principles and practices with a long-term orientation. The Board periodically reviews these principles and practices to ensure they are properly aligned with the interests of all stakeholders.

In 2020, after discussions with several institutional shareholders, the Board amended the Company's by-laws to adopt a proxy access provision. The decision to adopt proxy access reflects the Board's continual assessment of the governance attributes that best serve the long-term interests of all the Company's stakeholders and was made after engagement with institutional shareholders. In addition, the Company's engagement with shareholders in 2020 resulted in the publication of the Company's Sustainability Report, which can be accessed on the Old Republic website at www.oldrepublic.com. The Company believes that this process resulted in responsive disclosures for investors and other stakeholders and appreciates the role played by shareholders in reaching this result.

On November 19, 2021, the Board amended the Company's by-laws implementing an advance notice provision for stockholder business and nominations (commonly called an "Advance Notice by-law"). This amendment requires notice of stockholder-proposed business and/or director nominations at an annual meeting or special meetings, including the completion of the customary written questionnaire required of all director nominees. Further, the amendment requires that certain information be provided to the Company concerning contracts, voting commitments, understandings or relationships between the stockholders and any other person. In addition, the by-law requires the disclosure of any performance-related fees that would be received by the stockholder based on any increase or decrease in the value of Company's securities because of the proposed action. The Amendment, however, does not change the existing provisions of the by-laws permitting stockholders who meet certain specified criteria to nominate directors using the Company's proxy statement, nor does it affect the right of stockholders to submit proposals pursuant to Rule 14a-8 under the SEC proxy rules. A complete copy of the Amendment is attached as an exhibit to the Company's 8-K filed November 19, 2021. Also, the Company's by-laws, including this amendment, may be viewed on the Company's website, www.oldrepublic.com.

Old Republic's governance principles and practices emphasize stability, continuity, and sustainability of the enterprise as primary objectives for achieving the greatest long-term value for all stakeholders. To safeguard these objectives, the Company has had a shareholders' rights plan in place for more than three decades. The plan, which was again renewed in 2017 for a ten-year term, is intended to deter a possible opportunistic hostile tender offer or other abusive takeover transaction that may favor one group of shareholders over another or that, in the good faith business judgment of the Board, is inadequate and not in the best long-term interests of Old Republic and all of its shareholders and other stakeholders. The plan imposes substantial dilution upon any shareholder who acquires in excess of 20% of Old Republic shares without prior Board approval.

As part of its governance duties, the Board reviews the Annual Meeting of the Shareholders vote concerning directors as well as other matters on the agenda. It has historically considered votes withheld from the election of a director as the equivalent to a vote against the director. In the event that any director receives a significant withhold vote in an election, the Governance and Nominating Committee is committed to investigating the reason or reasons for such a withhold vote. Following its investigation, the Committee can make such recommendations to the full Board as are appropriate in light of the circumstances. Such actions may include a request that the director resign, but it is possible that no action may be recommended.

The Board reviewed the 2021 Annual Meeting of the Shareholders vote and noted all four of the nominees received the affirmative vote of a majority of the votes cast for their re-election. This result represented a continued improvement in shareholder support compared with recent prior shareholder votes. In reviewing these results, the Board has concluded that the increase of shareholder support was likely due to the adoption of a proxy access by-law provision in 2020, publication of a Sustainability Report, Board refreshment, and other shareholder engagement efforts during the last two years.

PROCEDURES FOR THE APPROVAL OF RELATED PERSON TRANSACTIONS

In addition to a Code of Business Conduct and Ethics and a Code of Ethics for the Principal Executive Officer (CEO) and Senior Financial Officer (CFO), Old Republic also has a *Conflict of Interest Policy,* which is circulated annually and acknowledged by all directors, officers and key employees of the Company and its subsidiaries. This policy states that no director, officer, or employee of the Company or its subsidiaries may acquire or retain any interest that conflicts with the interest of the Company. This includes direct or indirect interests in entities or individuals doing business with the Company or its subsidiaries. If such a conflict occurs, employees are required to give a prior written disclosure of the conflict to the Company for evaluation. Such transactions or relationships shall be reviewed by a subcommittee of the Executive Committee composed of independent members: one from the Executive Committee, who serves as the Chair, and the chairs of the Audit, Compensation, and Governance and Nominating Committees. The current members of this subcommittee are Mr. LeRoy, as Chair, and Ms. Taubitz, Mr. Dixon and Mr. Walker.

Directors, officers, and affected employees are required to provide reasonable prior notice to the Company of any *related party transaction*, as defined by the Listed Company Standards of the NYSE and SEC rules. Under the procedures established by the subcommittee, a reasonable prior review of such related party transaction must be conducted to determine the appropriate action, if any, to take. If, based upon such prior reviews, the subcommittee concludes that such related party transaction is inconsistent with the interests of the Company and its shareholders, it shall prohibit it. Any director who is the subject of an existing or potential related party transaction will not participate in the decision-making process relating to such transaction. During 2021, the subcommittee reviewed two proposed related party transactions described elsewhere in this proxy statement: the retention of Mr. Bischof as a consultant following the end of his term as director on May 27, 2021, and the retention of Mr. Mueller as a consultant following his retirement on June 30, 2021. The subcommittee determined that these transactions were not inconsistent with the interests of the Company and its shareholders.

DELINQUENT SECTION 16(a) REPORTS

The Company believes that all reports required by Section 16(a) were properly filed during the year ended December 31, 2021, except that Glenn W. Reed, a director of the Company, filed a late Form 4 reporting the sale of 212 shares of the Company’s stock on August 30, 2021, that was made by a broker in a discretionary account without timely notice to Mr. Reed.

THE BOARD AND ITS COMMITTEES

The Board of Directors met virtually four times, once each quarter, and participated in one interim virtual meeting in 2021. Each incumbent director attended at least 75% of the aggregate of the meetings of the Board and committees on which each served. The Company does not require its Board of Directors to attend the Annual Meeting of the Shareholders, as such meeting is conducted by the Chairman and the CEO, who are designated to represent the entire Board of Directors for the meeting.

Membership on the Company's Audit, Compensation, and Governance and Nominating Committees consists exclusively of independent directors. The members, chairs and vice-chairs of these Committees are recommended each year to the Board by the Governance and Nominating Committee in consultation with the Executive Committee. Each of these Committees has the authority and funding to retain independent advisors or counsel as necessary and appropriate in the fulfillment of its duties. Each chair sets the agenda of their respective Committee's meetings, consulting as necessary and appropriate with the Chairman of the Board. All directors have full and free access to the Company's senior management during scheduled meetings of the Board and its Committees.

The following table shows the membership of the Board of Directors and its Committees as of the date of this proxy statement. The total number of meetings include both virtual and telephonic meetings.

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BOARD AND COMMITTEE MEMBERSHIP

			Committees			
Director	Independent Directors(a)	Other Directors(b)	Audit	Compensation	Executive	Governance and Nominating
Barbara A. Adachi	●		●			●
Steven J. Bateman	●		●(c)(e)	●		
Lisa J. Caldwell	●			●		●
Jimmy A. Dew	●			●		●
John M. Dixon	●			●(d)	●	●
Michael D. Kennedy	●		●			●
Charles J. Kovaleski	●		●			●
Spencer LeRoy III	●				●	
Peter B. McNitt	●		●(c)	●(e)		
Glenn W. Reed	●		●	●		
Craig R. Smiddy		●			●(d)	
Arnold L. Steiner	●			●	●	●
Fredricka Taubitz	●		●(c)(d)	●	●	
Steven R. Walker	●(d)(f)		●		●	●(d)
Number of meetings	5		7	5	5	6

(a) Independent Director as that term is defined in SEC regulation and the Listed Company Standards of the NYSE.
(b) The Other Director classification includes all directors who are members of management, or do not currently meet the standard indicated in (a) above.
(c) Financial Experts as that term is defined by SEC regulation.
(d) Chair
(e) Vice Chair
(f) Lead Independent Director

Audit Committee

Members:
Barbara A. Adachi
Steven J. Bateman, Vice Chair
Michael D. Kennedy
Charles J. Kovaleski
Peter B. McNitt
Glenn W. Reed
Fredricka Taubitz, Chair
Steven R. Walker

The **Audit Committee** operates pursuant to a written charter approved by the Board of Directors, performs an annual self-evaluation, and like all Board committees reports through its chair in making recommendations to the full Board. While information appearing on the Company's website is not incorporated by reference in this proxy statement, the Committee's charter may be viewed at www.oldrepublic.com. Printed copies are available to shareholders upon request.

The Audit Committee is organized to assist the Board in monitoring: (1) the integrity of the Company's financial statements and the effectiveness of the Company's internal controls over financial reporting, (2) the Company's compliance with legal and regulatory requirements, (3) the qualifications, performance, and independence of the registered public accounting firm, and (4) the qualifications and performance of the Company's internal audit function. Further, it is charged with preparing the annual report required by SEC rules to be included in the Company's proxy statement (which is printed below), and serving as the audit committee of each of the Company's regulated insurance subsidiaries to the extent required by the National Association of Insurance Commissioners' Model Audit Rule.

The Audit Committee held seven meetings during 2021 with the Company's independent registered public accounting firm and management, four of which were held prior to the Company's filing of quarterly reports on SEC Form 10-Q and its annual report on SEC Form 10-K.

Old Republic has dedicated significant resources across the enterprise to monitor and address its cyber and information security risks. A working group established across all operating subsidiaries meets regularly and reports to members of senior management. On a quarterly basis, management updates the Audit Committee on current issues. Third party consultants are retained by the Company, and their expertise is available to all subsidiaries.

Each Audit Committee member has been affirmatively determined by the Board of Directors to qualify as "independent" in accordance with SEC Rule 10A-3(b)(1) and the NYSE's Listed Company Standards. Three members of the Committee are deemed to qualify as audit committee financial experts as that term is defined in SEC Regulation S-K. No member served on the audit committees of more than two other publicly held companies.

Compensation Committee

Members:
Steven J. Bateman
Lisa J. Caldwell
Jimmy A. Dew
John M. Dixon, Chair
Peter B. McNitt, Vice Chair
Glenn W. Reed
Arnold L. Steiner
Fredricka Taubitz

The **Compensation Committee** operates pursuant to a written charter approved by the Board of Directors, performs an annual self-evaluation and, like all Board committees, reports through its chair in making recommendations to the full Board. While information appearing on the Company's website is not incorporated by reference in this proxy statement, the Committee's charter may be viewed at www.oldrepublic.com. Printed copies are available to shareholders upon request.

The Compensation Committee is responsible for: (1) evaluating the CEO's performance and setting compensation ("compensation" meaning annual salary, annual performance recognition awards, and equity-based awards), (2) reviewing and approving, with input from the CEO, the evaluation and compensation of other executive officers and certain senior managers of the Company and its subsidiaries, (3) reviewing and advising on general levels of compensation of other employees, (4) reviewing the Company's Key Employee Performance Recognition Plans ("KEPRPs") and Incentive Compensation Plan, (5) preparing the annual report (which is printed below) required by SEC rules to be included in the Company's proxy statement, (6) retaining compensation consultants, independent legal counsel or other advisers, and (7) taking such other actions as may be necessary to perform its functions. The Committee is also responsible for reviewing directors' compensation.

Each Compensation Committee member has been affirmatively determined by the Board of Directors to qualify as "independent" in accordance with SEC rules and the NYSE's Listed Company Standards. The independence and possible conflicts of interest of consultants, counsels or advisors retained by the committee (as required by the NYSE's Listed Company Standards and SEC Rule 10C-1) are taken into consideration when they are selected. Inquiries into any possible conflicts of interest are made when such persons are retained and annually thereafter, if their services are continued.

In 2021, the committee retained Fredrick W. Cook & Co., Inc. to review the Company's compensation programs and procedures applicable to the Company's executive officers and directors. The consultant was asked to provide a comparison of the compensation programs of companies similar in size, operation and organization to the Company, including a review of a peer group of companies determined by the Committee to be appropriate for comparison. The consultant has not performed any other work for the Company or any of its subsidiaries and has played no role in recommending the amount and form of compensation for the executive officers or directors of the Company. The consultant is considered independent according to SEC Rule 10C-1 and the requirements of the Dodd-Frank Act. All Compensation recommendations are made solely by the Compensation Committee following consultation with the CEO regarding the Company's executive officers (other than the CEO) and certain other senior managers of the Company and its subsidiaries.

The Compensation Committee, at the direction of the Board, has reviewed the Company's compensation policies and practices and has concluded that they do not encourage ORI's executive officers or any other employees to take unnecessary or excessive risks to attain short-term results, or that could adversely affect management of the Company for the long run.

Executive Committee

Members:
John M. Dixon
Spencer LeRoy III
Craig R. Smiddy, Chair
Arnold L. Steiner
Fredricka Taubitz
Steven R. Walker

The Executive Committee operates pursuant to a written charter approved by the Board of Directors and, like all Board committees, reports through its chair in making recommendations to the full Board. While not incorporated by reference in this proxy statement, the Committee's charter may be viewed at www.oldrepublic.com. Printed copies are available to shareholders upon request.

Pursuant to its charter, the Executive Committee (1) acts as the Company's finance committee and reviews, approves, and recommends for approval by the full board the Company's investment policies, (2) reviews, approves, and recommends for approval by the full board the Company's dividend and capitalization policies, (3) monitors the Company's enterprise risk management, (4) analyzes and approves and recommends for approval by the full Board potential acquisitions or divestitures by the Company or its subsidiaries, (5) annually reviews and evaluates management development and executive succession plans, (6) serves as the Plan Administration Committee for the Company's pension, BSP and ESSOP, (7) makes any necessary and appropriate recommendations to the Governance and Nominating Committee regarding Board and Committee membership, and (8) has established a subcommittee of independent directors to review and act upon any related party transaction as defined the Listed Company Standards of the NYSE and SEC rules.

Governance and Nominating Committee

Members:
Barbara A. Adachi
Lisa J. Caldwell
Jimmy A. Dew
John M. Dixon
Michael D. Kennedy
Charles J. Kovaleski
Arnold L. Steiner
Steven R. Walker, Chair

The **Governance and Nominating Committee** is organized to oversee the Company's policies relative to the size, composition and qualifications of the Board of Directors. The Committee operates pursuant to a written charter approved by the Board of Directors, performs an annual self-evaluation, and, like all Board committees, reports through its chair in making recommendations to the full Board. While not incorporated by reference in this proxy statement, the Committee's charter may be viewed at www.oldrepublic.com. Printed copies are available to shareholders upon request.

The Governance and Nominating Committee is authorized to: (1) establish procedures and qualification criteria to identify and recommend qualified candidates for election to the Board, taking into consideration any recommendations from the Executive Committee, (2) review annually the qualifications and requirements of the member directors, the structure and performance of Board Committees and, jointly with the Compensation Committee, the compensation for Board members, (3) develop, recommend and annually reassess the Corporate Governance Guidelines applicable to the Company, (4) periodically review, in conjunction with the full Board, the Company's succession plans with respect to the CEO and other senior officers, (5) maintain and recommend changes to the Board-approved Code of Business Conduct and Ethics and the Code of Ethics for the Principal Executive Officer and Senior Financial Officer, and (6) serve in an advisory capacity to the Board and its Chairman on matters of the organizational and governance structure of the Company.

The Board of Directors, following this year's Shareholder meeting, will be composed of thirteen persons, of whom twelve are classified as independent. While total membership may vary from time to time, it is the Company's longer-term objective to have a Board consisting of nine to eleven members with at least 80% qualifying as independent. In conjunction with the responsibilities listed as items (1) and (2) immediately above, the Committee evaluates and proposes new and continuing candidates both for the Board and for Committee memberships. In these regards, the Committee takes into account the factors set forth in the three paragraphs that address "the qualifications and independence of Board members and candidates…" as set out above in this Proxy Statement.

The Committee may consider director candidates nominated by shareholders. Any name presented for consideration must be submitted to the Committee's chair with a copy to the Secretary no later than 90 days, and if the shareholder wishes its nominee to be included in the Company's proxy statement or on its form of proxy, at least 120 days (but no more than 150 days), before the anniversary date of the Company's last proxy statement. The nomination should be accompanied by a comprehensive description of the person's qualifications plus additional sources of relevant information that will assist the Committee in its review of the person's background and qualifications before making a determination of the candidate's fitness to serve. Such material must conform to the requirements contained in the Company's "Advance Notice by-law". The requirements of that by-law can be reviewed on the Company's website, www.oldrepublic.com. All candidates nominated by shareholders will be evaluated with the same minimum criteria discussed in this proxy statement. A candidate who does not display such criteria will not be recommended by the Committee for membership on the Board. Given the long-term, regulated nature of the Company's business, nominees will not be considered if they are regarded simply as representatives of a particular shareholder or group of shareholders with a short-term agenda and not oriented toward the demands of a regulated insurance business vested with the public interest.

Each Governance and Nominating Committee member has been affirmatively determined by the Board of Directors to qualify as "independent" in accordance with SEC rules and the NYSE's Listed Company Standards.

SHAREHOLDER COMMUNICATIONS WITH THE BOARD

Shareholders of the Company and other interested parties may communicate with the Chairman, Lead Independent Director, the independent directors, the Board of Directors as a whole, or with any individual director. Such communications must be in writing and sent to Old Republic International Corporation, c/o Secretary, 307 N. Michigan Ave, Chicago, IL 60601. The Secretary will promptly forward such communications to the intended recipient.

ITEM 2

RATIFICATION OF THE SELECTION OF AN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

In accordance with its charter, the Audit Committee has selected the firm of KPMG LLP ("KPMG"), an independent registered public accounting firm, to be the Company's independent registered public accounting firm for the year 2022. The selection has been approved by the Board of Directors and remains subject to a review of KPMG's proposed fee and scope of the audit. In the ordinary course of corporate governance, the Board of Directors is asking and recommending that the shareholders ratify this selection subject to the Committee's acceptance of KPMG's proposed fee and audit scope. The Company is not required to take any action as a result of the outcome of the vote on this proposal. However, in the event the shareholders fail to ratify this selection, the Board of Directors and the Audit Committee will investigate the reasons for the shareholders' rejection and may consider whether to retain KPMG or to appoint another independent registered public accounting firm. Even if the selection of KPMG is ratified, the Board of Directors and Audit Committee, at their discretion, may direct the appointment of a different independent registered public accounting firm if they believe that such a change would be in the best interests of the Company's shareholders and other stakeholders.

EXTERNAL AUDIT SERVICES

The Audit Committee had previously selected KPMG as the Company's independent registered public accounting firm to examine its consolidated financial statements for the year ended December 31, 2021. A member of KPMG will be invited to attend the Company's Annual Meeting of the Shareholders. He or she will be provided with an opportunity to make a statement, if so desired, and will be available to respond to appropriate questions.

KPMG's aggregate fees for professional services for 2021 and 2020 are shown below.

Type of Fees	2021	2020
Audit Fees	$5,804,050	$5,604,050
Audit Related Fees	393,700	248,300
Tax Fees	—	—
All Other Fees	—	—
Total	$6,197,750	$5,852,350

The term "Audit Fees" refers to expenses covering: (a) professional services rendered by the auditors for the audit of the Company's consolidated annual financial statements and internal control over financial reporting included in the Company's Form 10-K, (b) reviews without audit of financial statements included in the Company's Forms 10-Q, and (c) services normally provided by the auditors in connection with mandated audits of statutory financial statements and filings. "Audit Related Fees" refers to charges for assurance and related services by the auditors that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees". Audits of the Company's employee benefit plans, when required, are performed by an independent audit firm other than KPMG. "Tax Fees" refers to fees for professional services rendered by the auditors for tax compliance. The term "All Other Fees" refers to fees for products and services provided by the auditors, other than those reported under the preceding categories.

