



*Managing for the Long Run*

**2022**

*Annual Report  
Form 10-K  
Proxy Statement*

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This document is not intended to represent a solicitation or offer to buy or sell the Corporation's securities.

# **2022 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

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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 2013 – 2022	11.5%	16.0%	12.5%	16.0%

(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 on a pretax basis 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 (82 years), and it has raised the annual cash dividend pay-out for each of the past 42 years.

### *Managing for the Long Run*

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# Old Republic International Corporation

## Ten-Year Financial Highlights

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Financial Position Summary</b>										
Cash and fixed										
income securities	\$ 12,688.7	\$ 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
Equity securities	3,220.9	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
Other invested assets	138.0	116.5	115.3	115.4	123.4	124.9	126.5	120.9	116.4	114.3
Reinsurance balances recoverable	5,588.0	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
Prepaid federal income taxes	-	-	-	-	129.8	114.3	82.4	63.3	45.7	-
Sundry assets	3,523.7	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
<b>Total assets</b>	<b>\$ 25,159.4</b>	<b>\$ 24,981.8</b>	<b>\$ 22,815.2</b>	<b>\$ 21,076.3</b>	<b>\$ 19,327.1</b>	<b>\$ 19,403.5</b>	<b>\$ 18,591.6</b>	<b>\$ 17,101.6</b>	<b>\$ 16,976.9</b>	<b>\$ 16,526.7</b>
Policy liabilities										
	\$ 2,978.8	\$ 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
Loss and loss adjustment										
expense reserves	12,221.5	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
Debt	1,597.0	1,588.5	966.4	974.0	981.4	1,448.7	1,528.7	952.8	953.7	561.6
Sundry liabilities	2,195.7	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
Shareholders' equity	6,166.2	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
<b>Total liabilities</b>	<b>\$ 25,159.4</b>	<b>\$ 24,981.8</b>	<b>\$ 22,815.2</b>	<b>\$ 21,076.3</b>	<b>\$ 19,327.1</b>	<b>\$ 19,403.5</b>	<b>\$ 18,591.6</b>	<b>\$ 17,101.6</b>	<b>\$ 16,976.9</b>	<b>\$ 16,526.7</b>
<b>Total capitalization</b>	<b>\$ 7,763.2</b>	<b>\$ 8,481.7</b>	<b>\$ 7,153.1</b>	<b>\$ 6,974.2</b>	<b>\$ 6,127.6</b>	<b>\$ 6,182.0</b>	<b>\$ 5,989.4</b>	<b>\$ 4,822.7</b>	<b>\$ 4,877.8</b>	<b>\$ 4,336.6</b>
<b>Book value per share</b>	<b>\$ 21.05</b>	<b>\$ 22.76</b>	<b>\$ 20.75</b>	<b>\$ 19.98</b>	<b>\$ 17.23</b>	<b>\$ 17.72</b>	<b>\$ 17.16</b>	<b>\$ 14.98</b>	<b>\$ 15.15</b>	<b>\$ 14.64</b>
<b>Income Statement Summary</b>										
Revenues:										
Net premiums and fees earned	\$ 7,675.3	\$ 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
Net investment income	459.5	434.3	438.9	450.7	431.8	409.4	387.0	388.6	345.5	318.7
Other income	149.9	145.6	131.2	132.6	121.6	102.2	107.3	106.7	101.6	90.1
<b>Total operating revenues</b>	<b>8,284.9</b>	<b>8,583.5</b>	<b>7,308.0</b>	<b>6,824.4</b>	<b>6,494.4</b>	<b>6,280.8</b>	<b>6,031.8</b>	<b>5,850.3</b>	<b>5,407.2</b>	<b>5,492.3</b>
Investment gains (losses):										
Realized from actual										
transactions and impairments	62.2	6.9	14.2	36.6	58.2	211.6	72.9	91.3	272.3	148.1
Unrealized from changes in										
fair value of equity securities	(263.4)	751.1	(156.2)	599.5	(293.8)	-	-	-	-	-
<b>Total investment gains (losses)</b>	<b>(201.1)</b>	<b>758.0</b>	<b>(142.0)</b>	<b>636.1</b>	<b>(235.6)</b>	<b>211.6</b>	<b>72.8</b>	<b>91.3</b>	<b>272.3</b>	<b>148.1</b>
<b>Total revenues</b>	<b>8,083.7</b>	<b>9,341.6</b>	<b>7,166.0</b>	<b>7,460.5</b>	<b>6,258.8</b>	<b>6,492.4</b>	<b>6,104.7</b>	<b>5,941.7</b>	<b>5,679.6</b>	<b>5,640.4</b>
Operating expenses:										
Loss and loss										
adjustment expenses	2,440.2	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
Sales and general expenses	4,719.2	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
Interest and other costs	66.7	56.2	43.7	40.0	42.2	63.0	50.2	41.9	25.6	21.6
<b>Total operating expenses</b>	<b>7,226.3</b>	<b>7,419.5</b>	<b>6,477.5</b>	<b>6,138.1</b>	<b>5,820.7</b>	<b>5,767.0</b>	<b>5,418.7</b>	<b>5,309.8</b>	<b>5,070.1</b>	<b>4,967.5</b>
Pretax income	857.4	1,922.1	688.4	1,322.4	438.1	725.4	686.0	631.8	609.4	672.9
Income taxes	170.9	387.7	129.7	265.9	67.5	164.8	219.0	209.6	199.7	225.0
<b>Net income</b>	<b>\$ 686.4</b>	<b>\$ 1,534.3</b>	<b>\$ 558.6</b>	<b>\$ 1,056.4</b>	<b>\$ 370.5</b>	<b>\$ 560.5</b>	<b>\$ 466.9</b>	<b>\$ 422.1</b>	<b>\$ 409.7</b>	<b>\$ 447.8</b>

# Old Republic International Corporation

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Common Stock Statistics</b>										
Net income per share:										
Basic	\$ 2.28	\$ 5.08	\$ 1.87	\$ 3.52	\$ 1.26	\$ 2.14	\$ 1.80	\$ 1.63	\$ 1.58	\$ 1.74
Diluted	\$ 2.26	\$ 5.05	\$ 1.87	\$ 3.51	\$ 1.24	\$ 1.92	\$ 1.62	\$ 1.48	\$ 1.44	\$ 1.57
Components of net income per share:										
Basic net income excluding investment gains (losses)	\$ 2.80	\$ 3.10	\$ 2.24	\$ 1.85	\$ 1.89	\$ 1.21	\$ 1.62	\$ 1.40	\$ 0.90	\$ 1.37
Net investment gains (losses):										
Realized from actual transactions and impairments	0.17	0.02	0.04	0.10	0.16	0.93	0.18	0.23	0.68	0.37
Unrealized from changes in fair value of equity securities	(0.69)	1.96	(0.41)	1.57	(0.79)	-	-	-	-	-
Basic net income	\$ 2.28	\$ 5.08	\$ 1.87	\$ 3.52	\$ 1.26	\$ 2.14	\$ 1.80	\$ 1.63	\$ 1.58	\$ 1.74
Diluted net income excluding investment gains (losses)	\$ 2.79	\$ 3.08	\$ 2.24	\$ 1.84	\$ 1.86	\$ 1.11	\$ 1.46	\$ 1.28	\$ 0.84	\$ 1.25
Net investment gains (losses):										
Realized from actual transactions and impairments	0.16	0.02	0.04	0.10	0.15	0.81	0.16	0.20	0.60	0.32
Unrealized from changes in fair value of equity securities	(0.69)	1.95	(0.41)	1.57	(0.77)	-	-	-	-	-
Diluted net income	\$ 2.26	\$ 5.05	\$ 1.87	\$ 3.51	\$ 1.24	\$ 1.92	\$ 1.62	\$ 1.48	\$ 1.44	\$ 1.57
Cash dividends on common stock (a)	\$ 1.92	\$ 2.38	\$ 1.84	\$ 1.80	\$ 0.78	\$ 1.76	\$ 0.75	\$ 0.74	\$ 0.73	\$ 0.72
Book value per share	\$ 21.05	\$ 22.76	\$ 20.75	\$ 19.98	\$ 17.23	\$ 17.72	\$ 17.16	\$ 14.98	\$ 15.15	\$ 14.64
Common shares outstanding:										
Average basic	301.6	301.9	298.4	299.8	294.2	262.1	259.4	259.5	258.5	257.4
Average diluted	303.2	303.6	298.8	301.2	301.0	299.3	296.3	296.0	295.0	293.6
Actual, end of period	296.9	307.5	304.1	303.6	302.7	269.2	262.7	261.9	260.9	260.4

(a) In addition to the regular dividend, special cash dividends were declared in 2022, 2021, 2020, 2019 and 2017.

# 2022 Annual Report Letter

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Dear shareholders and other important stakeholders:

In 2022, our valued associates, most of whom are also shareholders, continued to diligently serve the needs of our businesses, our customers, and other important stakeholders. We are grateful for their dedication to delivering our products and services with excellence and discipline, which led to Old Republic's strong operating performance in 2022.

## **Another Year of Strong Operating Performance**

**Consolidated pretax income**, *excluding* investment gains (losses), was nearly \$1.1 billion compared to the record \$1.2 billion in 2021. Our General Insurance business achieved a new record of \$690 million in pretax income, up from the record \$590 million last year. Our Title Insurance business produced \$309 million of pretax income, less than the record \$516 million in 2021, reflecting the expected effect of higher interest rates on the real estate market.

**Underwriting profit** remains strong, as evidenced by the consolidated 91.0% combined ratio in 2022 and 89.9% in 2021.

**Operating return on shareholders' equity** (beginning of year) was 12.3% in 2022 and 15.1% in 2021.

**Shareholders' equity** ended the year at \$6.2 billion, after we returned \$862 million to shareholders through ordinary dividends of 92 cents per share, a special dividend of one dollar per share, and share repurchases that enabled us to retire 12.6 million shares.

## **2022 Per Share Performance**

**Net income per diluted share**, *excluding* investment gains (losses), was \$2.79 compared to \$3.08 in 2021.

**Shareholders' equity per share** finished the year at \$21.05 compared to \$22.76 at year-end 2021.

**Total market return per share**, with dividends reinvested, was 6.7% in 2022 and 45.2% in 2021.

**Total book value return per share**, with the addition of dividends, was 0.9% in 2022 and 21.2% in 2021.

The table at the end of this letter shows these returns alongside two market indices, tracked back to 1968 when ORI first reported financial results as a publicly traded insurance holding company. We favor 10-year trends, as these likely include 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 important stakeholders well into the future.

## **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 underwriting subsidiaries. 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 subsidiaries, as well as our sound investment of their capital and underwriting cash flows.

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

	2022	2021	2020	2019	2018	2017
<b>Net premiums and fees earned:</b>						
General insurance	\$ 3,808.6	\$ 3,555.5	\$ 3,394.2	\$ 3,432.4	\$ 3,277.1	\$ 3,110.8
Title insurance	3,833.8	4,404.3	3,286.3	2,736.0	2,573.1	2,516.5
RFIG run-off	23.2	32.6	45.1	59.2	75.9	122.9
Corporate & other	9.6	11.0	12.0	13.4	14.6	18.8
Consolidated	\$ 7,675.3	\$ 8,003.6	\$ 6,737.8	\$ 6,241.1	\$ 5,940.9	\$ 5,769.1
<b>Underwriting and related services income (loss):</b>						
General insurance	\$ 400.9	\$ 311.4	\$ 151.8	\$ 84.9	\$ 91.2	\$ 84.3
Title insurance	261.3	474.0	305.8	193.4	185.1	206.7
RFIG run-off	28.4	21.3	(5.3)	12.7	29.7	(95.2)
Corporate & other	(24.9)	(20.9)	(17.0)	(15.5)	(21.9)	(28.4)
Consolidated	\$ 665.8	\$ 785.9	\$ 435.2	\$ 275.6	\$ 284.0	\$ 167.3
<b>Consolidated underwriting ratio:</b>						
Loss ratio:						
Current year	35.5%	32.9%	38.2%	41.7%	42.7%	45.7%
Prior years	(3.7)	(2.7)	(1.2)	(0.5)	(1.3)	(2.7)
Total	31.8	30.2	37.0	41.2	41.4	43.0
Expense ratio	59.2	59.7	56.3	54.1	53.5	53.9
Combined ratio	91.0%	89.9%	93.3%	95.3%	94.9%	96.9%
<b>Net investment income:</b>						
General insurance	\$ 358.0	\$ 342.4	\$ 352.2	\$ 356.4	\$ 341.0	\$ 318.9
Title insurance	47.9	43.8	42.0	41.4	38.8	37.3
RFIG run-off	6.7	11.4	15.2	17.6	20.1	21.7
Corporate & other	46.8	36.5	29.4	35.1	31.7	31.4
Consolidated	\$ 459.5	\$ 434.3	\$ 438.9	\$ 450.7	\$ 431.8	\$ 409.4
<b>Interest and other charges (credits):</b>						
General insurance	\$ 69.1	\$ 64.2	\$ 64.2	\$ 71.1	\$ 68.3	\$ 62.9
Title insurance	0.4	2.1	3.8	4.1	4.6	6.9
RFIG run-off	-	-	-	-	-	-
Corporate & other (a)	(2.8)	(10.1)	(24.3)	(35.2)	(30.6)	(6.9)
Consolidated	\$ 66.7	\$ 56.2	\$ 43.7	\$ 40.0	\$ 42.2	\$ 63.0
<b>Segmented and consolidated pretax income (loss) excluding investment gains (losses):</b>						
General insurance	\$ 689.8	\$ 589.6	\$ 439.8	\$ 370.2	\$ 363.9	\$ 340.3
Title insurance	308.8	515.7	344.0	230.8	219.3	237.1
RFIG run-off	35.2	32.8	9.8	30.3	49.9	(73.5)
Corporate & other (a)	24.6	25.7	36.7	54.8	40.4	9.9
Consolidated	1,058.6	1,164.0	830.4	686.2	673.7	513.8
Income taxes on above	213.4	228.1	159.6	132.0	117.2	195.7
<b>Net income excluding investment gains (losses)</b>	<b>845.1</b>	<b>935.9</b>	<b>670.8</b>	<b>554.2</b>	<b>556.4</b>	<b>318.0</b>
<b>Consolidated pretax investment gains (losses):</b>						
Realized from actual transactions and impairments	62.2	6.9	14.2	36.6	58.2	211.6
Unrealized from changes in fair value of equity securities	(263.4)	751.1	(156.2)	599.5	(293.8)	-
Total	(201.1)	758.0	(142.0)	636.1	(235.6)	211.6
Income taxes (credits) on above	(42.5)	159.6	(29.8)	133.8	(49.6)	(30.8)
Net of tax investment gains (losses)	(158.6)	598.4	(112.1)	502.2	(185.9)	242.4
<b>Net income</b>	<b>\$ 686.4</b>	<b>\$ 1,534.3</b>	<b>\$ 558.6</b>	<b>\$ 1,056.4</b>	<b>\$ 370.5</b>	<b>\$ 560.5</b>
<b>Consolidated operating cash flow</b>	<b>\$ 1,170.6</b>	<b>\$ 1,311.7</b>	<b>\$ 1,185.0</b>	<b>\$ 936.2</b>	<b>\$ 760.5</b>	<b>\$ 452.8</b>
<b>Net income per diluted share</b>						
Net income excluding investment gains (losses)	\$ 2.79	\$ 3.08	\$ 2.24	\$ 1.84	\$ 1.86	\$ 1.11
Realized investment gains	0.16	0.02	0.04	0.10	0.15	0.81
Unrealized investment gains (losses)	(0.69)	1.95	(0.41)	1.57	(0.77)	-
Net income	\$ 2.26	\$ 5.05	\$ 1.87	\$ 3.51	\$ 1.24	\$ 1.92
<b>Cash dividends per share (b)</b>	<b>\$ 1.92</b>	<b>\$ 2.38</b>	<b>\$ 1.84</b>	<b>\$ 1.80</b>	<b>\$ 0.78</b>	<b>\$ 1.76</b>
<b>Ending book value per share</b>	<b>\$ 21.05</b>	<b>\$ 22.76</b>	<b>\$ 20.75</b>	<b>\$ 19.98</b>	<b>\$ 17.23</b>	<b>\$ 17.72</b>
<b>Closing stock market price per share</b>	<b>\$ 24.15</b>	<b>\$ 24.58</b>	<b>\$ 19.71</b>	<b>\$ 22.37</b>	<b>\$ 20.57</b>	<b>\$ 21.38</b>

(a) Includes consolidation/elimination entries.

(b) 2022 includes a special cash dividend of \$1.00, 2021 includes a special cash dividend of \$1.50 per share, and 2020, 2019 and 2017 include special cash dividends of cash dividends of \$1.00 per share.

**General Insurance** net premiums and fees earned rose 7%, driven by premium rate increases for most lines of coverage, strong renewal retention, and healthy new business production.

The table below shows the General Insurance combined ratios for the past several years. Our expense ratio was higher in 2022, generally reflecting a shift in the line of coverage mix toward lines with higher expense ratios and lower loss ratios. We target combined ratios between 90% and 95% over a full underwriting cycle, recognizing that quarterly and annual ratios and trends may deviate from this range, particularly given the long claim payment patterns associated with the business.

**General Insurance combined ratios:**

	<b>2022</b>	2021	2020	2019	2018	2017
Loss ratio	<b>62.1%</b>	64.8%	69.9%	71.8%	72.2%	71.8%
Expense ratio	<b>27.4</b>	26.5	25.6	25.7	25.0	25.5
Combined ratio	<b>89.5%</b>	91.3%	95.5%	97.5%	97.2%	97.3%

During 2022, we launched our newest underwriting subsidiary, Old Republic Excess & Surplus. The start-up of new ventures by experienced industry experts remains core to our strategy and follows recent launches of Old Republic Inland Marine in 2021 and Old Republic Residual Market Services in 2018.

We remain optimistic about the continued progress of our General Insurance business. Our long-term strategy aims to drive profitable growth with a focus on 1) organic growth, 2) new ventures, 3) selective acquisitions, 4) new product offerings, and 5) new distribution channels; all while continuing our pursuit of underwriting excellence.

**Title Insurance** net premiums and fees earned declined 13% due to a significant decline in residential real estate market activity. Commercial activity was a bright spot, producing record commercial premiums in 2022.

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, operating expenses are much higher for title insurance when compared with other types of insurance. However, that also means loss costs are much lower.

The table below shows several years of Title Insurance combined ratios. The higher expense ratio in 2022 generally reflects lower revenues, and the 93.2% combined ratio demonstrates the resiliency of our Title Insurance business model. We target combined ratios between 90% and 95%, recognizing that quarterly and annual ratios and trends may deviate from this range, given the cyclicity of real estate markets.

**Title Insurance combined ratios:**

	<b>2022</b>	2021	2020	2019	2018	2017
Loss ratio	<b>2.3%</b>	2.6%	2.3%	2.5%	1.9%	0.8%
Expense ratio	<b>90.9</b>	86.7	88.4	90.5	90.9	91.0
Combined ratio	<b>93.2%</b>	89.3%	90.7%	93.0%	92.8%	91.8%

In 2022, we acquired two independent title agents based on their strong cultural fit and dedication to customer service in their respective markets.

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. We are well positioned for a recovery in the real estate market with an outstanding team, deep industry relationships, and technological capabilities that differentiate us from competitors.

**General Insurance and Title Insurance** complement each other exceptionally well. Consistent with ORI's long-term strategy, both focus on providing *specialized* insurance coverages, products and related services. 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 that enhance the balance and stability of ORI's business model.

Title Insurance	General Insurance
Capital Light	Capital Heavy
Low Loss – High Expense	High Loss – Low Expense
Concentrated Competitors	Diverse Competitors
Real Estate Market Cycle Influenced	P&C Market Cycle Influenced

**RFIG Run-Off** is now entirely represented by RMIC's mortgage guaranty coverages. In 2022, RMIC produced \$35 million of pretax income, *excluding* investment gains (losses), compared to \$33 million in 2021. At the end of 2022, the business had shareholders' equity of \$264 million after paying \$140 million in dividends to the parent company in 2022. Over the next several years, we expect profitability to decline as premium revenues drop in tandem with insurance risk in-force. We continue to evaluate options to either continue to run off the business through extinction or to sell the business.

**Consolidated Investment Income** increased 6% for the year, due primarily to higher fixed income investment yields. During 2022, we re-allocated part of the investment portfolio from equity securities (common stocks) to fixed income securities (bonds and notes) to reduce overall risk and in recognition of the higher investment yields available on fixed income investments. At year-end 2022, approximately 80% of the fair-valued investment portfolio of \$15.9 billion was allocated to fixed income securities and short-term investments, up from 68% at year-end 2021. The remaining 20% was invested in equity securities, down from 32% the prior year. The rebalancing in 2022, along with ongoing reinvestment into fixed income securities, increased the ending fixed income portfolio yield from 2.5% at year-end 2021 to 3.3% at the end of 2022.

Our investment management process remains focused on retaining quality investments that produce consistent streams of investment income. The fixed income portfolio continues to be the anchor for the underwriting subsidiaries' obligations. The maturities of our fixed income assets are matched to the expected liabilities for claim payment obligations to policyholders and their beneficiaries. Our equity portfolio consists of high-quality common stocks of U.S. companies with long-term records of reasonable earnings growth and steadily increasing dividends. Dividends from common stocks have been an important source of investment income, contributing 29% of our total investment income in 2022.

In 2022, we realized \$375 million of gains from equity securities, and we offset those gains for tax purposes with losses from fixed income securities, giving us net realized investment gains of \$62 million. At the end of 2022, net unrealized gains in our equity portfolio were \$1.27 billion, while net unrealized losses in our fixed income portfolio from mark-to-market adjustments were \$590 million, which negatively affected book value return per share.

Old Republic's investment portfolio is directed in consideration of enterprise-wide risk management objectives, intended to ensure solid funding of our underwriting subsidiaries' long-term claim payment obligations to policyholders and their beneficiaries, as well as the long-term stability of the subsidiaries' capital base. For these reasons, the investment portfolio does not contain high risk or illiquid asset classes and has zero or extremely limited exposure to, collateralized debt obligations (CDO's), credit default and interest rate swaps, hybrid securities, asset-backed securities (ABS), guaranteed investment contracts (GIC), structured investment vehicles (SIV), auction rate variable short-term securities, limited partnerships, derivatives, hedge funds or private equity 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. Pursuant to our enterprise risk management guidelines and controls, we perform regular stress tests of our investment portfolio to gain reasonable assurance that periodic downdrafts in market prices do not seriously undermine our financial strength and the long-term continuity and prospects of our underwriting subsidiaries.

### **Evaluating 2022'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. Much of our long-term underwriting success is due to our history of *specializing* within the P&C and Title insurance markets.

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

- Support our underwriting subsidiaries' ability to take on insurance risk and cover the resulting obligations to policyholders and their beneficiaries
- Enable our underwriting 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

In 2023, we are celebrating Old Republic's 100 year anniversary under the banner of *100 Years of Excellence*, which recognizes our rich history and the next chapter of serving *specialty* niches within the P&C and Title insurance markets.

We enter 2023 in a strong position:

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

Looking forward, we will continue to seek out opportunities to grow our market share through organic growth, new ventures, select acquisitions, and new product offerings. Our focus on providing *specialized* underwriting and risk management expertise to our *specialty* customers will continue to include investments in people and technology, and an unrelenting focus on excellence.

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



Craig R. Smiddy  
President and Chief Executive Officer

Chicago, Illinois  
March 31, 2023

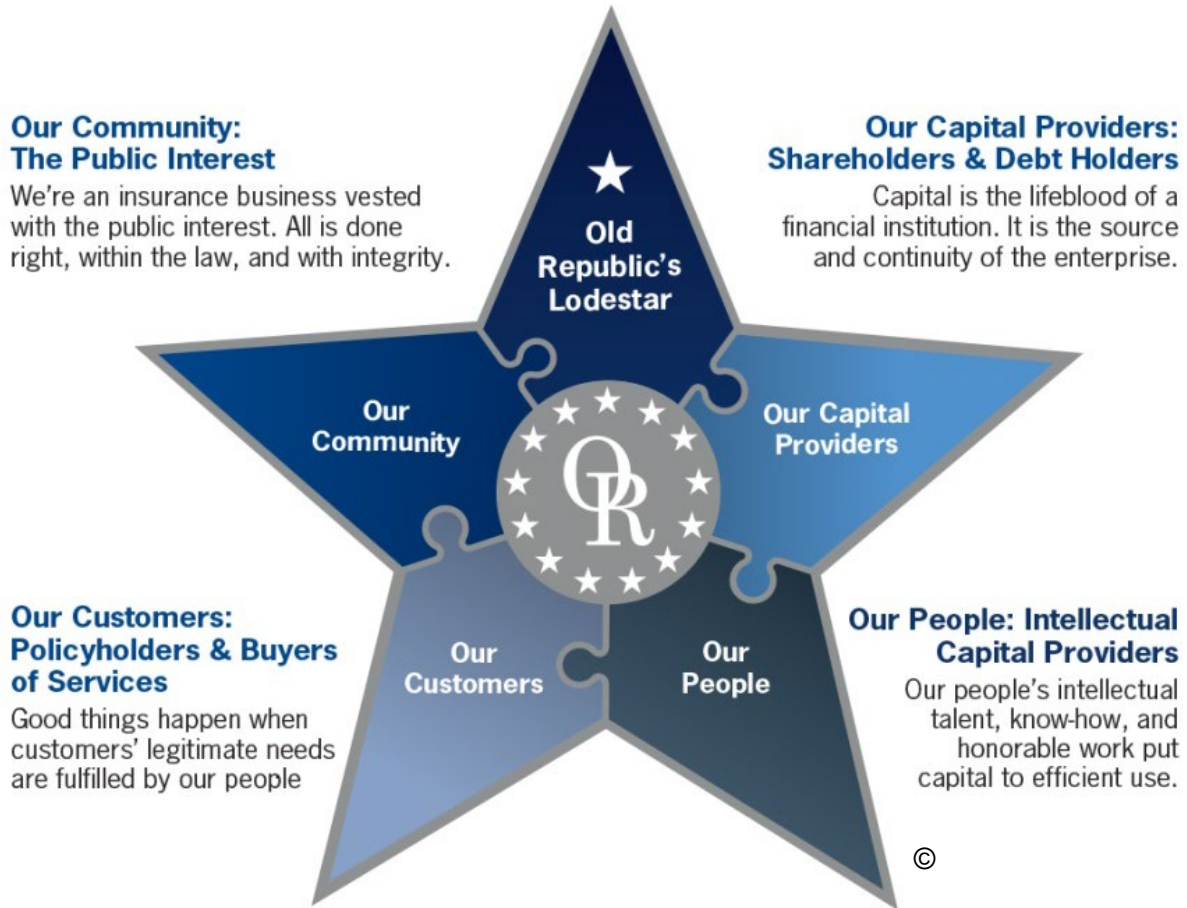
# Old Republic International Corporation

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## 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.



# Old Republic International Corporation

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## Old Republic's Culture, Operating Philosophy, and Institutional Memory:

**It starts with "we" –**  
we have each other's back

**We are efficient –**  
we optimized; better and faster

**We are humble –**  
but we are confident

**We are patient and thoughtful –**  
we don't panic or overreact

**We are inclusive –**  
we listen to and respect others' points of view

**We keep things simple –**  
we don't reinvent the wheel or fix something not broken

**We drive out bureaucracy when we see it –**  
our organizational structures are flat

**We act with integrity –**  
we are trustworthy and honest

**We do things the right way –**  
we don't follow bad competition

**We leave politics to politicians –**  
we are collaborative and collegial

**We are creative and innovative –**  
we think outside the box

**We drive down decision making and accountability –**  
we are decentralized

**We communicate in an open, clear, consistent, concise manner –**  
we tell it like it is

**We are long-term focused –**  
we don't let short-term or quarterly results guide us



## Binding Organization, Purpose, Long-Term Strategy, and Culture 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 first reported financial results as 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.