The charter of the Audit Committee requires that it preapprove all non-audit work by the Company's independent registered public accounting firm. In determining whether to approve non-audit services, the Committee considers whether the services in question facilitate the performance of the audit, improve the Company's financial reporting process or are otherwise in the Company's and its shareholders' interests. All of the Audit-Related Fees billed to the Company in 2021 and 2020 were approved by the Audit Committee pursuant to the pre-approval waiver requirements of SEC Regulation S-X.

KPMG has advised the Committee of its independence with respect to the Company.

BOARD OF DIRECTORS' RECOMMENDATION

The Board of Directors recommends a vote FOR the ratification of the selection of KPMG as the Company's independent registered public accounting firm, subject to the Audit Committee's approval of that firm's fee and audit scope proposal for 2022. Proxies solicited by the Board of Directors will be voted in favor of the ratification of the selection of this firm unless shareholders specify to the contrary. The results of this vote will be disclosed in a filing made with the SEC shortly after the Annual Meeting of the Shareholders and will be available for review on the Company's website, www.oldrepublic.com.

AUDIT COMMITTEE REPORT FOR 2021

In accordance with its written charter, the Audit Committee performs the oversight role assigned to it by the Board of Directors. As part of its oversight responsibilities, the Audit Committee appointed KPMG as the Company's independent registered public accounting firm for 2021.

Management has responsibility for preparing the Company's financial statements as well as for the Company's financial reporting process and internal controls. KPMG is responsible for expressing opinions on the conformity of the Company's audited financial statements with U.S. Generally Accepted Accounting Principles, and the effectiveness of the Company's internal control over financial reporting.

The Audit Committee met with KPMG, with and without management representatives present, to discuss the results of its examinations, its evaluations of the Company's internal control over financial reporting, and the overall quality of the Company's financial reporting. During 2021, the Audit Committee reviewed the interim financial and other information contained in each quarterly report on Form 10-Q filed with the SEC with the Chief Executive Officer, Chief Financial Officer, and KPMG prior to its filing. The Annual Report on Form 10-K was similarly reviewed. In addition, the Audit Committee took up with KPMG matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and the SEC. Further, the Audit Committee received and discussed the written communications from KPMG required by applicable requirements of the PCAOB regarding KPMG's independence. The Audit Committee reviewed the Company's internal audit function, including the reporting obligations and proposed audit plans and periodic reports summarizing the results of internal auditing activities. The Audit Committee met regularly with the Company's legal counsel to review the status of litigation involving the Company or its subsidiaries and to ascertain that the Company complied with applicable laws and regulations.

Following all of these discussions and reviews, the Audit Committee recommended to the Board of Directors and the Board approved the inclusion of the audited consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

By the Audit Committee:
Barbara A. Adachi
Steven J. Bateman
Michael D. Kennedy
Charles J. Kovaleski
Peter B. McNitt
Glenn W. Reed
Fredricka Taubitz, Chair
Steven R. Walker

COMPENSATION MATTERS

COMPENSATION COMMITTEE REPORT FOR 2021

The Compensation Committee met its oversight responsibilities for the year 2021 by reviewing and discussing with the Company’s management the Compensation Discussion and Analysis (“CD&A”) contained in this proxy statement. Based upon this review, its discussions and its activities, the Compensation Committee recommended that the CD&A be included in this proxy statement.

By the Compensation Committee:
Steven J. Bateman
Lisa J. Caldwell
Jimmy A. Dew
John M. Dixon, Chair
Peter B. McNitt, Vice Chair
Glenn W. Reed
Arnold L. Steiner
Fredricka Taubitz

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of the members of the Compensation Committee has served within the last three years as an officer or employee of the Company or any of its subsidiaries, nor has any executive officer of the Company served as a director or member of a compensation committee for any company that employs any director of the Company or member of the Compensation Committee.

DIRECTORS’ COMPENSATION

During 2021, the directors received an annual retainer of $130,000, plus an additional annual committee fee of $13,000 for each committee on which they served. Effective 2022, the directors’ annual retainer was increased to $140,000 and annual committee fees were increased to $14,000. Directors who are employees of the Company or its subsidiaries receive no compensation for their services as directors or committee members. Effective 2022, the Chairman of the Board began to receive an additional annual retainer of $70,000. During 2021, the Lead Independent Director and chair of the Governance and Nominating and Compensation Committees each receive an additional retainer of $13,000. Effective 2022, these annual retainers were increased to $14,000. During 2021, the chair of the Audit Committee received an annual retainer of $19,500. Effective 2022, this annual retainer was increased to $21,000. During 2021, the vice-chair of each committee receive an additional retainer of $6,500. Effective 2022 these retainers were increased to $7,000. Board members also serve as directors of several regulated insurance underwriting subsidiaries of the Company, for which no additional compensation is paid. In addition, the Company and its subsidiaries either directly pay or reimburse directors for travel, lodging and related expenses incurred in attending director or Committee meetings.

Non-employee directors do not receive stock awards, stock options, incentive compensation awards, deferred compensation awards, pensions, or any other compensation programs or arrangements that the Company might offer to its employees or those of its subsidiaries. Independent directors may not receive any form of compensation from the Company other than compensation for services as a director in order to remain qualified as independent.

Director compensation is reviewed annually, and any changes are recommended by the Compensation Committee in consultation with the CEO and any independent consultant retained by the Compensation Committee for that purpose. The Compensation Committee’s recommendations are, in turn, voted upon by the full Board.

The following table lists the compensation paid to each director of the Company eligible to receive such fees. Mr. Smiddy, as an employee of the Company, has his compensation reported in the Summary Compensation Table shown elsewhere in this proxy statement.

2021 Directors' Compensation

Name	Fees Earned or Paid in Cash	All Other Compensation Other	Total
Barbara A. Adachi (1)	$ 10,833	$ -	$ 10,833
Steven J. Bateman	162,500	-	162,500
Harrington Bischof (2)	70,417	70,000	140,417
Lisa J. Caldwell (3)	117,000	-	117,000
Jimmy A. Dew (4)	156,000	-	156,000
John M. Dixon	182,000	-	182,000
Michael D. Kennedy	156,000	-	156,000
Charles J. Kovaleski	153,833	-	153,833
Spencer LeRoy III	178,750	-	178,750
Peter B. McNitt	162,500	-	162,500
Glenn W. Reed	156,000	-	156,000
Arnold L. Steiner	175,500	-	175,500
Fredricka Taubitz	188,500	-	188,500
Steven R. Walker	188,500	-	188,500
Aldo C. Zucaro (5)	130,000	-	130,000

(1) Ms. Adachi joined as a director effective December 16, 2021.

(2) Mr. Bischof's term as a director ended May 27, 2021, but after that, he was retained as a consultant through May 31, 2024. Under his agreement, he is paid a monthly consulting fee of $10,000 during the first year, $6,667 during the second year and $4,583 during the final year.

(3) Ms. Caldwell joined as a director effective April 15, 2021.

(4) While Mr. Dew was not slated for reelection his compensation is required to be reported for 2021.

(5) Mr. Zucaro resigned as a director and Chairman effective October 27, 2021.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy and Objectives

Compensation levels are set to enable the Company to attract, reward and retain executive officers and other employees critical to its long-term success. The Board of Directors believes that compensation paid to executive officers with policy setting responsibilities should be closely aligned with the Company's performance on both a short-term and long-term basis. For example, annual performance recognition compensation paid under the various KEPRP plans is primarily determined on the basis of the trailing five-year averages for: (a) premiums and fees growth, (b) growth in operating earnings, (c) underwriting results, and (d) achieved returns on equity in excess of a preset minimum. For executive officers, certain senior managers, and key employees, annual performance recognition compensation is based, in part on these factors, as well as on their individual performances in the long-term interest of the Company.

Executive officers, including the CEO and CFO, do not have employment contracts. They and all other employees of the Company and its subsidiaries are "employees-at-will". Compensation for the CEO, CFO, other executive officers, and certain senior managers of the Company and its subsidiaries is set annually by the Compensation Committee of the Board of Directors based either on its sole determination or in consultation with the CEO. The Company does not generally set any salary, performance recognition compensation or equity-based compensation on targets that will automatically result in salary increases or awards based solely on the achievement of such targets. Rather, the Company attempts to make the total compensation paid to executive officers, certain senior managers and other key employees reflective of the financial performance achieved by the Company and the individual divisions or operating units for which they work. In certain cases, employees' individual performance is subjectively evaluated and their compensation is set at levels reasonably competitive with Old Republic's understanding of compensation levels at other companies in the insurance industry.

The Board of Directors and Compensation Committee reviewed last year's advisory "say on pay" shareholder vote concerning executive officer compensation and took into account that vote along with all other considerations in its review and determination of compensation for the current year. The Committee expects to also consider that vote and future votes concerning executive officer compensation when reviewing any possible changes in compensation programs.

The companies Old Republic has selected as members of its peer group for 2021 are: American Financial Group, Inc., American International Group, Inc., W. R. Berkley Corporation, Chubb Limited, Cincinnati Financial Corporation, CNA Financial Corporation, Fidelity National Financial, Inc., First American Financial Corporation, The Hartford Financial Services Group, Inc., Stewart Information Services Corporation and The Travelers Companies, Inc. (A comparison of the aggregate stock performance of Old Republic and this peer group appears in the chart in Part II of the Company's Annual Report on Form 10-K, and in this Proxy statement.)

Proposed 2022 Incentive Compensation Plan

Beginning in 2022, the Compensation Committee's approach to executive officer and certain senior manager compensation is to shift a larger percentage of annual compensation to long-term incentive awards. Management and the Compensation Committee believe that the use of restricted stock awards and other equity-based awards are essential to making the Company competitive with peer companies and the retention of employees. Initially, for 2022, the Compensation Committee has approved the grant of an increased mix of stock options and restricted stock. Over time, the Compensation Committee anticipates granting additional types of compensation, including restricted stock units, stock appreciation rights, and equity-based performance grants.

The Compensation Committee recommended to the Board, and the Board approved, the Old Republic International Corporation 2022 Incentive Compensation Plan that authorizes the award of a variety of equity-based incentives, including options, restricted stock, restricted stock units, stock appreciation rights, and performance grants. In March 2022, the Compensation Committee granted awards to the named executive officers, other executive officers, and certain senior managers under the 2022 Incentive Compensation Plan. As more fully described in Item 4 to this proxy statement, the 2022 Incentive Compensation Plan and the awards granted thereunder will not be effective unless and until the Company's shareholders approve the 2022 Incentive Compensation Plan.

Executive Performance Considered in Reaching Compensation Decisions

Old Republic rewards performance that the Compensation Committee believes will lead to both the short-and long-term success of the Company and its subsidiaries. The Committee evaluates the Company's CEO and the other executive officers' performance and compensation primarily in the context of the following factors.

- Vision and planning in managing the Company for the long-run;
- Strategies established and implemented to accomplish this important objective;
- Leadership qualities;
- Judgment in making decisions regarding plans and general management of the Company's affairs;
- Commitment to achieving goals, especially when faced with adversity;
- Ability in setting objectives and promoting the best interests of the Company's shareholders, the beneficiaries of its subsidiaries' insurance policies, and those of its other stakeholders;
- Adherence to high ethical standards that promote and protect the Company's good name, culture and reputation;
- In addition, in assessing the CEO's and other executive officers' performance in 2021, the Committee considered the COVID-19 pandemic and the particular challenges that it posed to the management of the Company and its employees.

None of these factors is given any greater weight than another. Rather, each Compensation Committee member subjectively reviews these factors in the aggregate and exercises his or her best professional business judgment in reaching conclusions. Though the continuing COVID-19 pandemic had an impact on our business, the Committee made no change to executive compensation programs because of the pandemic. Specifically, no special awards, bonuses or benefits were granted to our senior policy-making executive officers because of the pandemic. The Committee independently evaluates the CEO's performance and compensation, and that of other executive officers and certain senior managers in consultation with the CEO.

Elements of Compensation and the Factors and Rationale in Determining Compensation Amounts

The compensation paid to the CEO, CFO, other executive officers and certain senior managers of the Company and its subsidiaries is composed of the following elements treated as a total compensation package:

- Annual salary;
- Annual performance recognition awards made under the KEPRP of the Company or the KEPRP of one of its subsidiaries, comprised of cash and deferred amounts;
- Cash performance awards;
- Equity-based awards issued under the Incentive Compensation Plan; and
- Other employment benefits such as life and health insurance, the ESSOP, and the BSP.

The following table shows the segmented sources of Old Republic's pretax operating income and its net operating income or loss for the past five years. The level and trends in earnings of such segments and their past and most recent contributions to the Company's growth in the shareholders' equity account are important considerations in the determination of cash and equity-based compensation for executive officers and other senior managers.

	Segmented Results ($ in Millions)				
	2021	**2020**	**2019**	**2018**	**2017**
Segmented and consolidated pretax income (loss) excluding investment gains (losses):					
General insurance	$ 589.6	$ 439.8	$ 370.2	$ 363.9	$ 340.3
Title insurance	515.7	344.0	230.8	219.3	237.1
Corporate and other (a)	25.7	36.7	54.8	40.4	9.9
Subtotal	1,131.1	820.5	655.9	623.8	587.3
RFIG run-off business	32.8	9.8	30.3	49.9	(73.5)
Consolidated pretax income (loss) excluding investment gains (losses)	1,164.0	830.4	686.2	673.7	513.8
Income taxes (credits) on above (b)	228.1	159.6	132.0	117.2	195.7
Net income (loss) excluding investment gains (losses)	$ 935.9	$ 670.8	$ 554.2	$ 556.4	$ 318.0

(a) Represents amounts for Old Republic's holding company parent, minor corporate services subsidiaries, and a small life and accident insurance operation.

(b) 2017 Includes $41.8 of deferred income tax expense to adjust to the 21% tax rate of 2018 pertaining to operations as of December 31, 2017.

SUMMARY COMPENSATION TABLE

The following table shows the compensation for the named executive officers of the Company. Bonus (KEPRP awards) and stock option awards for Messrs. Gray, Mueller, Oberst, Smiddy and Sodaro were primarily based on the Company's consolidated results. Mr. Yeager's compensation was primarily based on the results of the Title Insurance group.

Please See Continuation on Next Page

SUMMARY COMPENSATION TABLE

(a) Name and Principal Positions	(b) Year	(c) Salary	(d) Bonus (1)	(e) Value of Stock Option Awards (2)	(f) Change in Pension Value and Nonqualified Deferred Compensation Earnings (3)(4)	(g) All Other Compensation (5)	(h) Total ($)
Craig R. Smiddy	2021	$863,333	$1,244,483	$ 261,800	$ —	$ 22,676	$2,392,292
President and Chief	2020	808,333	837,579	220,800	—	15,386	1,882,098
Executive Officer	2019	663,750	728,706	240,900	—	13,419	1,646,775
	2018	581,667	622,105	154,000	—	14,990	1,372,762
	2017	494,999	562,367	98,100	—	14,888	1,170,354
Frank J. Sodaro	2021	367,500	403,304	56,100	—	61,065	887,969 (6)
Senior Vice President							
And Chief Financial Officer							
Effective July 1, 2021							
Karl W. Mueller	2021	316,667	29,422	121,550	—	185,689	653,328 (7)
Senior Vice President	2020	505,000	317,541	101,200	67,525	15,241	1,006,507
and Chief Financial Officer	2019	491,667	303,907	131,000	69,900	16,250	1,012,724
Until June 30, 2021	2018	481,667	256,810	138,600	—	19,001	896,078
	2017	471,666	239,969	129,165	47,946	18,694	907,440
W. Todd Gray	2021	535,000	570,369	74,800	—	18,665	1,198,834
Executive Vice President and	2020	520,000	436,505	46,000	—	11,918	1,014,423
Treasurer	2019	506,667	411,995	23,580	—	12,159	954,401
Stephen J. Oberst	2021	588,077	738,131	121,550	—	73,037 (8)	1,520,795
Executive Vice President	2020	540,385	583,316	101,200	112,108	104,594 (8)	1,441,603
	2019	421,538	552,132	107,860	107,645	42,335 (8)	1,231,510
Rande K. Yeager	2021	581,635	1,235,896	121,550	4,637	35,061	1,978,779
Executive Chairman – Title	2020	564,423	853,924	101,200	58,947	26,095	1,604,589
Insurance Group	2019	543,654	779,808	131,000	78,739	22,834	1,556,035
	2018	529,712	684,219	138,600	—	20,760	1,373,291
	2017	519,134	2,093,977 (9)	171,675	41,806	21,741	2,848,333

(1) The awards in this column are related to the ORI KEPRP or the KEPRP of one of its subsidiaries and also includes any cash performance awards. Awards attributed to any one year are based on calculations and Compensation Committee approvals made in the following year. Column (d) of the table includes the combined cash and deferred incentive compensation awards granted under the ORI KEPRP or the KEPRP or one of its subsidiaries. The first $50,000 of KEPRP awards is paid in cash. For awards in excess of these amounts, 50% of the excess is paid in cash and 50% is deferred. The deferred amounts included in this column are usually not payable before the person retires at 55 years of age or later. The deferred amounts accrue interest for awards made after 2004. The amounts set forth for all executive officers include the amount of the present year award as well as interest accrued during the year on deferred balances from prior years' awards. See footnote (9) with regard to a special award granted to Mr. Yeager that is included in his column (d) for 2017.

(2) The awards in this column (e) are made pursuant to the Incentive Compensation Plan. The value of options is calculated pursuant to the Black-Scholes-Merton model. The option values represent the estimated present value as of the date the options were granted. Accordingly, the option awards included under this column were granted in the years shown and reflect, among other factors previously noted, an evaluation of earnings trends and returns on equity for prior years. The significant factors and assumptions incorporated in the Black-Scholes-Merton model used to estimate the value of the options include the following:

a) Options are issued with an exercise price equal to 100% of the per share value at the close of trading (the "Fair Market Value") of Common Stock on the business day immediately preceding the date of grant. The "Grant Date" shall be the date the Compensation Committee grants an option and the date from which the option term shall be measured.

b) The term of each option is 10 years (unless such terms are otherwise shortened or forfeited due to termination of employment) and it is assumed that these executives will hold these options for an average of 8 years.

c) Specific interest rates are used for valuing the awards. Such rates are predicated on the interest rate on U.S. Treasury securities on the date of grant with a maturity date corresponding to that of the expected option life.

d) A stock price volatility factor is utilized in valuing the option awards. This factor is calculated using closing stock prices for the period prior to the Grant Date corresponding with the expected option life.

e) Expected annual dividend yields ranging between 4.0% and 4.9% are used in the calculation of the awards.

The ultimate value of the options will depend on the future market price of the Company's Common Stock, which cannot be forecasted with reasonable accuracy. The actual value, if any that an optionee may realize upon exercise of an option will be based on the excess of the market value over the exercise price on the date the option is exercised. On August 20, 2019, Messrs. Smiddy and Oberst received additional options granted in connection with their promotions to their current positions. The value of these additional options is included in column (e) for 2019.

(3) Represents the aggregate change in the actuarial present value of the accumulated benefits under Old Republic's defined benefit pension plan ("the Company's pension plan"). Plan benefits were frozen as of December 31, 2013. For 2018, the year-over-year change in the present value of accumulated benefits resulted in negative amounts for Messrs. Mueller and Yeager of $23,264 and $117,997, respectively, and in 2021, for Messrs. Mueller and Oberst of $9,436 and $26,027, respectively, because of changes in the underlying actuarial assumptions. SEC rules require that these negative changes be treated as zeros.

(4) The Company does not have any non-qualified deferred compensation plans that credit above market or preferential earnings to participants.

(5) Includes all non-material amounts for: (a) the Company's matching contribution to the executive officers' ESSOP accounts, (b) the Company's contribution to the executive officer's Baseline Security Plan ("BSP") accounts, (c) the value of the Company's group term life insurance plan treated as income, (d) the value of the personal use of any vehicle supplied for Company business, and (e) the personal value of meals and club dues incurred for Company business.

(6) Reflects all compensation paid to Mr. Sodaro during 2021. Included in column (g) is $39,469, the value of 1,503 shares of restricted stock that were awarded to him in 2017 and vested in 2021.

(7) Reflects all compensation paid to Mr. Mueller during 2021. Upon his retirement on June 30, 2021, Mr. Mueller's salary and other employment compensation ended and he received no KEPRP award for 2021. Mr. Mueller did receive interest on his prior awards, which interest is, reported in column (d). Further, he was paid $27,500 a month under a consulting agreement that requires payments until terminated by either party. The compensation paid under this agreement is included in column (g).

(8) Includes $10,935, $48,600 and $42,643 in housing expenses covered by the Company in connection with Mr. Oberst's accommodations in Chicago for 2019, 2020 and 2021, respectively.

(9) Mr. Yeager's bonus for 2017 consisted of an award of $649,219 (inclusive of accrued interest on prior years' deferred balance) under the KEPRP of the Title insurance segment, and an additional award of $1,444,758 (consisting of a cash performance award of $1,066,721 and an equity-based award under the Incentive Compensation Plan with a value of $378,037) resulting from satisfaction in 2017 of pre-set, five-year underwriting/service income performance objectives of the Title insurance segment.

CEO PAY RATIO DISCLOSURE

The Compensation Committee and Board of Directors believe that executive compensation, particularly as it applies to the Company's CEO and other executive officers, should be related to the responsibilities undertaken, and be consistent with the Company's intermediate and long-term performance. In this context, and in accordance with the requirements of The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), as well as the SEC rules adopted pursuant to it, the Company is reporting the ratio of the total annual compensation of the CEO to that of the "Median Employee".

For purposes of computing the ratio, Mr. Smiddy's compensation is the same as is shown in the Summary Compensation Table immediately above. The total annual compensation for the Median Employee was determined as of December 31, 2021 by preparing a list of all United States ("U.S.") based employees of the Company's U.S. subsidiaries at year-end 2021 (excluding the CEO) in the order of the highest to the lowest total annual compensation (excluding retirement plan contributions). The number of non-U.S. employees was excluded as they accounted for approximately 125 persons employed in Canada out of a total of approximately 9,600 Company employees. Pursuant to the pay ratio rule, the compensation of those non-U.S. employees was considered to be de minimis. The compensation for employees who did not work for the Company or one of its subsidiaries for all of 2021 was annualized in arriving at the Median Employee's compensation. The Median Employee's total compensation was established by using the same elements of compensation as are shown in the Summary Compensation Table for the CEO.

The total annual compensation of the Company's CEO - Craig R. Smiddy:	$	2,392,292
The total annual compensation of the Median Employee:	$	84,077
Ratio of the CEO's compensation to the Median Employee:		28.5

Annual Salary Compensation Practices

The Company's objective in regard to all of its employees is to set annual salaries at amounts that:

- Are reasonably competitive in the context of prevailing salary scales in the insurance industry, and
- Provide a fixed, reasonable source of annual income commensurate with the individual's work responsibilities.

The primary factors considered, in varying degrees, in the establishment of annual salaries for executive officers and certain other senior managers are:

- Business size and complexity of operations with which the person is associated;
- The person's level of responsibility and experience;
- The success of the business unit with which the person is principally engaged; and
- The evaluation of the manager's contribution to the business unit's success.

When making these evaluations, the prevailing salary scales in the insurance industry, the annual consumer price index, the trends in salary levels in published or private compilations and reports, and the data contained in the proxy statements of selected publicly held insurance organizations are taken into account. No formula, set benchmark or matrix is used in determining annual salary adjustments. The decision regarding each executive officer is subjectively based upon all of the above factors, with the Compensation Committee members exercising their business judgment in consultation with the CEO, as to all executive officers other than the CEO. With respect to the latter, the Compensation Committee has sole authority for establishing CEO compensation.

The salaries of the executive officers are reviewed on an annual basis during the first quarter of the year, and concurrently with a promotion or other significant change in responsibilities. Prior compensation, prior cash and/or deferred incentive awards, bonuses and prior gains from the exercise of stock options are not taken into account when setting current annual salaries for the CEO, CFO and any other executive officer of the Company.

Incentive Awards and Bonuses

The Company uses annual performance recognition awards (KEPRPs usually comprised of cash and deferred amounts), cash performance awards, as well as equity-based awards issued under the Incentive Compensation Plan. These awards are intended to reward and retain executive officers, certain other employees of the Company and its subsidiaries, based on management's and the Compensation Committee's review of their performance. These awards are made under the Company's KEPRP, Incentive Compensation Plan, or at the discretion of the Compensation Committee. Awards made to the named executive officers set forth in the Summary Compensation Table were approved by the Compensation Committee.

Key Employee Performance Recognition Plans (KEPRP)

Under the ORI KEPRP, a performance recognition pool is calculated each year for allocation among eligible key employees of the Company. Each year the CEO recommends the total amount of the pool and the Compensation Committee makes the sole determination as to the total amount of the pool and the amount of the awards granted to the CEO. The Committee then approves the award recommendations for the CFO, other executive officers and certain senior managers based upon their performance evaluations and recommendations made by the CEO. All awards are based on the positions and responsibilities, perceived value of accomplishments, expected future contributions, and other relevant factors. The Compensation Committee's evaluation of all such factors is made subjectively based on its members' business judgment.

Each year's pool amount takes into account pre-established objectives approved by the Compensation Committee. Calculation of the pool is made in accordance with a detailed formula that incorporates such factors as the trailing five-year averages for: (a) the growth in premiums and fees; (b) underwriting/service income; (c) operating earnings (excluding income from realized or unrealized investment gains or losses) and (d) return on equity in excess of a minimum target return equal to two times the mean of the five-year average post-tax yield on 10-year and 20-year U.S. Treasury Securities. The impact of the RFIG run-off on consolidated earnings is excluded from calculations. The pool is generally limited to the lesser of (a) a percentage of plan participants' aggregate annual base salaries and (b) a percentage of the latest five years' average net operating earnings. Up to 50% of any one year's pool amount maybe carried forward for up to three years for later allocation. There is no prescribed guarantee or limit as to how much of the year's available pool would be awarded to each participant.

The first $50,000 of any KEPRP award is paid in cash at the time of award. For awards in excess of $50,000, 50% of the excess is paid in cash at the time of awards and 50% is deferred. The deferred balance of the award vests over ten years at the rate of 10% per year of participation. Deferred balances accrued after 2004 are credited with interest at a rate approved annually by the Compensation Committee. Plan participants become vested in their deferred account balances upon being employed for 10 years after first becoming eligible, or upon a change of control of the Company. Benefits are payable in a set number of equal installments, beginning no earlier than age 55, following termination of employment, death, disability, or retirement, or in total upon a change in control of the Company. Distributions for executive officers can begin no earlier than six months following termination of employment from full time service.

In addition to ORI's KEPRP, substantially similar plans are maintained for several individual subsidiaries or segments of business, and each of these plans generally operates in the same basic fashion as the ORI KEPRP. The award pool for each other KEPRP is also established according to detailed formulas that also take into account the above indicated factors for such plans.

Awards under the KEPRPs are usually made in conjunction with equity-based awards under the Incentive Compensation Plan. Any such awards are typically determined in the first quarter of the year for eligible employees who are employed as of the award date. The awards follow the receipt of the independent registered public accounting firm's reports on the financial statements of the preceding year and an evaluation of any pertinent and significant post-balance sheet events and business trends by the Compensation Committee.

Deferred Compensation under the KEPRPs

The following table sets forth certain information regarding the portion of KEPRP awards that constitute non-qualified deferred compensation made to the executives listed in the Summary Compensation Table. It shows the pro forma balances of their deferred accounts as of December 31, 2021. As described above, the individuals listed had no discretion as to whether they wished to defer the applicable portion of the awards made to them by the Company and were not permitted to voluntarily make contributions of their own to the KEPRPs.

Nonqualified Deferred Compensation

Name	Company's Contributions in 2021(1)	Aggregate Interest Earnings 2021	Aggregate Deferred Balance as of December 31, 2021
Craig R. Smiddy	$575,000	$44,483	$2,718,618
Frank J. Sodaro	175,000	3,304	363,852
Karl W. Mueller	0	29,422	1,289,818
W. Todd Gray	250,000	20,369	1,244,865
Stephen J. Oberst	325,000	38,131	2,160,065
Rande K. Yeager	565,000	55,896	3,164,914

(1) The amounts in this column are the portion of current year KEPRP awards that are mandatorily deferred pursuant to the terms of the various KEPRPs.

Stock Option and Restricted Stock Awards under 2016 Incentive Compensation Plan

The Company believes executive officers and certain other senior managers of the Company's and its subsidiaries who make substantial contributions to long-term performance should have an equity ownership in the Company to better align their interests with those of the shareholders. The most recent plan, "The 2016 Incentive Compensation Plan" (the "Incentive Compensation Plan") was approved by shareholders.

Under the Incentive Compensation Plan, an award to a participant may be in the form of a stock option or restricted stock award, or a combination of these. The Compensation Committee has the authority to: (i) select the participants to whom awards may be granted; (ii) determine the type or types of awards to be granted; (iii) determine the number of awards; (iv) determine the terms and conditions of any award; (v) determine whether, to what extent, and under what circumstances awards shall be deferred; and (vi) determine whether, to what extent, and under what circumstances any award shall be canceled or suspended. On the effective date of the Incentive Compensation Plan, 15,000,000 shares became available for awards. As of March 1, 2022, 4,782,518 shares remain available for awards.

The above stated objectives of the Incentive Compensation Plan are to encourage:

- An alignment of shareholder and employee interests;
- Employee efforts to grow shareholder value;
- A long-term commitment to the Company by employee-shareowners.

Accordingly, these awards have not been limited to the CEO, CFO and other named executive officers, but have also been granted to several hundred employees of the Company and its subsidiaries. The factors considered when making these awards include:

- The achievements of the individual;
- The overall performance of the Company;
- The performance of the subsidiary or division to which the individual is attached;
- The past and anticipated contributions of the individual to the Company's success.

The relative significance of the above factors with respect to awards granted to the CEO, CFO, other named executive officers and all other employees is determined subjectively by the Compensation Committee. The Compensation Committee gives consideration to the segmented and consolidated results of the Company using business judgment and consultation with the CEO for awards other than the CEO. The aggregate number of shares granted annually over the past three years to all employees, including the CEO, CFO, and other named executive officers has been approximately 0.6% of the then outstanding Common Stock of the Company.

These awards are typically made once a year, usually during the first quarter following receipt of the independent registered public accounting firm's report on the financial statements for the preceding year. The Compensation Committee approves a total pool of awards and the individual award granted to the CEO, CFO, and the other executive officers. Each award is made at the fair market value of the Company's Common Stock, as defined by the Plan, on the Grant Date.

When making these awards, the other sources of compensation for the participant, such as base salary and any other awards, are taken into account. The grant of these awards is not linked to any Company action such as the release of earnings and has typically occurred during March of each year with notifications to recipients at the time of their annual compensation review.

Stock Option Grants During 2021

The following table sets forth certain information regarding options to purchase shares of Common Stock granted in 2021 to the executive officers listed in the Summary Compensation Table. The value of these options is calculated pursuant to the Black-Scholes-Merton model. Additional information about how these values are determined is disclosed as part of the Summary Compensation Table.

Stock Option Grants

Name	Grant Date	Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Option Award
Craig R. Smiddy	3/9/2021	140,000	$21.30	$261,800
Frank J. Sodaro	3/9/2021	30,000	21.30	56,100
Karl W. Mueller	3/9/2021	65,000	21.30	121,550
W. Todd Gray	3/9/2021	40,000	21.30	74,800
Stephen J. Oberst	3/9/2021	65,000	21.30	121,550
Rande K. Yeager	3/9/2021	65,000	21.30	121,550

The term of each option is 10 years from the Grant Date. Options are exercisable in accordance with the following vesting schedule: 10% at the end of the year of grant, and thereafter annually at the rates of 15%, 20%, 25% and 30% so that at the end of the 5th fiscal year after the grant they are 100% vested. If the optionee dies, retires in good standing after age 57, or becomes disabled, vesting acceleration occurs. In such cases and in the event of change in control of the Company, vesting accelerates to the extent of the greater of 10% of the shares covered for each year of service by the optionee or the actual vested percentage plus 50% of the unvested remaining shares. In the case of any option granted to an optionee who, as of the Grant Date: (i) has attained age

65, (ii) is currently an employee of the Company or a subsidiary, and (iii) has been employed by the Company or a subsidiary for ten (10) years or longer, such options are considered fully vested as of the Grant Date.

Exercises of Stock Options During 2021

The following table sets forth certain information regarding options to purchase shares of Common Stock exercised during 2021 by the executive officers named in the Summary Compensation Table.

Exercises of Stock Options During 2021

	Option Awards	
Name	**Number of Shares Acquired on Exercise**	**Value Realized on Exercise**
Craig R. Smiddy	—	—
Frank J. Sodaro	—	—
Karl W. Mueller (1)	249,500	$2,410,825
W. Todd Gray (2)	16,625	103,974
Stephen J. Oberst (3)	14,000	117,320
Rande K. Yeager (4)	326,000	1,649,550

(1) Following his retirement in 2021, Mr. Mueller exercised options granted to him in the years 2012 to 2018, inclusive. As such, the value realized that is shown above had accrued over the years since those options were granted.

(2) During 2021, Mr. Gray exercised the options granted to him in 2016 and the vested part of the options granted to him in the years 2017 to 2020, inclusive. As such, the value realized that is shown above had accrued over the years since those options were granted.

(3) During 2021, Mr. Oberst exercised the options granted to him in 2012, the value realized that is shown above had accrued since those options were granted.

(4) During 2021, Mr. Yeager exercised the remaining options granted to him in the years 2013 to 2021, inclusive. As such, the value realized that is shown above had accrued over the years since those options were granted.

Equity Compensation Plan Information

The following table sets forth certain information regarding securities authorized for issuance under the Company's Incentive Compensation Plans as of year-end 2021. The Company's Incentive Compensation Plans have been approved by the shareholders.

Equity Compensation Plan Status as of Year End 2021

Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
	(a)	**(b)**	**(c)**
Equity compensation plans approved by security holders	8,344,470	$19.57	4,768,368
Equity compensation plans not approved by security holders	—	—	—
Total	8,344,470*	$19.57	4,768,368

(*) A total of 26,925 options from its 2012 grant year included in this total were either exercised or expired as of March 1, 2022.

The following table sets forth information regarding the unexercised options held by the persons listed in the Summary Compensation Table. This table shows the option exercise price for each exercisable and un-exercisable option held by each individual and the date upon which each option expires.

Outstanding Equity Awards at Year End 2021

	Number of Securities			
Name	**Underlying Unexercised Options Exercisable**	**Underlying Unexercised Options Unexercisable**	**Option Exercise Price**	**Option Expiration Date**
Craig R. Smiddy	14,500	—	$ 16.06	03/19/24
	12,500	—	15.26	03/19/25
	25,000	—	18.14	03/23/26
	30,000	—	19.98	03/22/27
	35,000	15,000	20.98	02/20/28
	31,500	38,500	21.12	03/19/29
	11,250	13,750	21.99	08/20/29
	30,000	90,000	22.72	02/26/30
	14,000	126,000	21.30	03/09/31
Frank J. Sodaro	7,000	3,000	20.98	02/20/28
	6,750	8,250	21.12	03/19/29
	5,000	15,000	16.17	03/17/30
	3,000	27,000	21.30	03/09/31
Karl W. Mueller	50,000	—	21.12	06/30/25
	55,000	—	22.72	06/30/25
	65,000	—	21.30	06/30/25
W. Todd Gray	1,500	—	19.98	03/22/27
	1,875	2,250	20.98	02/20/28
	1,800	4,950	21.12	03/19/29
	3,750	18,750	22.72	02/26/30
	4,000	36,000	21.30	03/09/31
Stephen J. Oberst	11,000	—	12.57	03/20/23
	12,000	—	16.06	03/19/24
	14,500	—	15.26	03/19/25
	16,000	—	18.14	03/23/26
	21,000	—	19.98	03/22/27
	16,800	7,200	20.98	02/20/28
	12,600	15,400	21.12	03/19/29
	6,750	8,250	21.99	08/20/29
	13,750	41,250	22.72	02/26/30
	6,500	58,500	21.30	03/09/31
Rande K. Yeager	None	None		

The following table sets forth a summary of all stock options that have been granted to Company employees, inclusive of those persons listed in the Summary Compensation Table. In the past 10 years, a total of approximately $28.4 million (or an average of $2.8 million per year) was expensed by the Company with respect to such options in accordance with generally accepted accounting principles.

		Options Outstanding			Options Exercisable	
			Weighted – Average			
Exercise Prices	Year of Grant	Number Outstanding	Remaining Contractual Life	Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 10.80	2012	26,925	0.25	$ 10.80	26,925	$ 10.80
$ 12.57	2013	133,225	1.25	12.57	133,225	12.57
$ 16.06	2014	256,700	2.25	16.06	256,700	16.06
$ 15.26	2015	310,157	3.25	15.26	310,157	15.26
$ 18.14	2016	498,291	4.25	18.14	498,291	18.14
$ 19.98	2017	867,958	5.25	19.98	867,958	19.98
$ 20.98	2018	1,133,162	6.25	20.98	830,420	20.98
$ 21.12 to $ 21.99	2019	1,486,282	7.25	21.14	820,072	21.14
$ 16.17 to $ 22.72	2020	1,587,670	8.25	17.21	487,334	17.44
$ 21.30	2021	2,044,100	9.25	21.30	421,869	21.30
Total		8,344,470		$ 19.57	4,652,951	$ 19.22

Clawback Policy

The Company has adopted a policy that, to the extent permitted by law, it will seek to recoup any incentive-based compensation paid to any current or former executive officer if: (i) the amount of such payment was based on the achievement of certain financial results that were subsequently the subject of a restatement, (ii) the Board determines that such executive officer engaged in misconduct that resulted in the obligation to restate, and (iii) a lower payment would have been made to the executive officer based upon the restated financial results.

Hedging Prohibited

The Company has a policy prohibiting any director or executive officer (a covered individual) from hedging the economic risk of his or her ownership of the Company's securities. Under this policy, a covered individual is prohibited from entering into any derivative transaction on the Company's securities (e.g., any short-sale, forward, option, collar, etc.). Further, the policy does not allow a covered individual to pledge the Company's securities at any time, which included having Company securities in a margin account or using Company securities as collateral for a loan.

Change of Control, Severance or Retirement

None of the executive officers or any other employee of the Company and its subsidiaries have employment contracts. All are considered "at-will" employees. Further, the Company has no change of control or severance agreements such as "golden parachutes" in place for any of its executive officers. However, the benefit plans referred to above would be affected, in limited ways, by a change of control of the Company. Such an event would not result in additional compensation or benefits being paid to any executive officer or employee for the Company. Rather, the effect would be to accelerate the vesting of benefits under these plans and require the immediate payment of all deferred balances under such plans.

Tax Deductibility of Compensation

Prior to the passage of the Tax Cuts and Jobs Act in December 2017, Section 162(m) of the Internal Revenue Code contained an exception to the $1,000,000 limitation on the amount of compensation paid to the Company's five most highly paid executive officers that was deductible by the Company, where the excess compensation was "performance-based" compensation meeting certain requirements. The Tax Cuts and Jobs Act eliminated the performance-based exception, resulting in the loss of the ability to deduct compensation expenses over $1,000,000 for the Company's named executive officers. The effect of this elimination is not material to the Company and the tax deductibility of compensation has never been considered in setting compensation amounts for these officers.

Stock Ownership Guidelines

The Company encourages all of its employees to own Company Common Stock directly or through employee benefit plans such as its 401(k) ESSOP. All of its executive officers and directors own shares of the Company's Common Stock. The table on page 4 shows the nature and amount of such holdings.