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

Year	Old Republic International Corporation (1)					S&P 500 Index (2)	S&P P&C Insurance Index (2)
	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%	
1982	1.648	1.456	0.056	22.4%	32.2%	21.6%	
<b>10 Year Annual Compound Total Return</b>				<b>17.7%</b>	<b>5.7%</b>	<b>6.7%</b>	
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%
1992	5.072	5.896	0.094	15.9%	42.4%	7.6%	17.2%
<b>10 Year Annual Compound Total Return</b>				<b>14.5%</b>	<b>18.1%</b>	<b>16.2%</b>	
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%
2002	13.960	14.934	0.336	14.6%	2.0%	-22.1%	-11.0%
<b>10 Year Annual Compound Total Return</b>				<b>13.1%</b>	<b>12.1%</b>	<b>9.3%</b>	<b>8.1%</b>
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%
2012	14.030	10.650	0.710	-0.1%	23.4%	16.0%	20.1%
<b>10 Year Annual Compound Total Return</b>				<b>4.5%</b>	<b>1.7%</b>	<b>7.1%</b>	<b>4.5%</b>
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%
2022	\$21.050	\$24.150	\$1.920 ***	0.9%	6.7%	-18.1%	18.9%
<b>10 Year Annual Compound Total Return</b>				<b>11.5%</b>	<b>16.0%</b>	<b>12.5%</b>	<b>16.0%</b>
<b>55 Year Annual Compound Total Return</b>				<b>12.7%</b>	<b>12.4%</b>	<b>10.1%</b>	<b>9.6%</b>

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 on a pretax basis in shares when paid. (\*\*\*) Includes special cash dividends declared of \$1,000, \$1,500, \$1,000, \$1,000, \$0,800, and \$0.534 per share in 2022, 2021, 2020, 2019, 2017, 2005, and 2003, respectively.

# Old Republic International Corporation

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## ORI OFFICE OF THE CHIEF EXECUTIVE OFFICER

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**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

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## ORI BOARD OF DIRECTORS (\*)

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**Barbara A. Adachi**  
Chief Executive and National  
Managing Partner (Retired)  
Deloitte 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.

**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

**J. Eric Smith**  
President and  
Chief Executive (Retired)  
Swiss Re Americas

**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

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(\*) As of March 17, 2023

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# Old Republic International Corporation

## Corporate and Shareholders' Information

### Corporate Governance

The financial statements and other information included in this 99th 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 2022, 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		Sales Price Range of Common Stock	Cash Dividends
1st Quarter 2022	\$23.57 - \$27.19	\$ .23	1st Quarter 2021	\$17.94 - \$22.71	\$ .22
2nd Quarter 2022	20.93 - 26.33	.23	2nd Quarter 2021	21.68 - 26.69	.22
3rd Quarter 2022	20.28 - 24.78	1.23 (*)	3rd Quarter 2021	22.18 - 26.68	1.72 (**)
4th Quarter 2022	<u>\$20.75 - \$24.66</u>	<u>\$ .23</u>	4th Quarter 2021	<u>\$22.94 - \$26.53</u>	<u>\$ .22</u>

(\*) In addition to the regular quarterly dividend payment, a special cash dividend of \$1.00 per share was declared in August 2022 and subsequently paid in September 2022.

(\*\*) 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.

### 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](http://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 2023 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 25, 2023. The virtual meeting can be accessed at the following internet link: [www.virtualshareholdermeeting.com/ORI2023](http://www.virtualshareholdermeeting.com/ORI2023). We plan to announce any updates regarding our Shareholder Meeting through a press release and on our website ([www.oldrepublic.com](http://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, 2022 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

(State or other jurisdiction of  
incorporation or organization)

36-2678171

(IRS Employer Identification No.)

307 North Michigan Avenue Chicago Illinois

(Address of principal executive office)

60601

(Zip Code)

Registrant's telephone number, including area code: 312-346-8100

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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, 2022, the last day of the registrant's most recently completed second fiscal quarter, was \$6,341,896,350.

The registrant had 297,145,435 shares of Common Stock outstanding as of January 31, 2023.

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.

<b>Title</b>	<b>Part</b>
Proxy statement for the 2023 Annual Meeting of Shareholders Exhibits as specified in exhibit index (page 101)	III, Items 10, 11, 12, 13 and 14 IV, Item 15

There are 102 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 most products are set without knowing what the ultimate loss costs will be. The Company also cannot know exactly when claims will be paid, which may be many years after a policy was issued or expired. This casts Old Republic as a risk-taking enterprise managed for the long run. Old Republic therefore conducts the business with a primary focus on achieving favorable underwriting results over cycles, and on maintaining a sound financial condition to support our 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:

- 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, distribution, types of insurance coverage, among industries, with competency and proficiency; and
- reducing and mitigating insured exposures through underwriting risk-sharing arrangements with policyholders, and additionally through reinsurance, to manage risk and bring greater efficiencies to capital management.

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 income 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 dividend paying, publically traded, large capitalization, highly liquid equity securities.

In light of the above factors, the Company is managed for the long run and with little regard to quarterly or even annual reporting periods. These time frames are too short. Management believes results are best evaluated by looking at underwriting and overall operating performance trends over 10-year intervals. These likely include one or two economic and/or underwriting cycles. This provides enough time for these cycles to run their course, for premium rate changes and subsequent underwriting results to be reflected in financial statements, and for reserved loss costs to be quantified with greater accuracy.

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 "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:	2022	2021	2020
General insurance	\$ 4,315.6	\$ 4,042.5	\$ 3,876.8
Title insurance	3,882.7	4,449.3	3,329.3
RFIG run-off	30.0	44.1	60.4
Corporate & other - net (b)	56.5	47.5	41.4
Subtotal	8,284.9	8,583.5	7,308.0
Consolidated investment gains (losses) (a)	(201.1)	758.0	(142.0)
Consolidated	\$ 8,083.7	\$ 9,341.6	\$ 7,166.0

Pretax Income

Years Ended December 31:	2022	2021	2020
General insurance	\$ 689.8	\$ 589.6	\$ 439.8
Title insurance	308.8	515.7	344.0
RFIG run-off	35.2	32.8	9.8
Corporate & other - net (b)	24.6	25.7	36.7
Subtotal	1,058.6	1,164.0	830.4
Consolidated investment gains (losses)	(201.1)	758.0	(142.0)
Consolidated	\$ 857.4	\$ 1,922.1	\$ 688.4

Assets

As of December 31:	2022	2021	2020
General insurance	\$ 21,227.9	\$ 20,660.9	\$ 19,226.1
Title insurance	2,077.6	2,234.2	1,920.9
RFIG run-off	344.2	516.4	582.9
Corporate & other - net (b)	1,509.5	1,570.2	1,085.1
Consolidated	\$ 25,159.4	\$ 24,981.8	\$ 22,815.2

- (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 combined ratios for the major coverages underwritten in the Company's insurance segments.

Years Ended December 31:	(\$ in Millions)		
	2022	2021	2020
<b>General Insurance:</b>			
<b>Overall Experience:</b>			
Net Premiums Earned	\$ 3,808.6	\$ 3,555.5	\$ 3,394.2
Loss Ratio	62.1 %	64.8 %	69.9 %
Expense Ratio	27.4	26.5	25.6
Combined Ratio	<u>89.5 %</u>	<u>91.3 %</u>	<u>95.5 %</u>
<b>Experience by Major Coverages:</b>			
<b>Commercial Automobile:</b>			
Net Premiums Earned	\$ 1,505.2	\$ 1,408.6	\$ 1,304.5
Loss Ratio	<u>66.6 %</u>	<u>71.5 %</u>	<u>80.8 %</u>
<b>Workers' Compensation:</b>			
Net Premiums Earned	\$ 811.8	\$ 778.6	\$ 863.8
Loss Ratio	<u>45.9 %</u>	<u>58.9 %</u>	<u>60.8 %</u>
<b>General Liability:</b>			
Net Premiums Earned	\$ 196.2	\$ 184.4	\$ 204.7
Loss Ratio	<u>71.6 %</u>	<u>64.1 %</u>	<u>73.5 %</u>
<b>Financial Indemnity: (a)</b>			
Net Premiums Earned	\$ 391.7	\$ 344.0	\$ 272.7
Loss Ratio	<u>67.0 %</u>	<u>53.9 %</u>	<u>57.1 %</u>
<b>Property: (b)</b>			
Net Premiums Earned	\$ 374.0	\$ 345.3	\$ 294.2
Loss Ratio	<u>65.4 %</u>	<u>59.3 %</u>	<u>58.2 %</u>
<b>Home and Auto Warranty:</b>			
Net Premiums Earned	\$ 330.4	\$ 336.5	\$ 311.7
Loss Ratio	<u>66.9 %</u>	<u>67.9 %</u>	<u>69.5 %</u>
<b>Other Coverages: (c)</b>			
Net Premiums Earned	\$ 199.0	\$ 157.8	\$ 142.2
Loss Ratio	<u>60.4 %</u>	<u>63.8 %</u>	<u>68.4 %</u>
<b>Title Insurance: (d)</b>			
Net Premiums & Fees Earned	\$ 3,833.8	\$ 4,404.3	\$ 3,286.3
Loss Ratio	2.3 %	2.6 %	2.3 %
Expense Ratio	90.9	86.7	88.4
Combined Ratio	<u>93.2 %</u>	<u>89.3 %</u>	<u>90.7 %</u>
<b>RFIG Run-off:</b>			
Net Premiums Earned	\$ 23.2	\$ 32.6	\$ 45.1
Loss Ratio	(75.5)%	(5.3)%	81.7 %
Expense Ratio	53.0	39.9	30.2
Combined Ratio	<u>(22.5)%</u>	<u>34.6 %</u>	<u>111.9 %</u>
<b>All Coverages Consolidated:</b>			
Net Premiums & Fees Earned	\$ 7,675.3	\$ 8,003.6	\$ 6,737.8
Loss Ratio	31.8 %	30.2 %	37.0 %
Expense Ratio	59.2	59.7	56.3
Combined Ratio	<u>91.0 %</u>	<u>89.9 %</u>	<u>93.3 %</u>

(a) Includes Fidelity and Surety, Executive Indemnity (E&O/D&O) and Guaranteed Asset Protection.

(b) Includes Commercial Multi-Peril and Inland Marine coverages.

(c) Includes Aviation and Travel Accident coverages.

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

## General Insurance

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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, self-insured retentions, 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 acquisitions of smaller companies. As a result, this segment has become widely diversified with a business base encompassing the following major insurance coverages:

**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:** 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:

**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.

**Home & Auto Warranty Insurance:** Includes the following types of 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.

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

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

**Inland Marine:** Coverage pertains to the insurance of property in transit over land and of property that 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 94% of General Insurance premiums are produced through independent agency or brokerage channels, while the remaining 6% is obtained through direct production facilities.

## Net Premiums Earned

For 2022, production of commercial automobile direct insurance premiums accounted for approximately 37.2% of consolidated General Insurance direct premiums written, while workers' compensation and general liability direct premium production amounted to approximately 22.8% and 14.4%, respectively, of such consolidated totals.

General Insurance net premiums earned increased 7.1% for 2022 driven by growth in most lines of coverage, in particular commercial automobile. Net premiums earned for 2021 grew 4.8%, with rising premiums in commercial automobile, financial indemnity, and property lines of coverage. Premium rate increases for most lines of coverages, high renewal retention ratios, and new business production all contributed.

## Loss Ratios

Variations in loss ratios are typically caused by changes in the frequency and severity of losses incurred, changes in premium rates, the level of premium refunds, and periodic changes in loss and loss 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 loss 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.

The General Insurance loss ratios are summarized as follows:

	Reported Loss Ratio	Effect of Prior Periods' (Favorable)/ Unfavorable Loss Reserves Development	Loss Ratio Excluding Prior Periods' Loss Reserves Development
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
2022	62.1%	(5.1)%	67.2%

As the table above indicates, loss ratios have been on a fairly consistent downtrend during the past five years. The improvement has arisen from lower estimates of current accident years' loss provisions, and for 2022, 2021 and 2020, by the impacts from development of prior years' reserve estimates. Favorable development in 2022 and 2021 was due predominantly to better than expected claims experience related to workers' compensation and commercial automobile reserves.

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 loss ratios are primarily due to fluctuations in claim severity. Loss 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 that may experience financial difficulties from time to time. Additionally, workers' compensation claim costs in particular have been impacted by lower frequency and are subject to 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. Loss 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.

## Loss Reserves

The Company's property and liability insurance subsidiaries establish loss reserves that 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 loss 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 loss 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 loss 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 loss reserves, the potential increase in future loss settlement costs caused by inflation is considered along with the many other factors cited above. Reserves are generally set to provide for the ultimate cost of all claims. With regard to certain 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 loss 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 losses incurred. However, no representation is made nor is any guaranty given that ultimate net loss 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 reinstate 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, 2022, 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 Arrangements**

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 a portion or all 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 to likewise reflect deviations from originally expected loss costs. The amount of premium, production costs and other adjustments which may be made is either limited or unlimited depending on the Company's evaluation of risks and related contractual arrangements.

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### **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 that 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, 2022, 19.5% of the Company's consolidated title premium and fee revenues stemmed from direct operations (which include branch offices of its title insurers and wholly owned agency subsidiaries of the Company), while the remaining 80.5% 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. Loss 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.

Title Insurance net premiums and fees earned declined by 13.0% in 2022. Both directly produced and agency produced revenues declined. The main driver of these trends is increasing mortgage interest rates which continue to drive a steep reduction in refinance activity and to a lesser extent, purchase activity. An uptick in commercial transaction activity resulted in commercial premium growth in 2022. By contrast, in 2021 the Title Insurance segment experienced strong growth in premium and fee revenues. This performance was attributable to a low interest rate environment and a robust real estate market. Increased revenue generated on purchase transactions was partially offset by a decline in refinance activity.

### **Loss Ratios**

Title Insurance loss ratios have remained in the low 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 loss ratios for the periods shown in the following table:

	Reported Loss Ratio	Effect of Prior Periods' (Favorable)/ Unfavorable Loss Reserves Development	Loss Ratio Excluding Prior Periods' Loss Reserves Development
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
2022	2.3%	(1.3)%	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. 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.

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.

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, 2022, RFIG Run-off's mortgage insurance subsidiaries had total statutory capital, inclusive of a contingency reserve of \$127.7 million, of \$269.5 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. 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.

### Loss Ratios

For 2022, favorable reserve development was the primary driver of the reduction in RFIG Run-off loss costs. 2021 loss costs also reflected lower claim severity influenced by the ongoing economic recovery and continued strength in

the real estate market.

	Reported Loss Ratio	Effect of Prior Periods' (Favorable)/ Unfavorable Loss Reserves Development	Loss Ratio Excluding Prior Periods' Loss Reserves Development
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
2022	(75.5)%	(156.3)%	80.8%

### 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, information technology and marketing services. The life and accident business registered net premium revenues of \$9.6 million, \$11.0 million, and \$12.0 million in 2022, 2021 and 2020, 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 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 \$3.9 million, \$4.8 million, and \$5.3 million in 2022, 2021 and 2020, 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 vital elements 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 in that it 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

	2022	2021	2020
United States:			
Northeast	11.9%	12.3%	12.3%
Mid-Atlantic	7.5	8.0	8.0
Southeast	23.1	20.6	20.7
Southwest	12.3	12.0	12.0
East North Central	10.6	10.7	10.7
West North Central	9.1	9.5	9.5
Mountain	8.6	8.7	8.7
Western	14.5	16.1	16.1
Foreign (Principally Canada)	2.4	2.1	2.0
Total	100.0%	100.0%	100.0%

Commercial automobile, 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 2022.

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 289 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 Company 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 2022, 80.5% 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 that 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 that 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 been to acquire and retain primarily investment grade, publicly traded, fixed income securities, and dividend paying, publicly traded, large capitalization, highly liquid 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 claim payment obligations to policyholders and their beneficiaries, as well as the long-term stability of the subsidiaries' capital base. For these reasons, the investment portfolio does not contain significant levels of high risk or illiquid asset classes and has extremely limited exposure to collateralized debt obligations (CDO's), credit default and interest rate swaps, hybrid securities, asset-backed securities (ABS), guaranteed investment contracts (GIC), structured investment vehicles (SIV), auction rate variable short-term securities, limited partnerships, derivatives, hedge funds or private equity 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 that 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, 2022 each of the Company's General, Title, Mortgage Guaranty and Life and Accident insurance subsidiaries exceeded the minimum statutory capital and surplus requirements.

#### *U.S. Privacy 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, confidentiality and integrity of personal information and to provide notice of their practices relating to the collection and disclosure of personal information. Various state insurance privacy laws and regulations, enacted to implement the privacy requirements of the federal Gramm-Leach-Bliley Act of 1999 (GLBA), 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 personal information about California residents 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 provides such California residents certain rights concerning such personal information and has imposed corresponding obligations and disclosure requirements on the Company. Similar laws are expected to become effective in other states in which the Company operates; however, to date all other states have exempted financial institutions subject to the GLBA.

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 21 other states 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 U.S. federal and state 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 9,500 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.

**(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

***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 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, 2022, 2021 and 2020, the Company experienced consolidated favorable development of reserves for losses and loss adjustment expenses incurred in prior years of \$282.6 million, \$210.6 million and \$83.8 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, 2022, the consolidated investment portfolio reflected an allocation of approximately 80% to fixed income (bonds and notes) and short-term investments, and 20% to equity

securities (common stocks). For the years ended December 31, 2022, 2021 and 2020, the Company reported \$459.5 million, \$434.3 million and \$438.9 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 income 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 income 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 income 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, the Company would be responsible for all loss and loss adjustment 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 the subsidiaries 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, 2022, 2021 and 2020 to the holding company by its subsidiaries amounted to \$614.6 million, \$566.7 million and \$472.4 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, 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. Any of this litigation 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 the Company 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. Any of these outcomes 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.

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.

If climate change has a significant impact on a specific investment or 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 personal lines insurance such as homeowners and private automobile coverages, the property casualty or liability insurance it underwrites creates exposure to claims arising out of catastrophes. The two principal catastrophe exposures are natural catastrophes and acts of terrorism. As it relates to workers' compensation policies, the exposure is greatest 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.

Additionally, the Company maintains treaty and facultative reinsurance coverage for property and workers' compensation exposures. Pursuant to regulatory requirements, however, 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 cause massive property damage or 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, including a resurgence in COVID-19 infection rates, 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. 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. In addition, 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 COVID-19 infection rates could impact the financial markets and adversely impact the value of Old Republic's investment portfolio and its investment income.

***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 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 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, 2022, approximately \$3.0 billion or 80.5% 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 2022, Florida accounted for approximately 24% 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 disproportionately 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 that could have a material impact on ultimate losses and loss adjustment expenses.

Loss 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 its former 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, 2022, the Company had no material non-claim litigation exposures in its consolidated business.

### **Item 4 - Mine Safety Disclosures**

Not applicable.

## **PART II**

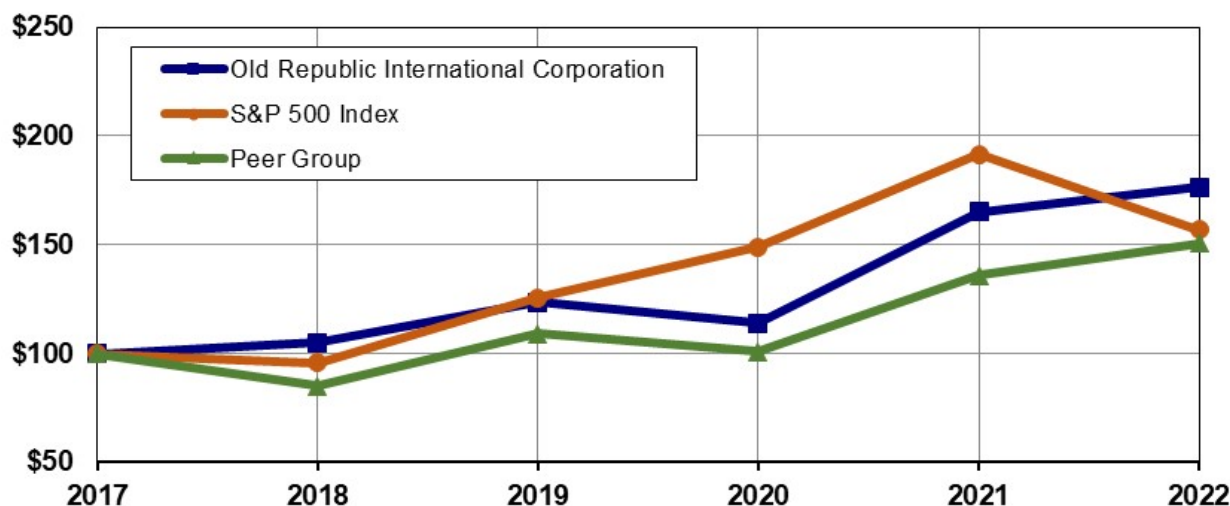
### **Item 5 - Market for the Registrant's Common Equity, Related Security Holder Matters and Issuer Purchases of Equity Securities**

The Company's common stock is traded on the New York Stock Exchange under the symbol "ORI". As of January 31, 2023, there were 2,024 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, 2022. 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, 2022)**



	<u>Dec. 17</u>	<u>Dec. 18</u>	<u>Dec. 19</u>	<u>Dec. 20</u>	<u>Dec. 21</u>	<u>Dec. 22</u>
ORI	\$100.00	\$104.85	\$123.46	\$114.02	\$165.24	\$176.27
S&P 500	100.00	95.62	125.72	148.85	191.58	156.88
Peer Group	100.00	85.23	108.96	100.99	135.87	150.58

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.

### Purchase of Equity Securities

The following table summarizes share repurchase activity for the three months ended December 31, 2022:

<u>Period</u>	<u>Total Number of Shares Purchased (1)</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plan</u>	<u>Approximate Dollar Value of Shares That May Yet be Purchased Under the Plan (\$ in Millions)</u>
October 1 - October 31, 2022	5,487,180	\$ 22.39	5,487,180	\$ 222.3
November 1 - November 30, 2022	1,760,318	\$ 23.37	1,760,318	\$ 181.1
December 1 - December 31, 2022	526,556	\$ 23.60	526,556	\$ 168.7
Total	<u>7,774,054</u>	\$ 22.70	<u>7,774,054</u>	\$ 168.7

(1) On August 18, 2022, the Company announced a share repurchase program authorizing the repurchase up to \$450 million in shares of the Company's common stock. The repurchase program is intended to comply with Rule 10b-18 and has no expiration date, does not require the purchase of any minimum number of shares and may be suspended, modified or discontinued at any time without prior notice.

**Item 7 - Management Analysis of Financial Position and Results of Operations**  
**(\$ in Millions, Except Share Data)**

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**OVERVIEW**

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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 0.1% of consolidated operating revenues for the year ended December 31, 2022 and 0.5% 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. Recent guidance issued by the FASB is summarized further in the Notes to Consolidated Financial Statements where applicable.

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 generally 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.

The insurance business is distinguished from most others in that the prices (premiums) charged for most products are set without knowing what the ultimate loss costs will be. The Company also cannot know exactly when claims will be paid, which may be many years after a policy was issued or expired. This casts Old Republic as a risk-taking enterprise managed for the long run. Old Republic therefore conducts the business with a primary focus on achieving favorable underwriting results over cycles, and on maintaining a sound financial condition to support our 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 income 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 dividend paying, publicly traded, large capitalization, highly liquid equity securities.

In light of the above factors, the Company is managed for the long run and with little regard for quarterly or even annual reporting periods. These time frames are too short. Management believes results are best evaluated by looking at underwriting and overall operating performance trends over 10-year intervals. These likely include one or two economic and/or underwriting cycles. This provides enough time for these cycles to run its course, for premium rate changes and subsequent underwriting results to be reflected in financial statements, and for reserved loss costs to be quantified with greater accuracy.

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:	2022	2021	2020
Pretax income	\$ 857.4	\$ 1,922.1	\$ 688.4
Pretax investment gains (losses)	(201.1)	758.0	(142.0)
Pretax income excluding investment gains (losses)	<u>\$ 1,058.6</u>	<u>\$ 1,164.0</u>	<u>\$ 830.4</u>
Net income	\$ 686.4	\$ 1,534.3	\$ 558.6
Net of tax investment gains (losses)	(158.6)	598.4	(112.1)
Net income excluding investment gains (losses)	<u>\$ 845.1</u>	<u>\$ 935.9</u>	<u>\$ 670.8</u>
Combined ratio	<u>91.0 %</u>	<u>89.9 %</u>	<u>93.3 %</u>

### PER DILUTED SHARE

Years Ended December 31:	2022	2021	2020
Net income	\$ 2.26	\$ 5.05	\$ 1.87
Net of tax investment gains (losses)	(0.53)	1.97	(0.37)
Net income excluding investment gains (losses)	<u>\$ 2.79</u>	<u>\$ 3.08</u>	<u>\$ 2.24</u>

### SHAREHOLDERS' EQUITY (BOOK VALUE)

December 31:	2022	2021
Total	\$ 6,166.2	\$ 6,893.2
Per Common Share	<u>\$ 21.05</u>	<u>\$ 22.76</u>

The Company reported pretax income, excluding investment gains (losses), of \$1,058.6 for the full year 2022 compared to \$1,164.0 for 2021. Solid underwriting results drove a consolidated combined ratio of 91.0% for the full year 2022 compared to 89.9% and 93.3% in 2021 and 2020, respectively.

For 2022, consolidated net premiums and fees earned declined 4.1%, reflecting a decrease in Title Insurance of 13.0%, offset by growth in General Insurance of 7.1%. Conversely, consolidated net premiums and fees for 2021 represented growth of 18.8% compared to 2020, with mid-single digit increases in General Insurance and significant growth in Title insurance attributable to a low interest rate environment and a robust real estate market. Net investment income increased in 2022 following relatively flat levels maintained in 2021. The increase for 2022 reflects growth in the invested asset base and higher investment yields earned.

During 2022, the Company returned total capital of \$862.0, including \$580.7 in dividends and \$281.2 of share repurchases (12.6 million shares at an average price of \$22.23 per share), leaving approximately \$169.0 remaining under the current repurchase authorization as of December 31, 2022. Following the close of the year and through February 23, 2023, the Company repurchased 1.3 million additional shares for \$35.6 (average price of \$25.85), leaving \$133.1 remaining under the current repurchase authorization.

Book value per share was \$21.05 as of December 31, 2022, reflecting declining fair market values of the investment portfolio during the year, partially offset by strong operating earnings. With the addition of dividends declared during the year, this was an increase of 0.9% over year-end 2021.

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, inclusive of investment gains (losses), is the measure of total profitability.

In management's opinion, the focus on income excluding investment gains (losses), also described herein as segment pretax operating income, 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 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.