The Company also has an equity ownership policy for its directors and senior officers. Pursuant to this policy, directors are required to acquire holdings in the Company's Common Stock with a value of at least $250,000. New directors are allowed to take three years during which to acquire such ownership, with the valuation of the shares equivalent to the greater of the current market value attained at any point in time, or the original acquisition cost. All of the Company's directors are currently in compliance with this policy. For certain other senior officers of the Company, the recommended value of Common Stock ownership is based upon the following multiples of the officer's base salary:

CEO of the Company	6 times
President of the Company	4 times
Other senior officers of the Company	1.5 times

In measuring compliance with the Company's stock ownership requirement for officers, the Company will consider the following: (i) the greater of current market value attained at any time or the acquisition cost of shares owned directly, however acquired; and shares held by Company's benefit or compensation plans as well as other shares beneficially owned and (ii) the value of deferred compensation accounts.

Newly appointed senior officers subject to this policy have five years to meet the pertinent requirement. All of the Company's Directors and executive officers either currently hold in excess of the requirement that applies to them or are within the time period permitted for compliance.

Pension Plan and Baseline Security Plan

The Old Republic International Corporation Salaried Employees Restated Retirement Plan ("Company Pension Plan") assumed the obligations and assets of other retirement plans maintained by certain subsidiaries. All of these plans have been closed to new employees for many years. Finally, the accrued benefit levels available to each participant in the Company Plan were frozen at December 31, 2013 and no new benefits have accrued to participants since that date.

Under the Company Pension Plan, as it applies to Messrs. Mueller and Oberst, benefits were determined by taking into account 1.5% of the participant's "Final Average Monthly Earnings" (1/60th of the aggregate earnings of the employee during the period of the five consecutive years of service out of the last ten consecutive years of service that results in the highest "Final Average Monthly Earnings") multiplied by the participant's years of service. Earnings include base salary and commissions, but exclude bonuses and cash and deferred incentive compensation awards granted under any Company or subsidiaries' incentive plans or KEPRPs. Early retirement benefits are available under the Company Plan for persons who are eligible and elect to retire after attaining age 55 provided they have at least five years of vested service with the Company. In this case, early retirement benefits are adjusted based upon the participant's age at retirement. The adjustment begins at 50% of normal benefits at age 55. For participants age 55 to 60, the early retirement benefits increase by 3.33% per year. Between ages 60 and 65, they increase by 6.66% per year until they reach 100%. Vested benefits can be paid upon an employee's attainment of age 70.5. The Company Pension Plan was recently amended to reduce the minimum age for participants to request an in-service withdrawal from age 70.5 to 59.5. Mr. Mueller is now retired and Mr. Oberst is currently eligible for early retirement benefits and /or in-service withdrawals under the Company Plan. Messrs. Gray, Smiddy and Sodaro are not participants in the Company Pension Plan or any pension plan previously sponsored by a subsidiary of the Company.

Under the Pension Plan, as it applies to Mr. Yeager, who is over age 65, the monthly benefit is 1.20% of the participant's Final Average Monthly Earnings up to the Social Security Integration Level, and 1.75% of the amount in excess of that level, multiplied by the participant's years of credited service limited to a maximum of 30 years. Early retirement benefits are available for persons who are eligible and elect to retire after attaining age 55 and completing 10 years of vesting service, or after attaining age 60. In the case of early retirement, benefits are reduced by .458% for each month preceding the participant attaining age 65. As also stated above, the Company Pension Plan now allows for in-service withdrawals starting at age 59.5.

The following table sets forth the payments and present value of the estimated benefits payable to executive officers under the above described pension plans.

Pension Benefits

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit (1)	Payments During Last Fiscal Year
Craig R. Smiddy	None	—	—	—
Frank J. Sodaro	None	—	—	—
Karl W. Mueller (Retired)	Company Plan	8.3	$ 473,795	—
W. Todd Gray	None	—	—	—
Stephen J. Oberst	Company Plan	13.1	545,434	—
Rande K. Yeager	Company Plan	26.6	1,297,048	$ 88,857

(1) The present value of accumulated benefits payable following assumed retirement is calculated using interest and mortality assumptions consistent with those used for financial reporting purposes with respect to the companies' audited financial statements. No discount is assumed for separation prior to retirement due to death, disability or termination of employment. The amount shown is based upon accrued service through year end 2013 when Plan benefits were frozen.

The Baseline Security Plan ("BSP") was established by the Company, in part as a replacement for various 401(k) plans maintained by a number of its subsidiaries and the Company Pension Plan that was discontinued. Eligibility for participation in the BSP is similar to eligibility under the Company's 401(k) ESSOP discussed below. The BSP is noncontributory by participants although IRA roll-over contributions are permitted. The annual Company contributions are performance-based with an emphasis on the long-term underwriting and related services profitability of the individual subsidiaries or groups thereof that employ participants. Contributions are approved each year by ORI's Compensation Committee and Board of Directors following the receipt of all pertinent audit reports for the Company and its individual subsidiaries and operating centers. Contributions are characterized as a percentage of each eligible employee's annual base salary. The BSP was recently amended to reduce the minimum age for participants to request in-service withdrawals from age 70.5 to 59.5.

Employees Savings and Stock Ownership Plan (ESSOP)

The ESSOP, which has been in place since 1978, is intended to encourage all of ORI's eligible employees to save in a tax-advantaged manner and benefit from Company matching contributions in the form of ORI Common Stock to build a stake in the Company's business. At March 1, 2022 the ESSOP held approximately 6.1% of ORI's Common Stock.

Eligible employees who elect to participate in the ESSOP by saving a portion of their pay may receive a Company match ranging from 20% to 140% of a maximum of 6% of the participant's first $150,000 in eligible annual compensation. The matching formula is based upon the percentages saved and the increase in the Company's five-year running average of net operating earnings growth per share, adjusted for the effect of the RFIG run-off. Employees' savings are invested, at the employees' direction, in a number of publicly-traded mutual funds, and they may elect to purchase the Company's Common Stock as an investment option. Employer contributions are invested exclusively in the Company's Common Stock. Employees with three or more years of service as of the prior year's end may diversify the annual contribution of Company Common Stock into alternative mutual funds available for investment. Further, employees may also diversify all of the prior contributions of Company Common Stock at any time into such mutual funds. The number of times that employees may change their investments into or out of the Company's Common Stock is subject to an annual limitation. A participant becomes vested in the account balance allocated from employer contributions upon being totally and permanently disabled, death, or upon the earlier of attaining age 65 or being employed for 6 years. Vesting occurs in increments of 20% per year, beginning after one year of service. Benefits are payable upon termination of service, death or disability, or following retirement, and are subject to minimum distribution requirements set forth under the Internal Revenue Code. Benefits are also payable via in-service withdrawals, and the ESSOP was recently amended to reduce the minimum age for participants to request in-service withdrawals from age 70.5 to 59.5. The ESSOP was also recently amended to provide for automatic enrollment contributions for new employees equal to 6% of the employee's compensation unless they opt out, designated Roth contributions, and in-plan Roth conversions.

At the election of the participant, benefits derived from employer contributions are payable either in cash or the Company's Common Stock.

Other Benefits

The Company does not provide any significant compensation by way of perquisites or personal benefits to its executive officers or any other employees. Such benefits that are provided in very few cases include the personal value attributed to the use of Company-supplied automobiles, the personal value of club memberships, and the value of certain personal meals incurred in connection with Company business. The value of these benefits to the CEO, CFO and other listed executive officers were insignificant and are included with other amounts in the "All Other Compensation" column of the Summary Compensation Table appearing elsewhere in this proxy statement.

ITEM 3
VOTE ON EXECUTIVE COMPENSATION

BACKGROUND

It is Old Republic's policy to provide full disclosure concerning its compensation philosophy and corporate governance. At the Company's 2021 Annual Meeting of the Shareholders, about 92.5% of the shares voted in approval of the Company's executive compensation. However, in accordance with the Company's policy and intents, shareholders are annually asked to endorse the Company's compensation philosophy by adopting the following resolution that is commonly called a "Say-on-Pay" proposal.

The Board of Directors and the Compensation Committee, in particular, review the elements of Company compensation each year. Special attention is devoted to the compensation of the executive officers and certain other senior managers of the Company. The Company seeks to align executive officer compensation with shareholder value on an annual and long-term basis through a combination of annual salary, annual performance recognition awards, and equity-based awards. The Company believes that its history of growth over many decades is, in part, a result of its compensation programs that encourages longer-term growth and the building of long-term shareholder value rather than short-term results. A more detailed review of those programs and the awards for 2021 to the named executive officers of the Company are reported the Summary Compensation Table appearing elsewhere in this proxy statement. The Board of Directors and Compensation Committee believe the Company's performance and executive officer compensation have been aligned and balanced with shareholder returns. This vote is therefore not intended to address any one specific element of compensation or the compensation paid to any one individual. Rather, the resolution concerns the overall philosophy, makeup and amounts of compensation paid to executive officers as a group.

2021 EXECUTIVE COMPENSATION VOTE

At the Company's 2021 Annual Meeting of the Shareholders approximately 92.5% of shares present in person or by proxy voted to approve the Company's executive compensation for 2020. The Compensation Committee and Board of Directors considered this vote when it reviewed executive compensation for 2021.

PROPOSED RESOLUTION

Resolved, that the shareholders of the Company approve the compensation policies, practices and procedures as set forth in the Compensation Discussion and Analysis section of this proxy statement for its executive officers.

ADVISORY VOTE

This vote is advisory and is not binding upon the Board of Directors. The vote is intended to be a measure of the shareholders overall approval of the handling of the Company's executive compensation matters. Therefore, the vote will not result in a change or clawback of any existing or future compensation of any individual. Nor will this vote necessarily result in a change in the elements or compensation programs of the Company, as those decisions remain vested in the Board of Directors. However, if the shareholders fail to give this proposal a favorable vote, the Board of Directors and Compensation Committee shall investigate the reasons the resolution did not receive a majority vote. Further, this vote will be taken into consideration when future changes are considered in the elements of compensation, when compensation programs are adopted or changed, and when compensation amounts or incentive awards are approved for executive officers and the other senior members of the Company's management. The results of this vote shall be disclosed in a filing made with the SEC shortly after the Annual Meeting of the Shareholders and will be available for review on the Company's website, www.oldrepublic.com.

BOARD OF DIRECTORS' RECOMMENDATION

The Board of Directors recommends a vote FOR this proposal. Proxies solicited by the Board of Directors shall be voted in favor of this proposal unless shareholders specify to the contrary in their proxies.

ITEM 4

APPROVAL OF THE OLD REPUBLIC INTERNATIONAL CORPORATION 2022 INCENTIVE COMPENSATION PLAN

This proposal is to approve the Old Republic International Corporation 2022 Incentive Compensation Plan (the "2022 Incentive Compensation Plan").

BACKGROUND

On February 24, 2022, the Board of Directors unanimously adopted the 2022 Incentive Compensation Plan, subject to the approval of the Company's shareholders at the Company's 2022 Annual Meeting of Shareholders. If approved, the 2022 Incentive Compensation Plan will become effective as of May 26, 2022. The full text of the 2022 Incentive Compensation Plan is provided as Appendix 1 to this proxy statement.

Existing awards under the Company's current equity incentive compensation plan, the Old Republic International Corporation 2016 Incentive Compensation Plan (the "Prior Plan"), and the Old Republic International 2006 Incentive Compensation Plan (under which no awards have been granted since the adoption of the Prior Plan), will remain in full force and effect in accordance with each plan's terms. No new awards will be made under the Prior Plan after approval of the 2022 Incentive Compensation Plan by shareholders.

Shareholder approval of the 2022 Incentive Compensation Plan is required under the rules of the NYSE. The Company is also asking the shareholders to approve the 2022 Incentive Compensation Plan for purposes of Section 421 of the Internal Revenue Code ("IRC").

The 2022 Incentive Compensation Plan has many similar terms to the Prior Plan under which awards have been granted, but it provides, among other changes, more robust language related to the terms applicable to other equity awards, which is consistent with the desire of the Compensation Committee to grant awards other than options (in particular, restricted stock awards) to certain participants in 2022 and beyond. As discussed earlier in this proxy statement, the Compensation Committee's approach to executive officer and certain senior manager compensation for 2022 is to shift a larger percentage of an executive officer's compensation to long-term incentive awards to be issued under the 2022 Incentive Compensation Plan. As such, on March 10, 2022, the Compensation Committee granted certain nonqualified stock option and restricted stock awards under the 2022 Incentive Compensation Plan to our named executive officers, other executive officers, and certain senior managers (the "2022 Awards"). The 2022 Awards are conditioned upon, and will not be effective unless and until the shareholders approve the 2022 Incentive Compensation Plan.

DESCRIPTION OF THE 2022 INCENTIVE COMPENSATION PLAN

The following summary describes briefly the material features of the 2022 Incentive Compensation Plan and is qualified in its entirety by reference to the full text of the 2022 Incentive Compensation Plan, which is provided as Appendix 1 to this proxy statement. You are urged to read the text of the 2022 Incentive Compensation Plan in its entirety.

Purpose

The purpose of the 2022 Incentive Compensation Plan is to provide a means through which the Company may attract and retain qualified persons to serve as employees of the Company and to provide a means whereby those individuals upon whom the responsibilities of the successful administration and management of the Company rest, and whose present and potential contributions to the Company are of importance, can acquire and maintain stock ownership, thereby strengthening their concern for the welfare of the Company. The 2022 Incentive Compensation Plan also permits awards to be made to directors. A further purpose of the 2022 Incentive Compensation Plan is to provide such individuals with additional incentive and reward opportunities designed to enhance the profitable growth of the Company.

Administration

Generally, the 2022 Incentive Compensation Plan will be administered by the Compensation Committee, which is and will be composed of independent directors of the Company. The Compensation Committee will have full authority, subject to the terms of the 2022 Incentive Compensation Plan, to establish rules and regulations for the proper administration of the 2022 Incentive Compensation Plan, to select the employees and directors to whom awards are granted, and to set the date of grant, the type of award that shall be made, and the other terms of the awards. None of the members of the Compensation Committee have within the last three years participated in any award under the Prior Plan or any other employee benefit plan of the Company or any affiliate.

Eligibility

All employees and directors of the Company and its affiliates are eligible to participate in the 2022 Incentive Compensation Plan (any such individual participating in the 2022 Incentive Compensation Plan is referred to herein as a “Participant”). The selection of those employees and directors from among those eligible to receive awards is within the discretion of the Compensation Committee. As of March 1, 2022, there were approximately 9,600 employees at the Company and its affiliates who were eligible to participate in the 2022 Incentive Compensation Plan. If the 2022 Incentive Compensation Plan is adopted by the shareholders at the Company’s 2022 Annual Meeting of Shareholders, each of our 12 non-employee directors will be eligible to participate in the 2022 Incentive Compensation Plan. In 2021, there were awards made to 385 employees under the Prior Plan and no awards were made to non-employee directors.

Term of the Plan

No further awards may be granted under the 2022 Incentive Compensation Plan after 10 years from the date the 2022 Incentive Compensation Plan is adopted by the Board.

Types of Awards

The 2022 Incentive Compensation Plan permits the granting of a broad variety of equity incentives, including any or all of the following types of awards: (1) stock options, (2) restricted stock awards, (3) restricted stock units, (4) performance grants, and (5) stock appreciation rights.

Number of Shares Subject to 2022 Incentive Compensation Plan and Award Limits

A total of 20,000,000 new shares, plus the 4,782,518 shares that remained available for issuance under the Prior Plan prior to the adoption of the 2022 Incentive Compensation Plan and shares subject to awards which are forfeited under the Prior Plan, would be available for grants under the 2022 Incentive Compensation Plan. The total shares available for issuance under the 2022 Incentive Compensation Plan, together with shares subject to unexercised/unvested outstanding awards, represent approximately 10.5% of the Company’s outstanding shares as of March 1, 2022.

Any shares that are tendered or withheld as full or partial payment of withholding or other taxes or as payment for the exercise price of an award under the 2022 Incentive Compensation Plan shall not be added back to the number of shares available for issuance under the 2022 Incentive Compensation Plan. In addition, awards valued by reference to Common Stock that may be settled in equivalent cash value will count as shares of Common Stock delivered to the same extent as if the awards were settled in shares of Common Stock. Whenever any outstanding option or other award (or portion thereof) expires, is cancelled or forfeited or is otherwise terminated for any reason without having been exercised or payment having been made in the form of shares, the number of shares available for issuance under the 2022 Incentive Compensation Plan shall be increased by the number of shares allocable to the expired, forfeited, cancelled or otherwise terminated option or other award (or portion thereof).

No Participant may receive awards (i) with respect to options, of more than 3,000,000 shares of Common Stock, and (ii) with respect to restricted stock awards, stock appreciation rights, and performance grants denominated in shares of Common Stock, of more than 750,000 shares of Common Stock, in any 36 month period. The maximum number of shares of Common Stock issued to a Director in any calendar year (i) with respect to options may not exceed 300,000 shares of Common Stock, and (ii) with respect to restricted stock awards may not exceed 75,000 shares of Common Stock. The limitations described in the preceding two sentences may be adjusted upon a reorganization, stock split, recapitalization or other change in the Company's capital structure.

Vesting of Awards

Except as otherwise provided in an award agreement, each award issued to a Participant shall have a 3-year graded vesting period. Notwithstanding the foregoing, awards granted under the 2022 Incentive Compensation Plan (other than cash based awards) shall vest no earlier than the first anniversary of the date on which the award is granted; provided that the following awards are not subject to the forgoing minimum vesting requirement: any (i) substitute awards or; (ii) shares of stock delivered in lieu of fully vested cash obligations. In the event that the employee dies, retires due to disability, or is involuntarily separated because he or she is an employee of a subsidiary that is voluntarily divested by the Company, the employee's outstanding awards will vest. If an employee retires in good standing after attaining age 65 and having been employed by the Company or any affiliate for 10 years or longer, the employee's award(s) will continue to vest per the applicable schedule, subject to the employee's ongoing compliance with any restricted covenants or other obligations in the award agreement(s) or any other agreement with any plan, policy, or program of, the Company and/or if affiliates. Except as provided in an award agreement, in the event a director's service on the Board ceases due to death, or disability, then any outstanding awards shall become fully vested. In addition, in the event a director's service ceases other than due to death or disability, then, except as otherwise provided in the awards agreement(s) any outstanding awards will continue to vest per the applicable schedule.

Stock Options

The term of each option shall be as specified by the Compensation Committee at the date of grant, but in no event shall an option be exercisable after the expiration of 10 years from the date of grant. An option shall be exercisable in whole or in such installments and at such times as determined by the Compensation Committee.

The Compensation Committee shall specify whether a given option shall constitute an incentive stock option or a nonqualified stock option. An incentive stock option may be granted only to an individual who is employed by the Company or any parent or subsidiary corporation at the time the option is granted.

Each option shall be evidenced by a stock option award agreement in such form and containing such provisions not inconsistent with the provisions of the 2022 Incentive Compensation Plan as the Compensation Committee from time to time shall approve, including, without limitation, provisions to qualify an incentive stock option under Section 422 of the IRC. Each stock option award agreement shall specify the effect of termination of (i) employment or (ii) membership on the Board, as applicable, on the exercisability of the option. The terms and conditions of the respective award agreements need not be identical. Subject to the consent of the Participant, the Compensation Committee may, in its sole discretion, amend an outstanding stock option award agreement from time to time in any manner that is not inconsistent with the provisions of the 2022 Incentive Compensation Plan.

The option price will be determined by the Compensation Committee and will be no less than the fair market value of the shares on the date that the option is granted, except for adjustments for certain changes in the Company's Common Stock. Subject to any applicable stock option award agreement, any option may be exercised by delivery of cash by net settlement using Common Stock having a fair market value on the exercise date equal to the total exercise price (and any tax withholding), or by means of an exercise arrangement with a qualifying broker-dealer.

Retired Participants, estates of deceased Participants, and individuals who are terminated without cause ("Involuntary Severance") shall have until the earlier of the expiration of the stock option granted or four (4) years from the date of retirement, death or Involuntary Severance to exercise all exercisable stock options. In the event of the termination of the Participant's employment other than by reason of retirement, death, or Involuntary Severance, all unexercised stock options held by the Participant shall terminate and be forfeited. In the event a director's service on the Board terminates, other than following any change of control, any of the director's outstanding option(s) shall terminate on the earlier of its scheduled date of expiration or four (4) years from the date of termination.

Restricted Stock Awards

Awards may be granted in the form of restricted stock. Shares of Common Stock that are the subject of a restricted stock award shall be subject to restrictions on disposition by the Participant and an obligation of the Participant to forfeit and surrender the shares to the Company under certain circumstances (the "Forfeiture Restrictions"). The Forfeiture Restrictions shall be determined by the Compensation Committee in its sole discretion, and the Compensation Committee may provide that the Forfeiture Restrictions shall lapse upon (i) the attainment of one or more performance goals, (ii) the Participant's continued employment with the Company or continued service as a director for a specified period of time, (iii) the occurrence of any event or the satisfaction of any other condition specified by the Compensation Committee in its sole discretion, or (iv) a combination of any of the foregoing. Each restricted stock award may have different Forfeiture Restrictions, in the discretion of the Compensation Committee.

Common Stock awarded pursuant to a restricted stock award shall be issued by book entry or stock certificate registered in the name of the Participant. Unless provided otherwise in an award agreement, the Participant shall have the right to vote Common Stock subject thereto and to enjoy all other shareholder rights, except that (i) the Participant shall not be entitled to delivery of the stock until the Forfeiture Restrictions have lapsed, (ii) the Company shall retain custody of the stock until the Forfeiture Restrictions have lapsed, (iii) the Participant may not sell, transfer, pledge, exchange, hypothecate or otherwise dispose of the stock until the Forfeiture Restrictions have lapsed, and (iv) a breach of the terms and conditions established by the Compensation Committee pursuant to the award agreement shall cause a forfeiture of the restricted stock award. Restricted stock awards shall not receive dividends during any forfeiture restriction period but shall have the right to receive an accrual of such dividends. Any accrued dividends will be paid to the Participant at the time the Forfeiture Restrictions for the underlying restricted stock award expire. At the time of such award, the Compensation Committee may, in its sole discretion, prescribe additional terms, conditions or restrictions relating to restricted stock awards, including, but not limited to, rules pertaining to the termination of employment or service as a director (by retirement, disability, death or otherwise) of a Participant prior to expiration of the Forfeitures Restrictions. Such additional terms, conditions or restrictions shall be set forth in an award agreement made in conjunction with the award. The terms and provisions of restricted stock award Agreements need not be identical. Upon vesting, payment of tax withholdings may be made by net settlement or delivery of cash.

Restricted Stock Units

Restricted stock units are rights to receive shares of Common Stock (or the fair market value thereof), which vest over a period of time as established by the Compensation Committee and with the satisfaction of certain performance criteria or objectives. The Compensation Committee may, in its discretion, require payment or other conditions of the Participant respecting any restricted stock unit. The Compensation Committee shall establish, with respect to and at the time of each restricted stock unit, a period over which the award shall vest with respect to the Participant. In determining the value of restricted stock units, the Compensation Committee shall take into account a Participant's duties, past and potential contributions to the success of the Company, and such other considerations as it deems appropriate.

Following the end of the vesting period for a restricted stock unit (or at such other time as the applicable restricted stock unit Agreement may provide), the holder of a restricted stock unit shall be entitled to receive one share of Common Stock for each restricted stock unit then becoming vested or otherwise able to be settled on such date, subject to the withholding of applicable taxes, which may be done by net settlement or delivery of cash. Cash dividend equivalents will not be paid during the vesting period but may be accrued to the extent provided for in the restricted stock unit Agreement and paid in cash at the time the underlying shares of Common Stock are delivered.

A restricted stock unit shall terminate if the Participant does not remain continuously in the employ of the Company or its subsidiaries or does not continue to perform services as a director for the Company or its subsidiaries at all times during the applicable vesting period, except as may be otherwise determined by the Compensation Committee. The terms and provisions of restricted stock unit Agreements need not be identical.

Stock Appreciation Rights

A stock appreciation right is an award that may or may not be granted in tandem with an option, and entitles the holder to receive an amount equal to the difference between the fair market value of the shares of Common Stock at the time of exercise of the stock appreciation right and the base amount, subject to the applicable terms and conditions of the tandem options and the 2022 Incentive Compensation Plan.

A stock appreciation right shall entitle the holder of an option to receive, upon the exercise of the stock appreciation right, shares of Common Stock (valued at their fair market value at the time of exercise), cash, or a combination thereof, in the discretion of the Compensation Committee, in an amount equal in value to the excess of the fair market value of the shares of Common Stock subject to the stock appreciation right as of the date of such exercise over the purchase price of the stock appreciation right. If granted in tandem with an option, the exercise of a stock appreciation right will result in the surrender of the related option and, unless otherwise provided by the Compensation Committee in its sole discretion, the exercise of an option will result in the surrender of a related stock appreciation right, if any. The terms and provisions of stock appreciation right award agreements need not be identical.

The “expiration date” with respect to a stock appreciation right shall be determined by the Compensation Committee, and if granted in tandem with an option, shall be not later than the expiration date for the related option. If neither the right nor the related option is exercised before the end of the day on which the right ceases to be exercisable, such right shall be deemed exercised as of such date and payment shall be made to the holder in cash.

Performance Grants

The 2022 Incentive Compensation Plan provides the Compensation Committee the ability to grant performance grants that are settled in cash or shares of Common Stock based on the satisfaction of performance criteria.

A performance grant shall be awarded to a Participant contingent upon attainment of future performance goals of the Company or its affiliates during a performance cycle. The performance goals shall be pre-established by the Compensation Committee. Performance goals determined by the Compensation Committee may include, but are not limited to, increases in net profits, operating income, Common Stock price, earnings per share, sales, return on equity, attainment of environmental, social, and governance performance measures, or other performance measures and criteria as determined by the Compensation Committee. In determining the value of performance grants, the Compensation Committee shall take into account a Participant’s duties, past and potential contributions to the success of the Company, and such other considerations as it deems appropriate. The Compensation Committee, in its sole discretion, may make downward adjustments to the amount payable under a Participant’s performance grant during or after a performance period.

Following the end of the performance period, the holder of a performance grant shall be entitled to receive payment of an amount not exceeding the number of shares of Common Stock subject to, or the maximum value of, the performance grant, based on the achievement of the performance measures for such performance period, as determined and certified in writing by the Compensation Committee. Payment of a performance grant may be made in a lump sum in cash, Common Stock, or a combination thereof, as determined by the Compensation Committee, and shall be made no later than 90 days after the end of the performance period and certification by the Compensation Committee. If a performance grant covering shares of Common Stock is to be paid in cash, such payment shall be based on the fair market value of the Common Stock on the payment date.

A performance grant shall terminate if the Participant does not remain continuously in the employ of the Company or does not continue to perform services as a director for the Company at all times during the applicable performance period, except as may be determined by the Compensation Committee.

Change of Control

Upon the consummation of a change of control, if outstanding awards are or assumed or substituted, then any outstanding options and stock appreciation right shall become immediately vested and exercisable, restricted stock awards shall become immediately vested and open performance grants shall be deemed earned at the target level. Upon the consummation of the change of control, if outstanding awards are assumed or substituted, then such outstanding awards will vest per the applicable schedule; provided, however, that if a Participant terminates employment without cause or for good reason or ceases board service within the 36 month period following the change of control Participant's of outstanding awards will become fully vested.

Federal Income Tax Consequences

The following is a brief summary of the U.S. federal income tax consequences of the grant, vesting, and exercise of awards under the 2022 Incentive Compensation Plan. This summary is based on the tax laws in effect as of the date of this proxy statement. Changes to these laws could alter the tax consequences described below. This summary is not intended to be exhaustive, and, among other things, does not describe state, local, or non-United States tax consequences, or the effect of gift, estate, or inheritance taxes. Individuals receiving awards under the 2022 Incentive Compensation Plan should rely upon their own tax advisors for advice concerning the specific tax consequences applicable to them, including the applicability and effect of state, local, and foreign tax laws.

Options granted under the 2022 Incentive Compensation Plan may be either incentive stock options, which satisfy the requirements of Section 422 of the IRC, or non-statutory stock options, which are not intended to meet such requirements. The federal income tax treatment for the two types of options differs, as described below.

Incentive Stock Options

An optionee will not recognize any taxable income at the time of the award of an incentive stock option. In addition, an optionee will not recognize any taxable income at the time of the exercise of an incentive stock option (although taxable income may arise at the time of exercise for alternative minimum tax purposes) if the optionee has been an employee of the Company at all times beginning with the option award date and ending three months before the date of exercise (or twelve months in the case of termination of employment due to disability). If the optionee has not been so employed during that time, the optionee will be taxed as described below for non-statutory stock options. If the optionee disposes of the shares purchased through the exercise of an incentive stock option more than two years after the option was granted and more than one year after the option was exercised, then the optionee will recognize any gain or loss upon disposition of those shares as capital gain or loss. However, if the optionee disposes of the shares prior to satisfying these holding periods (known as a "disqualifying disposition"), the optionee will be obligated to report as taxable ordinary income for the year in which that disposition occurs the excess, with certain adjustments, of (i) the fair market value of the shares disposed of on the date of exercise over (ii) the exercise price paid for those shares. Any additional gain realized by the optionee on the disqualifying disposition would be capital gain. If the total amount realized in a disqualifying disposition is less than the exercise price of the incentive stock option, the difference would be a capital loss for the optionee. The Company will, subject to Section 162(m) of the IRC, generally be entitled at the time of the disqualifying disposition to a tax deduction equal to that amount of ordinary income reported by the optionee.

Non-Statutory Options

An optionee will not recognize any taxable income at the time of the award of a non-statutory option. The optionee will recognize ordinary income in the year in which the optionee exercises the option equal to the excess of the fair market value of the purchased shares on the exercise date over the exercise price paid for the shares, and the optionee will be required at that time to satisfy the tax withholding requirements applicable to such income. Any appreciation or depreciation in the fair market value of those shares after the exercise date will generally result in a capital gain or loss to the optionee at the time he or she disposes of those shares. The Company will, subject to Section 162(m) of the IRC, generally be entitled to an income tax deduction at the time of exercise equal to the amount of ordinary income recognized by the optionee at that time.

Restricted Stock Awards

The recipient of shares of restricted stock will not recognize any taxable income at the time of the award so long as the shares of Common Stock are not transferable and are subject to a substantial risk of forfeiture. Accordingly, the Company is not entitled to a compensation deduction at that time. The recipient will have to report as ordinary income as and when those shares of Common Stock subsequently vest, that is, when they either become transferable or are no longer subject to a substantial risk of forfeiture, in an amount equal to the excess of (i) the fair market value of the shares upon vesting over (ii) the cash consideration (if any) paid for the shares. The Company will, subject to Section 162(m) of the IRC, then be entitled to a corresponding compensation deduction. All dividends and distributions (or the cash equivalent thereof) with respect to a restricted stock award accrued before the risk of forfeiture lapses will also be compensation income to the Participant when paid. Notwithstanding the foregoing, the recipient of a restricted stock award may elect under Section 83(b) of the IRC to be taxed at the time of grant of the restricted stock award based on the fair market value of the shares of Common Stock on the date of the award, in which case (1) subject to Section 162(m) of the IRC, the Company will be entitled to a deduction at the same time and in the same amount, (2) dividends accrued during the period the forfeiture restrictions apply will be taxable as dividends when paid and will not be deductible by the Company, and (3) there will be no further federal income tax consequences when the risk of forfeiture lapses. In such case, any appreciation or depreciation in the fair market value of those shares of Common Stock after grant will generally result in a capital gain or loss to the recipient at the time he or she disposes of those shares. This election must be made not later than thirty days after the grant of the restricted stock award and is irrevocable.

Restricted Stock Units

Restricted stock units are not subject to taxation at the time of grant, and the Company will not be entitled to a deduction at that time, assuming that the restrictions constitute a substantial risk of forfeiture for federal income tax purposes. Upon receipt of shares of Common Stock (or the equivalent value in cash or other property) in settlement of an award of restricted stock units, the Participant will realize ordinary income in an amount equal to the fair market value of the shares of Common Stock, and any previously unpaid dividends, received in settlement for the units at such time over the amount, if any, paid for the shares, and subject to Section 162(m) of the IRC, the Company will be entitled to a corresponding deduction.

Stock Appreciation Rights

The recipient of a stock appreciation right will not recognize taxable income at the time of the award. The recipient will recognize ordinary income when the stock appreciation right is exercised in an amount equal to the excess of (i) the fair market value of the underlying shares of Common Stock on the exercise date over (ii) the base price in effect for the stock appreciation right, and the recipient will be required to satisfy the tax withholding requirements applicable to such income. The Company will generally be entitled at the time of exercise to an income tax deduction equal to the amount of ordinary income recognized by the recipient in connection with the exercise of the stock appreciation right.

Performance Grants

Performance grants paid in cash generally result in taxable income to the Participant and, subject to Section 162(m) of the IRC, a compensation deduction by the Company at the time the cash payment is made. Performance grants paid in shares of Common Stock result in taxable income to the Participant equal to the fair market value of the Common Stock on the date of transfer and result in a corresponding compensation deduction for the Company. Performance grants are subject to federal income and employment tax withholding.

Effect of a Change of Control

Under certain circumstances, accelerated vesting, exercise or payment of awards under the 2022 Incentive Compensation Plan in connection with a “change of control” of the Company might be deemed an “excess parachute payment” for purposes of the golden parachute payment provisions of Section 280G of the IRC. To the extent it is so considered, the Participant holding the award would be subject to an excise tax equal to 20% of the amount of the excess parachute payment, and the Company would be denied a tax deduction for the excess parachute payment.

Deductibility of Executive Compensation

Section 162(m) of the IRC places a limit of $1,000,000 on the amount of compensation that the Company may deduct in any taxable year with respect to each “covered employee” within the meaning of Section 162(m) of the IRC.

Adjustments for Change in Capitalization

The 2022 Incentive Compensation Plan provides that in the event of any subdivision or consolidation of outstanding shares of stock, declaration of a dividend payable in shares of Common Stock or other stock split, or other recapitalization or capital reorganization of the Company, any consolidation or merger of the Company with another corporation or entity, the adoption by the Company of any plan of exchange affecting Common Stock or any distribution to holders of Common Stock of securities or property (other than an ordinary dividend, but including any special cash dividend), the Board shall make appropriate adjustments to outstanding awards.

Clawback

All awards granted under the 2022 Incentive Compensation Plan will be subject to recoupment in accordance with the Company's clawback policy now in effect or that the Company may be required to adopt pursuant to the listing standards of the NYSE or as otherwise specifically required by applicable law. This policy currently provides, to the extent permitted by law, the Company will seek to recoup any incentive-based compensation, including awards under the 2022 Incentive Compensation Plan, paid to any current or former executive officer if: (i) the amount of such payment was based on the achievement of certain financial results that were subsequently the subject of a restatement, (ii) the Board determines that such executive officer engaged in misconduct that resulted in the obligation to restate, and (iii) a lower payment would have been made to the executive officer based upon the restated financial results.

Miscellaneous

The Board may amend or modify the 2022 Incentive Compensation Plan at any time; provided, however, that shareholder approval will be obtained for any amendment (1) to the extent necessary and desirable to comply with any applicable law, regulation or stock exchange rule, (2) to change the number of shares available for issuance as incentive stock options, (3) to change the class of employees eligible to receive incentive stock options or (4) to permit the exercise price of any outstanding option or stock appreciation right to be reduced below an amount equal to fair market value as of the grant date.

NEW PLAN BENEFITS

As noted above, on March 10, 2022, our Compensation Committee conditionally granted incentive compensation awards under the 2022 Incentive Compensation Plan to our executive officers and non-executive officers. The 2022 Awards will not be effective unless and until the shareholders approve the 2022 Incentive Compensation Plan at the Company's 2022 Annual Meeting of Shareholders.

All future awards under the 2022 Incentive Compensation Plan will be made by the Compensation Committee in its discretion. The Compensation Committee currently anticipates granting additional annual incentive compensation awards pursuant to the 2022 Incentive Compensation Plan. The Participants and the terms and conditions of future awards under the 2022 Incentive Compensation Plan cannot be determined at this time.

Please See Continuation on Next Page

Set forth below is a description of the 2022 Awards.

New Plan Benefits – 2022 Awards
Old Republic International 2022 Incentive Compensation Plan

	Restricted Stock Awards		Option Awards
Name and Position	**Dollar Value ($) (1)**	**Shares (#) (2)**	**Shares (#) (3)**
Craig R. Smiddy, President and Chief Executive Officer	$ 1,784,300	70,000	180,000
Frank J. Sodaro, Senior Vice President and Chief Financial Officer	509,800	20,000	60,000
W. Todd Gray, Executive Vice President and Treasurer	509,800	20,000	60,000
Stephen J. Oberst, Executive Vice President	764,700	30,000	80,000
Rande K. Yeager, Executive Chairman – Title Insurance Group	407,840	16,000	78,000
Thomas A. Dare, Senior Vice President, Secretary and General Counsel	509,800	20,000	60,000
Total -- Executive Group (6 persons)	4,486,240	176,000	518,000
Total -- Non-Executive Officer Employee Group (4)	10,858,740	426,000	2,152,000

(1) The value of restricted stock awards is based on $25.49 per share, the closing price of the Company's Common Stock on March 10, 2022, the date the conditional awards were granted (the "grant date").

(2) The shares of restricted stock conditionally granted to the executive officers listed in the table above are subject to graded vesting over a three-year period beginning on the grant date.

(3) Each option award conditionally granted to the executive officers listed in the table above has a ten-year term, an exercise price of equal to $25.49, and graded vesting over a three-year period beginning on the grant date.

(4) On March 10, 2022, the Compensation Committee allocated a pool of restricted stock awards and option awards, in the aggregate amounts listed in the respective column in the table above, to be granted to certain non-executive officers and employees of the Company in the discretion of the Chief Executive Officer on receipt of shareholder approval of the 2022 Incentive Compensation Plan.

Impact if the 2022 Incentive Compensation Plan is not Approved

If this proposal is not approved by the Company’s shareholders, the 2022 Incentive Compensation Plan will be null and void, all awards granted under it, including those described in the New Plan Benefits Table above, will terminate, and the Prior Plan will continue in effect and the shares remaining thereunder will be available for grant.

Required Vote

The Board of Directors unanimously approved and adopted the 2022 Incentive Compensation Plan, subject to shareholder approval. Accordingly, to be approved, this proposal requires the affirmative vote of a majority of the votes cast at the Company’s 2022 Annual Meeting of Shareholders.

BOARD OF DIRECTORS’ RECOMMENDATION

The Board of Directors recommends a vote FOR the approval of the 2022 Incentive Compensation Plan. Proxies solicited by the Board of Directors will be voted in favor of this proposal unless shareholders’ specify to the contrary in their proxies.