## FINANCIAL HIGHLIGHTS

Years Ended December 31:	2022	2021	2020	% Change	
				2022 vs. 2021	2021 vs. 2020
<b>SUMMARY INCOME STATEMENTS:</b>					
<b>Revenues:</b>					
Net premiums and fees earned	\$ 7,675.3	\$ 8,003.6	\$ 6,737.8	(4.1)%	18.8 %
Net investment income	459.5	434.3	438.9	5.8	(1.1)
Other income	149.9	145.6	131.2	3.0	11.0
<b>Total operating revenues</b>	<b>8,284.9</b>	<b>8,583.5</b>	<b>7,308.0</b>	<b>(3.5)</b>	<b>17.5</b>
Investment gains (losses):					
Realized from actual transactions and impairments	62.2	6.9	14.2		
Unrealized from changes in fair value of equity securities	(263.4)	751.1	(156.2)		
Total investment gains (losses)	(201.1)	758.0	(142.0)		
<b>Total revenues</b>	<b>8,083.7</b>	<b>9,341.6</b>	<b>7,166.0</b>		
<b>Operating expenses:</b>					
Loss and loss adjustment expenses	2,440.2	2,420.9	2,491.4	0.8	(2.8)
Sales and general expenses	4,719.2	4,942.3	3,942.4	(4.5)	25.4
Interest and other costs	66.7	56.2	43.7	18.7	28.7
<b>Total operating expenses</b>	<b>7,226.3</b>	<b>7,419.5</b>	<b>6,477.5</b>	<b>(2.6)%</b>	<b>14.5 %</b>
<b>Pretax income</b>	<b>857.4</b>	<b>1,922.1</b>	<b>688.4</b>		
<b>Income taxes</b>	<b>170.9</b>	<b>387.7</b>	<b>129.7</b>		
<b>Net income</b>	<b>\$ 686.4</b>	<b>\$ 1,534.3</b>	<b>\$ 558.6</b>		

## COMMON STOCK STATISTICS:

### Components of net income per share:

<b>Basic net income excluding investment gains (losses)</b>	<b>\$ 2.80</b>	<b>\$ 3.10</b>	<b>\$ 2.24</b>	<b>(9.7)%</b>	<b>38.4 %</b>
Net investment gains (losses):					
Realized from actual transactions and impairments	0.17	0.02	0.04		
Unrealized from changes in fair value of equity securities	(0.69)	1.96	(0.41)		
<b>Basic net income</b>	<b>\$ 2.28</b>	<b>\$ 5.08</b>	<b>\$ 1.87</b>		
<b>Diluted net income excluding investment gains (losses)</b>	<b>\$ 2.79</b>	<b>\$ 3.08</b>	<b>\$ 2.24</b>	<b>(9.4)%</b>	<b>37.5 %</b>
Net investment gains (losses):					
Realized from actual transactions and impairments	0.16	0.02	0.04		
Unrealized from changes in fair value of equity securities	(0.69)	1.95	(0.41)		
<b>Diluted net income</b>	<b>\$ 2.26</b>	<b>\$ 5.05</b>	<b>\$ 1.87</b>		
<b>Cash dividends on common stock</b>	<b>\$ 1.92</b>	<b>\$ 2.38</b>	<b>\$ 1.84</b>		
<b>Book value per share</b>	<b>\$ 21.05</b>	<b>\$ 22.76</b>	<b>\$ 20.75</b>	<b>(7.5)%</b>	<b>9.7 %</b>

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.

Years Ended December 31:	Sources of Consolidated Income				
	2022	2021	2020	2022 vs. 2021	2021 vs. 2020
<b>Net premiums and fees earned:</b>					
General insurance	\$3,808.6	\$3,555.5	\$3,394.2	7.1 %	4.8 %
Title insurance	3,833.8	4,404.3	3,286.3	(13.0)	34.0
RFIG run-off	23.2	32.6	45.1	(28.9)	(27.6)
Corporate & other	9.6	11.0	12.0	(12.3)	(8.8)
Consolidated	<u>\$7,675.3</u>	<u>\$8,003.6</u>	<u>\$6,737.8</u>	<u>(4.1)%</u>	<u>18.8 %</u>
<b>Underwriting and related services income (loss):</b>					
General insurance	\$ 400.9	\$ 311.4	\$ 151.8	28.7 %	105.1 %
Title insurance	261.3	474.0	305.8	(44.9)	55.0
RFIG run-off	28.4	21.3	(5.3)	33.3	497.1
Corporate & other	(24.9)	(20.9)	(17.0)	(19.3)	(22.7)
Consolidated	<u>\$ 665.8</u>	<u>\$ 785.9</u>	<u>\$ 435.2</u>	<u>(15.3)%</u>	<u>80.6 %</u>
<b>Consolidated underwriting ratio:</b>					
Loss ratio:					
Current year	35.5 %	32.9 %	38.2 %		
Prior years	(3.7)	(2.7)	(1.2)		
Total	31.8	30.2	37.0		
Expense ratio					
Combined ratio	<u>91.0 %</u>	<u>89.9 %</u>	<u>93.3 %</u>		
<b>Net investment income:</b>					
General insurance	\$ 358.0	\$ 342.4	\$ 352.2	4.5 %	(2.8)%
Title insurance	47.9	43.8	42.0	9.4	4.3
RFIG run-off	6.7	11.4	15.2	(41.1)	(24.7)
Corporate & other	46.8	36.5	29.4	28.1	24.0
Consolidated	<u>\$ 459.5</u>	<u>\$ 434.3</u>	<u>\$ 438.9</u>	<u>5.8 %</u>	<u>(1.1)%</u>
<b>Interest and other charges (credits):</b>					
General insurance	\$ 69.1	\$ 64.2	\$ 64.2		
Title insurance	0.4	2.1	3.8		
RFIG run-off	—	—	—		
Corporate & other (a)	(2.8)	(10.1)	(24.3)		
Consolidated	<u>\$ 66.7</u>	<u>\$ 56.2</u>	<u>\$ 43.7</u>	<u>18.7 %</u>	<u>28.7 %</u>
<b>Segmented and consolidated pretax income excluding investment gains (losses):</b>					
General insurance	\$ 689.8	\$ 589.6	\$ 439.8	17.0 %	34.1 %
Title insurance	308.8	515.7	344.0	(40.1)	49.9
RFIG run-off	35.2	32.8	9.8	7.3	232.3
Corporate & other	24.6	25.7	36.7	(4.3)	(29.8)
Consolidated	<u>1,058.6</u>	<u>1,164.0</u>	<u>830.4</u>	<u>(9.1)%</u>	<u>40.2 %</u>
<b>Income taxes on above</b>	<u>213.4</u>	<u>228.1</u>	<u>159.6</u>		
<b>Net income excluding investment gains (losses)</b>	<u>845.1</u>	<u>935.9</u>	<u>670.8</u>	<u>(9.7)%</u>	<u>39.5 %</u>
<b>Consolidated pretax investment gains (losses):</b>					
Realized from actual transactions and impairments	62.2	6.9	14.2		
Unrealized from changes in fair value of equity securities	(263.4)	751.1	(156.2)		
Total	<u>(201.1)</u>	<u>758.0</u>	<u>(142.0)</u>		
Income taxes (credits) on above	<u>(42.5)</u>	<u>159.6</u>	<u>(29.8)</u>		
Net of tax investment gains (losses)	<u>(158.6)</u>	<u>598.4</u>	<u>(112.1)</u>		
<b>Net income</b>	<u>\$ 686.4</u>	<u>\$1,534.3</u>	<u>\$ 558.6</u>		
<b>Consolidated operating cash flow</b>	<u>\$1,170.6</u>	<u>\$1,311.7</u>	<u>\$1,185.0</u>		

(a) Includes consolidation/elimination entries.

## General Insurance Segment Operating Results

Years Ended December 31:	2022	2021	2020	% Change	
				2022 vs. 2021	2021 vs. 2020
Net premiums written	\$ 3,978.2	\$ 3,680.9	\$ 3,431.3	8.1 %	7.3 %
Net premiums earned	3,808.6	3,555.5	3,394.2	7.1	4.8
Net investment income	358.0	342.4	352.2	4.5	(2.8)
Other income	148.9	144.5	130.3	3.1	10.9
Operating revenues	4,315.6	4,042.5	3,876.8	6.8	4.3
Loss and loss adjustment expenses	2,364.6	2,303.1	2,372.0	2.7	(2.9)
Sales and general expenses	1,192.0	1,085.4	1,000.7	9.8	8.5
Interest and other costs	69.1	64.2	64.2	7.7	0.1
Operating expenses	3,625.8	3,452.8	3,436.9	5.0	0.5
Segment pretax operating income	\$ 689.8	\$ 589.6	\$ 439.8	17.0 %	34.1 %
Loss ratio:					
Current year	67.2%	68.6%	70.7%		
Prior years	(5.1)	(3.8)	(.8)		
Total	62.1	64.8	69.9		
Expense ratio	27.4	26.5	25.6		
Combined ratio	89.5%	91.3%	95.5%		

General Insurance net premiums earned increased 7.1% for 2022 driven by growth in most lines of coverage, in particular commercial automobile. Net premiums earned for 2021 grew 4.8%, with rising premiums in commercial automobile, financial indemnity, and property lines of coverage. Premium rate increases for most lines of coverage, high renewal retention ratios, and new business production all contributed. Net investment income increased in 2022, reflecting higher investment yields earned and to a lesser extent, growth in the invested asset base. For 2021, net investment income decreased reflecting lower investment yields partially offset by growth in the invested asset base.

The reported loss ratio for General Insurance improved in 2022 and 2021, inclusive of favorable reserve development from prior periods. Favorable development for both periods came predominantly from the commercial automobile and workers' compensation lines of coverage. The current period loss costs reflect several years of premium rate increases, underwriting actions, and a shift in the line of coverage mix.

The expense ratios generally reflect the shift in line of coverage mix. Investments in new products and geographies in recent years have diversified the General Insurance business, resulting in shifts in the lines of coverage mix toward lines with higher expense ratios and lower current period loss ratios.

Together, these factors produced highly profitable combined ratios and greater pretax operating income for the periods reported. For General Insurance, we target combined ratios between 90% and 95% over a full underwriting cycle, recognizing that quarterly and annual ratios and trends may deviate from this range, particularly given the long claim payment patterns associated with the business.

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

	Reported Loss Ratio	Effect of Prior Periods' (Favorable)/ Unfavorable Loss Reserves Development	Loss Ratio Excluding Prior Periods' Loss Reserves Development
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
2022	62.1%	(5.1)%	67.2%

## Title Insurance Segment Operating Results

Years Ended December 31:	2022	2021	2020	% Change	
				2022 vs. 2021	2021 vs. 2020
Net premiums and fees earned	\$ 3,833.8	\$ 4,404.3	\$ 3,286.3	(13.0)%	34.0 %
Net investment income	47.9	43.8	42.0	9.4	4.3
Other income	0.9	1.1	0.9	(18.2)	14.9
Operating revenues	3,882.7	4,449.3	3,329.3	(12.7)	33.6
Loss and loss adjustment expenses	89.1	112.9	75.3	(21.1)	49.9
Sales and general expenses	3,484.2	3,818.4	2,906.1	(8.8)	31.4
Interest and other costs	0.4	2.1	3.8	(80.2)	(42.7)
Operating expenses	3,573.8	3,933.5	2,985.3	(9.1)	31.8
Segment pretax operating income	\$ 308.8	\$ 515.7	\$ 344.0	(40.1)%	49.9 %
Loss ratio:					
Current year	3.6%	3.6%	3.6%		
Prior years	(1.3)	(1.0)	(1.3)		
Total	2.3	2.6	2.3		
Expense ratio	90.9	86.7	88.4		
Combined ratio	93.2%	89.3%	90.7%		

Title Insurance net premiums and fees earned declined by 13.0% for 2022. Both directly produced and agency produced revenues declined, and we remain of the view that such revenues will continue to face headwinds into 2023. The main driver of these trends is increasing mortgage interest rates which continue to drive a steep reduction in refinance activity and to a lesser extent, purchase activity. An uptick in commercial transaction activity resulted in commercial premium growth during the full year. Conversely, Title Insurance net premiums and fees earned grew by 34.0% for 2021, attributable to a low interest rate environment and a robust real estate market. Increased revenue generated on purchase transactions was partially offset by a decline in refinance activity. Net investment income increased for 2022, reflecting growth in the invested asset base and higher investment yields earned. For 2021, net investment income also reflected growth in the invested asset base, however was somewhat offset by lower investment yields.

The 2022 Title Insurance loss ratio decreased slightly due predominantly to higher levels of favorable development as a percentage of premium. The 2022 expense ratio was elevated compared to 2021, generally reflecting the combination of lower directly produced revenues that carry higher fixed expenses, and to a lesser extent, a greater proportion of agency produced revenues that have a higher overall expense ratio. The 2022 full year expense ratio also reflects the impact of a fourth quarter state sales tax assessment payment of \$17.2 (0.5 percentage points) for which the Company is currently pursuing recovery. Title Insurance's 2021 expense ratio reflects 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 profitable combined ratios, albeit lower pretax operating income for 2022.

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

	Reported Loss Ratio	Effect of Prior Periods' (Favorable)/ Unfavorable Loss Reserves Development	Loss Ratio Excluding Prior Periods' Loss Reserves Development
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
2022	2.3%	(1.3)%	3.6%

## RFIG Run-off Segment Operating Results - Mortgage Insurance

Years Ended December 31:	2022	2021	2020	% Change	
				2022 vs. 2021	2021 vs. 2020
Net premiums earned	\$ 23.2	\$ 32.6	\$ 45.1	(28.9)%	(27.6)%
Net investment income	6.7	11.4	15.2	(41.1)	(24.7)
Loss and loss adjustment expenses	(17.5)	(1.7)	36.9	N/M	(104.7)
Pretax operating income	\$ 35.2	\$ 32.8	\$ 9.8	7.3 %	232.3 %
Loss ratio:					
Current year	80.8 %	62.2 %	108.2 %		
Prior years	(156.3)	(67.5)	(26.5)		
Total	(75.5)	(5.3)	81.7		
Expense ratio	53.0	39.9	30.2		
Combined ratio	(22.5)%	34.6 %	111.9 %		

Pretax operating results of RFIG Run-off reflect the continuing drop in net earned premiums in line with the declining risk in force. For 2022, favorable reserve development was the primary driver of the reduction in loss costs. Higher current year loss costs resulted from moderation in cure trends and increasing claim severity. Claim costs in 2021 reflect fewer newly reported delinquencies along with improved trends in cure rates and lower claim severity influenced by the ongoing economic recovery and strength in the real estate market. Net investment income decreased in 2022 and 2021, reflecting a declining invested asset base, driven by the payment of extraordinary dividends of \$140.0, \$100.0 and \$37.5 to the parent company during 2022, 2021 and 2020, respectively, and lower investment yields earned.

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

	Reported Loss Ratio	Effect of Prior Periods' (Favorable)/ Unfavorable Loss Reserves Development	Loss Ratio Excluding Prior Periods' Loss Reserves Development
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
2022	(75.5)%	(156.3)%	80.8%

## Corporate & Other Operating Results

Years Ended December 31:	2022	2021	2020	% Change	
				2022 vs. 2021	2021 vs. 2020
Net life and accident premiums earned	\$ 9.6	\$ 11.0	\$ 12.0	(12.3)%	(8.8)%
Net investment income	46.8	36.5	29.4	28.1	24.0
Other operating income	—	—	—	—	—
Operating revenues	56.5	47.5	41.4	19.0	14.7
Benefits and loss and loss adjustment expenses	4.0	6.5	7.1	(38.1)	(7.9)
Insurance expenses	3.3	3.4	4.2	(4.1)	(17.6)
Corporate, interest and other expenses - net	24.4	11.6	(6.6)	109.7	N/M
Operating expenses	31.8	21.7	4.7	46.6	N/M
Corporate & other pretax operating income	\$ 24.6	\$ 25.7	\$ 36.7	(4.3)%	(29.8)%

This segment includes a small life and accident insurance business and the net costs associated with the parent holding company and several internal corporate services subsidiaries. The segment tends to produce highly variable results stemming from volatility inherent from the lack of scale. Interest expense for 2022 and 2021 increased due to the issuance of \$650 million of debt late in the second quarter of 2021, partially offset by net investment income from a higher invested asset base and higher investment yields earned.

## Summary Consolidated Balance Sheet

	December 31,	
	2022	2021
<b>Assets:</b>		
Cash and fixed income securities	\$ 12,688.7	\$ 11,399.6
Equity securities	3,220.9	5,302.8
Other invested assets	138.0	116.5
Cash and invested assets	16,047.7	16,818.9
Accounts and premiums receivable	1,927.5	1,768.7
Federal income tax recoverable	15.7	11.8
Reinsurance balances recoverable	5,588.0	4,943.4
Deferred policy acquisition costs	382.5	350.4
Sundry assets	1,197.9	1,088.4
Total assets	\$ 25,159.4	\$ 24,981.8
<b>Liabilities and Shareholders' Equity:</b>		
Policy liabilities	\$ 2,978.8	\$ 2,752.0
Loss and loss adjustment expense reserves	12,221.5	11,425.5
Federal income tax - deferred	40.9	249.5
Reinsurance balances and funds	1,079.4	866.0
Debt	1,597.0	1,588.5
Sundry liabilities	1,075.3	1,206.9
Total liabilities	18,993.2	18,088.6
Shareholders' equity	6,166.2	6,893.2
Total liabilities and shareholders' equity	\$ 25,159.4	\$ 24,981.8

## Cash, Invested Assets, and Shareholders' Equity

As of December 31:	December 31,			% Change	
	2022	2021	2020	Dec. '22 / Dec. '21	Dec. '21 / Dec. '20
<b>Cash and invested assets:</b>					
Fixed income securities, cash and other invested assets	\$12,826.7	\$11,516.1	\$11,480.4	11.4 %	0.3 %
Equity securities	3,220.9	5,302.8	4,054.8	(39.3)	30.8
<b>Total per balance sheet</b>	<b>\$16,047.7</b>	<b>\$16,818.9</b>	<b>\$15,535.3</b>	<b>(4.6)%</b>	<b>8.3 %</b>
Total at cost for all	\$15,367.2	\$15,045.8	\$14,151.6	2.1 %	6.3 %
<b>Composition of shareholders' equity per share:</b>					
Equity before items below	\$ 19.41	\$ 18.50	\$ 17.73	4.9 %	4.3 %
Unrealized investment gains (losses) and other accumulated comprehensive income (loss)	1.64	4.26	3.02		
<b>Total</b>	<b>\$ 21.05</b>	<b>\$ 22.76</b>	<b>\$ 20.75</b>	<b>(7.5)%</b>	<b>9.7 %</b>
<b>Segmented composition of shareholders' equity per share:</b>					
Excluding RFIG run-off segment	\$ 20.15	\$ 21.47	\$ 19.25	(6.1)%	11.5 %
RFIG run-off segment	0.90	1.29	1.50		
<b>Consolidated total</b>	<b>\$ 21.05</b>	<b>\$ 22.76</b>	<b>\$ 20.75</b>	<b>(7.5)%</b>	<b>9.7 %</b>

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 claim payment obligations to policyholders and their beneficiaries, as well as the long-term stability of the subsidiaries' capital base. For these reasons, the investment portfolio does not contain significant levels of high risk or illiquid asset classes and has extremely limited exposure to collateralized debt obligations (CDO's), credit default and interest rate swaps, hybrid securities, asset-backed securities (ABS), guaranteed investment contracts (GIC), structured investment vehicles (SIV), auction rate variable short-term securities, limited partnerships, derivatives, hedge funds or private equity 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, 2022, the consolidated investment portfolio reflected an allocation of approximately 80% to fixed income (bonds and notes) and short-term investments, and 20% to equity securities (common stock). During 2022, management rebalanced the investment portfolio, thereby reducing its equity holdings and reinvesting the proceeds in fixed income securities. The fixed income portfolio continues to be the anchor for the insurance underwriting subsidiaries' obligations. The maturities of our fixed income assets are matched to the expected liabilities for claim payment obligations to policyholders and their beneficiaries. The quality of the investment portfolio remains at high levels.

A significant portion of our investable funds have been directed toward high-quality common stocks of U.S. companies. We favor those with long-term records of reasonable earnings growth and steadily increasing dividends. Pursuant to our enterprise risk management guidelines and controls, we perform regular stress tests of the equity 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.

	<b>Shareholders' Equity Per Share</b>		
	December 31,		
	2022	2021	2020
Beginning balance	\$ 22.76	\$ 20.75	\$ 19.98
Changes in shareholders' equity:			
Net income excluding net investment gains (losses)	2.80	3.10	2.24
Net of tax realized investment gains (losses)	0.17	0.02	0.04
Net of tax unrealized investment gains (losses):			
Fixed income securities	(2.18)	(0.97)	0.91
Equity securities	(0.69)	1.96	(0.41)
Total net of tax realized and unrealized investment gains (losses)	(2.70)	1.01	0.54
Cash dividends	(1.92)	(2.38)	(1.84)
Other	0.11	0.28	(0.17)
Net change	(1.71)	2.01	0.77
Ending balance	\$ 21.05	\$ 22.76	\$ 20.75
Percentage change for the period	(7.5)%	9.7 %	3.9%

### Capitalization

	<b>Capitalization</b>		
	December 31,		
	2022	2021	2020
Debt:			
4.875% Senior Notes due 2024	\$ 399.0	\$ 398.4	\$ 397.9
3.875% Senior Notes due 2026	547.9	547.3	546.8
3.850% Senior Notes due 2051	642.9	642.6	—
Other miscellaneous debt	7.1	—	21.7
Total debt	1,597.0	1,588.5	966.4
Common shareholders' equity	6,166.2	6,893.2	6,186.6
Total capitalization	\$ 7,763.2	\$ 8,481.7	\$ 7,153.1
Capitalization ratios:			
Debt	20.6%	18.7%	13.5%
Common shareholders' equity	79.4	81.3	86.5
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

##### Premiums & Fees

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

	Net Earned Premiums and Fees					% Change from prior period
	General	Title	RFIG Run-off	Corporate & Other	Total	
Years Ended December 31:						
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
2022	<u>\$ 3,808.6</u>	<u>\$ 3,833.8</u>	<u>\$ 23.2</u>	<u>\$ 9.6</u>	<u>\$ 7,675.3</u>	<u>(4.1)%</u>

For 2022, consolidated net premiums and fees earned declined 4.1%, reflecting a decrease in Title Insurance of 13.0%, offset by growth in General Insurance of 7.1%. Conversely, consolidated net premiums and fees for 2021 represented growth of 18.8% compared to 2020, with mid-single digit increases in General Insurance and significant growth in Title insurance attributable to a low interest rate environment and a robust real estate market.

##### Net Investment Income

Net investment income was affected mostly by trends in interest rates and levels of investments. The following tables reflect the segmented and consolidated invested asset bases as of the indicated dates, 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:							
2021	\$ 11,379.7	\$ 1,569.2	\$ 459.0	\$ 1,394.8	\$ 14,802.9	\$ 1,773.4	\$ 16,576.3
2022	<u>\$ 11,825.2</u>	<u>\$ 1,512.4</u>	<u>\$ 341.6</u>	<u>\$ 1,500.1</u>	<u>\$ 15,179.4</u>	<u>\$ 680.4</u>	<u>\$ 15,859.9</u>

	Net Investment Income					Yield at	
	General	Title	RFIG Run-off	Corporate & Other	Total	Cost	Fair Value
Years Ended							
December 31:							
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
2022	<u>\$ 358.0</u>	<u>\$ 47.9</u>	<u>\$ 6.7</u>	<u>\$ 46.8</u>	<u>\$ 459.5</u>	<u>3.07%</u>	<u>2.83%</u>

Net investment income increased 5.8% in 2022, reflecting growth in the invested asset base and higher investment yields earned. Net investment income decreased by 1.1% in 2021, 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 a lower interest rate environment.

## **Loss and Loss Adjustment Expenses**

Total loss 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 loss reserve estimates for major types of insurance coverages as of December 31, 2022 and 2021:

December 31:	<b><i>Loss and Loss Adjustment Expense Reserves</i></b>			
	2022		2021	
	Gross	Net	Gross	Net
Workers' compensation	\$ 4,855.2	\$ 2,879.6	\$ 4,893.0	\$ 2,955.6
General liability	1,427.3	641.9	1,324.4	630.7
Commercial automobile	3,233.9	1,747.3	2,850.0	1,736.5
Other coverages	1,707.8	1,260.0	1,355.5	979.3
Unallocated loss adjustment expense reserves	296.9	295.8	285.2	284.8
Total general insurance reserves	11,521.2	6,824.8	10,708.4	6,587.0
Title	612.8	612.8	594.2	594.2
RFIG Run-off	77.9	77.9	111.2	111.2
Life and accident	9.4	6.3	11.6	7.6
Total loss and loss adjustment expense reserves	<u>\$12,221.5</u>	<u>\$ 7,521.9</u>	<u>\$11,425.5</u>	<u>\$ 7,300.2</u>
Asbestosis and environmental loss reserves included in the above general insurance reserves:				
Amount	<u>\$ 121.3</u>	<u>\$ 84.0</u>	<u>\$ 118.1</u>	<u>\$ 77.2</u>
% of total general insurance reserves	<u>1.1%</u>	<u>1.2%</u>	<u>1.1%</u>	<u>1.2%</u>

A summary of changes in aggregate reserves for loss and loss adjustment expenses is included in Note 4 of the Consolidated Financial Statements.

The percentage of net loss and loss adjustment 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:	2022	2021	2020
General	62.1 %	64.8%	69.9%
Title	2.3	2.6	2.3
RFIG Run-off	(75.5)	(5.3)	81.7
Consolidated loss ratio	<u>31.8 %</u>	<u>30.2%</u>	<u>37.0%</u>
Reconciliation of consolidated loss ratio:			
Provision for insured events of the current year	35.5 %	32.9%	38.2%
Change in provision for insured events of prior years:			
net favorable development	(3.7)	(2.7)	(1.2)
Consolidated loss ratio	<u>31.8 %</u>	<u>30.2%</u>	<u>37.0%</u>

The consolidated loss 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 2022, 2021, and 2020, which on average decreased the consolidated loss ratio by 2.5 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 losses incurred. However, no representation is made nor is any guaranty given that ultimate net losses 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 losses and related costs are not likely to have a material effect on the Company's consolidated financial position, although it could materially affect 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:				
2020	25.6%	88.4%	30.2%	56.3%
2021	26.5	86.7	39.9	59.7
2022	27.4%	90.9%	53.0%	59.2%

Variations in the Company's consolidated expense ratios reflect a continually changing mix of coverages sold and costs of producing business. 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. General operating expenses are routinely subject to timing, and can fluctuate with line of coverage mix, as well as investments in business expansion and information technology. The 2022 General Insurance expense ratio generally reflects the shift in line of coverage mix. Investments in new products and geographies in recent years have diversified the General Insurance business, resulting in shifts in the lines of coverage mix toward lines with higher expense ratios and lower current period loss ratios. The 2022 Title Insurance expense ratio was elevated compared to last year, generally reflecting the combination of lower directly produced revenues that carry higher fixed expenses, and to a lesser extent, a greater proportion of agency produced revenues that have a higher overall expense ratio. The 2021 General Insurance expense ratio was also impacted by changes in line of coverage mix and certain operating expense charges. The 2021 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 loss and loss adjustment expenses and underwriting expenses are as follows:

	General	Title	RFIG Run-off	Consolidated
Years Ended December 31:				
2020	95.5%	90.7%	111.9 %	93.3%
2021	91.3	89.3	34.6	89.9
2022	89.5%	93.2%	(22.5)%	91.0%

## 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.

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

Years Ended December 31:	2022	2021	2020
Realized investment gains (losses) from actual transactions:			
Fixed income	\$ (187.6)	\$ 1.5	\$ (7.4)
Equity securities and other	373.3	5.3	21.6
Total	185.7	6.9	14.2
Impairment losses on fixed income securities	(123.5)	—	—
Unrealized gains (losses) from changes in fair value of equity securities	(263.4)	751.1	(156.2)
Total investment gains (losses)	\$ (201.1)	\$ 758.0	\$ (142.0)

During 2022, net realized investment gains reflect the rebalancing of the investment portfolio as well as tax planning considerations. The Company sold over \$2 billion worth of equities and \$1.4 billion in fixed income securities as part of the portfolio rebalance and tax planning strategy. The proceeds from these transaction, combined with \$1.4 billion of maturities, were reinvested in the fixed income portfolio during the year. Dispositions of fixed income securities from scheduled maturities and early calls were 49.1%, 80.7% and 76.2% of total dispositions occurring in

2022, 2021, and 2020, respectively. Additionally, 2022 includes investment impairment charges of \$123.5 on fixed income securities, which management intended to and subsequently disposed of during the year, driven primarily by tax planning considerations. 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.

## **Income Taxes**

The effective consolidated income tax rates were 19.9%, 20.2%, and 18.9% in 2022, 2021, and 2020, respectively. The rates for each year reflect primarily the varying proportions of pretax operating income derived from partially tax preferred investment income (principally tax-exempt interest and dividend income).

## **Segment Overview**

### **General Insurance**

#### **Summary Operating Results**

Years Ended December 31:	2022	2021	2020	% Change	
				2022 vs. 2021	2021 vs. 2020
Net premiums earned	\$ 3,808.6	\$ 3,555.5	\$ 3,394.2	7.1 %	4.8 %
Loss and loss adjustment expenses	2,364.6	2,303.1	2,372.0	2.7	(2.9)
Sales and general expenses	1,192.0	1,085.4	1,000.7	9.8	8.5
Segment pretax operating income	<u>\$ 689.8</u>	<u>\$ 589.6</u>	<u>\$ 439.8</u>	<u>17.0 %</u>	<u>34.1 %</u>
Loss ratio:					
Current year	67.2%	68.6%	70.7%		
Prior years	(5.1)	(3.8)	(.8)		
Total	<u>62.1</u>	<u>64.8</u>	<u>69.9</u>		
Expense ratio	27.4	26.5	25.6		
Combined ratio	<u>89.5%</u>	<u>91.3%</u>	<u>95.5%</u>		

#### **Premiums & Fees**

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

#### **General Insurance Net Earned Premiums by Type of Coverage**

Years Ended December 31:	Commercial Automobile	Workers' Compensation	Financial Indemnity	Property	General Liability	Other
2020	38.4%	25.5%	8.0%	8.7%	6.0%	13.4%
2021	39.6	21.9	9.7	9.7	5.2	13.9
2022	<u>39.5%</u>	<u>21.3%</u>	<u>10.3%</u>	<u>9.8%</u>	<u>5.2%</u>	<u>13.9%</u>

General Insurance net premiums earned increased 7.1% for 2022, driven by growth in most lines of coverage, in particular, commercial automobile. Premium rate increases for most lines of coverages, high renewal retention ratios, and new business production all contributed. General Insurance net premiums earned increased 4.8% for 2021 with rising premiums in commercial automobile, 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.

#### **Loss and Loss Adjustment Expenses**

The percentage of net loss and loss adjustment expenses measured against premiums earned by major types of insurance coverage were as follows:

General Insurance Loss Ratios by Type of Coverage

Years Ended	All Coverages	Commercial Automobile	Workers' Compensation	Property	Financial Indemnity	General Liability	Other
December 31:							
2020	69.9%	80.8%	60.8%	58.2%	57.1%	73.5%	69.2%
2021	64.8	71.5	58.9	59.3	53.9	64.1	66.6
2022	<u>62.1%</u>	<u>66.6%</u>	<u>45.9%</u>	<u>65.4%</u>	<u>67.0%</u>	<u>71.6%</u>	<u>64.5%</u>

Overall, the General Insurance loss ratio has improved due to higher levels of favorable development and improving current year loss ratios. The favorable development has come from most years going back to 2009 from commercial automobile and workers' compensation. The property loss ratio was elevated in 2022 primarily due to the impacts of Hurricane Ian, impacted by reinstatement premiums of \$16.6 and losses estimated at the Company's \$10.0 net retention. The financial indemnity loss ratio in 2022 reflects an elevated level of security class action claims on public company D&O insurance from accident years 2018 and 2019. The Company has received large, compound rate increases on this coverage starting in 2019.

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 6.4 years (gross) and 7.6 years (net of reinsurance) as of December 31, 2022 and 5.9 years (gross) and 6.8 years (net of reinsurance) as of December 31, 2021. 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, 2022, incurred A&E claims and related loss settlement cost have averaged .4% of average annual General Insurance loss and loss adjustment expenses.

A summary of reserve activity, including estimates for IBNR, relating to A&E claims at December 31, 2022 and 2021 is as follows:

December 31:	2022		2021	
	Gross	Net	Gross	Net
<i>Asbestosis:</i>				
Reserves at beginning of year	\$ 85.0	\$ 54.9	\$ 84.7	\$ 59.1
Loss and loss expenses incurred	29.0	23.5	10.2	2.8
Loss and loss adjustment expenses paid	15.7	11.7	10.0	7.1
Reserves at end of year	<u>98.3</u>	<u>66.7</u>	<u>85.0</u>	<u>54.9</u>
<i>Environmental:</i>				
Reserves at beginning of year	33.0	22.3	42.8	23.2
Loss and loss expenses incurred	(4.9)	(1.8)	6.5	4.6
Loss and loss adjustment expenses paid	5.0	3.1	16.3	5.4
Reserves at end of year	<u>23.0</u>	<u>17.3</u>	<u>33.0</u>	<u>22.3</u>
Total asbestosis and environmental reserves	<u>\$ 121.3</u>	<u>\$ 84.0</u>	<u>\$ 118.1</u>	<u>\$ 77.2</u>

### **Sales and General Expenses**

The 2022 expense ratios generally reflects the shift in line of coverage mix. Investments in new products and geographies in recent years have diversified the General Insurance business, resulting in shifts in the lines of coverage mix toward lines with higher expense ratios and lower current period loss ratios.

## Title Insurance

### Summary Operating Results

Years Ended December 31:	2022	2021	2020	% Change	
				2022 vs. 2021	2021 vs. 2020
Net premiums and fees earned	\$ 3,833.8	\$ 4,404.3	\$ 3,286.3	(13.0)%	34.0 %
Loss and loss adjustment expenses	89.1	112.9	75.3	(21.1)	49.9
Sales and general expenses	3,484.2	3,818.4	2,906.1	(8.8)	31.4
Segment pretax operating income	\$ 308.8	\$ 515.7	\$ 344.0	(40.1)%	49.9 %
Loss ratio:					
Current year	3.6%	3.6%	3.6%		
Prior years	(1.3)	(1.0)	(1.3)		
Total	2.3	2.6	2.3		
Expense ratio	90.9	86.7	88.4		
Combined ratio	93.2%	89.3%	90.7%		

### 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 19.5% of 2022 consolidated title business revenues. Such premiums are generally recognized as income at the transaction 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 80.5% 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 result in a three to four month lag relative to the effective date of the underlying title policy, and are offset concurrently by production expenses and loss 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

Years Ended December 31:	Direct Operations	Independent Title Agents
2020	24.9%	75.1%
2021	22.0	78.0
2022	19.5%	80.5%

Title Insurance net premium and fee earned declined by 13.0% in 2022. Both directly produced and agency produced revenues have declined. The main driver of these trends is increasing mortgage interest rates which continue to drive a steep reduction in refinance activity and to a lesser extent, purchase activity. An uptick in commercial transaction activity resulted in commercial premium growth during the periods reported, and accounted for 22.5%, 15.6% and 16.0% of 2022, 2021 and 2020 earned premium, respectively. Conversely, premiums and fees revenues for 2021 grew by 34.0%. This performance was attributable to a low interest rate environment and a robust real estate market. Increased revenue generated on purchase transactions was partially offset by a decline in refinance activity.

### Loss and Loss Adjustment Expenses

Title Insurance loss ratios have remained in the low 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 loss ratios as more fully described in the Executive Summary of the Management Analysis of Financial Position and Results of Operations.

### Sales and General Expenses

The 2022 expense ratio was elevated compared to last year, generally reflecting the combination of lower directly produced revenues that carry higher fixed expenses, and to a lesser extent, a greater proportion of agency produced revenues that have a higher overall expense ratio. The 2022 full year expense ratio also reflects the impact of a fourth quarter state sales tax assessment payment of \$17.2 (0.5 percentage points) for which the Company is currently pursuing recovery. The 2021 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.

## RFIG Run-off

### Summary Operating Results

Years Ended December 31:	2022	2021	2020	% Change	
				2022 vs. 2021	2021 vs. 2020
Net premiums earned	\$ 23.2	\$ 32.6	\$ 45.1	(28.9)%	(27.6)%
Loss and loss adjustment expenses	(17.5)	(1.7)	36.9	N/M	(104.7)
Pretax operating income	\$ 35.2	\$ 32.8	\$ 9.8	7.3 %	232.3 %
Loss ratio:					
Current year	80.8 %	62.2 %	108.2 %		
Prior years	(156.3)	(67.5)	(26.5)		
Total	(75.5)	(5.3)	81.7		
Expense ratio	53.0	39.9	30.2		
Combined ratio	(22.5)%	34.6 %	111.9 %		

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:		
2020	\$ 45.1	77.6%
2021	32.6	74.8
2022	\$ 23.2	78.1%

### Net Risk in Force

Net Risk in Force By Type:	Traditional Primary	Bulk & Other	Total
As of December 31:			
2020	\$ 1,842.2	\$ 169.0	\$ 2,011.2
2021	1,364.9	140.4	1,505.4
2022	\$ 1,059.1	\$ 114.4	\$ 1,173.5

The results of RFIG Run-off reflected the continuing drop in net earned premiums in line with the declining risk in force.

## Loss and Loss Adjustment Expenses

Certain mortgage guaranty average loss related trends are listed below:

Years Ended December 31:	Average Settled Claim Amount (a)	Reported Delinquency Ratio at End of Period
2020	\$ 37,172	14.2%
2021	31,682	12.4%
2022	\$ 48,313	11.8%

(a) Amounts are in whole dollars.

While 2022 mortgage insurance loss costs continued to be favorable, the trends of lower newly reported defaults and higher cure rates on loans already in default are beginning to fall in line with pre-Covid-19 levels.

## FINANCIAL POSITION

The Company's financial position at December 31, 2022 reflected increases in assets and liabilities of 0.7% and 5.0%, respectively, and a decrease in common shareholders' equity of (10.5)% when compared to the immediately preceding year-end. Cash and invested assets represented 63.8% and 67.3% of consolidated assets as of December 31, 2022 and 2021, respectively. As of year-end 2022, the cash and invested asset base decreased by 4.6% to \$16,047.7.

## Investment Portfolio

During 2022, the Company reduced its equity holdings and reinvested the proceeds primarily in intermediate-term, investment grade fixed income securities. Old Republic continues to adhere to its long-term policy of investing primarily in investment grade, marketable securities. At both December 31, 2022 and 2021, nearly all of the Company's investments consisted of marketable securities. The investment portfolio does not contain significant levels of high risk or illiquid asset classes and has extremely limited exposure to collateralized debt obligations (CDO's), credit default and interest rate swaps, hybrid securities, asset-backed securities (ABS), guaranteed investment contracts (GIC), structured investment vehicles (SIV), auction rate variable short-term securities, limited partnerships, derivatives, hedge funds or private equity 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, 2022, the Company had no fixed income investments in default as to principal and/or interest.

Several years ago, interest rates dropped to a level where the Company had the opportunity to invest in high quality dividend paying equity securities to attain a higher yield than could be earned from fixed income investments with similar risk profiles. This equity portfolio grew to a high of more than 30% of the entire consolidated portfolio, including a large amount of unrealized gains. In early 2022, management decided to rebalance the portfolio and reduce its equity holdings. This decision was precipitated by several factors: the overall economic backdrop, a rapidly increasing level of inflation, the Federal Reserve signaling a tightening of monetary policy, and increasing interest rates. As a result, the Company replaced the yield that has been provided by the equity portfolio with a lower risk (in terms of volatility) source of net investment income. The Company sold more than \$2 billion worth of equities, all of which were within 11% of their 52 week highs. This generated \$374.5 in net realized gains on sales. As part of a tax planning initiative, the Company took advantage of depressed fixed income values from the rising interest rate environment and sold enough fixed income securities in a loss position to offset all but \$62.2 in net realized gains.

Following the rebalancing, at December 31, 2022, the portfolio is comprised of 20% equities and 80% fixed income and short-term investments. These transactions, along with the reinvestment of approximately \$1.4 billion of maturities increased the ending fixed income portfolio yield from 2.40% as of December 31, 2021 to 3.32% as of December 31, 2022.

Short-term maturity investment positions reflect a large variety of factors including current operating needs, expected operating cash flows, 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. Short-term investment levels were elevated at December 31, 2022 due to the timing of reinvesting funds from sales of investments and the planned funding of the Company's share repurchase program.

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 income 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 Income investment portfolio that is not subject to extreme interest rate sensitivity and principal deterioration.

The fair value of the Company's fixed income 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 income 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 income investments. By contrast, a decline in such rates reduces currently available yields but usually serves to increase the fair value of the existing fixed income 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 income 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 income 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 income and equity portfolios as of the dates shown:

Fixed Income Securities Stratified by Credit Quality (a)		
December 31:	2022	2021
Aaa	22.1%	25.1%
Aa	10.0	12.3
A	34.1	31.9
Baa	32.3	28.5
Total investment grade	98.5	97.8
Non-investment grade or non-rated issuers	1.5	2.2
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.

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**Gross Unrealized Losses Stratified by Industry Concentration for Fixed Income Securities**


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December 31, 2022	Amortized Cost	Gross Unrealized Losses
<b>Non-Investment Grade Fixed Income Securities by Industry Concentration:</b>		
Industrial	\$ 38.4	\$ 2.1
Energy	28.5	2.1
Consumer Durables	32.8	1.9
Basic Industry	39.5	1.8
Other (includes 2 industry groups)	24.7	1.0
Total	<u>\$ 164.0</u>	<u>\$ 9.0</u>
<b>Investment Grade Fixed Income Securities by Industry Concentration:</b>		
U.S. Governments & Agencies	\$ 2,091.5	\$ 104.3
Utilities	1,436.0	87.5
Financial, Banking & Insurance	1,387.0	82.7
Industrial	1,030.0	58.2
Consumer Staples & Durables	1,059.7	54.6
Natural Gas & Energy	896.6	54.0
Technology	595.4	35.8
Health Care	482.6	31.2
Retail	428.6	20.4
Basic Industry	373.7	17.8
Other (includes 7 industry groups)	1,533.9	54.0
Total	<u>\$ 11,315.5</u>	<u>\$ 601.0</u>

The level of gross unrealized losses for this portfolio is primarily driven by changes in the interest rate environment.

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**Gross Unrealized Losses Stratified by Industry Concentration for Equity Securities**


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December 31, 2022	Cost	Gross Unrealized Losses
<b>Equity Securities by Industry Concentration:</b>		
Telecom	\$ 93.7	\$ 8.6
Utilities	49.7	5.1
Industrial	48.1	4.3
Other (includes 2 industry groups)	24.0	.4
Total	<u>\$ 215.6</u>	<u>\$ 18.6</u>

The equity portfolio has performed well in the current market downturn as, by design, it is comprised of high-quality common stocks of U.S. companies with long-term records of reasonable earnings growth and steadily increasing dividends.

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

	Amortized Cost		Gross Unrealized Losses	
	All	Non-Investment Grade Only	All	Non-Investment Grade Only
December 31, 2022				
Maturity Ranges:				
Due in one year or less	\$ 1,392.6	\$ 39.4	\$ 16.0	\$ .3
Due after one year through five years	5,776.0	73.1	243.9	3.8
Due after five years through ten years	4,236.3	51.3	346.3	4.7
Due after ten years	74.5	—	3.6	—
Total	<u>\$ 11,479.6</u>	<u>\$ 164.0</u>	<u>\$ 610.1</u>	<u>\$ 9.0</u>

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

	Amount of Gross Unrealized Losses			
	Less than 20% of Cost	20% to 50% of Cost	More than 50% of Cost	Total Gross Unrealized Loss
December 31, 2022				
Number of Months in Unrealized Loss Position:				
Fixed Income Securities:				
One to six months	\$ 151.5	\$ —	\$ —	\$ 151.5
Seven to twelve months	287.5	—	—	287.5
More than twelve months	168.6	2.3	—	170.9
Total	<u>\$ 607.7</u>	<u>\$ 2.3</u>	<u>\$ —</u>	<u>\$ 610.1</u>
Number of Issues in Unrealized Loss Position:				
Fixed Income Securities:				
One to six months	1,063	—	—	1,063
Seven to twelve months	653	—	—	653
More than twelve months	230	6	—	236
Total	<u>1,946</u>	<u>6</u>	<u>—</u>	<u>1,952</u>

In the above tables the unrealized losses on fixed income securities are primarily deemed to reflect changes in the interest rate environment.

## Age Distribution of Fixed Income Securities

December 31:	2022	2021
Maturity Ranges:		
Due in one year or less	11.4%	11.7%
Due after one year through five years	48.5	49.7
Due after five years through ten years	38.8	37.6
Due after ten years through fifteen years	1.2	.9
Due after fifteen years	.1	.1
Total	<u>100.0%</u>	<u>100.0%</u>
Average Maturity in Years	<u>4.3</u>	<u>4.4</u>
Duration	<u>3.9</u>	<u>4.0</u>

Duration is used as a measure of bond price sensitivity to interest rate changes. A duration of 3.9 as of December 31, 2022 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 income investment portfolio of approximately 3.9%.

## Liquidity and Capital Resources

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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 and interest to the parent company is generally restricted by law or subject to approval of the insurance regulatory authorities. The Company can receive up to \$924.9 in ordinary dividends from its subsidiaries in 2023 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 regularly recurring cash outflows represented mostly by interest, anticipated cash dividend payments to shareholders, operating expenses, and the near-term capital needs of its operating subsidiaries.

Old Republic's total capitalization of \$7,763.2 at December 31, 2022 consisted of debt of \$1,597.0 and common shareholders' equity of \$6,166.2. Changes in the common shareholders' equity account reflect primarily net income excluding net investment gains (losses), realized and unrealized gains (losses), dividend payments to shareholders and share repurchases for the year then ended.

Old Republic has paid a cash dividend without interruption since 1942 (81 years), and it has raised the annual cash dividend payment for each of the past 41 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.

On August 18, 2022, the Board of Directors authorized a \$450 share repurchase program and a special cash dividend of \$1.00 per share. The repurchase program is intended to comply with Rule 10b-18 and has no expiration date, does not require the purchase of any minimum number of shares and may be suspended, modified or discontinued at any time without prior notice. Old Republic may also from time to time repurchase shares pursuant to written, pre-arranged Rule 10b5-1 plans. In reaching its decision to authorize the share repurchase program and the 2022 special cash dividend, the Board evaluated such factors as the current and foreseeable liquidity and capital needs of the parent holding company and its insurance company subsidiaries. During 2022, the Company returned capital to shareholders of \$862.0, including \$580.7 in dividends and \$281.2 of share repurchases (12.6 million shares at an average price of \$22.23 per share). Following the close of the year and through February 23, 2023, the Company repurchased 1.3 million additional shares for \$35.6 (average price of \$25.85), leaving \$133.1 remaining under the current repurchase authorization. The Company's Board of Directors also 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).

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 \$140.0, \$100.0 and \$37.7 in 2022, 2021 and 2020, respectively.

## Other Assets

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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 loss costs.

## Contractual Obligations

The following table shows certain information relating to the required reporting of contractual obligations as of December 31, 2022:

	2023	2024 and 2025	2026 and 2027	2028 and After	Total
<b>Contractual Obligations:</b>					
Debt	\$ 5.8	\$ 400.5	\$ 550.6	\$ 650.0	\$ 1,607.1
Interest on Debt	66.1	112.2	71.3	588.0	837.8
Operating Leases	58.8	93.3	51.5	79.3	283.1
Pension Benefits Contributions (a)	—	—	—	—	—
Loss and Loss Adjustment Reserves (b)	2,914.5	3,178.8	1,782.0	4,346.1	12,221.5
Total	<u>\$ 3,045.4</u>	<u>\$ 3,785.0</u>	<u>\$ 2,455.6</u>	<u>\$ 5,663.5</u>	<u>\$ 14,949.6</u>

- (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 a portion or all of its premiums and related liabilities on certain classes of insurance, individual policies, or blocks of business to other insurers and reinsurers.

The following table displays the Company's General Insurance liabilities reinsured by its ten largest reinsurers as of December 31, 2022.

Reinsurer	A.M. Best Rating	Reinsurance Recoverable		Total Exposure to Reinsurer	% of Total Consolidated Reinsured Liabilities
		on Paid Losses	on Loss Reserves		
Day One Insurance, Inc.	Unrated	\$ —	\$ 921.3	\$ 921.3	19.2 %
Archway Insurance, Ltd.	Unrated	1.4	420.8	422.2	8.8
Hannover Ruckversicherungs	A+	9.8	386.6	396.4	8.3
Munich Re America, Inc.	A+	12.7	236.6	249.3	5.2
Summit Insurance, Ltd.	Unrated	—	195.8	195.9	4.1
AXIS Reinsurance Company	A	8.6	157.1	165.7	3.5
Transatlantic Reinsurance Company	A++	5.3	131.8	137.2	2.9
Partner Reinsurance Company of the U.S.	A+	2.4	132.9	135.3	2.8
Endurance Assurance Corporation	A+	2.3	124.8	127.1	2.6
Global Vision II	Unrated	—	122.6	122.6	2.6
		<u>\$ 42.9</u>	<u>\$ 2,830.6</u>	<u>\$ 2,873.6</u>	<u>59.8 %</u>

Reinsurance recoverable asset balances represent amounts due from or credited by assuming reinsurers for paid and unpaid losses 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 from any one event to a maximum of: \$5.2 for workers' compensation; \$7.0 for commercial automobile liability; \$7.0 for general liability; \$12.0 for executive protection (directors & officers and errors & omissions); \$2.2 for aviation; and \$10.0 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.

The Company maintains treaty and facultative reinsurance coverage 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 2022. 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.

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## **CRITICAL ACCOUNTING ESTIMATES**

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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 loss 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 loss 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 loss and loss adjustment expense reserves stem from its General Insurance business. At December 31, 2022, such reserves accounted for 94.3% and 90.7% of consolidated gross and net of reinsurance reserves, respectively, while similar reserves at December 31, 2021 represented 93.7% and 90.2% 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 predominantly commercial insurance; it does not have a meaningful exposure to personal insurance coverages such as homeowners or private passenger automobile insurance. 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 89% of the General Insurance's loss 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 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 loss ratios. Such expected loss ratios typically reflect currently estimated loss 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 loss 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 loss 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 loss 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 loss and loss 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 loss 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 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 94.1% and 94.6%, and averaged 94.4% of gross consolidated loss reserves as of the three most recent year ends. Net of reinsurance recoverables, such reserves ranged between 94.3% and 94.4% and averaged 94.4% as of the same dates.
- Loss trends that are considered when establishing the above noted expected loss 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 loss 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 loss reserves can be affected by actual experience differing from expectations related to:

- frequency of claims incurred but not reported;
- the effect of reserve discounts applicable to certain workers' compensation claims;
- 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;
- inflation rates applicable to repairs and the medical benefits portion of claims; and

- the 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 by such developments as:

- loan refinancing activity, the effect of which can be to change the expected period during which title policies remain exposed to loss emergence; and
- changes 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 loss reserve levels can be influenced by several factors including:

- changes in the mix of insured business toward loans that have a higher or lower 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
- changes in housing values and/or in housing supply that can change 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 by:

- medical care cost inflation;
- frequency and severity of claims; and
- catastrophic events where we have concentrations of insured lives.

Consolidated loss 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 3.3% and 10.4%, or by an average of approximately 7.3% per annum. As a percentage of each of these years' consolidated earned premiums and fees, the favorable developments have ranged between 1.2% and 3.7%, and have averaged 2.5%.

The consolidated cumulative development on prior year loss reserves over the past ten years through December 31, 2022 has ranged from 4.1% favorable to 13.4% favorable and averaged 8.0% favorable (approximately \$600 based on current year ending reserves). Given the long tail associated with most of the Company's lines of business, this loss reserve development has occurred over many years. The consolidated one-year development on prior year loss reserves over the past ten years through December 31, 2022 has ranged from .4% unfavorable to 5.0% favorable and averaged 2.1% favorable (approximately \$160.0 million based on current year ending reserves). 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 these historical outcomes are illustrative of the reasonable likelihood of how 2022 year-end loss reserves could ultimately develop. The most significant factors impacting the potential reserve development for each of the Company's insurance segments is discussed above.

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 the historical outcomes presented above provides a reasonable range of cumulative and one-year reserve development for a sensitivity analysis of the Company's consolidated reserves as of December 31, 2022.

***(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 34.2% and 38.5% and averaged 36.3% of the related gross reserves. See Note 5 for further discussion regarding recoverability of the Company's reinsurance balances.

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## OTHER INFORMATION

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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.

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 income 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 income 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 income investment portfolio that is not subject to extreme interest rate sensitivity and principal deterioration.

The fair value of the Company's fixed income 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 income 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 income investments. By contrast, a decline in such rates reduces currently available yields but usually serves to increase the fair value of the existing fixed income 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 income 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 income 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, 2022:

	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
<b>Interest Rate Risk:</b>			
Fixed Income Securities	\$ 11,746.7	100 basis point rate increase	\$ 11,289.8
		200 basis point rate increase	10,832.8
		100 basis point rate decrease	12,203.6
		200 basis point rate decrease	\$ 12,660.6
<b>Equity Price Risk:</b>			
Equity Securities	\$ 3,220.9	10% increase in the S&P 500	\$ 3,478.6
		20% increase in the S&P 500	3,736.2
		10% decline in the S&P 500	2,963.2
		20% decline in the S&P 500	\$ 2,705.6

## **Item 8 - Financial Statements and Supplementary Data**

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

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**Old Republic International Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
(\$ in Millions, Except Share Data)

	December 31,	
	2022	2021
<b>Assets</b>		
<b>Investments:</b>		
Available for sale:		
Fixed income securities (at fair value) (amortized cost: \$12,336.3 and \$10,438.6)	\$ 11,746.7	\$ 10,675.7
Short-term investments (at fair value which approximates cost)	860.8	565.7
Total	12,607.6	11,241.4
Equity securities (at fair value) (cost: \$1,948.1 and \$3,766.5)	3,220.9	5,302.8
Other investments	31.2	32.0
Total investments	15,859.9	16,576.3
<b>Other Assets:</b>		
Cash	81.0	158.1
Accrued investment income	106.7	84.4
Accounts and notes receivable	1,927.5	1,768.7
Federal income tax recoverable: Current	15.7	11.8
Reinsurance balances and funds held	323.0	258.1
Reinsurance recoverable: Paid losses	119.4	118.2
Policy and loss reserves	5,468.5	4,825.1
Deferred policy acquisition costs	382.5	350.4
Sundry assets	874.8	830.3
Total Other Assets	9,299.5	8,405.5
Total Assets	<u>\$ 25,159.4</u>	<u>\$ 24,981.8</u>
<b>Liabilities, Preferred Stock, and Common Shareholders' Equity</b>		
<b>Liabilities:</b>		
Loss and loss adjustment expense reserves	\$ 12,221.5	\$ 11,425.5
Unearned premiums	2,787.8	2,559.4
Other policyholders' benefits and funds	191.0	192.6
Total policy liabilities and accruals	15,200.4	14,177.5
Commissions, expenses, fees, and taxes	514.8	573.5
Reinsurance balances and funds	1,079.4	866.0
Federal income tax: Deferred	40.9	249.5
Debt	1,597.0	1,588.5
Sundry liabilities	560.5	633.3
Total Liabilities	18,993.2	18,088.6
Preferred Stock (1)	—	—
<b>Common Shareholders' Equity:</b>		
Common stock (1)	296.9	307.5
Additional paid-in capital	1,141.8	1,376.1
Retained earnings	5,319.7	5,214.0
Accumulated other comprehensive income (loss)	(522.7)	78.0
Unallocated 401(k) plan shares (at cost)	(69.5)	(82.5)
Total Common Shareholders' Equity	6,166.2	6,893.2
Total Liabilities, Preferred Stock and Common Shareholders' Equity	<u>\$ 25,159.4</u>	<u>\$ 24,981.8</u>

(1) At December 31, 2022 and 2021, 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 296,932,316 and 307,565,632 were issued as of December 31, 2022 and 2021, respectively. At December 31, 2022 and 2021, 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,		
	2022	2021	2020
<b>Revenues:</b>			
Net premiums earned	\$ 7,342.1	\$ 7,559.8	\$ 6,345.8
Title, escrow, and other fees	333.2	443.8	391.9
Total premiums and fees	<u>7,675.3</u>	<u>8,003.6</u>	<u>6,737.8</u>
Net investment income	459.5	434.3	438.9
Other income	149.9	145.6	131.2
Total operating revenues	<u>8,284.9</u>	<u>8,583.5</u>	<u>7,308.0</u>
<b>Net Investment gains (losses):</b>			
Realized from actual transactions and impairments	62.2	6.9	14.2
Unrealized from changes in fair value of equity securities	(263.4)	751.1	(156.2)
Total realized and unrealized investment gains (losses)	<u>(201.1)</u>	<u>758.0</u>	<u>(142.0)</u>
Total revenues	<u>8,083.7</u>	<u>9,341.6</u>	<u>7,166.0</u>
<b>Expenses:</b>			
Loss and loss adjustment expenses	2,427.7	2,398.2	2,472.5
Dividends to policyholders	12.5	22.7	18.9
Underwriting, acquisition, and other expenses	4,719.2	4,942.3	3,942.4
Interest and other charges	66.7	56.2	43.7
Total expenses	<u>7,226.3</u>	<u>7,419.5</u>	<u>6,477.5</u>
Income before income taxes	<u>857.4</u>	<u>1,922.1</u>	<u>688.4</u>
<b>Income Taxes (Credits):</b>			
Current	226.0	221.7	156.9
Deferred	(55.1)	165.9	(27.1)
Total	<u>170.9</u>	<u>387.7</u>	<u>129.7</u>
<b>Net Income</b>	<u>\$ 686.4</u>	<u>\$ 1,534.3</u>	<u>\$ 558.6</u>
<b>Net Income Per Share:</b>			
Basic	<u>\$ 2.28</u>	<u>\$ 5.08</u>	<u>\$ 1.87</u>
Diluted	<u>\$ 2.26</u>	<u>\$ 5.05</u>	<u>\$ 1.87</u>
Average shares outstanding: Basic	<u>301,676,941</u>	<u>301,945,319</u>	<u>298,407,921</u>
Diluted	<u>303,296,612</u>	<u>303,667,669</u>	<u>298,898,673</u>

See accompanying Notes to Consolidated Financial Statements.