OTHER INFORMATION

SHAREHOLDER PROPOSALS OR DIRECTOR NOMINATIONS FOR THE 2023 ANNUAL MEETING OF THE SHAREHOLDERS

In order for a proposal by a shareholder to be presented at the Annual Meeting, a copy to the proposal much be supplied to the Company's Secretary no later than 90 days and at least 120 days before the anniversary date of the Company's last proxy. For the proposal to be included in the Company's proxy statement and form of proxy for the 2023 Annual Meeting of the Shareholders, the proposal must be received by the Company no later than 120 days before the anniversary date of the Company's last proxy statement (which is December 1, 2022). For a nomination to be considered at the Annual Meeting, the nomination much be submitted to the Secretary no later than 90 days and at least 120 days (but no more than 150 days) before the anniversary date of the Company's last proxy statement. Under our proxy access by-law for the shareholder-nominated director to be included in the Company's proxy materials for the 2023 Annual Meeting, the shareholder nomination must be received by the Company no earlier than November 1, 2022 and no later than December 1, 2022. Any nomination should be accompanied by a comprehensive description of the person's qualifications plus the additional material that conforms to the requirements contained in the Company's "Advance Notice by-law". That by-law may be viewed on the Company's website, www.oldrepublic.com.

This proxy statement is filed by order of the Board of Directors.

Thomas A. Dare
Senior Vice President,
General Counsel and Secretary

Chicago, Illinois
March 31, 2022

APPENDIX 1

OLD REPUBLIC INTERNATIONAL CORPORATION
2022 INCENTIVE COMPENSATION PLAN

Old Republic International Corporation, a Delaware corporation (the "Company"), hereby establishes and adopts the Old Republic International Corporation 2022 Incentive Compensation Plan (the "Plan").

ARTICLE I
PLAN

1.1 Purpose. The Plan is intended to provide a means through which the Company and its Affiliates may attract and retain qualified persons to serve as Directors or to enter the employ of the Company and its Affiliates and to provide a means whereby those individuals upon whom the responsibilities of the successful administration and management of the Company and its Affiliates rest, and whose present and potential contributions to the Company and its Affiliates are of importance, can acquire and maintain stock ownership, thereby strengthening their concern for the welfare of the Company and its Affiliates. A further purpose of the Plan is to provide such individuals with additional incentive and reward opportunities designed to enhance the profitable growth of the Company and its Affiliates. Accordingly, the Company may grant to certain individuals Awards in the form of Incentive Options, Nonqualified Options, Restricted Stock Awards, Restricted Stock Units, Performance Grants and SARs, subject to the terms of the Plan.

1.2 Effective Date of Plan. The Plan is effective upon the date of its adoption by the Board, subject to approval by a majority vote of shareholders voting in person or by proxy with respect to the Plan at the Company's 2022 Annual Meeting of Shareholders. Any Award issued under the Plan's terms prior to such shareholder approval shall not become effective until the date of such shareholder approval. No further Awards may be granted under the Plan after 10 years from the date the Plan is adopted by the Board. The Plan shall remain in effect until all Awards have been exercised, vested, satisfied, forfeited, or expired.

ARTICLE II
DEFINITIONS

The words and phrases defined in this Article shall have the meaning set out in these definitions throughout the Plan, unless the context in which any such word or phrase appears reasonably requires a broader, narrower, or different meaning.

2.1 "Affiliate" means any entity (whether a corporation, partnership, joint venture or other form of entity) that directly, or indirectly through one or more intermediaries, controls, or is controlled by or is under common control with, the Company, including without limitation any such entity of which the Company owns or controls more than 50% of the outstanding capital stock or the combined voting power of all classes of stock or other equity or ownership interests.

2.2 "Award" means any Option, Restricted Stock Award, Restricted Stock Unit, Performance Grant, or SAR granted, whether singly, in combination, or in tandem, to a Participant pursuant to such applicable terms, conditions and limitations as may be established in order to fulfill the objectives of this Plan.

2.3 "Award Agreement" means the written or electronic agreement provided in connection with an Award setting forth the terms and conditions of the Award. Such Agreement may contain any other provisions that the Committee, in its sole discretion, shall deem advisable which are not inconsistent with the terms of the Plan. Any Participant who is granted an Award and who does not affirmatively reject the applicable Award Agreement shall be deemed to have accepted the terms of the Award as stated in the Award Agreement.

2.4 "Board of Directors" or "Board" means the board of directors of the Company.

2.5 "Cause" means (i) performing an act of dishonesty, fraud, theft, embezzlement, or misappropriation involving the Participant's employment with the Company, or breach of the duty of loyalty to the Company; (ii) performing an act of race, sex, national origin, religion, disability, or age-based discrimination which, after investigation, counsel to the Company reasonably concludes will result in liability being imposed on the Company and/or the Participant; (iii) material violation of the Company's policies and procedures including, but not limited to, the Company's Employee Handbook and/or Code of Business Conduct and Ethics; or (iv) performing any act resulting in a criminal felony charge brought against the Participant or a criminal conviction of the Participant (other than a conviction of a minor traffic violation).

2.6 "Change of Control" means (i) the date of any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company's Stock would be converted into cash, securities or other property; or (ii) the date of any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company, other than any sale, lease, exchange or other transfer to any corporation where the Company owns, directly or indirectly, at least 80% of the outstanding voting securities of such corporation after any such transfer; or (iii) the date of any plan or proposal for the liquidation or dissolution of the Company; or (iv) the date any person (as such term is used in Section 13(d) of the Securities Exchange Act of 1934), other than the Old Republic International Corporation Employees Savings and Stock Ownership Trust or any other trust established by or contributed to by the Company or any of its Subsidiaries for the benefit of Employees of the Company or its Subsidiaries, shall become the beneficial owner (within the meaning of Rule 13d 3 under the Exchange Act) of 20% or more of the Company's outstanding stock; or (v) the date, during any period of 24 consecutive months, on which individuals who at the beginning of such period constitute the entire Board shall cease for any reason to constitute a majority thereof. Notwithstanding the foregoing, however, in any circumstance or transaction in which compensation resulting from or in respect of an Award would result in the imposition of an additional tax under Section 409A if the foregoing definition of "Change of Control" were to apply, but would not result in the imposition of any additional tax if the terms "Change of Control" were defined herein to mean a "change in control event" within the meaning of Treasury Regulation 1.409A-3(i)(5), then "Change of Control" shall mean a "change in control event" within the meaning of Treasury Regulation 1.409A-3(i)(5), but only to the extent necessary to prevent such compensation from becoming subject to an additional tax under Section 409A.

2.7 "Code" means the Internal Revenue Code of 1986, as amended. References herein to any Section of the Code shall also refer to any successor provision thereof, and the regulations and other authority issued thereunder by the appropriate governmental authority.

2.8 "Committee" means the Compensation Committee of the Board or such other committee designated by the Board. The Committee shall at all times consist solely of two or more members of the Board of Directors, and all members of the Committee shall be Disinterested Persons.

2.9 "Company" means Old Republic International Corporation, a Delaware corporation, or its successor in interest.

2.10 "Date of Grant" shall mean the date that the Committee (or the Committee's delegee pursuant to Section 10.2) grants an award.

2.11 "Director" means an individual who is a non-employee member of the Board.

2.12 "Disability" means a period of medically determined physical or mental impairment that is expected to result in death or to last for a continuous period of not less than 12 months during which you are unable to engage in any substantial gainful activity by reason of such impairment.

2.13 "Disinterested Person" means an individual who satisfies such requirements as the Securities and Exchange Commission may establish for non-employee directors administering plans intended to qualify for exemption under Rule 16b-3 (or its successor) under the Exchange Act.

2.14 "Dividend Equivalent" means a credit based on the cash dividend that would have been paid on a share of Stock specified in an Award if such share was held by the Participant to whom the Award is made.

2.15 "Employee" means any person in an employment relationship with the Company or any Affiliate.

2.16 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

2.17 "Fair Market Value" means, as of any specified date, the closing sales price of the Stock reported on the stock exchange composite tape on that date (or such other reporting service approved by the Committee), or, if no prices are reported on that date, on the last preceding date on which such prices of the Stock are so reported. In the event the Stock is not publicly traded at the time a determination of its value is required to be made hereunder, the determination of its Fair Market Value shall be made by the Committee in such manner as it deems appropriate, in accordance with Section 409A.

2.18 "Good Reason" means with respect to an individual the occurrence of any of the following events, except for the occurrence of such an event in connection with the termination or reassignment of Employee by the Company for Cause: (i) a material reduction by the Company of Employee's base salary; (ii) a material reduction in Employee's authority, duties and responsibilities; or (iii) the Company's requiring Employee to be based anywhere other than within 50 miles of Employee's office location as of the Date of Grant except for requirements of reasonably required travel on the Company's business.

2.19 "Grant Price" means the price at which a Participant may exercise an Option, SAR or other right to receive cash or Stock, as applicable, under the terms of an Award.

2.20 "Incentive Option" means an Option granted under the Plan which is designated as an "Incentive Option" and satisfies the requirements of Section 422 of the Code.

2.21 "Nonqualified Option" means an Option granted under the Plan other than an Incentive Option.

2.22 "Option" means an Incentive Option or a Nonqualified Option granted under the Plan to purchase shares of Stock pursuant to Article V.

2.23 "Participant" means any Employee or Director who has been granted an Award under the Plan.

2.24 "Performance Criteria" means the criteria the Committee selects for purposes of establishing the Performance Goal or Performance Goals for a Participant for a Performance Period, which need not be the same for each Participant. The Performance Criteria used by the Committee may include either objective metrics or subjective metrics which measure performance by the Company and/or a Participant's performance, which may include, but are not limited to, the following: net sales; revenue; revenue growth; operating income; pre- or after-tax income (before or after allocation of corporate overhead and bonus); net earnings; earnings per share; net income; division, group or corporate financial goals; return on equity; total shareholder return; return on assets or net assets; attainment of strategic and operational initiatives; appreciation in and/or maintenance of the price of the Stock or any other publicly-traded securities of the Company; market share; gross profits; earnings (including earnings before taxes, earnings before interest and taxes or earnings before interest, taxes, depreciation and amortization); economic value-added models; comparisons with various stock market indices; reductions in costs; cash flow (before or after dividends); cash flow per share (before or after dividends); return on capital (including return on total capital or return on invested capital); cash flow return on investment; improvement in or attainment of expense levels or working capital levels; cash margins; attainment of environmental, social, and governance performance measures; and other performance measures and criteria as determined by the Committee.

The Performance Criteria may be subject to adjustment for specified significant extraordinary items or events, and may be absolute, relative to one or more other companies, or relative to one or more indexes, and may be contingent upon future performance of the Company or any Affiliate, division, or department thereof.

2.25 "Performance Goals" means the goals established in writing by the Committee for the Performance Period based upon the Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of an Affiliate or an individual. The Committee shall establish Performance Goals for each Performance Period prior to, or as soon as practicable after, the commencement of such Performance Period.

2.26 "Performance Grant" means an Award, denominated in cash or in Stock, made to a Participant under Article IX.

2.27 "Performance Period" means the designated period during which the Performance Criteria must be satisfied with respect to an Award.

2.28 "Plan" means the Old Republic International Corporation 2022 Incentive Plan, as set out in this document and as it may be amended from time to time.

2.29 "Prior Plan" means the Old Republic International Corporation 2016 Incentive Compensation Plan.

2.30 "Restricted Stock Award" means shares of Stock issued as an Award and subject to restrictions and conditions pursuant to Article VI.

2.31 “Restricted Stock Unit” means a bookkeeping entry representing a right granted to a Participant under Article VII to receive a share of Stock on a date determined in accordance with the provisions of Article VII and the Participant’s Award Agreement.

2.32 “Section 409A” means Section 409A of the Code and any Treasury Regulations and guidance promulgated thereunder.

2.33 “Special Cash Dividend” means a cash dividend that the Board determines is not in the ordinary course of business and is considered a “corporate transaction” under Treasury Regulation Section 1.424-1(a)(3)(ii).

2.34 “Stock” means the common stock of the Company, $1.00 par value per share, or any security into which such common stock may be changed by reason of any transaction or event of the type described in Section 4.6.

2.35 “Stock Appreciation Right” or “SAR” means a right to receive a payment, in cash or Stock, equal to the excess of the Fair Market Value or other specified valuation of a specified number of shares of Stock on the date the right is exercised over a specified Grant Price, and subject to restrictions and conditions pursuant to Article VIII.

2.36 “10% Shareholder” means an individual who, at the time the Option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of any Affiliate. An individual shall be considered as owning the stock owned, directly or indirectly, by or for his brothers and sisters (whether by whole or half-blood), spouse, ancestors, and lineal descendants; and stock owned, directly or indirectly, by or for a corporation, partnership, estate, or trust, shall be considered as being owned proportionately by or for its shareholders, partners or beneficiaries.

ARTICLE III
ELIGIBILITY

The individuals who shall be eligible to receive Awards shall be Employees or Directors as the Committee shall determine from time to time.

ARTICLE IV
GENERAL PROVISIONS RELATING TO AWARDS

4.1 Authority to Grant Awards. The Committee may grant Awards to those Employees or Directors as it shall determine from time to time under the terms and conditions of the Plan. Subject only to any applicable limitations set out in the Plan, the amount of any Award and the number of shares of Stock to be covered by any Award to be granted to an Employee or a Director shall be as determined by the Committee. Each Award shall be evidenced by an Award Agreement which shall set forth the terms and conditions of the Award. A Participant who has received an Award in any year may receive an additional Award or Awards in the same year or in subsequent years.

4.2 Dedicated Shares. The total number of shares of Stock with respect to which Awards may be granted under the Plan shall be the sum of (i) 20,000,000 shares, (ii) the number of shares that were available for issuance under the Prior Plan on the Effective Date, and (iii) the number of shares of Stock subject to outstanding awards as of the Effective Date under the Prior Plan that on or after the Effective Date cease for any reason to be subject to such awards (other than by reason of exercise or settlement of the awards to the extent they are exercised for or settled in vested and non-forfeitable shares of Stock).

The shares of Stock may be treasury shares or authorized but unissued shares. The numbers of shares of Stock stated in this Section 4.2 shall be subject to adjustment in accordance with the provisions of Section 4.6.

(a) In connection with the granting of an Award, the number of shares of Stock available for issuance under this Plan shall be reduced by the number of shares of Stock in respect of which the Award is granted or denominated. For example, upon the grant of stock-settled SARs, the number of shares of Stock available for issuance under this Plan shall be reduced by the full number of SARs granted, and the number of shares of Stock available for issuance under this Plan shall not thereafter be increased upon the exercise of the SARs and settlement in shares of Stock, even if the actual number of shares of Stock delivered in settlement of the SARs is less than the full number of SARs exercised. Awards valued by reference to Stock that may be settled in equivalent cash value will count as shares of Stock delivered to the same extent as if the Awards were settled in shares of Stock.

(b) Any shares of Stock that are tendered by a Participant or withheld as full or partial payment of withholding or other taxes or as payment for the exercise or conversion price of an Award under this Plan shall not be added back to the number of shares of Stock available for issuance under this Plan.

(c) Whenever any outstanding Option or other Award (or portion thereof) expires, is cancelled or forfeited or is otherwise terminated for any reason without having been exercised or payment having been made in the form of shares of Stock, the number of shares of Stock available for issuance under this Plan shall be increased by the number of shares of Stock allocable to the expired, forfeited, cancelled or otherwise terminated Option or other Award (or portion thereof). To the extent that any Award is forfeited, or any Option or SAR terminates, expires or lapses without being exercised, the shares of Stock subject to such Awards will not be counted as shares delivered under this Plan.

(d) Shares of Stock delivered under the Plan in settlement of an Award issued or made (i) upon the assumption, substitution, conversion or replacement of outstanding awards under a plan or arrangement of an acquired entity, or (ii) as a post-transaction grant under such a plan or arrangement of an acquired entity shall not reduce or be counted against the maximum number of shares of Stock available for delivery under the Plan, to the extent that an exemption from the shareholder approval requirements for equity compensation plans applies under the rules or listing standards of the principal national securities exchange on which the Stock is listed.

4.3 Award Limits. Notwithstanding any provision in the Plan to the contrary:

(a) Subject to adjustment under Section 4.6, the maximum number of shares of Stock that may be granted to any one individual during any thirty-six month period may not exceed (i) with respect to Options, more than 3,000,000 shares of Stock, and (ii) with respect to Restricted Stock Awards, SARs, and Performance Grants denominated in shares of Stock, more than 750,000 shares of Stock.

(b) The maximum number of shares of Stock issued to a Director in any calendar year (i) with respect to Options may not exceed 300,000 shares of Stock (subject to adjustment as provided in Section 4.6 below), and (ii) with respect to Restricted Stock Awards may not exceed 75,000 shares of Stock (subject to adjustment as provided in Section 4.6 below).

(c) Subject to adjustment as provided in Section 4.6 hereof, the maximum number of shares of Stock for which Awards may be granted under the Plan pursuant to Incentive Options shall be 20,000,000.

4.4 Non-Transferability; Permitted Assignee. Except as otherwise determined by the Committee in compliance with Rule 16b-3 under the Exchange Act, the Awards granted hereunder shall not be transferable by the Employee otherwise than by will or under the laws of descent and distribution, and shall be exercisable, during the Employee's lifetime, only by the Employee. Notwithstanding the foregoing, an Award shall be transferable pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder. Notwithstanding the foregoing, an Award may be assigned to a beneficiary pursuant to a written designation filed with the Company during the Participant's lifetime (each transferee thereof, a "Permitted Assignee"); provided that such Permitted Assignee shall be bound by and subject to all of the terms and conditions of the Plan and the Award Agreement relating to the transferred Award and shall execute an agreement satisfactory to the Company evidencing such obligations; and provided further that the Participant shall remain bound by the terms and conditions of the Plan. The Company shall cooperate with any Permitted Assignee and the Company's transfer agent in effectuating any transfer permitted under this Section 4.4.

4.5 Requirements of Law. The Company shall not be required to sell or issue any Stock under any Award if issuing that Stock would constitute or result in a violation by the Participant or the Company of any provision of any law, statute, or regulation of any governmental authority. Specifically, in connection with any applicable statute or regulation relating to the registration of securities pursuant to any Award, the Company shall not be required to issue any Stock unless the Committee has received evidence satisfactory to it to the effect that the holder of that Award will not transfer the Stock except in accordance with applicable law, including receipt of an opinion of counsel satisfactory to the Company to the effect that any proposed transfer complies with applicable law. The determination by the Committee on this matter shall be final, binding and conclusive. The Company may, but shall in no event be obligated to, register any Stock covered by the Plan pursuant to applicable securities laws of any country or any political subdivision. In the event the Stock issuable pursuant to an Award is not registered, the Company may notate on the book entry or stock certificate evidencing the Stock any legend that counsel for the Company considers necessary or advisable to comply with applicable law. The Company shall not be obligated to take any other affirmative action in order to cause the exercise of, or the issuance of shares under, an Award to comply with any law or regulation of any governmental authority.

4.6 Changes in the Company's Capital Structure; Adjustments.

(a) The existence of the Plan and the Awards granted hereunder shall not affect or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of bonds, debentures, preferred or prior preference stocks ahead of or affecting the Stock or the rights thereof, the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding. In the event of any subdivision or consolidation of outstanding shares of Stock, declaration of a dividend payable in shares of Stock or other stock split, then (i) the number and kind of shares of Stock or other securities reserved under this Plan and the number of shares of Stock available for issuance pursuant to specific types of Awards as described in Section 4.2; (ii) the number and kind of shares of Stock or other securities covered by outstanding Awards; (iii) the Grant Price or other price in respect of such Awards; (iv) the appropriate Fair Market Value and other price determinations for such Awards; and (v) the limitations shall each be proportionately adjusted by the Board as the Board deems appropriate, in its sole discretion, to reflect such transaction. In the event of any other recapitalization or capital reorganization of the Company, any consolidation or merger of the Company with another corporation or entity, the adoption by the Company of any plan of exchange affecting Stock or any distribution to holders of Stock of securities or property (other than an ordinary dividend, but including a Special Cash Dividend), the Board shall make adjustments to outstanding Awards. The Board shall have the discretion to determine the method of adjustment for such Awards, including to adjust (i) (x) the number and kind of shares of Stock or other securities reserved under this Plan and the number of shares of Stock available for issuance pursuant to specific types of Awards as described in Section 4.2, and (y) the number and kind of shares of Stock or other securities covered by Awards; (ii) the Grant Price or other price in respect of such Awards; (iii) the appropriate Fair Market Value and other price determinations for such Awards; and (iv) the Award Limits described in Section 4.3 to reflect such transaction. Notwithstanding the foregoing, with respect to SARs and Options that are not Incentive Options, the adjustment made by the Board in respect of a Special Cash Dividend will solely be a downward adjustment to the Grant Price (i.e., the Grant Price shall be reduced by the dollar amount of the Special Cash Dividend).