**Old Republic International Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**

(\$ in Millions)

	Years Ended December 31,		
	2022	2021	2020
<b>Net Income As Reported</b>	<b>\$ 686.4</b>	<b>\$ 1,534.3</b>	<b>\$ 558.6</b>
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	(1,145.7)	(362.0)	335.5
Amounts reclassified as realized investment (gains) losses in the statements of income	312.3	(1.7)	7.1
Pretax unrealized gains (losses) on securities not included in the statements of income	(833.3)	(363.8)	342.7
Deferred income taxes (credits)	(175.9)	(76.8)	72.3
Net unrealized gains (losses) on securities not included in the statements of income, net of tax	(657.3)	(287.0)	270.3
Defined benefit pension plans:			
Net pension adjustment before reclassifications	83.6	94.5	(88.4)
Amounts reclassified as underwriting, acquisition, and other expenses in the statements of income	3.0	7.4	3.6
Pretax net adjustment related to defined benefit pension plans	86.6	101.9	(84.8)
Deferred income taxes (credits)	18.2	21.4	(17.8)
Net adjustment related to defined benefit pension plans, net of tax	68.4	80.5	(67.0)
Foreign currency translation adjustment	(11.8)	.4	2.9
Total other comprehensive income (loss)	(600.7)	(206.0)	206.3
<b>Comprehensive Income</b>	<b>\$ 85.7</b>	<b>\$ 1,328.3</b>	<b>\$ 765.0</b>

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,		
	2022	2021	2020
<b>Preferred Stock:</b>			
Balance, beginning and end of year	\$ —	\$ —	\$ —
<b>Common Stock:</b>			
Balance, beginning of year	\$ 307.5	\$ 304.1	\$ 303.6
Dividend reinvestment plan	.1	.1	—
Stock based compensation	1.9	3.2	.4
Treasury stock restored to unissued status	(12.6)	—	—
Balance, end of year	\$ 296.9	\$ 307.5	\$ 304.1
<b>Additional Paid-in Capital:</b>			
Balance, beginning of year	\$ 1,376.1	\$ 1,306.9	\$ 1,297.5
Dividend reinvestment plan	2.2	3.5	.9
Stock based compensation	31.1	56.5	7.7
401(k) plan shares released	6.1	9.1	.9
Treasury stock restored to unissued status	(268.6)	—	—
Other - net	(5.1)	—	(.2)
Balance, end of year	\$ 1,141.8	\$ 1,376.1	\$ 1,306.9
<b>Retained Earnings:</b>			
Balance, beginning of year	\$ 5,214.0	\$ 4,394.8	\$ 4,386.0
Adoption of new accounting principle (1)	—	—	(2.3)
Balance, beginning of year, as adjusted	5,214.0	4,394.8	4,383.6
Net income	686.4	1,534.3	558.6
Dividends on common shares (\$1.92, \$2.38 and \$1.84 per common share)	(580.7)	(715.1)	(547.5)
Balance, end of year	\$ 5,319.7	\$ 5,214.0	\$ 4,394.8
<b>Accumulated Other Comprehensive Income (Loss):</b>			
Balance, beginning of year	\$ 78.0	\$ 284.0	\$ 77.7
Net unrealized gains (losses) on securities not included in the statements of income, net of tax	(657.3)	(287.0)	270.3
Net adjustment related to defined benefit pension plans, net of tax	68.4	80.5	(67.0)
Foreign currency translation adjustment	(11.8)	.4	2.9
Balance, end of year	\$ (522.7)	\$ 78.0	\$ 284.0
<b>Unallocated 401(k) Plan Shares:</b>			
Balance, beginning of year	\$ (82.5)	\$ (103.2)	\$ (64.8)
401(k) plan shares released	13.0	20.6	11.5
Purchase of unallocated 401(k) plan shares	—	—	(50.0)
Balance, end of year	\$ (69.5)	\$ (82.5)	\$ (103.2)
<b>Treasury Stock:</b>			
Balance, beginning of year	\$ —	\$ —	\$ —
Acquired during the year	(281.2)	—	—
Restored to unissued status	281.2	—	—
Balance, end of year	\$ —	\$ —	\$ —

(1) Reflects the Company's adoption of a new accounting principle relating to credit losses effective January 1, 2020. Refer to additional discussion in Note 9 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,		
	2022	2021	2020
<b>Cash flows from operating activities:</b>			
Net income	\$ 686.4	\$ 1,534.3	\$ 558.6
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred policy acquisition costs	(32.0)	(22.3)	(2.5)
Premiums and other receivables	(158.6)	(174.8)	(123.4)
Loss and loss adjustment expense reserves	221.5	279.8	340.7
Unearned premiums and other policyholders' liabilities	157.6	103.4	34.6
Income taxes	(54.7)	151.4	(18.3)
Reinsurance balances and funds	147.2	36.9	77.0
Realized investment gains from actual transactions and impairments	(62.2)	(6.9)	(14.2)
Unrealized investment (gains) losses from changes in fair value of equity securities	263.4	(751.1)	156.2
Accounts payable, accrued expenses and other	1.9	160.9	176.2
Total	<u>1,170.6</u>	<u>1,311.7</u>	<u>1,185.0</u>
<b>Cash flows from investing activities:</b>			
Fixed income securities:			
Available for sale:			
Maturities and early calls	1,356.1	1,410.9	1,280.1
Sales	1,403.3	338.0	399.5
Sales of:			
Equity securities	2,249.4	540.7	162.3
Other investments	11.4	8.3	8.8
Purchases of:			
Fixed income securities	(5,009.5)	(2,330.7)	(2,059.3)
Equity securities	(58.0)	(1,032.2)	(321.0)
Other investments	(59.7)	(55.5)	(50.2)
Net decrease (increase) in short-term investments	(295.7)	183.9	(265.0)
Other - net	(12.3)	—	(.3)
Total	<u>(415.0)</u>	<u>(936.5)</u>	<u>(845.2)</u>
<b>Cash flows from financing activities:</b>			
Issuance of debentures and notes	—	642.5	—
Issuance of common shares	26.6	60.0	6.7
Redemption of debentures and notes	—	(21.7)	(8.6)
Purchase of unallocated 401(k) plan shares	—	—	(50.0)
Dividends on common shares (including special dividends of \$308.4 paid in 2022 and \$764.5 in 2021)	(579.7)	(1,019.2)	(250.1)
Treasury stock acquired	(281.2)	—	—
Other - net	1.5	2.5	2.0
Total	<u>(832.7)</u>	<u>(335.7)</u>	<u>(300.0)</u>
<b>Increase (decrease) in cash:</b>	<b>(77.1)</b>	<b>39.4</b>	<b>39.8</b>
Cash, beginning of year	158.1	118.7	78.8
Cash, end of year	<u>\$ 81.0</u>	<u>\$ 158.1</u>	<u>\$ 118.7</u>
<b>Supplemental cash flow information:</b>			
Cash paid (received) during the period for: Interest	\$ 65.8	\$ 53.4	\$ 41.4
Income taxes	\$ 226.5	\$ 236.5	\$ 149.3

See accompanying Notes to Consolidated Financial Statements.

**Old Republic International Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(\$ in Millions, Except as Otherwise Indicated and as to Share Data)**

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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 regulations, 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:

- 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;
- investments in fixed income securities designated as available for sale are generally carried at amortized cost rather than their estimated fair value;
- 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;
- certain assets classified as "non-admitted assets" are excluded from the balance sheet through a direct charge to earned surplus;
- changes in deferred income tax assets or liabilities are recorded directly in earned surplus and not through the income statement;
- 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;
- 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;
- certain required formula-derived reserves for general insurance in particular are established for loss 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
- surplus notes are classified as surplus rather than a liability.

The Company has made necessary adjustments to the statutory financial statements of its insurance subsidiaries to conform their accounts with GAAP for these Consolidated Financial Statements and Notes. The following table reflects a summary of all such adjustments:

	Shareholders' Equity		Net Income		
	December 31,		Years Ended December 31,		
	2022	2021	2022	2021	2020
Statutory totals of insurance company subsidiaries:					
General	\$ 4,763.4	\$ 4,802.9	\$ 549.2	\$ 496.8	\$ 285.0
Title	742.7	813.4	224.9	285.7	182.6
RFIG Run-off	141.8	127.2	70.5	27.3	1.9
Life & Accident	57.4	54.5	5.0	3.6	3.3
Sub-total	5,705.3	5,798.0	849.6	813.4	472.8
GAAP totals of non-insurance company subsidiaries and consolidation adjustments	1,023.7	1,019.3	11.3	177.0	28.4
Unadjusted totals	6,729.0	6,817.3	860.8	990.4	501.0
Adjustments to conform to GAAP statements:					
Deferred policy acquisition costs	252.9	221.1	26.3	9.4	7.4
Investment adjustments	(537.6)	234.8	(252.4)	606.6	4.5
Non-admitted assets	173.9	143.6	—	—	—
Deferred income taxes	5.8	(144.1)	35.4	(135.3)	23.6
Mortgage contingency reserves	127.7	257.7	—	—	—
Title insurance premium reserves	777.5	735.0	42.5	109.4	53.9
Loss and loss adjustment expenses	(548.8)	(523.9)	(25.2)	(48.7)	(24.8)
Surplus notes	(844.5)	(869.0)	—	—	—
Sundry adjustments	30.1	20.1	(.7)	2.4	(7.3)
Total adjustments	(563.2)	75.6	(174.4)	543.6	57.5
Consolidated GAAP totals	\$ 6,166.2	\$ 6,893.2	\$ 686.4	\$ 1,534.3	\$ 558.6

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 654% and 656% of the company action level RBC at December 31, 2022 and 2021, 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, 2022 and 2021 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.

**Accounting Standard Adoption** - No new accounting standards were adopted in 2022 that materially impacted the consolidated financial statements. In August 2018, the FASB issued Accounting Standards Update (ASU) No. 2018-12, *Financial Services-Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts*. The standard requires insurance companies with long duration contracts to review and update the assumptions used to measure expected cash flows at least annually, update the discount rate assumption at each reporting date, and enhance disclosures related to the liability. The guidance becomes effective for the Company on January 1, 2023, and will be applied using a modified retrospective approach. The standard will, among other things, impact the discount rate used in estimating reserves for the Company's life insurance business which is in runoff. The Company expects that the adoption of this standard will have an immaterial impact on its consolidated financial statements.

**Investments** - The Company classifies its fixed income 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 income portfolio is now classified as available for sale.

Fixed income securities classified as available for sale are reported 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.

The status and fair value changes of each of the fixed income investments are reviewed at least once per quarter 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. 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).

Investment income is reported net of allocated expenses and includes appropriate adjustments for amortization of premium and accretion of discount on fixed income securities acquired at other than par value. Dividends on equity securities are credited to income on the ex-dividend date. At December 31, 2022, the Company and its subsidiaries did not have significant amounts of non-income producing 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 income 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 19.5% of 2022, 22.0% of 2021 and 24.9% of 2020 consolidated title business revenues. Such premiums are generally recognized as income at the transaction 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 result in a three to four month lag relative to the effective date of the underlying title policy, and are offset concurrently by production expenses and loss 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 \$210.1, \$210.2 and \$192.2 during 2022, 2021 and 2020, respectively. Of these amounts, approximately \$132.8, \$127.0 and \$114.1 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 \$69.2, \$75.6 and \$72.0 for the years ended December 31, 2022, 2021 and 2020, 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.

**Loss and Loss Adjustment Expense Reserves** - The establishment of loss 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 loss 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 loss 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 losses in future years, may offset, in whole or in part, favorable or unfavorable loss 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 losses incurred. However, no representation is made nor is any guaranty given that ultimate net losses 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 loss and loss adjustment 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 loss ratios for such insurance coverages as general liability, commercial automobile 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 loss 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 loss and loss 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, 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 \$28.3, \$27.2 and \$26.9 in 2022, 2021, and 2020, 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 \$178.1 and \$174.5 as of December 31, 2022 and 2021, 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 has a closed pension plan (the Plan) for certain employees under which benefits were frozen as of 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. 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 overfunded or underfunded status of the Plan is recognized as a net pension asset or liability, as applicable, with offsetting entries reflected as a component of shareholders' equity in accumulated other comprehensive income, net of deferred taxes.

The Company also provides long-term incentive awards to certain employees. In March 2022, the Compensation Committee of the Company's Board of Directors approved the grant of stock-based awards to certain employees under the 2022 Incentive Compensation Plan which received shareholder approval in May 2022. Stock options granted under this plan are valued using the Black-Scholes-Merton option pricing model and restricted stock awards are valued based on the closing market price at the grant date. The awards 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 real estate transactions in the same amounts (\$2,022.7 and \$2,662.4 at December 31, 2022 and 2021, 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 income 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 Income Securities by Type:				
December 31, 2022:				
U.S. & Canadian Governments	\$ 2,300.0	\$ —	\$ 114.8	\$ 2,185.2
Tax-exempt	882.5	.1	12.9	869.7
Corporate	9,153.7	20.3	482.2	8,691.7
	<u>\$ 12,336.3</u>	<u>\$ 20.5</u>	<u>\$ 610.1</u>	<u>\$ 11,746.7</u>
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
	<u>\$ 10,438.6</u>	<u>\$ 309.2</u>	<u>\$ 72.2</u>	<u>\$ 10,675.7</u>
			Amortized Cost	Estimated Fair Value
Fixed Income Securities Stratified by Contractual Maturity at December 31, 2022:				
Due in one year or less			\$ 1,409.6	\$ 1,393.6
Due after one year through five years			5,984.2	5,744.0
Due after five years through ten years			4,782.0	4,449.2
Due after ten years			160.4	159.7
			<u>\$ 12,336.3</u>	<u>\$ 11,746.7</u>

Bonds and other investments with a carrying value of \$1,010.7 as of December 31, 2022 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 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
<u>December 31, 2022:</u>						
Fixed Income Securities:						
U.S. & Canadian Governments	\$ 1,769.6	\$ 71.0	\$ 403.8	\$ 43.8	\$ 2,173.4	\$ 114.8
Tax-exempt	843.8	12.9	—	—	843.8	12.9
Corporate	6,798.6	355.1	1,053.6	127.1	7,852.2	482.2
	<u>\$ 9,412.0</u>	<u>\$ 439.1</u>	<u>\$ 1,457.4</u>	<u>\$ 170.9</u>	<u>\$ 10,869.5</u>	<u>\$ 610.1</u>
Number of securities in unrealized loss position		<u>1,716</u>		<u>236</u>		<u>1,952</u>

December 31, 2021:

Fixed Income 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
	<u>\$ 2,794.7</u>	<u>\$ 61.8</u>	<u>\$ 217.3</u>	<u>\$ 10.3</u>	<u>\$ 3,012.0</u>	<u>\$ 72.2</u>
Number of securities in unrealized loss position		<u>419</u>		<u>32</u>		<u>451</u>

In the above tables the unrealized losses on fixed income securities are deemed to reflect changes in the interest rate environment. As part of its assessment of credit losses, the Company considers whether it intends to sell or is more likely than not required to sell securities, principally in consideration of its asset and liability maturity matching objectives. Net realized investment gains (losses) for the year ended December 31, 2022 included \$123.5 of losses on fixed income securities, which management intended to and subsequently disposed of during the year, primarily driven by tax planning considerations. No such losses were recognized during 2021 or 2020. The Company recorded no allowance for credit losses as of December 31, 2022 and 2021.

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, 2022	<u>\$ 1,948.1</u>	<u>\$ 1,291.5</u>	<u>\$ 18.6</u>	<u>\$ 3,220.9</u>
December 31, 2021	<u>\$ 3,766.5</u>	<u>\$ 1,620.8</u>	<u>\$ 84.5</u>	<u>\$ 5,302.8</u>

During 2022, 2021 and 2020, the Company recognized pretax unrealized investment gains (losses) of \$(263.4), \$751.1 and \$(156.2), 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, 2022, 2021 and 2020 were \$42.3, \$711.0 and \$(130.9), 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 income 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, 2022 and 2021.

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

As of December 31, 2022:	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Fixed income securities:				
U.S. & Canadian Governments	\$ 1,598.8	\$ 586.3	\$ —	\$ 2,185.2
Tax-exempt	—	869.7	—	869.7
Corporate	—	8,670.9	20.8	8,691.7
Short-term investments	860.8	—	—	860.8
Equity securities	\$ 3,219.1	\$ —	\$ 1.7	\$ 3,220.9
As of December 31, 2021:				
Fixed income 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

There were no transfers between Levels 1, 2 or 3 during 2022 or 2021.

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:	2022	2021	2020
<b>Investment income from:</b>			
Fixed income securities	\$ 314.4	\$ 280.6	\$ 289.8
Equity securities	132.5	157.5	149.8
Short-term investments	17.9	.1	2.2
Other sources	4.3	2.1	3.5
Gross investment income	469.3	440.4	445.6
Investment expenses	9.7	6.1	6.6
Net investment income	<u>\$ 459.5</u>	<u>\$ 434.3</u>	<u>\$ 438.9</u>
<b>Net investment gains (losses):</b>			
Realized from actual transactions:			
Fixed income securities:			
Gains	\$ 2.6	\$ 3.4	\$ 10.9
Losses	(190.2)	(1.9)	(18.4)
Net	(187.6)	1.5	(7.4)
Equity securities:			
Gains	486.5	68.0	22.5
Losses	(111.9)	(62.8)	(1.2)
Net	374.5	5.1	21.3
Other investments, net	(1.2)	.2	.3
Total realized from actual transactions	185.7	6.9	14.2
From impairments	(123.5)	—	—
From unrealized changes in fair value of equity securities	(263.4)	751.1	(156.2)
Total realized and unrealized investment gains (losses)	(201.1)	758.0	(142.0)
Current and deferred income taxes (credits)	(42.5)	159.6	(29.8)
Net of tax realized and unrealized investment gains (losses)	<u>\$ (158.6)</u>	<u>\$ 598.4</u>	<u>\$ (112.1)</u>
<b>Changes in unrealized investment gains (losses) reflected directly in shareholders' equity on:</b>			
Fixed income securities	\$ (824.7)	\$ (361.2)	\$ 339.4
Less: Deferred income taxes (credits)	(174.1)	(76.2)	71.6
	(650.5)	(284.9)	267.7
Other long-term investments	(8.5)	(2.5)	3.2
Less: Deferred income taxes (credits)	(1.8)	(.5)	0.6
	(6.7)	(2.0)	2.5
Net changes in unrealized investment gains (losses), net of tax	<u>\$ (657.3)</u>	<u>\$ (287.0)</u>	<u>\$ 270.3</u>

### Note 3 - Deferred Policy Acquisition Costs

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

Years Ended December 31:	2022	2021	2020
Deferred, beginning of year	\$ 350.4	\$ 328.0	\$ 325.4
Acquisition costs deferred:			
Commissions - net of reinsurance	423.3	340.9	326.0
Premium taxes	147.1	135.2	127.4
Salaries and other underwriting expenses	53.0	48.3	50.7
Sub-total	623.5	524.6	504.2
Amortization charged to income	(591.4)	(502.2)	(501.5)
Change for the year	32.0	22.4	2.6
Deferred, end of year	<u>\$ 382.5</u>	<u>\$ 350.4</u>	<u>\$ 328.0</u>

#### Note 4 - Loss and Loss Adjustment Expenses

The following table shows changes in aggregate reserves for the Company's loss and loss adjustment expenses:

Years Ended December 31:	2022	2021	2020
Gross reserves at beginning of year	\$ 11,425.5	\$ 10,671.0	\$ 9,929.5
Less: reinsurance losses recoverable	4,125.3	3,650.5	3,249.7
Net reserves at beginning of year:			
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
Incurred loss and loss adjustment expenses:			
Provisions for insured events of the current year:			
General Insurance	2,545.1	2,418.3	2,380.5
Title Insurance	139.6	160.6	117.2
RFIG Run-off	17.5	19.3	48.8
Other	8.7	12.0	11.2
Sub-total	2,711.1	2,610.4	2,557.8
Change in provision for insured events of prior years:			
General Insurance	(193.1)	(137.9)	(27.4)
Title Insurance	(50.4)	(47.6)	(41.8)
RFIG Run-off	(35.1)	(21.1)	(11.9)
Other	(3.9)	(3.9)	(2.5)
Sub-total	(282.6)	(210.6)	(83.8)
Total incurred loss and loss adjustment expenses	2,428.4	2,399.7	2,474.0
Payments:			
Loss and loss adjustment expenses attributable to insured events of the current year:			
General Insurance	834.4	781.5	783.2
Title Insurance	13.1	21.4	4.6
RFIG Run-off	.2	.2	1.1
Other	4.8	7.7	6.4
Sub-total	852.7	810.9	795.5
Loss and loss adjustment expenses attributable to insured events of prior years:			
General Insurance	1,279.8	1,239.8	1,263.1
Title Insurance	57.3	53.4	45.4
RFIG Run-off	15.5	14.3	27.0
Other	1.3	1.3	2.0
Sub-total	1,354.0	1,309.0	1,337.7
Total payments	2,206.7	2,120.0	2,133.2
Net reserves at end of year:			
General Insurance	6,824.8	6,587.0	6,328.0
Title Insurance	612.8	594.2	556.1
RFIG Run-off	77.9	111.2	127.6
Other	6.3	7.6	8.6
Sub-total	7,521.9	7,300.2	7,020.4
Reinsurance losses recoverable	4,699.5	4,125.3	3,650.5
Gross reserves at end of year	\$ 12,221.5	\$ 11,425.5	\$ 10,671.0

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 3.9%, 3.0%, and 1.3% for 2022, 2021 and 2020, respectively, with average favorable annual developments of 2.7%. 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.

In 2022, General Insurance favorable development was higher due predominantly to better than expected claims experience from lower frequency of claims than expected related to commercial automobile and workers' compensation reserves and occurred in most years between 2009 and 2021. 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 reinstate 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, 2022 and 2021, Old Republic's aggregate indemnity and loss adjustment expense reserves specifically identified with A&E exposures amounted to approximately \$121.3 and \$118.1 gross, respectively, and \$84.0 and \$77.2 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, 2022, 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 6.4 years (gross) and 7.6 years (net of reinsurance) as of December 31, 2022 and 5.9 years (gross) and 6.8 years (net of reinsurance) as of December 31, 2021. 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, 2022, incurred A&E claim and related loss settlement costs have averaged .4% of average annual General Insurance loss and loss adjustment expenses.

The following represents the Company's incurred and paid loss development tables for the major types of insurance coverages as of December 31, 2022. The information about incurred and paid claims development for the years ended December 31, 2013 to 2021 is presented as supplementary information.

Workers' Compensation

Incurred Loss and Allocated Loss Adjustment Expenses, Net of Reinsurance (Undiscounted)											As of December 31, 2022		
Accident Year	For the Years Ended December 31,										Total of Incurred-but-Not-Reported Liabilities Plus Expected Development on Reported Losses	Cumulative Number of Reported Losses*	
	Supplementary Information (Unaudited)												
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022			
2013	\$ 700.9	\$ 705.3	\$ 716.9	\$ 722.7	\$ 726.3	\$ 717.2	\$ 689.7	\$ 691.0	\$ 686.7	\$ 673.5	\$	62.0	49,035
2014		780.9	792.8	786.4	784.9	777.0	763.3	724.4	705.4	685.8		70.9	54,170
2015			794.3	792.6	787.3	785.5	769.1	742.4	695.8	659.8		106.3	55,220
2016				756.1	752.9	745.7	730.5	712.6	692.8	624.2		144.8	52,477
2017					727.0	713.9	700.3	683.4	676.3	654.2		144.9	51,764
2018						698.6	691.5	681.0	665.9	644.8		179.0	52,339
2019							664.6	657.4	653.2	667.5		167.2	51,806
2020								560.9	569.4	571.7		166.8	45,725
2021									500.3	502.4		201.2	46,140
2022										488.1		271.9	35,429
										<u>Total</u>	<u>\$ 6,172.4</u>	(A)	

\* Reported losses 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 Loss and Allocated Loss Adjustment Expenses, Net of Reinsurance												
Accident Year	For the Years Ended December 31,											
	Supplementary Information (Unaudited)											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
2013	\$ 107.6	\$ 274.3	\$ 381.2	\$ 449.8	\$ 501.9	\$ 526.8	\$ 547.0	\$ 558.3	\$ 565.4	\$ 571.3		
2014		116.9	293.7	397.1	466.0	499.5	524.8	544.9	554.6	561.0		
2015			109.0	274.9	379.3	435.1	466.7	484.7	499.8	507.3		
2016				102.5	253.5	334.4	383.5	408.4	425.2	435.8		
2017					99.6	244.6	334.8	383.1	414.3	444.1		
2018						94.8	240.6	320.5	367.2	396.8		
2019							102.9	239.8	329.6	382.3		
2020								84.3	211.6	284.3		
2021									80.1	187.8		
2022										74.2		
										<u>Total</u>	<u>\$ 3,845.2</u>	(B)

Net incurred loss and allocated loss adjustment expenses (A)	\$ 6,172.4
Less: net paid loss and allocated loss adjustment expenses (B)	<u>3,845.2</u>
Sub-total	2,327.1
All outstanding liabilities before 2013, net of reinsurance	<u>737.2</u>
Liabilities for loss and allocated loss adjustment expenses, net of reinsurance	<u>\$ 3,064.4</u>





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

	December 31,	
	2022	2021
Net loss and allocated loss adjustment expense reserves:		
Workers' compensation (a)	\$ 2,879.6	\$ 2,955.6
General liability	641.9	630.7
Commercial automobile	1,747.3	1,736.5
Other short-duration insurance coverages	1,260.0	979.3
Subtotal	6,529.0	6,302.2
Reinsurance recoverable on loss reserves:		
Workers' compensation	1,975.5	1,937.4
General liability	785.3	693.6
Commercial automobile	1,486.6	1,113.5
Other short-duration insurance coverages	447.7	376.2
Subtotal	4,695.3	4,120.9
Insurance coverages other than short-duration	656.6	674.1
Unallocated loss adjustment expense reserves	340.5	328.2
	997.1	1,002.4
Gross loss and loss adjustment expense reserves	\$ 12,221.5	\$ 11,425.5

(a) Certain 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 \$184.7 and \$174.8 as of December 31, 2022 and 2021, respectively. Interest accretion of \$9.6, \$42.0 and \$35.7 for the years ended December 31, 2022, 2021, and 2020, respectively, was recognized as unfavorable development of prior year reserves within loss and loss adjustment expenses in the consolidated statements of income.

The table below is supplementary information and presents the historical average annual percentage payout of incurred losses 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	15.7 %	23.2 %	14.0 %	8.4 %	5.1 %	3.5 %	2.5 %	1.4 %	1.0 %	.9 %
General liability	5.2 %	11.3 %	15.8 %	17.2 %	15.0 %	7.8 %	4.1 %	3.8 %	2.8 %	3.0 %
Commercial automobile	35.8 %	23.2 %	16.0 %	11.1 %	5.5 %	2.3 %	.5 %	.2 %	.5 %	.3 %

## 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 common practice in the insurance industry, may cede a portion or all 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. 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 from any one event to a maximum of: \$5.2 for workers' compensation; \$7.0 for commercial automobile liability; \$7.0 for general liability; \$12.0 for executive protection (directors & officers and errors & omissions); \$2.2 for aviation; and \$10.0 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.