(b) The Committee shall have the authority to adjust the Performance Goals (either up or down) and the level of the Performance Grant that a Participant may earn under this Plan, to exclude any of the following events that occurs during a Performance Period: (i) asset write-downs; (ii) litigation or claim judgments or settlements; (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results; (iv) accruals for reorganization and restructuring programs; and (v) items of an unusual nature or of infrequency of occurrence or non-recurring items which were reported in the Company's income statement in the Company's annual report to shareholders for the applicable year.

(c) Notwithstanding the foregoing: (i) any adjustments made pursuant to this Section to Awards that are considered "deferred compensation" within the meaning of Section 409A shall be made in compliance with the requirements of Section 409A unless the Participant consents otherwise; (ii) any adjustments made to Awards that are not considered "deferred compensation" subject to Section 409A shall be made in such a manner as to ensure that after such adjustment, the Awards either continue not to be subject to Section 409A or comply with the requirements of Section 409A unless the Participant consents otherwise; and (iii) the Committee shall not have the authority to make any adjustments under this Section to the extent that the existence of such authority would cause an Award that is not intended to be subject to Section 409A to be subject thereto.

(d) Substitute Awards. To the extent permitted by applicable securities law or any rule of the securities exchange on which the Stock is then listed or traded, the Committee may, in its discretion and on such terms and conditions as the Committee considers appropriate under the circumstances, grant substitute awards under the Plan. A substitute award is an Award granted under the Plan in substitution for stock and stock-based awards ("acquired entity awards") held by current and former employees or non-employee directors of another corporation or entity who become Employees or Directors as the result of a merger, consolidation or combination of the employing corporation or other entity (the "acquired entity") with the Company or an Affiliate or the acquisition by the Company or an Affiliate of property or stock of the acquired entity (provided such persons held such awards immediately prior to such merger, consolidation, acquisition or combination) in order to preserve for the grantee the economic value of all or a portion of such acquired entity award at such price as the Committee determines necessary to achieve such preservation of economic value. Substitute awards shall not count against the limitation in Section 4.2 on the maximum number of shares of Stock reserved for issuance, but any substitute awards issued in connection with the assumption of, or in substitution for, outstanding options intended to qualify as Incentive Options shall be counted against the limitation in Section 4.3(c) on maximum number of Incentive Options that can be issued under the Plan.

4.7 Election Under Section 83(b) of the Code. Except as expressly permitted by an Award Agreement, no Participant shall exercise the election permitted under Section 83(b) of the Code without prior approval of the Committee or the Company's Chief Executive Officer. If a Participant files an election under Section 83(b) of the Code without approval, such Award shall be forfeited.

4.8 Change of Control.

(a) No Continuation, Assumption, or Replacement of Awards. In addition to accelerated vesting as described in Section 4.9(d)(i), in the event of a Change of Control and the surviving or successor entity does not assume the Awards, the Committee shall be authorized (1) to cancel Awards that are Options or SARs and give the Participants who are the holders of such Awards notice and opportunity to exercise for 15 days prior to such cancellation; or (2) to cancel any such Awards and to deliver to the Participants cash in an amount that the Board shall determine in its sole discretion is equal to the fair market value of such Awards on the date of such event, which in the case of Options or SARs shall be the excess, if any, of the Fair Market Value of Stock on such date over the Grant Price of such Award (except that to the extent the Grant Price under any such Options or SARs is equal to or exceeds the Fair Market Value of Stock on such date, in which case no amount shall be payable with respect to such Options or SARs). Any adjustment under this Section need not be the same for all Participants.

(b) Continuation, Assumption or Replacement of Awards. In the event of a Change of Control in which the surviving or successor entity (or its parent corporation) continues, assumes or replaces Awards outstanding as of the date of the Change of Control (with such adjustments as may be required or permitted by Section 4.6), such Awards or replacements therefor shall remain outstanding and be governed by their respective terms, subject to Section 4.9(d)(ii) below. A surviving or successor entity may elect to continue, assume or replace only some Awards or portions of Awards. For purposes of this Section, an Award shall be considered assumed or replaced if, in connection with the Change of Control and in a manner consistent, as applicable, with Sections 409A and 424 of the Code, either (i) the contractual obligations represented by the Award are expressly assumed by the surviving or successor entity (or its parent corporation) with appropriate adjustments to the number and type of securities subject to the Award and the exercise price thereof that preserves the intrinsic value of the Award existing at the time of the Change of Control, or (ii) the Participant has received a comparable equity-based award that preserves the intrinsic value of the Award existing at the time of the Change of Control and provides for a vesting or exercisability schedule that is the same as or more favorable to the Participant.

(c) If the Participant is an Employee of an Affiliate at the time that such Affiliate is voluntarily divested by the Company, then all unvested Awards held by the Participant shall become fully vested as of the effective date of such divestiture. The term "divested" refers to the act of divesting and includes, but is not limited to, any sale, transfer, spin-off, reorganization or any other similar transaction or change in corporate structure which results in all or substantially all of the issued and outstanding voting stock of an entity being owned by a third party (or parties) other than the Company.

(d) Notwithstanding the provisions of this Section, if any Award constitutes a "nonqualified deferred compensation plan" within the meaning of Section 409A, the timing of settlement of such Award pursuant to this Section shall, subject to Section 12.3 hereof, be in accordance with the settlement terms set forth in the applicable Award Agreement if such Change of Control fails to constitute a "change in the ownership of the corporation," a "change in effective control of the corporation" or a "change in the ownership of a substantial portion of the assets of the corporation," within the meaning of Section 409A(a)(2)(A)(v).

4.9 Vesting.

(a) Minimum Vesting Period. Except as otherwise provided in an Award Agreement, each Award issued to a Participant shall have a 3-year graded vesting period. Notwithstanding the foregoing, Awards granted under the Plan (other than cash-based awards) shall vest no earlier than the first anniversary of the date on which the Award is granted; provided, that the following Awards shall not be subject to the foregoing minimum vesting requirement: any (i) substitute awards; and (ii) shares of Stock delivered in lieu of fully vested cash obligations.

(b) Forfeiture upon Severance of Employment. Upon the severance of the employment relationship between the Company and its Affiliates and the Participant for any reason, except as otherwise provided in this Section, then the unvested portion of the Employee's outstanding Award(s) shall be immediately forfeited. Notwithstanding the foregoing, except as otherwise provided herein or in an Award Agreement, both the vested and unvested portion of an Employee's outstanding Options shall be forfeited as described in Section 5.3(b).

(c) Accelerated Vesting due to Death or Disability. If a Participant (i) dies while in the employ of the Company or any Affiliate or while a member of the Board, or (ii) retires from the employ of the Company or any Affiliate or ceases being a member of the Board as a result of Disability, then the Participant's outstanding Award(s) shall become fully vested.

(d) Continued Vesting upon Retirement. If an Employee retires in good standing from the employ of the Company or any Affiliate after attaining age 65 and having been employed by the Company or any Affiliate for 10 years or longer, any outstanding Award(s) shall continue to vest in accordance with the schedule provided in the Employee's Award Agreement(s), subject to ongoing compliance with any restrictive covenants or other obligations in the Award Agreement(s) or any plan, policy, or program of the Company and/or its Affiliate. For purposes of this Section 4.9(d), years of employment shall be measured from the date an Employee was first employed by the Company or any Affiliate and shall include periods of employment prior to the time when the Affiliate was acquired by the Company.

(e) Continued Vesting upon Termination of Board Service. In the event a Director's service on the Board terminates other than due to death or Disability, then, except as otherwise provided in the Director's Award Agreement(s), the Director's outstanding Award(s) shall continue to vest in accordance with the schedule provided in the Director's Award Agreement(s).

(f) Effect of a Change of Control.

(i) Awards Not Assumed. If and to the extent that outstanding Awards are not continued, assumed or replaced in connection with a Change of Control as provided in Section 4.8(a), then (i) outstanding Options and SARs issued to the Participant that are not yet fully exercisable shall immediately become exercisable in full and shall remain exercisable in accordance with their terms and (ii) all unvested Restricted Stock Awards, Restricted Stock Unit Awards, and Performance Grant Awards will become immediately vested and non-forfeitable. For this purpose, the target level of performance shall be deemed to have been achieved under all performance-based awards.

(ii) Awards Assumed; Termination After a Change of Control. If and to the extent that Awards are continued, assumed or replaced under the circumstances described in Section 4.8(b), and if within 36 months after the Change of Control (A) an Employee experiences an involuntary termination of employment without Cause or the Employee terminates employment with Good Reason or (B) a Director ceases service on the Board and is not selected to serve on the board of directors of the acquiring entity (or is selected to serve on the acquiring entity's board and such service ceases during the 36-month period), then the Participant's (i) outstanding Options and SARs that are not yet fully exercisable shall immediately become exercisable in full and shall remain exercisable in accordance with their terms, and (ii) all unvested Restricted Stock Awards, Restricted Stock Unit Awards, and Performance Grant Awards will become immediately vested and non-forfeitable. For this purpose, the target level of performance shall be deemed to have been achieved under all performance-based awards.

4.10 Prohibition on Dividends on Unvested Awards. The Plan shall not pay dividends or Dividend Equivalents on any Awards prior to vesting or during the forfeiture restriction period. Notwithstanding the foregoing, an Award issued under this Plan is permitted to accrue dividends or Dividend Equivalents during the vesting or forfeiture restriction period, but payment shall not be permitted until such Award's restriction lapse or vesting is completed. Notwithstanding the foregoing, the Plan shall not pay dividends or Dividend Equivalents on any Options or SARs.

ARTICLE V
OPTIONS

5.1 Type of Option. The Committee shall specify whether a given Option shall constitute an Incentive Option or a Nonqualified Option. An Incentive Option may be granted only to an individual who is employed by the Company or any parent or subsidiary corporation (as defined in Section 424 of the Code) at the time the Option is granted.

5.2 Grant Price. The price per share at which shares of Stock may be purchased under an Incentive Option shall not be less than the greater of (i) 100% of the Fair Market Value per share of Stock on the Date of Grant; or (ii) the per share par value of the Stock on the Date of Grant. The Committee in its discretion may provide that the price per share at which shares of Stock may be purchased shall be more than 100% of Fair Market Value per share. In the case of any 10% Shareholder, the price per share at which shares of Stock may be purchased under an Incentive Option shall not be less than the greater of: (x) 110% of the Fair Market Value per share of Stock on the Date of Grant; or (y) the per share par value of the Stock on the Date of Grant.

The price per share at which shares of Stock may be purchased under a Nonqualified Option shall not be less than the greater of: (a) 100% of the Fair Market Value per share of Stock on the Date of Grant; or (b) the per share par value of the Stock on the Date of Grant. The Committee in its discretion may provide that the price per share at which shares of Stock may be purchased shall be more than 100% of Fair Market Value per share.

5.3 Duration of Options.

(a) General. The term of each Option shall be as specified by the Committee at the Date of Grant, but in no event shall an Option be exercisable after the expiration of 10 years from the Date of Grant. In the case of a 10% Shareholder, no Incentive Option shall be exercisable after the expiration of 5 years from the Date of Grant.

(b) Termination of Options Upon Severance of Employment. Except as otherwise expressly provided herein or in an applicable Award Agreement, Options shall terminate immediately upon severance of the employment relationship between the Company and its Affiliates and the

Participant. Whether authorized leave of absence, or absence on military or government service, shall constitute severance of the employment relationship between the Company and the Affiliate and the Participant shall be determined by the Committee at the time thereof.

(i) Death. In the event of the death of a Participant while in the employ of the Company or any Affiliate and before the date of expiration of an Option held by such Participant, such Option shall terminate on the earlier of its date of expiration or 4 years following the date of such death. After the death of the Participant, the Participant's executors, administrators, or any person or persons to whom the Participant's Option may be transferred by will, by the laws of descent and distribution or by beneficiary designation shall have the right, at any time prior to such termination, to exercise the Option, in whole or in part. The number of shares vested and exercisable, however, shall be determined as of the date of death, with no further vesting thereafter.

(ii) Retirement. If, before the date of expiration of an Option, the Participant holding the Option shall be retired in good standing from the employ of the Company or any Affiliate for reasons of age or disability under the then established rules of the Company or the Affiliate, the Option shall terminate on the earlier of the normal date of expiration or 4 years after the date of such retirement. In the event of such retirement, the Option shall be exercisable prior to the termination of such Option to the extent to which the Participant was entitled to exercise such Option immediately prior to such retirement, subject to Section 4.9(d). An employment relationship between the Company and the Participant shall be deemed to exist during any period in which the Participant is employed by the Company or any Affiliate. If the Participant dies after retirement, but prior to the expiration date of the Option, the Option period shall not be extended but shall terminate on the earlier of the date of expiration or 4 years after the date of retirement. The number of shares vested and exercisable, however, shall be determined as of the date of retirement, with no further vesting thereafter.

(iii) Involuntary Severance. In the event of any involuntary severance of the employment relationship between the Participant and the Company and its Affiliates, other than following any Change of Control, such Option shall terminate on the earlier of its scheduled date of expiration or 4 years from the date of such involuntary severance, unless such involuntary severance of the employment relationship was for Cause, in which case such Option shall terminate immediately upon the date of such involuntary severance.

(c) Termination of Options upon Termination of Board Service. In the event a Director's service on the Board terminates, other than following any Change of Control, any of the Director's outstanding Option(s) shall terminate on the earlier of its scheduled date of expiration or 4 years from the date of such termination.

5.4 Amount Exercisable. Each Option may be exercised from time to time, in whole or in part, in the manner and subject to the conditions the Committee, in its discretion, may provide in the Award Agreement, as long as the Option is valid and outstanding. To the extent that the aggregate Fair Market Value (determined as of the Date of Grant) of the Stock with respect to which Incentive Options first become exercisable by the optionee during any calendar year (under the Plan and any other incentive stock option plan(s) of the Company or any Affiliate) exceeds $100,000, the Incentive Options shall be treated as Nonqualified Options. In making this determination, the Committee shall take into account the Incentive Options in the order in which they were granted. The Committee shall notify the Participant of its determination as to which of a Participant's Incentive Options exceed such limit as soon as practicable after such determination.

5.5 Exercise of Options. Subject to any applicable Award Agreement, any Option may be exercised by the Participant in whole or in part at such time or times, and the Participant may make payment of the Grant Price in such form or forms, including, without limitation, payment by delivery of cash or Stock owned by the Participant having a Fair Market Value on the exercise date equal to the total Grant Price, or by any combination of cash and Stock, including exercise by means of a cashless exercise arrangement with a qualifying broker-dealer or a "net exercise." The Participant may deliver shares of Stock either by attestation or by the delivery of a certificate or certificates for shares duly endorsed for transfer to the Company. A "net exercise" means the delivery of a properly executed notice followed by a procedure pursuant to which (i) the Company will reduce the number of shares of Stock otherwise issuable to a Participant upon the exercise of an Option by the number of shares of Stock having a Fair Market Value equal to the aggregate Grant Price for the shares of Stock with respect to which the Option is exercised (and any tax withholding per Section 12.4), and (ii) the Company shall pay to the Participant cash in lieu of any fractional share otherwise issuable to the Participant as a result of such net exercise. Except as otherwise provided by law, nothing herein shall prevent the ability of the Participant to pay fees or commissions on the exercise of Options through a qualifying broker-dealer with Stock attained as a result of such exercise.

5.6 Substitution Options. Options may be granted under the Plan from time to time in substitution for stock options held by employees of other corporations who are about to become employees of or affiliated with the Company or any Affiliate as the result of a merger or consolidation of the employing corporation with the Company or any Affiliate, or the acquisition by the Company or any Affiliate of the assets of the employing corporation, or the acquisition by the Company or any Affiliate of stock of the employing corporation as the result of which it becomes an Affiliate of the Company.

5.7 No Rights as Shareholder. No Participant shall have any rights as a shareholder with respect to Stock covered by an Option until the date of issuance of the Stock as evidenced by a book entry or stock certificate.

5.8 Prohibition on Repricing of Options. No Option may be repriced, replaced, regranted through cancellation, exchanged for cash, exchanged for any other Awards or modified without shareholder approval (except as contemplated in Section 4.6 hereof), if the effect of such action would be to reduce the exercise price for the shares underlying such Option.

ARTICLE VI
RESTRICTED STOCK

6.1 Restricted Stock Awards and Eligibility. The Committee, in its sole discretion, may grant Restricted Stock Awards to certain Participants. In determining which Participants shall be eligible for a Restricted Stock Award, the Committee may, in its discretion, consider the nature of the Participant's duties, responsibilities, past and potential contributions to the success of the Company and its Affiliates, and such other factors as the Committee deems relevant in accomplishing the purposes of the Plan. Awards of Restricted Stock shall be subject to such conditions and restrictions as are established by the Committee and set forth in the Award Agreement, including, without limitation, the number of shares of Stock to be issued to the Participant, the consideration for such shares (if any), forfeiture restrictions and forfeiture restriction periods, Performance Criteria, if any, and other rights with respect to the shares.

6.2 Forfeiture Restrictions. The Committee may provide that the forfeiture restrictions shall lapse upon (i) the attainment of one or more Performance Goals; (ii) the Participant's continued employment with the Company or continued service as a Director for a specified period of time; (iii) the occurrence of any event or the satisfaction of any other condition specified by the Committee in its sole discretion; or (iv) a combination of any of the foregoing. Each Restricted Stock Award may have different forfeiture restrictions, in the discretion of the Committee. The Committee may, in its sole discretion, prescribe additional terms, conditions or restrictions relating to Restricted Stock Awards, including, but not limited to, rules pertaining to a Participant's termination of employment or termination of services provided by the Participant as a Director (by retirement, Disability, death or otherwise) prior to the expiration of the forfeiture restrictions. Such additional terms, conditions or restrictions shall be set forth in an Award Agreement made in conjunction with the Award.

6.3 Issuance of Restricted Stock. Upon the grant of a Restricted Stock Award to a Participant, issuance of the stock (by book entry or stock certificate registered in the name of the Participant) shall be made for the benefit of the Participant as soon as administratively practicable, and subject to other applicable provisions of the Plan, including but not limited to, all legal requirements and tax withholding. Any book entry or stock certificate evidencing shares of Restricted Stock pending the lapse of restrictions shall bear a legend making appropriate reference to the restrictions imposed. Upon the grant of a Restricted Stock Award, the Participant may be required to provide such further assurance and documents as the Committee may require to enforce the restrictions. Upon vesting, payment of tax withholdings by the Participant may be made in accordance with Section 12.4.

6.4 Voting and Dividend Rights. The Plan shall not pay dividends on Restricted Stock during any forfeiture restriction period. Notwithstanding the foregoing, the Participant shall, unless otherwise provided in an Award Agreement, receive an accrual of dividends during any forfeiture restriction period. In addition, the Participant shall have the right to vote the Stock subject thereto and to enjoy all other shareholder rights, except that (i) the Participant shall not be entitled to delivery of the Stock until any forfeiture restriction period shall have expired (and shall not be entitled to accrued dividends in the event the restrictions do not lapse); (ii) the Company shall retain custody of the Stock during the forfeiture restriction period; and (iii) the Participant may not sell, transfer, pledge, exchange, hypothecate or otherwise dispose of the Stock during any forfeiture restriction period. A breach of the terms and conditions established by the Committee pursuant to the Award Agreement shall cause a forfeiture of the Restricted Stock Award.