The Company maintains treaty and facultative reinsurance coverage 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 2022. 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 loss 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 loss and loss adjustment 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, 2022, General Insurance segment's ten largest reinsurers represented approximately 60% of the total consolidated reinsurance recoverable on paid and unpaid losses, with Day One Insurance, Inc. the largest reinsurer representing 19.2% of the total recoverable balance. Of the balances due from these ten reinsurers, 42.2% was recoverable from A or better rated reinsurance companies, 36.3% from domestic unrated companies and 21.5% 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, 2022. 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:	2022	2021	2020
<b>General Insurance</b>			
Written premiums: Direct	\$ 6,263.3	\$ 5,691.3	\$ 5,206.9
Assumed	90.0	74.0	70.6
Ceded	<u>\$ 2,375.1</u>	<u>\$ 2,084.4</u>	<u>\$ 1,846.2</u>
Earned premiums: Direct	\$ 6,021.0	\$ 5,509.1	\$ 5,030.2
Assumed	87.1	73.7	70.3
Ceded	<u>\$ 2,299.5</u>	<u>\$ 2,027.3</u>	<u>\$ 1,706.3</u>
Losses ceded	<u>\$ 1,677.3</u>	<u>\$ 1,255.6</u>	<u>\$ 1,100.7</u>

## Note 6 - Income Taxes

The provision for combined current and deferred income taxes (credits) reflected in the consolidated statements of income may 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:	2022	2021	2020
Statutory tax rate	21.0 %	21.0 %	21.0 %
Tax rate increases (decreases):			
Tax-exempt interest	(.3)	(.2)	(.5)
Dividends received exclusion	(1.3)	(.7)	(1.8)
Meals & entertainment	.2	.1	.1
Other items - net	.3	—	.1
Effective tax rate	<u>19.9 %</u>	<u>20.2 %</u>	<u>18.9 %</u>

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:	2022	2021	2020
<b>Deferred Tax Assets:</b>			
Loss and loss adjustment expense reserves	\$ 218.6	\$ 214.2	\$ 201.6
Pension and deferred compensation plans	22.6	42.4	63.0
Net operating loss carryforward	7.6	9.6	11.7
AMT credit carryforward	9.0	9.0	9.0
Operating leases	46.7	49.7	52.0
Other temporary differences	17.1	12.3	15.7
Total deferred tax assets	<u>321.6</u>	<u>337.5</u>	<u>353.2</u>
<b>Deferred Tax Liabilities:</b>			
Unearned premium reserves	63.3	61.0	41.6
Deferred policy acquisition costs	76.0	68.5	65.0
Amortization of fixed income securities	6.8	5.2	4.4
Net unrealized investment gains	141.3	372.6	295.9
Title plants and records	2.8	2.8	2.8
Tax reform transition adjustment on loss and loss adjustment expense reserves	10.3	13.8	17.2
Operating leases	41.9	45.8	48.4
Other temporary differences	20.1	17.2	14.9
Total deferred tax liabilities	<u>362.5</u>	<u>586.9</u>	<u>490.6</u>
Net deferred tax liabilities	<u>\$ (40.9)</u>	<u>\$ (249.5)</u>	<u>\$ (137.3)</u>

At December 31, 2022, the Company had available net operating loss (NOL) carryforwards of \$36.3 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 2022 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 loss 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 2019 and subsequent tax years remain open.

The Inflation Reduction Act (IRA) was enacted into law on August 16, 2022, which, among its many elements, imposes a Corporate Alternative Minimum Tax (CAMT) on the adjusted financial statement income at the rate of 15% for tax periods beginning on or after January 1, 2023. The Company, as a member of a controlled group, has determined it will be subject to the CAMT calculations however, pending final guidance from the Internal Revenue Service, expects to be a regular taxpayer and not a CAMT taxpayer.

In addition, a Federal Excise Tax (FET) was enacted at the rate of 1% on all corporate stock buybacks effective January 1, 2023. The Company expects to be subject to the FET, and any excise tax incurred on stock repurchases will not be material and will be recognized as part of the cost basis of the treasury stock acquired.

## Note 7 - Employee Benefit Plans

### Pension Benefits

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

Years Ended December 31:	2022	2021	2020
Projected benefit obligation at beginning of year	\$ 604.6	\$ 639.7	\$ 586.4
Increases (decreases) during the year attributable to:			
Interest cost	16.4	15.2	19.1
Actuarial (gains) losses	(138.7)	(22.2)	60.8
Benefits paid	(29.5)	(28.0)	(26.6)
Net increase (decrease) for the year	(151.8)	(35.1)	53.3
Projected benefit obligation at end of year	\$ 452.8	\$ 604.6	\$ 639.7
Years Ended December 31:	2022	2021	2020
Fair value of net assets available for plan benefits			
At beginning of the year	\$ 556.0	\$ 479.6	\$ 492.8
Increases (decreases) during the year attributable to:			
Actual return on plan assets	(19.2)	104.4	6.8
Sponsor contributions	—	—	6.6
Benefits paid	(29.5)	(28.0)	(26.6)
Net increase (decrease) for year	(48.8)	76.3	(13.1)
Fair value of net assets available for plan benefits			
At end of the year	\$ 507.1	\$ 556.0	\$ 479.6
Funded status	\$ 54.3	\$ (48.6)	\$ (160.1)
Amounts recognized in accumulated other comprehensive income	\$ (38.5)	\$ (123.2)	\$ (224.8)

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 2023 based on minimum funding requirements.

Net periodic pension income recognized during 2022, 2021 and 2020 was \$18.3, \$9.8, and \$11.0, respectively.

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

As of December 31:	Projected Benefit Obligation		Net Periodic Benefit Cost		
	2022	2021	2022	2021	2020
Settlement discount rates	5.40%	2.80%	2.80%	2.45%	3.35%
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:	2022	2021	Investment Policy Asset Allocation % Range Target
Equity securities:			
Common shares of Company stock	13.5%	12.5%	
Other	38.9	74.6	
Sub-total	52.4	87.1	10% to 60%
Fixed income securities	44.4	10.4	40% to 90%
Other	3.2	2.5	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.

As of December 31, 2022:	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Equity securities:				
Common shares of Company stock	\$ 68.3	\$ —	\$ —	\$ 68.3
Other	197.5	—	—	197.5
Sub-total	265.8	—	—	265.8
Fixed income securities	—	225.0	—	225.0
Other	7.1	—	5.9	13.0
Total at fair value	\$ 273.0	\$ 225.0	\$ 5.9	504.0
Securities at net asset value				3.1
Total				\$ 507.1

As of December 31, 2021:	Fair Value Measurements			
	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 income 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

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, 2022 for the next 10 years are as follows: 2023: \$33.0; 2024: \$33.5; 2025: \$34.0; 2026 \$34.6; 2027: \$34.4 and for the five years after 2027: \$170.2.

## Stock Based Compensation

As periodically amended, the Company has had a stock based incentive compensation plan in effect for certain eligible employees since 1978. Stock based compensation is currently awarded under the 2022 Incentive Compensation Plan (the 2022 Plan) which was adopted following approval by shareholders on May 26, 2022, thereby replacing the 2016 Incentive Compensation Plan (the 2016 Plan). Under the 2022 Plan, a total of 20.0 million new shares, plus the approximately 4.7 million shares that remained available for issuance under the 2016 Plan became available for future awards through February 2032. The maximum number of shares available as of December 31, 2022 for future issuance under the 2022 Plan was approximately 21.5 million shares.

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

Years Ended December 31:	2022	2021	2020
Stock based compensation expense	\$ 9.0	\$ 3.2	\$ 2.1
Income tax benefit	\$ 1.8	\$ .6	\$ .4

As of December 31, 2022, there was \$18.9 of total unrecognized compensation cost related to nonvested stock-based compensation arrangements. That cost is expected to be recognized over a weighted average period of approximately 3 years.

## Stock Options

Stock options granted have an exercise price equal to the closing market price of the Company's common stock on the date of grant. All grants have a ten year term. Options granted under the 2022 Plan vest ratably over three years at each anniversary date. Options granted under the 2016 and prior plans vest as follows: 10% 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.

The following table presents the key assumptions used to value the option 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.

	2022	2021	2020
Expected volatility	.22	.20	.17
Expected dividends	4.32%	4.76%	5.72%
Expected term (in years)	6	7	7
Risk-free rate	2.68%	1.21%	.72%

A summary of stock option activity under the 2022 and 2016 Incentive Plans as of December 31, 2022, 2021 and 2020, and changes in outstanding options during the years then ended is presented below:

	As of and for the Years Ended December 31,					
	2022		2021		2020	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	8,344,470	\$ 19.57	9,494,651	\$ 18.36	8,009,237	\$ 18.43
Granted	2,660,000	23.28	2,216,250	21.30	1,901,100	17.24
Exercised	1,285,783	18.94	3,259,273	17.28	397,653	14.44
Forfeited and expired	99,683	19.78	107,158	18.32	18,033	16.72
Outstanding at end of year	9,619,004	20.68	8,344,470	19.57	9,494,651	18.36
Exercisable at end of year	4,562,063	\$ 19.53	4,652,951	\$ 19.22	6,138,602	\$ 17.81
Weighted average fair value of options granted during the year (a)	\$ 3.31	per share	\$ 1.86	per share	\$ .88	per share

(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, 2022 follows:

Exercise Prices	Year of Grant	Options Outstanding			Options Exercisable	
		Number Outstanding	Weighted - Average		Number Exercisable	Weighted Average Exercise Price
			Remaining Contractual Life	Exercise Price		
\$12.57	2013	31,875	0.25	\$ 12.57	31,875	\$ 12.57
\$16.06	2014	208,614	1.25	16.06	208,614	16.06
\$15.26	2015	245,956	2.25	15.26	245,956	15.26
\$18.14	2016	368,781	3.25	18.14	368,781	18.14
\$19.98	2017	608,266	4.25	19.98	608,266	19.98
\$20.98	2018	880,151	5.25	20.98	880,151	20.98
\$21.12 to \$21.99	2019	1,229,508	6.25	21.15	890,253	21.15
\$16.17 to \$22.72	2020	1,486,098	7.25	17.28	715,754	17.37
\$21.30	2021	1,914,005	8.25	21.30	612,413	21.30
\$22.92 to \$24.49	2022	2,645,750	9.25	23.28	—	—
<b>Total</b>		<b>9,619,004</b>		<b>\$ 20.68</b>	<b>4,562,063</b>	<b>\$ 19.53</b>

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:

	2022	2021	2020
Cash received from stock option exercise	\$ 24.3	\$ 56.3	\$ 5.7
Intrinsic value of stock options exercised	7.9	24.2	2.8
Actual tax benefit realized for tax deductions from stock options exercised	\$ 1.6	\$ 5.0	\$ .5

#### Restricted Stock Awards

The Company issues restricted common stock awards which represent a right to receive a share of stock. These awards are granted at market price, do not have voting rights, and vest ratably over 3 years on each anniversary date. During the vesting period, restricted shares are nontransferable and subject to forfeiture.

A summary of restricted stock activity under the Incentive Plan as of December 31, 2022 and changes in outstanding restricted stock awards during the year then ended is presented below:

	As of and for the Year Ended December 31,	
	2022	
	Shares	Weighted Average Grant Date Fair Value
Nonvested at beginning of year	33,539	\$ 21.32
Granted	644,356	23.76
Vested	(16,901)	21.20
Forfeited	(1,120)	22.34
Nonvested at end of year	659,874	\$ 23.70

#### Other Benefits

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:	2022	2021	2020
ORI 401(k) Savings and Profit Sharing Plan	\$ 77.8	\$ 70.5	\$ 54.4
Cash, deferred and other incentive compensation	\$ 70.3	\$ 71.8	\$ 53.9

Effective December 30, 2022, a profit sharing plan was merged into the Old Republic International Corporation Employees Savings and Stock Ownership Plan (ESSOP) and the merged plan was renamed the ORI 401(k) Savings

and Profit Sharing Plan (the merged plan). A majority of the Company's employees participate in the merged plan. Annual Company contributions are provided in the form of cash and Old Republic common stock and are based on formulas applied to growth in net income excluding investment gains (losses) and underwriting profitability.

The merged plan is currently leveraged and owns 4,763,910 unallocated shares as of December 31, 2022. Prior to the merger, the ESSOP purchased 2,200,000 shares (\$34.0), 2,383,625 shares (\$50.0), and 3,337,000 shares (\$50.0) of Old Republic common stock during 2015, 2018 and 2020, respectively, all of which was financed by loans from the Company and its participating subsidiaries. As of December 31, 2022, there were 19,636,025 Old Republic common shares owned by the ORI 401(k) Savings and Profit Sharing Plan, of which 14,872,115 were allocated to employees' account balances. Dividends on unallocated shares are used to pay debt service costs. There are no repurchase obligations in existence.

Cash, deferred and other incentive compensation includes performance recognition compensation. Such amounts are generally determined based on performance metrics including: premiums and fees growth, growth in operating earnings, underwriting results, and achieved return on equity in excess of a preset minimum.

## Note 8 - Net Income Per Share

Consolidated basic earnings per share excludes the dilutive effect of common stock equivalents and is computed by dividing net income 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 and the number of shares used in basic and diluted earnings per share calculations.

Years Ended December 31:	2022	2021	2020
Numerator:			
Net Income	\$ 686.4	\$ 1,534.3	\$ 558.6
Denominator:			
Basic weighted-average shares (a)	301,676,941	301,945,319	298,407,921
Effect of dilutive securities - stock based compensation awards	1,619,671	1,722,350	490,752
Diluted adjusted weighted-average shares (a)	303,296,612	303,667,669	298,898,673
Earnings per share: Basic	\$ 2.28	\$ 5.08	\$ 1.87
Diluted	\$ 2.26	\$ 5.05	\$ 1.87
Anti-dilutive common stock equivalents excluded from earnings per share computations:			
Stock based compensation awards	2,645,750	—	5,853,469

- (a) In calculating earnings per share, accounting standards require that common shares owned by the ORI 401(k) Savings and Profit Sharing Plan that are 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. 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 CECL guidance 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 credit allowance was comprised of \$16.0 related to reinsurance recoverables as of both December 31, 2022 and 2021, and \$27.0 and \$24.1 related to accounts and notes receivable, as of December 31, 2022 and 2021, respectively. No significant changes were made to the allowance during the three years ended December 31, 2022.

The Company's evaluation of credit losses on available for sale securities is disclosed further 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:	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
4.875% issued in 2014 and due 2024	\$ 399.0	\$ 397.5	\$ 398.4	\$ 435.8
3.875% issued in 2016 and due 2026	547.9	522.1	547.3	597.0
3.850% issued in 2021 and due 2051	642.9	449.1	642.6	702.9
Other miscellaneous debt	7.1	7.1	—	—
<b>Total debt</b>	<b>\$ 1,597.0</b>	<b>\$ 1,375.9</b>	<b>\$ 1,588.5</b>	<b>\$ 1,735.7</b>

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 2022, 2021 and 2020, \$67.3, \$55.9 and \$42.5, 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 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
<b>Financial Liabilities:</b>					
<b>Debt:</b>					
December 31, 2022	\$ 1,597.0	\$ 1,375.9	\$ —	\$ 1,368.7	\$ 7.1
December 31, 2021	\$ 1,588.5	\$ 1,735.7	\$ —	\$ 1,735.7	\$ —

## Note 11 - Shareholders' Equity

**Preferred Stock** - At December 31, 2022, 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, 2022, 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 ORI 401(k) Savings and Profit Sharing Plan 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 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 2022 data, the maximum amount of dividends payable to the parent company by its insurance and a small number of non-insurance company subsidiaries during 2023 without the prior approval of appropriate

regulatory authorities is approximately \$924.9. Ordinary cash dividends declared during 2022, 2021 and 2020 to the parent company by its subsidiaries amounted to \$614.6, \$566.7 and \$472.4, 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 \$140.0, \$100.0 and \$37.7 during 2022, 2021, and 2020, respectively.

**Cash Dividends** - In addition to regular cash dividends, the Company's Board of Directors declared special cash dividends of \$1.00 per share in August 2022 (paid on September 15, 2022), \$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).

**Common Stock Repurchases** - On August 18, 2022, the Board of Directors authorized a \$450.0 share repurchase program. During 2022, the Company repurchased \$281.2 of common shares (12.6 million shares at an average price of \$22.23 per share). Following the close of the year and through February 23, 2023, the Company repurchased 1.3 million additional shares for \$35.6 (average price of \$25.85), leaving \$133.1 remaining under the current repurchase authorization.

## 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.

**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 2022, 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.

The Company presents all leases with a term greater than 12 months within sundry assets and liabilities in the consolidated balance sheets. The established right of use asset and corresponding lease liability was \$199.6 and \$222.1, respectively, as of December 31, 2022 and \$217.8 and \$236.5, respectively, as of December 31, 2021.

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 5.27%) for each lease based upon the type of underlying asset and remaining term (weighted average 7.0 years). Total lease costs were \$76.2, \$75.6 and \$73.9 in 2022, 2021 and 2020, respectively. Fixed lease payments for 2022, 2021 and 2020 were \$64.0, \$65.0 and \$64.0, 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, 2022	\$ 58.8	\$ 50.6	\$ 42.7	\$ 30.1	\$ 21.4	\$ 79.3	\$ 283.1	\$ 60.9	\$ 222.1
December 31, 2021	\$ 61.6	\$ 52.8	\$ 43.2	\$ 35.6	\$ 23.4	\$ 91.7	\$ 308.5	\$ 72.0	\$ 236.5

## Note 14 - Consolidated Quarterly Results - Unaudited

Old Republic's consolidated quarterly operating results for the two years ended December 31, 2022 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, 2022:				
Operating Summary:				
Net premiums, fees, and other income	\$ 1,955.2	\$ 2,020.0	\$ 1,983.1	\$ 1,866.9
Net investment income and investment gains (losses)	251.3	(209.6)	(262.0)	478.6
<b>Total revenues</b>	<b>2,206.6</b>	<b>1,810.3</b>	<b>1,721.0</b>	<b>2,345.5</b>
<b>Total expenses</b>	<b>1,823.9</b>	<b>1,865.0</b>	<b>1,840.7</b>	<b>1,696.5</b>
<b>Net income (loss)</b>	<b>\$ 306.3</b>	<b>\$ (40.1)</b>	<b>\$ (91.7)</b>	<b>\$ 512.1</b>
<b>Net income (loss) per share:</b> Basic	<b>\$ 1.01</b>	<b>\$ (.13)</b>	<b>\$ (.31)</b>	<b>\$ 1.74</b>
Diluted	<b>\$ 1.00</b>	<b>\$ (.13)</b>	<b>\$ (.31)</b>	<b>\$ 1.73</b>
Average shares outstanding:				
Basic	303,582,578	303,793,432	303,652,802	294,290,072
Diluted	305,424,592	303,793,432	303,652,802	295,996,057
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
<b>Total revenues</b>	<b>2,355.0</b>	<b>2,253.7</b>	<b>2,012.2</b>	<b>2,720.5</b>
<b>Total expenses</b>	<b>1,724.4</b>	<b>1,857.7</b>	<b>1,906.2</b>	<b>1,931.0</b>
<b>Net income</b>	<b>\$ 502.1</b>	<b>\$ 316.4</b>	<b>\$ 88.7</b>	<b>\$ 627.0</b>
<b>Net income per share:</b> Basic	<b>\$ 1.68</b>	<b>\$ 1.06</b>	<b>\$ .29</b>	<b>\$ 2.07</b>
Diluted	<b>\$ 1.68</b>	<b>\$ 1.05</b>	<b>\$ .29</b>	<b>\$ 2.06</b>
Average shares outstanding:				
Basic	298,753,132	299,934,621	301,577,493	302,589,671
Diluted	299,693,514	302,328,012	303,539,358	304,351,209

## Note 15 - Segment Information

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 and workers' compensation are the largest types of coverages underwritten by General Insurance, accounting for 37.2% and 22.8%, respectively, of the segment's direct premiums written in 2022. 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, inclusive of net investment gains (losses), is the measure of total profitability.

In management's opinion, the focus on income excluding net investment gains (losses), also described herein as segment pretax operating income, 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 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.

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

The contributions of Old Republic's insurance industry segments to consolidated totals are shown in the following table.

<b>Segmented and Consolidated Results</b>			
Years Ended December 31:	2022	2021	2020
<b>General Insurance:</b>			
Net premiums earned	\$ 3,808.6	\$ 3,555.5	\$ 3,394.2
Net investment income and other income	507.0	486.9	482.6
Total revenues excluding investment gains	<u>\$ 4,315.6</u>	<u>\$ 4,042.5</u>	<u>\$ 3,876.8</u>
Segment pretax operating income (a)	<u>\$ 689.8</u>	<u>\$ 589.6</u>	<u>\$ 439.8</u>
Income tax expense	<u>\$ 139.6</u>	<u>\$ 116.1</u>	<u>\$ 82.6</u>
<b>Title Insurance:</b>			
Net premiums earned	\$ 3,500.6	\$ 3,960.5	\$ 2,894.4
Title, escrow and other fees	333.2	443.8	391.9
Sub-total	<u>3,833.8</u>	<u>4,404.3</u>	<u>3,286.3</u>
Net investment income and other income	48.8	44.9	42.9
Total revenues excluding investment gains	<u>\$ 3,882.7</u>	<u>\$ 4,449.3</u>	<u>\$ 3,329.3</u>
Segment pretax operating income (a)	<u>\$ 308.8</u>	<u>\$ 515.7</u>	<u>\$ 344.0</u>
Income tax expense	<u>\$ 67.0</u>	<u>\$ 110.2</u>	<u>\$ 72.0</u>
<b>RFIG Run-off</b>			
Net premiums earned	\$ 23.2	\$ 32.6	\$ 45.1
Net investment income and other income	6.7	11.4	15.2
Total revenues excluding investment gains	<u>\$ 30.0</u>	<u>\$ 44.1</u>	<u>\$ 60.4</u>
Segment pretax operating income	<u>\$ 35.2</u>	<u>\$ 32.8</u>	<u>\$ 9.8</u>
Income tax expense	<u>\$ 7.3</u>	<u>\$ 6.4</u>	<u>\$ 1.5</u>
<b>Consolidated Revenues:</b>			
Total revenues of Company segments	\$ 8,228.3	\$ 8,536.0	\$ 7,266.6
Corporate & other (b)	195.5	166.6	149.6
Consolidated investment gains (losses):			
Realized from actual transactions and impairments	62.2	6.9	14.2
Unrealized from changes in fair value of equity securities	(263.4)	751.1	(156.2)
Total realized and unrealized investment gains (losses)	<u>(201.1)</u>	<u>758.0</u>	<u>(142.0)</u>
Consolidation elimination adjustments	<u>(138.9)</u>	<u>(119.0)</u>	<u>(108.2)</u>
Consolidated revenues	<u>\$ 8,083.7</u>	<u>\$ 9,341.6</u>	<u>\$ 7,166.0</u>
<b>Consolidated Pretax Income:</b>			
Total segment pretax operating income of			
Company segments	\$ 1,033.9	\$ 1,138.2	\$ 793.7
Corporate & other (b)	24.6	25.7	36.7
Consolidated investment gains (losses):			
Realized from actual transactions and impairments	62.2	6.9	14.2
Unrealized from changes in fair value of equity securities	(263.4)	751.1	(156.2)
Total realized and unrealized investment gains (losses)	<u>(201.1)</u>	<u>758.0</u>	<u>(142.0)</u>
Consolidated income before income taxes	<u>\$ 857.4</u>	<u>\$ 1,922.1</u>	<u>\$ 688.4</u>

**Consolidated Income Tax Expense (Credits):**

Total income tax expense of Company segments	\$ 214.0	\$ 232.8	\$ 156.2
Corporate & other (b)	(.5)	(4.7)	3.4
Income tax expense (credits) on consolidated realized and unrealized investment gains (losses)	(42.5)	159.6	(29.8)
Consolidated income tax expense	<u>\$ 170.9</u>	<u>\$ 387.7</u>	<u>\$ 129.7</u>

December 31:

2022 2021

**Consolidated Assets:**

General Insurance	\$ 21,227.9	\$ 20,660.9
Title Insurance	2,077.6	2,234.2
RFIG Run-off	344.2	516.4
Total assets of company segments	23,649.9	23,411.6
Corporate & other (b)	1,736.8	1,716.3
Consolidation elimination adjustments	(227.2)	(146.1)
Consolidated assets	<u>\$ 25,159.4</u>	<u>\$ 24,981.8</u>

- (a) Segment pretax operating income is reported net of interest charges on intercompany financing arrangements with Old Republic's holding company parent for the following segments: General - \$68.9, \$63.5 and \$63.0 for the years ended December 31, 2022, 2021, and 2020, respectively; Title - \$.8, \$1.9 and \$2.8 for the years ended December 31, 2022, 2021, and 2021, 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 information reflective of such business:

Years Ended December 31:	Assumed from Old Republic			Ceded to Old Republic		
	2022	2021	2020	2022	2021	2020
Premiums earned	\$ .3	\$ 1.5	\$ 3.6	\$ .1	\$ .2	\$ .3
Commissions and fees	.1	.4	1.1	—	—	—
Losses and loss expenses	.9	1.1	2.4	.1	.5	.8
Loss and loss expense reserves	7.1	8.5	8.7	2.7	3.1	3.9
Unearned premiums	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

As of December 31, 2022 and 2021, the Mutual's statutory capital included surplus notes due to Old Republic of \$10.5 out of total statutory capital of \$58.8 and \$56.8, 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, 2022 and 2021, 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, 2022, 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, 2022, 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, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2022, 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, 2022 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.

*Estimate of liability for loss and loss adjustment expense reserves*

As discussed in Note 1 to the consolidated financial statements, the Company estimates the liability for loss and loss adjustment expense reserves 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 loss and loss adjustment expense reserves at December 31, 2022 was \$12,221.5 million.

We identified the estimation of the liability for loss and loss adjustment expense reserves 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 loss and loss adjustment expense reserves. 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
- Developing an independent consolidated range of reserves for certain reserve groups 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 24, 2023

## 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, 2022, 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, 2022. 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, 2022. Their report is shown on page 84 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 6, 2022.

### 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, 2022, regarding the senior officers of the Company:

Name	Age	Position
Thomas A. Dare	61	Senior Vice President, Secretary and General Counsel since January 2021; served as Deputy General Counsel since June 2017.
W. Todd Gray	55	Executive Vice President since May 2022; Senior Vice President and Treasurer since June 2018; Senior Vice President - Operations & Finance - Old Republic General Insurance Companies since September 2015.
Stephen J. Oberst	55	Executive Vice President since October 2019; President and CEO at Old Republic Risk Management, Inc. which he joined in 1999.
Craig R. Smiddy	58	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	54	Senior Vice President and Chief Financial Officer since July 2021; served as Deputy Chief Financial Officer since June 2017.
Rande K. Yeager	74	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 25, 2023. 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 2022 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](http://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 25, 2023, 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 25, 2023.

### **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 25, 2023, 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 25, 2023, 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 101 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 02/24/2023  
Craig R. Smiddy, President, Chief Executive Officer and Director Date

By: /s/ Frank J. Sodaro 02/24/2023  
Frank J. Sodaro, Senior Vice President, Chief Financial Officer and Principal Accounting Officer Date

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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/ Spencer LeRoy, III  
Spencer LeRoy, III, Director\*

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

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

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

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

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

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

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

/s/ Fredricka Taubitz  
Fredricka Taubitz, Director\*

/s/ Charles J. Kovalski  
Charles J. Kovalski, Director\*

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

\* By /s/ Craig R. Smiddy  
Attorney-in-fact  
Date: February 24, 2023

## INDEX TO FINANCIAL STATEMENT SCHEDULES

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### OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES

- Schedule I - Summary of Investments - Other than Investments in Related Parties as of December 31, 2022
- Schedule II - Condensed Financial Information of Registrant as of December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020
- Schedule III - Supplementary Insurance Information for the years ended December 31, 2022, 2021 and 2020
- Schedule IV - Reinsurance for the years ended December 31, 2022, 2021 and 2020
- Schedule V - Valuation and Qualifying Accounts for the years ended December 31, 2022, 2021 and 2020
- Schedule VI - Supplemental Information Concerning Property - Casualty Insurance Operations for the years ended December 31, 2022, 2021 and 2020

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, 2022**  
**(\$ 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 income securities:			
United States Government and government agencies and authorities	\$ 2,099.5	\$ 1,995.2	\$ 1,995.2
States, municipalities and political subdivisions	882.5	869.7	869.7
Foreign government	200.5	189.9	189.9
Corporate, industrial and all other	9,153.7	8,691.7	8,691.7
	<u>12,336.3</u>	<u>\$ 11,746.7</u>	<u>11,746.7</u>
Short-term investments	860.8		860.8
Total	<u>13,197.2</u>		<u>12,607.6</u>
Equity securities:			
Non-redeemable preferred stocks	.6	\$ 1.0	1.0
Common stocks:			
Banks, trusts and insurance companies	84.3	165.2	165.2
Industrial, miscellaneous and all other	1,863.1	3,054.6	3,054.6
	<u>1,948.1</u>	<u>\$ 3,220.9</u>	<u>3,220.9</u>
Other investments	31.2		31.2
Total Investments	<u>\$ 15,176.6</u>		<u>\$ 15,859.9</u>

(1) Represents original cost of equity securities, and as to fixed incomes, 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,	
	2022	2021
<b>Assets:</b>		
Bonds and notes	\$ 10.5	\$ 10.5
Short-term investments	35.1	11.2
Cash	2.0	2.0
Investments in, and indebtedness of related parties	7,823.0	8,556.7
Other assets	104.8	119.1
Total Assets	<u>\$ 7,975.5</u>	<u>\$ 8,699.6</u>
<b>Liabilities and Common Shareholders' Equity:</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 98.8	\$ 114.2
Debt and debt equivalents	1,589.9	1,588.5
Indebtedness to affiliates and subsidiaries	120.5	103.6
Total Liabilities	<u>1,809.2</u>	<u>1,806.4</u>
<b>Common Shareholders' Equity:</b>		
Common stock	296.9	307.5
Additional paid-in capital	1,141.8	1,376.1
Retained earnings	5,319.7	5,214.0
Accumulated other comprehensive income (loss)	(522.7)	78.0
Unallocated 401(k) plan shares (at cost)	(69.5)	(82.5)
Total Common Shareholders' Equity	<u>6,166.2</u>	<u>6,893.2</u>
Total Liabilities and Common Shareholders' Equity	<u>\$ 7,975.5</u>	<u>\$ 8,699.6</u>

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,		
	2022	2021	2020
<b>Revenues:</b>			
Investment income from subsidiaries	\$ 118.0	\$ 100.3	\$ 89.5
Real estate and other income	4.2	4.3	4.6
Other investment income	1.2	.2	.4
Total revenues	<u>123.6</u>	<u>104.9</u>	<u>94.7</u>
<b>Expenses:</b>			
Interest - subsidiaries	3.9	3.9	3.8
Interest - other	67.1	55.9	42.3
Real estate and other expenses	4.5	4.7	4.8
General expenses, taxes and fees	23.6	17.4	14.6
Total expenses	<u>99.2</u>	<u>82.0</u>	<u>65.7</u>
Revenues, net of expenses	24.3	22.8	29.0
Federal income taxes (credits)	2.9	(.9)	5.0
Income before equity in earnings of subsidiaries	<u>21.3</u>	<u>23.7</u>	<u>23.9</u>
Equity in Earnings of Subsidiaries:			
Dividends received	614.6	566.7	472.4
Earnings in excess of dividends	50.5	943.8	62.3
<b>Net Income</b>	<u><u>\$ 686.4</u></u>	<u><u>\$ 1,534.3</u></u>	<u><u>\$ 558.6</u></u>

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,		
	2022	2021	2020
<b>Cash flows from operating activities:</b>			
Net income	\$ 686.4	\$ 1,534.3	\$ 558.6
Adjustments to reconcile net income to net cash provided by operating activities:			
Accounts receivable	—	.6	.3
Income taxes - net	59.4	(17.9)	4.4
Excess of equity in earnings of subsidiaries over cash dividends received	(50.5)	(943.8)	(62.3)
Accounts payable, accrued expenses and other	(34.8)	11.5	4.6
Total	<u>660.6</u>	<u>584.7</u>	<u>505.7</u>
<b>Cash flows from investing activities:</b>			
Sale of fixed assets for company use	—	.1	—
Purchase of fixed assets for company use	(4.1)	(6.9)	(3.2)
Net repayment (issuance) of notes to related parties	64.9	(351.6)	(275.0)
Net decrease (increase) in short-term investments	(23.8)	21.5	(15.6)
Investment in, and indebtedness of related parties-net	140.0	100.0	37.7
Total	<u>176.9</u>	<u>(236.9)</u>	<u>(256.1)</u>
<b>Cash flows from financing activities:</b>			
Issuance of debentures and notes	—	642.5	—
Net receipt (repayment) of notes and loans from related parties	(4.8)	(13.5)	48.4
Issuance of common shares	26.6	60.0	6.7
Redemption of debentures and notes	—	(19.5)	(6.5)
Purchase of unallocated 401(k) plan shares	—	—	(50.0)
Dividends on common shares	(579.7)	(1,019.2)	(250.1)
Treasury stock acquired	(281.2)	—	—
Other - net	1.5	2.0	1.8
Total	<u>(837.6)</u>	<u>(347.6)</u>	<u>(249.6)</u>
<b>Increase (decrease) in cash</b>	<u>—</u>	<u>.1</u>	<u>—</u>
Cash, beginning of year	2.0	1.9	1.9
Cash, end of year	<u>\$ 2.0</u>	<u>\$ 2.0</u>	<u>\$ 1.9</u>

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)**

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**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.

Reclassifications are made in prior periods' financial statements whenever appropriate to conform to the most current presentation.

**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, 2022, 2021 and 2020**

**(\$ in Millions)**

Column A	Column B	Column C	Column D	Column E	Column F
Segment	Deferred Policy Acquisition Costs	Loss and Loss Adjustment Expense Reserves	Unearned Premiums	Other Policyholders' Benefits and Funds	Premium Revenue
<b>Year Ended December 31, 2022:</b>					
Insurance Underwriting:					
General Insurance	\$ 382.2	\$ 6,824.8	\$ 2,028.5	\$ 137.1	\$ 3,808.6
Title Insurance	—	612.8	—	3.3	3,500.6
RFIG Run-off	—	77.9	.1	—	23.2
Corporate & Other (1)	.2	6.3	—	40.6	9.6
Reinsurance Recoverable (2)	—	4,699.5	759.1	9.8	—
Consolidated	<u>\$ 382.5</u>	<u>\$ 12,221.5</u>	<u>\$ 2,787.8</u>	<u>\$ 191.0</u>	<u>\$ 7,342.1</u>
<b>Year Ended December 31, 2021:</b>					
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	<u>\$ 350.4</u>	<u>\$ 11,425.5</u>	<u>\$ 2,559.4</u>	<u>\$ 192.6</u>	<u>\$ 7,559.8</u>
<b>Year Ended December 31, 2020:</b>					
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	<u>\$ 328.0</u>	<u>\$ 10,671.0</u>	<u>\$ 2,397.1</u>	<u>\$ 195.9</u>	<u>\$ 6,345.8</u>

- (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 \$5.4 billion, \$4.8 billion, and \$4.2 billion at December 31, 2022, 2021 and 2020, 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, 2022, 2021 and 2020**

**(\$ in Millions)**

Column A	Column G	Column H	Column I	Column J	Column K
Segment	Net Investment Income	Loss and Loss Adjustment Expenses	Amortization of Deferred Policy Acquisition Costs	Other Operating Expenses	Premiums Written
<b>Year Ended December 31, 2022:</b>					
Insurance Underwriting:					
General Insurance	\$ 358.0	\$ 2,364.6	\$ 591.2	\$ 669.5	\$ 3,978.2
Title Insurance	47.9	89.1	—	3,484.6	3,500.6
RFIG Run-off	6.7	(17.5)	—	12.3	23.1
Corporate & Other (1)	46.8	4.0	.2	28.0	9.6
Reinsurance Recoverable (2)	—	—	—	—	—
Consolidated	<u>\$ 459.5</u>	<u>\$ 2,440.2</u>	<u>\$ 591.4</u>	<u>\$ 4,194.5</u>	<u>\$ 7,511.6</u>
<b>Year Ended December 31, 2021:</b>					
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	<u>\$ 434.3</u>	<u>\$ 2,420.9</u>	<u>\$ 502.2</u>	<u>\$ 4,496.3</u>	<u>\$ 7,685.0</u>
<b>Year Ended December 31, 2020:</b>					
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	<u>\$ 438.9</u>	<u>\$ 2,491.4</u>	<u>\$ 501.5</u>	<u>\$ 3,484.5</u>	<u>\$ 6,382.1</u>

(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 \$5.4 billion, \$4.8 billion, and \$4.2 billion at December 31, 2022, 2021 and 2020, 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, 2022, 2021 and 2020**

**(\$ in Millions)**

Column A	Column B	Column C	Column D	Column E	Column F
	Gross Amount	Ceded to Other Companies	Assumed from Other Companies	Net Amount	Percentage of Amount Assumed to Net
<b>Year Ended December 31, 2022:</b>					
Life insurance in force	\$ 1,266.7	\$ 784.5	\$ —	\$ 482.1	—%
Premium Revenues:					
General Insurance	\$ 6,021.0	\$ 2,299.5	\$ 87.1	\$ 3,808.6	2.3%
Title Insurance	3,498.1	.1	2.6	3,500.6	.1
RFIG Run-off	23.2	—	—	23.2	—
Life and Health Insurance:					
Life insurance	7.1	3.2	—	3.9	—
Accident and health insurance	13.7	8.0	—	5.6	—
Total Life & Health Insurance	20.8	11.2	—	9.6	—
Consolidating adjustments	—	(.3)	(.3)	—	—
Consolidated	\$ 9,563.3	\$ 2,310.5	\$ 89.4	\$ 7,342.1	1.2%
<b>Year Ended December 31, 2021:</b>					
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%
<b>Year Ended December 31, 2020:</b>					
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%

**OLD REPUBLIC INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**SCHEDULE V - VALUATION AND QUALIFYING ACCOUNTS**  
**For the Years Ended December 31, 2022, 2021 and 2020**  
**(\$ in Millions)**

Column A	Column B	Column C		Column D	Column E
Description	Balance at Beginning of Period	Additions		Deductions - Describe	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts - Describe (1)		
<u>Year Ended December 31, 2022:</u>					
Deducted from Asset Accounts:					
Reserve for credit losses	\$ 40.1	\$ 2.9	\$ —	\$ —	\$ 43.0
<u>Year Ended December 31, 2021:</u>					
Deducted from Asset Accounts:					
Reserve for credit losses	\$ 36.5	\$ 3.5	\$ —	\$ —	\$ 40.1
<u>Year Ended December 31, 2020:</u>					
Deducted from Asset Accounts:					
Reserve for credit losses	\$ —	\$ 6.4	\$ 30.1	\$ —	\$ 36.5

(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, 2022, 2021 and 2020**  
**(\$ in Millions)**

Column A	Column B	Column C	Column D	Column E
Affiliation With Registrant (1)	Deferred Policy Acquisition Costs	Loss and Loss Adjustment Expense Reserves (2)	Discount, If Any, Deducted in Column C	Unearned Premiums (2)
<b>Year Ended December 31:</b>				
2022	\$ 382.2	\$ 6,824.8	\$ 184.7	\$ 2,028.5
2021	349.9	6,587.0	174.8	1,870.7
2020	327.2	6,328.0	196.9	1,765.2
Column A	Column F	Column G	Column H	
Affiliation With Registrant (1)	Earned Premiums	Net Investment Income	Loss and Loss Adjustment Expenses Incurred Related to	
			Current Year	Prior Years
<b>Year Ended December 31:</b>				
2022	\$ 3,808.6	\$ 358.0	\$ 2,545.1	\$ (193.1)
2021	3,555.5	342.4	2,418.3	(137.9)
2020	3,394.2	352.2	2,380.5	(27.4)
Column A	Column I	Column J	Column K	
Affiliation With Registrant (1)	Amortization of Deferred Policy Acquisition Costs	Paid Loss and Loss Adjustment Expenses	Premiums Written	
<b>Year Ended December 31:</b>				
2022	\$ 591.2	\$ 2,114.2	\$ 3,978.2	
2021	501.9	2,021.3	3,680.9	
2020	500.9	2,046.3	3,431.3	

- (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 Form 10-Q filed June 30, 2014\).](#)
  - (B) \* [Amended and Restated By-laws. \(Exhibit 3.1 to Registrant's Form 8-K filed August 19, 2022\).](#)
- (4) Instruments defining the rights of security holders, including indentures.
- (A) \* 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).
  - (B) \* [Form of Indenture dated as of August 15, 1992 between Old Republic International Corporation and the Wilmington Trust Company, as Trustee \(refiled as Exhibit 4.1 to Registrant's Form 8-K filed April 22, 2009\).](#)
  - (C) \* [Supplemental Indenture No. 1 dated as of June 15, 1997, supplementing the Indenture. \(Exhibit 4.3 to the Registrant's Form 8-A filed June 16, 1997\).](#)
  - (D) \* [Supplemental Indenture No. 2 dated as of December 31, 1997 supplementing the Indenture. \(Exhibit 4.3 to the Registrant's Form S-3/A filed January 7, 1998\).](#)
  - (E) \* [Fifth Supplemental Indenture dated as of September 25, 2014 between Old Republic International Corporation and the Wilmington Trust Company, as Trustee. \(Exhibit 4.1 to Registrant's Form 8-K filed September 25, 2014\).](#)
  - (F) \* [Sixth Supplemental Indenture dated as of August 26, 2016 between Old Republic International Corporation and the Wilmington Trust Company, as Trustee. \(Exhibit 4.1 to Registrant's Form 8-K filed August 26, 2016\).](#)
  - (G) \* [Seventh Supplemental Indenture dated as of June 11, 2021 between Old Republic International Corporation and the Wilmington Trust Company, as Trustee. \(Exhibit 4.1 to Registrant's Form 8-K filed June 8, 2021\).](#)
  - (H) [Description of Common Stock of the Registrant.](#)
- (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 Form 10-Q filed March 31, 2014\).](#)
  - \*\* (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) \* [Old Republic International Corporation 2022 Incentive Compensation Plan. \(Exhibit 10.1 to Registrant's Form 8-K filed May 31, 2022\).](#)
  - \*\* (F) \* [Old Republic International Corporation Form of Stock Option Award Agreement \(2022 Incentive Compensation Plan\). \(Exhibit 10.2 to Registrant's Form 8-K filed May 31, 2022\).](#)
  - \*\* (G) \* [Old Republic International Corporation Form of Restricted Stock Award Agreement \(2022 Incentive Compensation Plan\). \(Exhibit 10.3 to Registrant's Form 8-K filed May 31, 2022\).](#)

(Exhibit Index, Continued)

- \*\* (H) \* [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.\)](#)
- (I) \* [Form of Tax Sharing Agreement between Old Republic International Corporation and each of its subsidiary companies. \(Exhibit 10\(a\) to Registrant's Form 10-Q filed March 31, 2013\).](#)
- (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 Sarbanes-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 Sarbanes-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 Sarbanes-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 Sarbanes-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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## NOTICE OF ANNUAL MEETING OF THE SHAREHOLDERS

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- TIME AND DATE..... 3:00 P.M. Central Daylight Time, Thursday, May 25, 2023.
- PLACE..... This year's Annual Meeting of the 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/ORI2023](http://www.virtualshareholdermeeting.com/ORI2023)
- ITEMS OF BUSINESS.....
- Item 1 To elect four members of the Class 3 Board of Directors, each for a term of three years.
  - Item 2 To ratify the selection of KPMG LLP ("KPMG") as the Company's independent registered public accounting firm for 2023.
  - Item 3 To vote in an advisory capacity concerning the Company's executive compensation.
  - Item 4 To approve the amendment and restatement of our Certificate of Incorporation to limit the liability of officers of Old Republic as permitted by recent amendments to Delaware law.
  - Item 5 To recommend, by non-binding vote, the frequency of executive compensation votes.
  - Item 6 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 27, 2023.
- ANNUAL REPORT TO SHAREHOLDERS..... Our annual report to shareholders for 2023 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](http://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.

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March 31, 2023

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 25, 2023

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#### GENERAL INFORMATION

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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 25, 2023 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, 2023.

Old Republic intends to conduct our 2023 Annual Meeting of Shareholders as a "virtual" meeting. Shareholders of record at the close of business on March 27, 2023, are invited to vote their shares at [proxyvote.com](https://proxyvote.com). Important information about attending and voting at the virtual meeting will be posted on Old Republic's website ([www.oldrepublic.com](https://www.oldrepublic.com)) under the heading "2023 Annual Meeting Information".

Virtual meeting date: Thursday May 25, 2023

Virtual meeting time: 3 P.M. Central Daylight Time

Virtual meeting link: [www.virtualshareholdermeeting.com/ORI2023](https://www.virtualshareholdermeeting.com/ORI2023)

Shareholders may vote their shares, submit questions, and review the list of registered shareholders during the virtual meeting using the directions on the meeting website shown above. Such questions must be germane to matters properly before the Annual Meeting and of general Company concern. 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](https://www.oldrepublic.com)) under the heading "2023 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 shares represented thereby will be voted by the Company's proxy committee (whose members are listed on the proxy card) for: (Item 1) the election of the director nominees named below (or substitutes thereof if any nominees are unable or refuse to serve); (Item 2) the selection of the Company's independent registered public accounting firm; (Item 3) the advisory vote concerning the Company's executive compensation as recommended by the Board of Directors; (Item 4) the approval of the Amended and Restated Certificate of Incorporation; (Item 5) to recommend, by non-binding vote, the frequency of executive compensation votes and (Item 6) 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, 2023, there were 296,317,226 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 27, 2023 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 a majority 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 sixteen-digit 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 24, 2023.

## **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](http://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 \$10,500. 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, 2023, except as otherwise noted, and (b) the percent of the class of Common Stock so owned:

<b>Title of Class</b>	<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class(*)</b>
<b>Common Stock</b>	BlackRock, Inc.	34,047,196 (1)	11.2
Shareholders' beneficial ownership of more than 5% of the Common Stock and the ESSOP ownership	55 East 52 <sup>nd</sup> Street New York, New York 10022		
	The Vanguard Group 100 Vanguard Blvd. Malvern, Pennsylvania 19355	27,820,739 (1)	9.1
	State Street Corporation State Street Financial Center One Lincoln Street Boston, Massachusetts 02111	25,905,414 (1)	8.5
	Old Republic International Corporation Employees Savings and Stock Ownership Trust 307 N. Michigan Avenue Chicago, Illinois 60601	19,363,060 (2)	6.6

<b>Common Stock</b>	<b>Name of Beneficial Owner</b>	<b>Shares Subject to Stock Options(*)</b>	<b>Shares Held by Employee Plans(*) (2)(3)</b>	<b>Other Shares Beneficially Owned(*)</b>	<b>Total</b>	<b>Percent of Class (*)</b>
Directors' and Executive Officers' (including nominees) Beneficial Ownership	Barbara A. Adachi	0	0	2,300	2,300	**
	Steven J. Bateman	0	0	27,559	27,559	**
	Lisa J. Caldwell	0	0	10,786	10,786	**
	Thomas A. Dare	27,125	3,893	26,306	57,324	**
	Jimmy A. Dew	0	132,207	745,657	877,864 (4)	0.3
	John M. Dixon	0	0	21,061	21,061	**
	W. Todd Gray	28,425	3,025	42,155	73,605	**
	Michael D. Kennedy	0	0	10,272	10,272	**
	Charles J. Kovaleski	0	0	14,453	14,453	**
	Spencer LeRoy III	0	0	100,686	100,686 (5)	**
	Peter B. McNitt	0	0	10,280	10,280	**
	Stephen J. Oberst	158,600	86,832	36,805	282,237 (6)	0.1
	Glenn W. Reed	0	0	14,415	14,415	**
	Craig R. Smiddy	287,500	31,851	78,584	397,935	0.1
	J. Eric Smith	0	0	0	0 (7)	**
	Frank J. Sodaro	37,000	2,446	26,310	65,756	**
	Arnold L. Steiner	0	0	638,318	638,318 (8)	0.2
	Fredricka Taubitz	0	0	21,000	21,000	**
	Steven R. Walker	0	0	70,000	70,000 (9)	**
	Rande K. Yeager	0	74,993	61,297	136,290	**
	Directors and all Executive Officers, as a group (20 individuals)	538,650	335,247	1,958,244	2,832,141	1.0%

\* 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. Further, the amount of shares beneficially owned includes restricted stock awarded to Messrs. Smiddy, Gray, Oberst, Sodaro and Yeager of 70,000, 20,000, 30,000, 20,000 and 16,000 shares, respectively, in 2022. These shares are included in their individual ownership but are subject to a 3 year vesting period. During the restricted period, the shareholder has voting power, but no dispositive power, with respect to such shares. The

"Outstanding Equity Awards Table" shown elsewhere in this Proxy Statement shows the unvested restricted stock for each named executive officer. 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.

- (1) Reflects the number of shares as of December 31, 2022 shown in the most recent Schedule 13G filings with the SEC. BlackRock, Inc. has reported sole and shared voting power for 33,331,220 and 0 shares, respectively, and sole and shared dispositive power for 34,047,196 and 0 shares, respectively. The Vanguard Group has reported that it has sole and shared voting power for 0 and 123,017 shares, respectively, and sole and shared dispositive power for 27,417,179 shares and 403,560 shares, respectively. State Street Corporation has reported that it has no sole and shared voting power for 25,338,784 shares and sole and shared dispositive power for 0 and 25,905,414 shares, respectively.
- (2) Reflects the number of shares held as of December 31, 2022 as follows:
  - (a) Under the terms of the ORI 401(k) Savings and Profit Sharing Plan ("401(k) Plan"), a participant is entitled to vote the Company Common Stock held by the 401(k) Plan, the shares of which have been allocated to the participant's account. The Executive Committee of the Company is authorized and has delegated the Employee Benefit Management Advisory Group the authority to vote the Company's Common Stock held by the 401(k) Plan 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 or its delegatee may be deemed to have sole investment power with respect to unallocated stock and shared power for allocated stock held by the 401(k) Plan.
  - (b) In addition to the 401(k) Plan, 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 or its delegatee.
  - (c) 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, employee savings and/or non-elective contribution accounts, of the director or executive officer as a participant in the 401(k). 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) Mr. Dew left the Company's Board on May 26, 2022 and his ownership is shown as of that date.
- (5) Includes 40,587 shares held in IRA or Roth IRA trusts for Mr. LeRoy's benefit.
- (6) Includes 34 shares held by Mr. Oberst's son.
- (7) Mr. Smith was elected a Director effective March 17, 2023.
- (8) Includes 107,771 shares owned by Mr. Steiner directly, 95,596 shares held in a trust for which Mr. Steiner is the trustee, 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.
- (9) Includes 30,000 shares held in IRA and SEP-IRA trusts for Mr. Walker's benefit, and 26,500 shares held by his wife.

## HIGHLIGHTS OF SOME RECENT DEVELOPMENTS

Set forth below is a summary of recent developments, some of which are discussed in greater detail in the relevant section of this proxy statement:

<b>Board Composition and Refreshment</b>	<ul style="list-style-type: none"> <li>• Addition of a former insurance company executive</li> <li>• Over 5 years: <ul style="list-style-type: none"> <li>○ 7 new Directors and 6 departures</li> <li>○ Average Director tenure reduction from 18 years to 8 years</li> <li>○ Median Director age reduction from 77 years to 70 years</li> </ul> </li> <li>• 23% women Directors and 23% minority Directors</li> <li>• Addition of Director skills matrix and Board diversity metrics to proxy statement</li> <li>• Clarified separate Independent Lead Director and Chairman roles</li> </ul>
<b>Shareholder Relations</b>	<ul style="list-style-type: none"> <li>• Addition of proxy access by-law provision in 2020</li> <li>• Early termination of shareholder rights plan in 2022</li> <li>• Capital Management strategy includes consideration of share repurchases</li> <li>• Special dividend of \$1.00 per share in 2022</li> <li>• \$450 million share repurchase program initiated in 2022</li> <li>• Clarified Director resignation policy</li> <li>• Clarified Director self-evaluation process</li> <li>• Instituted an annual shareholder reach-out initiative</li> <li>• Quarterly management report to Board on shareholder engagement</li> <li>• Annual letter to shareholders provided March 31, 2023</li> </ul>
<b>Environmental, Social, and Governance (ESG)</b>	<ul style="list-style-type: none"> <li>• Updated Company's Code of Business Conduct and Ethics to address areas of corruption, discrimination, and ethics</li> <li>• Updated Board Committee charters to address oversight: Audit Committee (data security and cyber security), Compensation Committee (human capital management), and Governance and Nominating Committee (environmental, social, and governance)</li> <li>• Addition of Chief Human Resources Officer position at parent company including oversight responsibility of enterprise wide diversity, equity, and inclusion initiatives</li> <li>• Made available EEO-1 report through link within Sustainability Report</li> <li>• Initiated review of ESG disclosures related to ESG rating criteria</li> <li>• Quarterly management report to Board on ESG initiatives</li> <li>• Annual publication of Sustainability Report updated March 31, 2023</li> </ul>
<b>Compensation</b>	<ul style="list-style-type: none"> <li>• Compensation Committee shifted a larger percentage of compensation for executive officers to long-term incentive awards.</li> <li>• Compensation Committee initiated shift to more transparent performance-based incentive compensation directly linking executive compensation to specified performance criteria: <ul style="list-style-type: none"> <li>○ Short-term incentive compensation for performance year 2023 includes performance objectives for net written premiums and fees growth and combined ratio.</li> <li>○ Long-term incentive compensation in 2024 to include performance grants with 3-year performance objectives for book value growth and operating return on equity.</li> </ul> </li> </ul>

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**ITEM 1**  
**ELECTION OF DIRECTORS**

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The following table lists the nominees and continuing directors of the Company. Four Class 3 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.

Arnold L. Steiner is not slated for reelection at the end of his three-year term expiring at the upcoming Annual Meeting of Shareholders. At that time, the size of the board will be reduced from fourteen to thirteen members.

J. Eric Smith was elected a Class 1 director, effective March 17, 2023. He is considered independent and was also named a member of the Compensation and Governance and Nominating Committees. The Governance and Nominating Committee approved his nomination and he was unanimously elected by the Board of Directors. No third party was involved in his recruitment or selection as a director and no fee was paid to any individual or entity in connection with his 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 highly qualified to serve Old Republic's shareholders and other stakeholders.

<b>Name</b>	<b>Age</b>	<b>Positions with Company, Business Experience and Qualifications</b>
<b>Nominees For Election: CLASS 3 (Term to expire in 2026)</b>		
Barbara A. Adachi	72	Director since 2021. Retired from Deloitte in 2013, she was formerly the chief executive and National Managing Partner for Deloitte Consulting's Human Capital Consulting Practice. For over 20 years, she focused on human capital strategy, organization transformation, executive compensation and diversity, equity, and inclusion. Prior to Deloitte, she spent 18 years in the insurance industry specializing in employee benefits and workers' compensation. Her extensive business experience in insurance, consulting and human capital matters harmonizes well with the Company's business needs. She became NACD Directorship Certified ® in 2022.
Charles J. Kovaleski	74	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. His extensive general business experience, particularly in real estate and title insurance, harmonizes well with the Company's business needs.
Craig R. Smiddy	58	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, he was Chief Operating Officer and then later appointed President of Old Republic General Insurance Group, Inc. Before joining the Company, he was President of the Specialty Markets Division of Munich Reinsurance America, Inc. His significant experience in, and knowledge of, the business and the risk factors associated with the insurance industry and especially the insurance specialty markets harmonize well with the Company's business needs.
Fredricka Taubitz	79	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). Her long professional career, significant experience in, and knowledge of, the business and the risk factors associated with the insurance industry harmonize well with the Company's business needs.