6.5 Transfers of Unrestricted Shares. Upon the vesting date of a Restricted Stock Award, such Restricted Stock will be transferred free of all restrictions to a Participant (or his or her legal representative, beneficiaries or heirs).

ARTICLE VII
RESTRICTED STOCK UNITS

7.1 Restricted Stock Units and Eligibility. The Committee, in its sole discretion, may grant Restricted Stock Units to certain Participants. In determining which Participants shall be eligible for an Award of Restricted Stock Units, the Committee may, in its discretion, consider the nature of the Participant's duties, responsibilities, past and potential contributions to the success of the Company and its Affiliates, and such other factors as the committee deems relevant in accomplishing the purposes of the Plan. Awards of Restricted Stock Units shall be subject to such conditions and restrictions as are established by the Committee and set forth in the Award Agreement, including, without limitation, the number of units, performance criteria, if any, and terms of redemption (such as when Restricted Stock Units will be redeemed or whether the Award settles in shares of Stock, cash, or a combination) of the Restricted Stock Units (whether in connection with the termination of employment or otherwise).

7.2 Voting and Dividend Rights. No Participant shall be entitled to any voting rights with respect to any share of Stock represented by a Restricted Stock Unit until the date of issuance of such shares. The Plan shall not pay Dividend Equivalents on Restricted Stock Units prior to vesting. Notwithstanding the foregoing, to the extent provided in an Award Agreement, the Participant shall be entitled to an accrual of Dividend Equivalents with respect to dividends on shares of Stock having a record date prior to the date on which the Restricted Stock Units held by such Participant are settled. Such Dividend Equivalents, if any, shall be subject to the same vesting schedule as the Restricted Stock Units and shall not become payable until such vesting requirements are met.

7.3 Settlement of Restricted Stock Units. The Company shall issue to a Participant on the date on which Restricted Stock Units subject to the Participant's Award Agreement vest or on which other date determined by the Committee, in its discretion, and set forth in the Award Agreement, one share of Stock or cash equal to the Fair Market Value thereof, as applicable (and/or any other new, substituted or additional securities or other property pursuant to an adjustment described in Section 4.6), for each Restricted Stock Unit then becoming vested or otherwise to be settled on such date, subject to the withholding of applicable taxes (as described in Section 12.4). If paid in whole or in part in Stock, the Stock shall be valued at Fair Market Value as of the date the Committee directs payments to be made in whole or in part in Stock. However, no fractional shares of Stock shall be issued, and the balance due, if any, shall be paid in cash. The book entry or stock certificate evidencing the shares payable under a Restricted Stock Unit will be issued within an administratively reasonable period after the date on which the Restricted Stock Unit vests so that the payment of shares qualifies for the short-term deferral exception under Section 409A. Notwithstanding the foregoing, if permitted by the Committee and set forth in the Award Agreement, the Participant may elect in accordance with the terms specified in the Award Agreement to defer receipt of all or any portion of the shares of Stock or other property otherwise issuable to the Participant pursuant to this Section. To the extent permissible under applicable law, the Committee may permit a Participant to defer payment under a Restricted Stock Unit to a date or dates after the Restricted Stock Unit vests, provided that the terms of the Restricted Stock Unit and any deferral satisfy the requirements to avoid imposition of the "additional tax" under Section 409A(a)(1)(B).

7.4 Effect of Termination of Service. Unless otherwise provided in the grant of a Restricted Stock Unit, as set forth in the Award Agreement, if a Participant's employment or service terminates for any reason, whether voluntary or involuntary, then the Participant shall forfeit to the Company any Restricted Stock Units which remain subject to vesting under the Award Agreement on the date of termination.

ARTICLE VIII
STOCK APPRECIATION RIGHTS

8.1 Stock Appreciation Rights. A Stock Appreciation Right or SAR is an award that may or may not be granted in tandem with an Option, and entitles the holder to receive an amount equal to the difference between the Fair Market Value of a share of Stock at the time of exercise of the SAR and the Grant Price, subject to the applicable terms and conditions of the tandem Options and the following provisions of this Article VIII. The Grant Price of a SAR shall be no less than the Fair Market Value per share of Stock on the Date of Grant.

8.2 Exercise. An SAR shall entitle the Participant to receive, upon the exercise of the SAR, shares of Stock (valued at their Fair Market Value at the time of exercise), cash, or a combination thereof, in the discretion of the Committee, in an amount equal in value to the excess of the Fair Market Value of the shares of Stock subject to the SAR as of the date of such exercise over the Grant Price of the SAR, less applicable tax withholdings (as described in Section 12.4). If granted in tandem with an Option, the exercise of an SAR will result in the surrender of the related Option and, unless otherwise provided by the

Committee in its sole discretion, the exercise of an Option will result in the surrender of a related SAR, if any.

8.3 Expiration Date. The "expiration date" with respect to an SAR shall be determined by the Committee, and if granted in tandem with an Option, shall be not later than the expiration date for the related Option. If neither the right nor the related Option is exercised before the end of the day on which the right ceases to be exercisable, such right shall be deemed exercised as of such date and payment shall be made to the holder in cash. Notwithstanding the preceding, the expiration date for an SAR shall be not later than 10 years from the date the SAR is granted.

8.4 Award Agreements. At the time any Award is made under this Article VIII, the Company and the Participant shall enter into an Award Agreement setting forth each of the matters contemplated hereby, and such additional matters as the Committee may determine to be appropriate. The terms and provisions of the respective Award Agreements need not be identical.

8.5 Prohibition on Repricing of SARs. No SAR may be repriced, replaced, regranted through cancellation, exchanged for cash, exchanged for any other Awards or modified without shareholder approval (except as contemplated in Section 4.6 hereof), if the effect of such action would be to reduce the exercise price for the shares underlying such SAR.

ARTICLE IX
PERFORMANCE GRANTS

9.1 Performance Grants and Eligibility. The purpose of this Article IX is to provide the Committee the ability to (i) grant Restricted Stock Awards, Restricted Stock Unit Awards, and Stock Appreciation Rights as performance-based awards, and (ii) grant Performance Grants that are settled in cash or shares of Stock based on the satisfaction of Performance Criteria. The Committee, in its sole discretion, may designate certain Participants who are eligible to receive a Performance Grant if certain pre-established Performance Goals are met. In determining which Participants shall be eligible for a Performance Grant, the Committee may, in its discretion, consider the nature of the Participant's duties, responsibilities, past and potential contributions to the success of the Company and its Affiliates, and such other factors as the Committee deems relevant in connection with accomplishing the purposes of the Plan.

9.2 Establishment of Performance Grant. The Committee shall determine the terms of the Performance Grant, if any, to be made to a Participant and the period over which such performance will be measured by the Committee (the "Performance Period"). The Committee may, in its sole discretion, make downward adjustments to the amount payable under a Performance Grant otherwise during or following a Performance Period.

9.3 Criteria for Performance Goals. The Performance Goals shall be pre-established by the Committee. The Committee shall, in writing, (i) designate one or more Participants, (ii) select the Performance Criteria applicable to the Performance Period, (iii) establish the Performance Goals, and amounts of such Awards, as applicable, which may be earned for such Performance Period, (iv) specify the relationship between Performance Criteria and the Performance Goals, and (v) specify the minimum and maximum amounts to be earned by each Participant for such Performance Period.

9.4 Committee Certification. Following the completion of each Performance Period, the Committee must certify in writing whether and to what extent the applicable Performance Goals have been achieved for such Performance Period and the amount that shall be payable with respect to that Award. No Award or portion thereof that is subject to the satisfaction of any condition shall be considered to be earned or vested until the Committee certifies in writing that the conditions to which the distribution, earning or vesting of such Award is subject have been achieved. If the Committee certifies the entitlement of a Participant to the performance-based Performance Grant or other performance-based award, the payment shall be made to the Participant subject to other applicable provisions of the Plan, including but not limited to, all legal requirements and tax withholding. The Committee may not increase during a year the amount of a Performance Grant or other performance-based award that would otherwise be payable upon satisfaction of the conditions but may reduce or eliminate the payments as provided for in the Award Agreement.

9.5 Payment and Limitations. Performance Grants shall be paid on or before the 90th day following both (i) the end of the Performance Cycle, and (ii) certification by the Committee that the Performance Goals and any other material terms of the Performance Grant and the Plan have been satisfied, or as soon thereafter as is reasonably practicable. The Performance Grant may be paid in Stock, cash, or a combination of Stock and cash, in the sole discretion of the Committee. If paid in whole or in part in Stock, the Stock shall be valued at Fair Market Value as of the date the Committee directs payments to be made in whole or in part in Stock. However, no fractional shares of Stock shall be issued, and the balance due, if any, shall be paid in cash. Furthermore, a Participant shall be eligible to receive payment pursuant to a performance-based award for a Performance Period only if the Performance Goals for such period are achieved.

ARTICLE X

ADMINISTRATION

10.1 General. The Plan shall be administered by the Committee. All questions of interpretation and application of the Plan and Awards granted thereunder shall be subject to the determination of the Committee. A majority of the members of the Committee shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members. Any decision or determination reduced to writing and signed by a majority of the members shall be as effective as if it had been made by a majority vote at a meeting properly called and held. The Plan shall be administered in such a manner as to permit the Options granted under it which are designated to be Incentive Options to qualify as Incentive Options. In carrying out its authority under the Plan, the Committee shall have full and final authority and discretion, including but not limited to the following rights, powers and authorities, to:

(a) determine the Participants to whom and the time or times at which Awards will be made;

(b) determine the number of shares and the purchase price of Stock covered in each Award, subject to the terms of the Plan;

(c) determine the terms, provisions and conditions of each Award, which need not be identical;

(d) define the effect, if any, on an Award of the death, Disability, retirement, or termination of employment or service of the Participant;

(e) determine and certify the attainment of performance goals, criteria, or any similar terms and conditions (including, but not limited to, Performance Goals with respect to Performance Grants) with respect to Awards;

(f) subject to Article XI, adopt modifications and amendments to the Plan or any Award Agreement, including, without limitation, any modifications or amendments that are necessary to comply with the laws of the countries in which the Company or its Affiliates operate;

(g) prescribe, amend and rescind rules and regulations relating to administration of the Plan; and

(h) make all other determinations and take all other actions deemed necessary, appropriate, or advisable for the proper administration of the Plan.

The actions of the Committee in exercising all of the rights, powers, and authorities set out in this Article and all other Articles of the Plan, when performed in good faith and in its sole judgment, shall be final, conclusive and binding on all parties.

10.2 Delegation of Authority. The Committee may, in its sole discretion, designate employees of the Company and professional advisors to assist the Committee in the administration of the Plan, including with respect to the execution of Award Agreements or other documents, and, to the extent permitted by applicable law, delegate from time to time some or all of its authority to grant Awards under the Plan to a committee or committees consisting of one or more members of the Board and/or one or more officers of the Company. The authority to grant awards may only be delegated to an individual who is subject to the reporting rules under Section 16(a) of the Exchange Act and such delegation shall not include the authority to grant Awards to such individual or any other individual subject to the reporting rules under Section 16(a) of the Exchange Act. Any delegation hereunder shall be subject to the restrictions and limits that the Committee specifies at the time of such delegation of authority and may be rescinded at any time by the Committee. At all times, any committee appointed under this Section 10.2 shall serve in such capacity at the pleasure of the Committee.

ARTICLE XI
AMENDMENT OR TERMINATION OF PLAN

The Board of Directors of the Company may amend, terminate or suspend the Plan at any time, in its sole and absolute discretion; provided, however, to the extent required under applicable stock exchange rules or other applicable rules or regulations, no amendment or modification shall be made to the Plan without the approval of the Company’s shareholders; provided further, however, that to the extent required to maintain the status of any Incentive Option under the Code, no amendment that would (i) change the aggregate number of shares of Stock which may be issued under Incentive Options, (ii) change the class of Employees eligible to receive Incentive Options, or (iii) decrease the Grant Price for Options or SARs below the Fair Market Value of the Stock at the time it is granted, shall be made without the approval of the Company’s shareholders. Subject to the preceding sentence, the Board shall have the power to make any changes in the Plan and in the regulations and administrative provisions under it or in any outstanding Incentive Option as in the opinion of counsel for the Company may be necessary or appropriate from time to time to enable any Incentive Option granted under the Plan to continue to qualify as an incentive stock option or such other stock option as may be defined under the Code so as to receive preferential federal income tax treatment. In addition, no amendments to, or termination of, the Plan shall in any way impair the rights of a Participant under any Award previously granted without such Participant’s consent.

ARTICLE XII
MISCELLANEOUS

12.1 No Establishment of a Trust Fund. No property shall be set aside nor shall a trust fund of any kind be established to secure the rights of any Participant under the Plan. All Participants shall at all times rely solely upon the general credit of the Company for the payment of any benefit which becomes payable under the Plan.

12.2 No Employment Obligation. Nothing contained in the Plan shall (i) confer upon any Employee any right with respect to continuation of employment with the Company or any Affiliate or (ii) interfere in any way with the right of the Company or any Affiliate to terminate his or her employment at any time. Nothing contained in the Plan shall confer upon any Director any right with respect to continuation of membership on the Board.

12.3 Section 409A. Except to the extent that Section 7.3 applies to an Award, it is the intention of the Company that no Award shall be "deferred compensation" subject to Section 409A unless and to the extent that the Committee specifically determines otherwise, and the Plan and the terms and conditions of all Awards shall be interpreted accordingly. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any Award may be subject to Section 409A, the Committee may adopt such amendment to the Plan and the applicable Award agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions that the Committee determines are necessary or appropriate to (i) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Section 409A.

In the event that all or part of an Award granted pursuant to this Agreement provides for a deferral of compensation within the meaning of the Section 409A, it is the general intention, but not the obligation, of the Company to design the Award to comply with Section 409A and such Award should be interpreted accordingly. Notwithstanding anything to the contrary contained herein, in the event that Employee is a "specified employee" (as defined under Section 409A) when Employee becomes entitled to a payment or settlement under the Award which is subject to Section 409A on account of a "separation from service" (as defined under Section 409A), to the extent required by the Code, such payment shall not occur until the date that is 6 months plus one day from the date of such separation from service. Any amount that is otherwise payable within the 6-month period described herein will be aggregated and paid in a lump sum without interest. Further, for purposes of the Section 409A, each payment or settlement of any portion of an Award under this Agreement shall be treated as a separate payment of compensation.

12.4 Tax Withholding. The Company or any Affiliate shall be entitled to deduct from other compensation payable to each Employee any sums required by federal, state, or local tax law to be withheld with respect to the grant or exercise of an Option, the cash payment of a Performance Grant, or issuance of Stock in payment of Restricted Stock, Restricted Stock Units, a Performance Grant. In the alternative, the Company may require the Employee (or other person exercising the Option or receiving Stock) to pay the sum directly to the employer corporation or, except as the Committee may otherwise provide in an Award, the Employee may satisfy such tax obligations in whole or in part by net settlement through delivery of Stock, including shares of Stock retained from the Award creating the obligation, valued at Fair Market Value. The Company shall pay to the Participant cash in lieu of any fractional share otherwise issuable to the Participant as a result of such net settlement. If the Employee (or other person exercising the Option or receiving the Stock) is required to pay the sum directly, payment in cash or by check of such sums for taxes shall be delivered within 3 business days after (i) the date of exercise, or (ii) notice of the Committee's decision to pay all or part of a Performance Grant in Stock, whichever is applicable. The Company shall have no obligation upon exercise of any Option, or notice of the Committee's decision to pay all or part of the Performance Grant in Stock, until payment has been received, unless withholding (or offset against a cash payment) as of or prior to the date of exercise or issuance of Stock is sufficient to cover all sums due with respect to that exercise or issuance of Stock. The Company and its Affiliates shall not be obligated to advise an Employee of the existence of the tax or the amount which the employer corporations will be required to withhold.

12.5 Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is specifically required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise specifically required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Committee may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Committee determines necessary or appropriate including, but not limited to, a reacquisition right in respect of previously acquired shares of stock or other cash or property upon the occurrence of a Participant's termination of employment for Cause. As of the Effective Date, the policy provides, to the extent permitted by law, the Company will seek to recoup any incentive-based compensation, including Awards under the Plan, paid to any current or former executive officer if: (i) the amount of such payment was based on the achievement of certain financial results that were subsequently the subject of a restatement, (ii) the Board determines that such executive officer engaged in misconduct that resulted in the obligation to restate, and (iii) a lower payment would have been made to the executive officer based upon the restated financial results.

12.6 Right of Offset. The Company will have the right to offset against its obligation to deliver shares of Stock (or other property) under the Plan or any Award Agreement any outstanding amounts (including, without limitation, travel and entertainment or advance account balances, loans, repayment obligations under any Awards, or amounts repayable to the Company pursuant to tax equalization, housing, automobile or other employee programs) that the Employee then owes to the Company and any amounts the Committee otherwise deems appropriate pursuant to any tax equalization policy or agreement; provided, however, that no such offset shall be permitted if it would constitute an "acceleration" of a payment hereunder within the meaning of Section 409A. This right of offset shall not be an exclusive remedy and the Company's election not to exercise the right of offset with respect to any amount payable to an Employee shall not constitute a waiver of this right of offset with respect to any other amount payable to the Participant or any other remedy.

12.7 Prohibition On Deferred Compensation. It is the intention of the Company that no Award shall be "deferred compensation" subject to Section 409A unless and to the extent that the Committee specifically determines otherwise, and the Plan and the terms and conditions of all Awards shall be interpreted accordingly. The terms and conditions governing any Awards that the Committee determines will be subject to Section 409A, including any rules for elective or mandatory deferral of the delivery of cash or shares of Stock pursuant thereto, shall be set forth in the applicable Award Agreement, and shall comply in all respects with Section 409A. Notwithstanding any provision herein to the contrary, any Award issued under the Plan that constitutes a deferral of compensation under a "nonqualified deferred compensation plan" as defined under Section 409A(d)(1) and is not specifically designated as such by the Committee shall be modified or cancelled to comply with the requirements of Section 409A, including any rules for elective or mandatory deferral of the delivery of cash or shares pursuant thereto.

12.8 Indemnification of the Committee and the Board of Directors. With respect to administration of the Plan, the Company shall indemnify each present and future member of the Committee and the Board of Directors, and each member of the Committee and the Board of Directors shall be entitled without further act on his part to indemnity from the Company to the fullest extent allowed under Delaware law.

12.9 Gender. If the context requires, words of one gender when used in the Plan shall include the others and words used in the singular or plural shall include the other.

12.10 Headings. Headings of Articles and Sections are included for convenience of reference only and do not constitute part of the Plan and shall not be used in construing the terms of the Plan.

12.11 Other Compensation Plans. The adoption of the Plan shall not preclude the Company from establishing any other forms of incentive or other compensation for Employees of the Company or any Affiliate.

12.12 No Right To An Award; Other Awards. Neither the adoption of the Plan nor any action of the Board or of the Committee shall be deemed to give any individual any right to be granted any Award or any other rights hereunder except as may be evidenced by an Award Agreement duly executed on behalf of the Company, and then only to the extent and on the terms and conditions expressly set forth therein. The grant of an Award shall not confer upon the Participant the right to receive any future or other Awards under the Plan, whether or not Awards may be granted to similarly situated Participants, or the right to receive future Awards upon the same terms or conditions as previously granted.

12.13 No Restriction on Corporate Action. Nothing contained in the Plan shall be construed to prevent the Company or any Affiliate from taking any action which is deemed by the Company or such Affiliate to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Award made under the Plan. No Participant, beneficiary or other person shall have any claim against the Company or any Affiliate as a result of any such action.

12.14 Governing Law. The provisions of the Plan shall be construed, administered, and governed under the laws of the state of Delaware and applicable federal law. Notwithstanding any other provision of the Plan, the Company shall have no liability to issue any shares under the Plan unless such issuance would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity.

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