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## **BOARD OF DIRECTORS' RECOMMENDATION**

The Board of Directors recommends a vote FOR the Class 3 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](http://www.oldrepublic.com).

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**Continuing Directors: CLASS 2 (Term expires in 2025)**

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Steven J. Bateman	64	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 harmonize well with the Company's business and the Board's governance objectives.
Lisa J. Caldwell	62	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 harmonize well with the Company's business and the Board's governance objectives.
John M. Dixon	83	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. Mr. Dixon's skills and experience harmonize well with the Company's business and the Board's governance objectives.
Glenn W. Reed	70	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 harmonize well with the Company's business needs and the Board's governance objectives.

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**Continuing Directors: CLASS 1 (Term expires in 2024)**

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Michael D. Kennedy	66	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. He 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. He brings to the board his expertise and long experience in the financial services industry, which harmonize well with the Company's business and the Board's governance objectives.
Spencer LeRoy III	76	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. He has a long and significant legal experience and extensive knowledge of the Company and its risk factors, which harmonize well with the Company's business and the Board's governance objectives.
Peter B. McNitt	68	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. He 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.
J. Eric Smith	65	Director since 2023. He was the President and Chief Executive of Swiss Re Americas from 2011 to 2020. Mr. Smith also held a number of executive roles in his career, including President of USAA Life Insurance Company and President of Allstate Financial Services. He also held various positions in property and casualty insurance with Country Financial over a 20 year period. His significant experience in, and knowledge of, the business and the risk factors associated with the insurance industry and especially the insurance specialty markets harmonize well with the Company's business needs.
Steven R. Walker	77	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.

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## CORPORATE GOVERNANCE: BINDING ORGANIZATION, PURPOSE, AND LONG-TERM STRATEGY

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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 over 100 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.

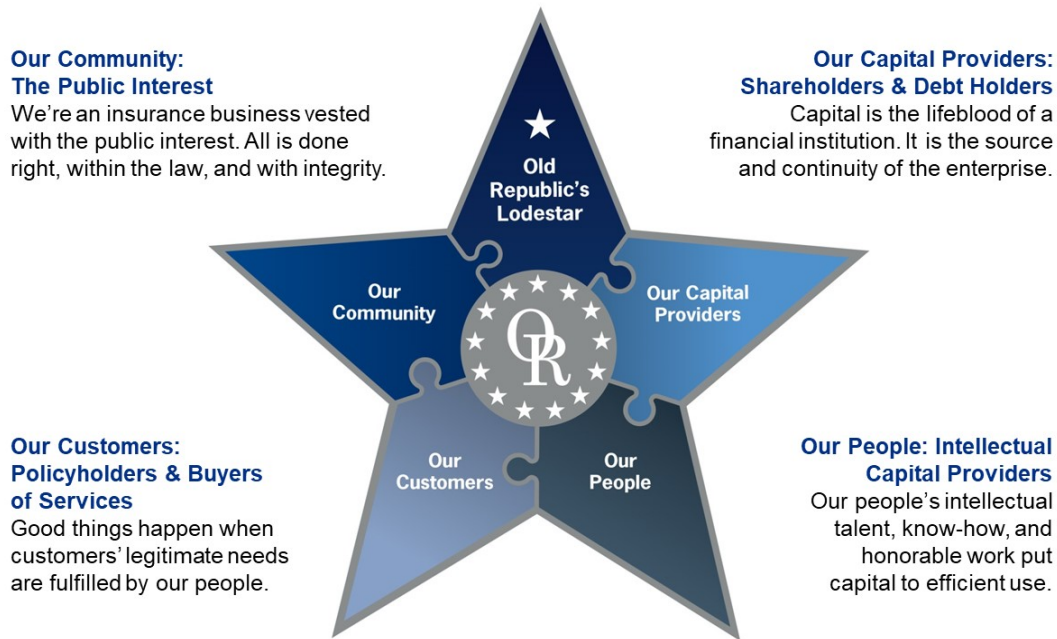
Shareholders are not the direct owners of the Company's assets or properties. Their rights are limited by Delaware law, which provides that shareholders delegate to the board of directors the responsibility for controlling, directing, and using those assets and properties based on the directors' business 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 by the Company's charter and by-law provisions.

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 these subsidiaries' ability to meet their obligations of financial indemnity over long periods of time. State insurance laws impose requirements on insurance companies to protect the legitimate interests of policyholders, as well as the community at large. 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**, included in our Mission statement, is to provide quality insurance security and related services to businesses, individuals, and public institutions, and to 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.



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. We are focused on achieving two interrelated outcomes:

- A. Create long-term value for all stakeholders, including shareholders, policyholders, our people, and the North 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 and provides a financial cushion to support insurance obligations in case they prove greater than anticipated.
  
- B. Create long-term value for long-term shareholders, whose interests are aligned with our Mission as they provide and support the capital base of the business. We measure this value over consecutive 10-year annual periods by assessing:
  - Total returns of Old Republic's common stock in the market place. This is calculated as the sum of the annual change in market value per share, assuming cash dividends are reinvested on a pre-tax basis 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 operating return on shareholders' equity. This is calculated by dividing net operating income (excluding both realized and unrealized investment gains or losses) by shareholders' equity.

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. 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, distribution, types of insurance coverage, among industries, with competency and proficiency;
- Reducing and mitigating insured exposures through underwriting risk-sharing arrangements with policyholders and additionally through reinsurance to manage risk and 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) 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 business's performance over multi-year insurance cycles. Reviews of 10-year trends are favored, as these likely include one or two economic and/or insurance underwriting cycles. This provides enough time for these cycles to run their course, for premium rate changes and subsequent underwriting results to appear in financial statements, and for reserved loss 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.

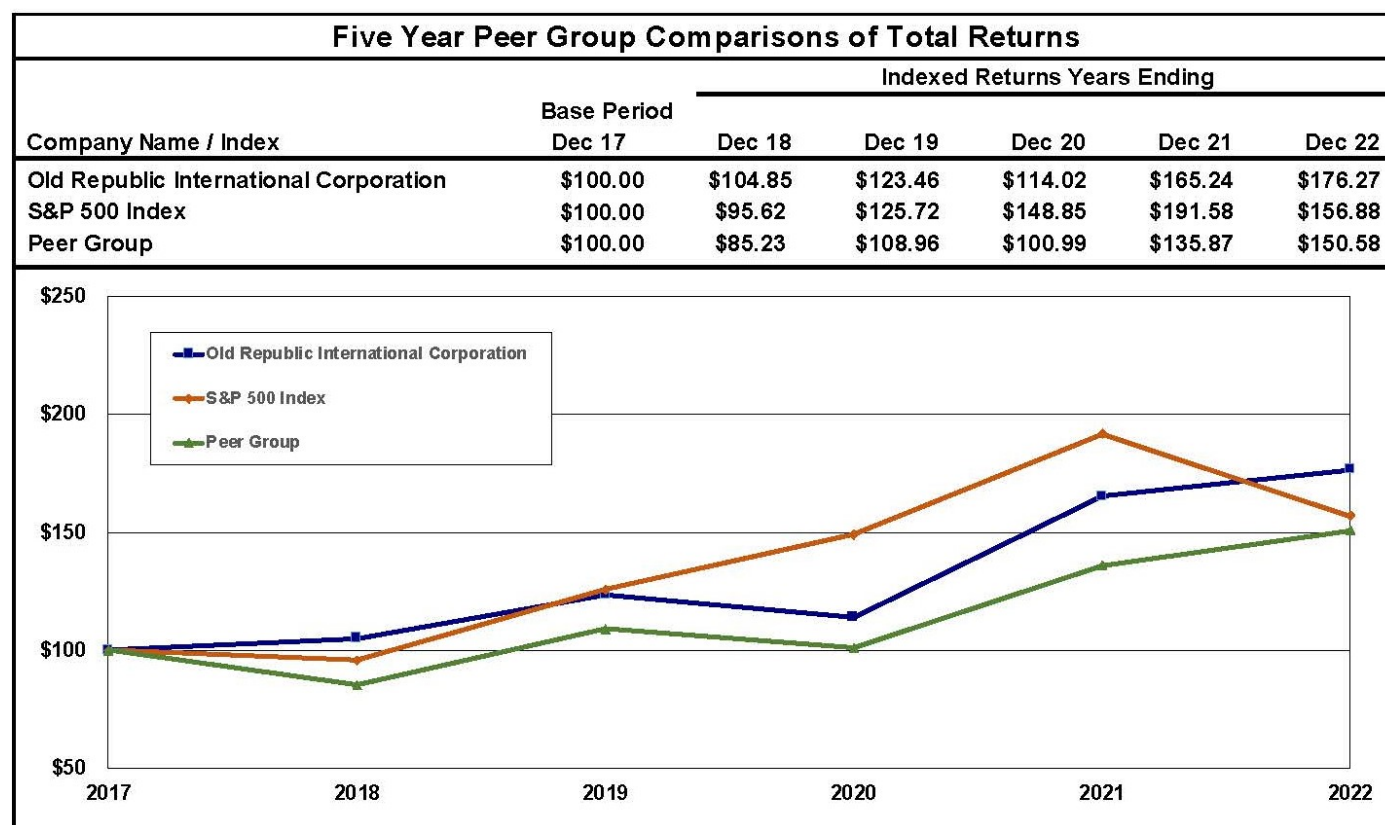
Old Republic's capital management strategy is underpinned by:

- Retaining favorable independent financial ratings for the Company's insurance underwriting subsidiaries;
- Returning excess capital to shareholders, including through increasing cash dividend payments over time based on the Company's earnings power and trends.

Old Republic's consistent cash dividend policy has produced these results:

- Dividend payments have been made without interruption since 1942 (in 82 of the Company's 99 years);
- The annual cash dividend rate has been raised in each of the past 42 years.

The following table shows the total return to shareholders, assuming reinvested cash dividends on a pre-tax basis, of Old Republic's common stock in comparison with the selected benchmark and a peer group of companies.



*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.*

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

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.

A Lead Independent Director is nominated by the Governance and Nominating Committee and is elected annually by the Independent Directors, who meet as a group four times each year. The Lead Independent Director chairs the

meetings of 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](http://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.

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. 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. 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 2023, evaluated the qualifications and long-term and continuing contributions of Ms. Taubitz as a director. The Board, with Ms. Taubitz abstaining, unanimously recommended waiving the policy's application and she was slated as an incumbent director for re-election.

As part of its governance duties, the Board reviews the Annual Meeting of the Shareholders vote concerning directors and considers votes withheld from the election of a director as the equivalent to a vote against the director. In the event that any director receives fewer votes for than against his or her election or re-election, the Governance and Nominating Committee is committed to investigating the reason or reasons for such a withhold vote. Following its investigation, the Governance and Nominating Committee will make such recommendations to the full Board as it deems appropriate in light of the circumstances. Such actions may include a recommendation by the Governance and Nominating Committee that the director resign, and the Board will act on the Governance and Nominating Committee's recommendation, and the Board's resignation policy is for a director to resign if the Board requests such resignation.

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. To facilitate this annual self-evaluation process, each director completes an anonymous questionnaire on the Board's performance, and the responses are then aggregated and provided to the Chair of the Governance and Nominating Committee, who in turn reviews the responses with the full Board of Directors at the next scheduled Board meeting. Similarly, as part of this annual self-evaluation process, each director serving on either the Audit Committee, Compensation Committee or the Governance and Nominating Committee completes an anonymous questionnaire on their respective committee's performance, and the responses are then aggregated and provided to the Chair of the Governance and Nominating Committee, who in turn reviews the responses with respective committee members at their next scheduled meeting. During 2022, the independent directors held a meeting in executive session without management directors in accordance with NYSE Listed Company Standards. Mr. Walker was the Lead Independent Director in 2022.

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](http://www.oldrepublic.com)), Corporate Governance Guidelines (see Governance section at [www.oldrepublic.com](http://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 OUR CORPORATE GOVERNANCE**

The Board is committed to corporate governance principles and practices with a long-term orientation. Further, the Board periodically reviews these principles and practices to ensure they are properly aligned with the interests of all stakeholders. Included in these principles and practices is a consideration of environmental, social, and governance ("ESG") matters. The Board is committed to creating and maintaining board oversight, with input from committee members, on matters related to sustainability, human capital, ethics, information security and other ESG topics.

Executive Management has engaged with the Company's shareholders and has solicited feedback on a diverse set of ESG areas, reaching out to the Company's largest shareholders, representing over 50% of institutional shares outstanding, and speaking with all shareholders that responded. The Company's Chief Executive Officer and Chair of the Executive Committee, Craig R. Smiddy, leads all such meetings and provides a summary of the discussions to the Board of Directors.

In 2020, 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. In 2020 the Company also began issuing an annual Sustainability Report, which can be accessed on the Old Republic website at [www.oldrepublic.com](http://www.oldrepublic.com). The Company believes this report provides information that is of interest to investors and other stakeholders.

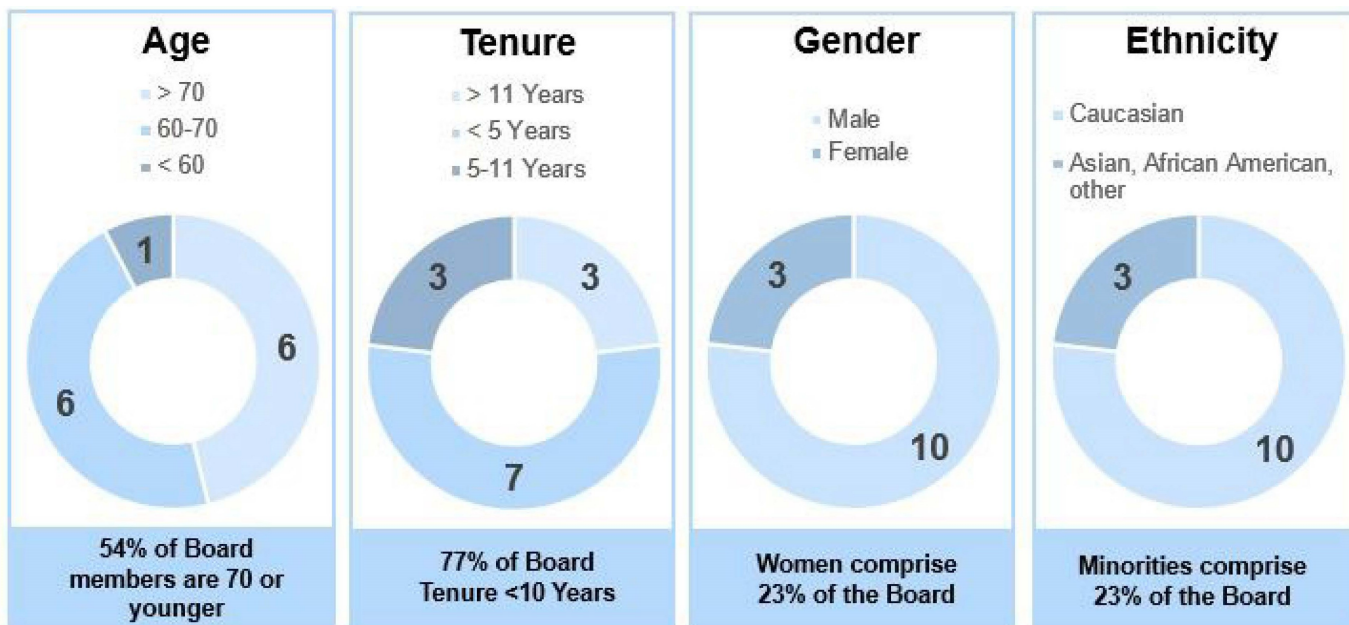
In 2022, after discussion with several shareholders, the Board accelerated the expiration of its Rights Plan to August 18, 2022 and terminated the Plan as of that date. The decision to accelerate the expiration of its Rights Plan reflects the Board's continual assessment of the governance attributes that best serve the long-term interest of all the Company's stakeholders. Old Republic's governance principles and practices continue to emphasize stability, continuity, and sustainability of the enterprise as primary objectives for achieving the greatest long-term value for all stakeholders. Accordingly, the Company reserves the right to adopt a Rights Plan in the future 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.

Over the last five years, our Board refreshment process has resulted in the following:

- Seven new directors and 6 departures;
- Average tenure reduction from 18 years to 8 years;
- Median director age reduction from 77 years to 70 years;
- 23% women directors and 23% minority directors

## BOARD DIVERSITY AND SKILLS

The following chart and table details the Board's diversity and skills.



	Barbara Adachi	Steve Bateman	Lisa Caldwell	John Dixon	Michael Kennedy	Charles Kovaleski	Spencer Leroy	Peter McNitt	Glenn Reed	Craig Smiddy	J. Eric Smith	Fredricka Taubitz	Steve Walker
<b>Cybersecurity &amp; IT:</b> Oversight and/or leadership role in the implementation of enterprise-wide information technology systems, digital infrastructures, data analytics, privacy and cybersecurity strategy and policies. Relevant training and certification on cybersecurity and information technologies.													
<b>Distribution &amp; Sales:</b> Track record of success implementing distribution and sales strategy, including managing sales workforce, developing and delivering goals and managing relationships with client.										X	X		
<b>Finance &amp; Accounting:</b> Record in leadership positions related to financial planning, internal controls and risk management. Knowledge of financial reporting and regulatory requirements related to financial disclosures.	X	X			X		X	X	X	X	X	X	X
<b>Human Capital:</b> Experience with talent management, attraction and retention, succession planning, remuneration and other topics related to an organization's workforce.	X		X								X		
<b>Insurance:</b> Experience in financial services industry, with specific knowledge of the insurance industry business fundamentals, products, distribution, actuarial concepts, risks and asset management.	X	X				X	X		X	X	X	X	X
<b>Leadership &amp; Board Experience:</b> Experience working in senior leadership positions in organizations, as member of the executive team or Board of Directors.	X	X	X	X	X	X	X	X	X	X	X	X	X
<b>Legal &amp; Public Policy:</b> Past leadership position in the areas of compliance and law, as well as establishing and developing relationships with government officials at any level.			X	X	X	X	X		X		X		X
<b>M&amp;A &amp; Capital Markets:</b> Experience leading processes of merger, acquisitions, divestments, corporate restructuring and reorganization, as well as knowledge about the instruments and transactions in the capital market.		X	X		X		X	X	X	X	X		

Data privacy and information security are considered material topics to our Company. In the succession plan and initiatives for Board refreshment, the Governance and Nominating Committee is focused on identifying and attracting directors with relevant experience on cybersecurity and the protection of users' data.

## **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 III (Chair), Mr. McNitt, Ms. Taubitz, 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 2022, there were no proposed related party transactions.

## **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, 2022, except that a late Form 4 filing was made by Mr. Kennedy on January 24, 2023 to report ten monthly purchases of 295 shares from April 2022 through January 2023 made pursuant to a 10b5-1 plan, and a late Form 4 filing was made by Mr. Sodaro on January 24, 2023 to report the surrender of 441 shares in connection with the vesting of restricted stock that occurred on May 31, 2022.

## **THE BOARD AND ITS COMMITTEES**

The Board of Directors met four times, once each quarter (February and May virtually and August and December in person). 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.

### BOARD AND COMMITTEE MEMBERSHIP

Director	Committees					
	Independent Directors(a)	Other Directors(b)	Audit	Compensation	Executive	Governance and Nominating
Barbara A. Adachi	●		●			●
Steven J. Bateman	●		●(c)(e)	●		
Lisa J. Caldwell	●			●		●
John M. Dixon	●			●(g)	●	●
Michael D. Kennedy	●		●			●
Charles J. Kovaleski	●		●			●
Spencer LeRoy III	●				●	
Peter B. McNitt	●		●(c)	●(d)(g)	●(g)	
Glenn W. Reed	●		●(c)	●		
Craig R. Smiddy		●			●(d)	
J. Eric Smith (h)	●			●		●
Arnold L. Steiner (i)	●			●	●	●
Fredricka Taubitz	●		●(c)(d)	●	●	
Steven R. Walker	●(d)(f)		●		●	●(d)
Number of meetings	4		7	5	4	4

- (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
- (g) Effective March 1, 2023, Mr. McNitt became Compensation Committee Chair and a member of the Executive Committee; Mr. Dixon was the previous Compensation Committee Chair.
- (h) Effective March 17, 2023, Mr. Smith was elected a Director and a member of the Compensation Committee and Governance and Nominating Committee.
- (i) Until Mr. Steiner's term as a Director expires on May 25, 2023

#### Audit Committee

Members:	Barbara A. Adachi	Peter B. McNitt
	Steven J. Bateman, Vice Chair	Glenn W. Reed
	Michael D. Kennedy	Fredricka Taubitz, Chair
	Charles J. Kovaleski	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](http://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, (4) the qualifications and performance of the Company's internal audit function, and (5) the Company's data protection and cybersecurity risk exposure and the steps management has taken to assess the overall threat landscape and respond appropriately, including the strategy management implemented to mitigate the Company's risk exposure. 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 2022 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 periodically 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. Four 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**

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Members:	Steven J. Bateman	Glenn W. Reed
	Lisa J. Caldwell	J. Eric Smith
	John M. Dixon	Arnold L. Steiner
	Peter B. McNitt, Chair	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](http://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 short-term and long-term incentive compensation plans, (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, (7) taking such other actions as may be necessary to perform its functions, and (8) reviewing Company policies and strategies pertaining to human capital management, including initiatives and programs related to diversity, equity, and inclusion. 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 2022, 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. 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**

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Members:	John M. Dixon	Arnold L. Steiner
	Spencer LeRoy III	Fredricka Taubitz
	Peter B. McNitt	Steven R. Walker
	Craig R. Smiddy, Chair	

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](http://www.oldrepublic.com). Printed copies are available to shareholders upon request.

Pursuant to its charter, the Executive Committee has the authority to address the matters and perform the functions as noted below (and make the necessary recommendations to the entire Board or appropriate committee thereof): (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 Corporate Pension Committee and Administration Committee, as applicable, for the Company's qualified plans (currently, the Old Republic International Employees Retirement and the ORI 401(k) Savings and Profit Sharing Plan) and the Old Republic International Corporation Amended and Restated Executives Excess Benefits Pension Plan, (7) oversees the Employee Benefit Management Advisory Group, a management committee for which the Executive Committee formed, established a charter, and delegated authority related to item (6) above, (8) makes any necessary and appropriate recommendations to the Governance and Nominating Committee regarding Board and Committee membership, and (9) 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**

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Members:	Barbara A. Adachi	Charles J. Kovaleski
	Lisa J. Caldwell	J. Eric Smith
	John M. Dixon	Arnold L. Steiner
	Michael D. Kennedy	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](http://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, (6) serve in an advisory capacity to the Board and its Chairman on matters of the organizational and governance structure of the Company, and (7) review the Company's policies and strategies on environmental, social, and governance (ESG) matters that are critical to the Company's long-term success, including the Company's impact on the environment and the risk associated with climate change.

The Board of Directors, following this year's Shareholders 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 regarding director qualifications and independence described under the heading "Board of Directors' Responsibilities and Independence".

The Committee may consider qualified director candidates nominated by shareholders as further set forth below under "Shareholder Proposals or Director Nominations for the 2024 Annual Meeting of the Shareholders", but the Committee has no obligation to recommend such candidates. 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](http://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.

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## **ITEM 2**

### **RATIFICATION OF THE SELECTION OF AN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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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 2023. 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, 2022. 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 2022 and 2021 are shown below.

Type of Fees	2022	2021
Audit	\$5,986,085	\$5,804,050
Audit Related	300,391	393,700
Tax	—	—
All Other	—	—
Total	\$6,286,476	\$6,197,750

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 2022 and 2021 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. 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](http://www.oldrepublic.com).

## AUDIT COMMITTEE REPORT FOR 2022

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 2022.

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 2022, 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. Further, the Audit Committee received reports to monitor and review the Company's assessment of data protection and cybersecurity risk exposure and mitigation efforts.

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, 2022.

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

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## COMPENSATION MATTERS

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### COMPENSATION COMMITTEE REPORT FOR 2022

The Compensation Committee met its oversight responsibilities for the year 2022 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

John M. Dixon

Peter B. McNitt, 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 2022, the directors received an annual retainer of \$140,000, plus an additional annual committee fee of \$14,000 for each committee on which they served. Effective 2023, the director's annual retainer was increased to \$165,000. Directors who are employees of the Company or its subsidiaries receive no compensation for their services as directors or committee members. During 2022, the Chairman of the Board received an additional annual retainer of \$70,000. During 2022, the Lead Independent Director and chair of the Governance and Nominating and Compensation Committees each received an additional retainer of \$14,000 for each position. During 2022, the chair of the Audit Committee received an annual retainer of \$21,000. During 2022, the vice-chair of each committee received an additional retainer of \$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.

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.

### 2022 Directors' Compensation

Name	Fees Earned or Paid in Cash	All Other Compensation Other	Total
Barbara A. Adachi	\$ 168,000	\$ -	\$ 168,000
Steven J. Bateman	175,000	-	175,000
Lisa J. Caldwell	168,000	-	168,000
Jimmy A. Dew (1)	70,000	-	70,000
John M. Dixon	196,000	-	196,000
Michael D. Kennedy	168,000	-	168,000
Charles J. Kovaleski	168,000	-	168,000
Spencer LeRoy III	224,000	-	224,000
Peter B. McNitt	175,000	-	175,000
Glenn W. Reed	168,000	-	168,000
J. Eric Smith (2)	-	-	-
Arnold L. Steiner	182,000	-	182,000
Fredricka Taubitz	203,000	-	203,000
Steven R. Walker	210,000	-	210,000

(1) Mr. Dew's term ended on May 26, 2022.

(2) Mr. Smith was elected to the Board effective March 17, 2023.

## 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, in 2022 the annual performance recognition compensation paid under the various Key Employee Performance Recognition Plans ("KEPRP") was 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 certain other employees, annual performance recognition compensation is based in part on these factors, as well as on their individual performance 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. In 2022, the Company did not generally set salary, performance recognition compensation or equity-based compensation on targets that automatically resulted in salary increases or awards based solely on the achievement of such targets. Rather, total compensation paid to executive officers, certain senior managers and certain other employees was reflective of the financial performance achieved by the Company or the subsidiaries 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.

Beginning in 2023, the Compensation Committee has determined to shift to an objective performance-based compensation program that more directly links executive compensation to the satisfaction of specified performance criteria and individual performance. In doing so, the Compensation Committee seeks to establish a clear line of sight between performance, accountability, and incentive compensation for short-term and long-term incentive compensation. To this end, on March 16, 2023, at the recommendation of the Compensation Committee, the Board approved the Old Republic International Corporation 2023 Performance Recognition Plan ("PRP"), and the Compensation Committee awarded annual performance-based incentive target awards under the PRP for the named executive officers. See below under the heading "2023 Performance Recognition Plan" for a description of the 2023 Performance Recognition Plan and of the 2023 awards made thereunder to the named executive officers. Both Company performance and individual performance will be determinative of the level of payment earned.

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 2022 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.)

### Executive Performance Considered in Reaching Compensation Decisions

With the goal of attracting, retaining, incentivizing, and rewarding executives, Old Republic focuses on the individual performance of the executives and 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;

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 business judgment in reaching conclusions. 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 Committee has established a total compensation package designed to attract, retain, incentivize, and reward executives. 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, usually comprised of cash at the time of the awards and deferred cash;
- Cash performance awards;
- Equity-based awards issued under the 2022 Incentive Compensation Plan; and
- Other employment benefits such as life and health insurance and the 401(k) Plan.

The following table shows the segmented sources of Old Republic's pretax operating income and its net operating income or loss for the past three 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, senior managers, and certain other employees.

	<b>Segmented Results (\$ in Millions)</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Segmented and consolidated pretax income excluding investment gains:			
General insurance	\$ 689.8	\$ 589.6	\$ 439.8
Title insurance	308.8	515.7	344.0
RFIG run-off	35.2	32.8	9.8
Corporate & other (a)	24.6	25.7	36.7
Consolidated	<u>1,058.6</u>	<u>1,164.0</u>	<u>830.4</u>
Income taxes on above	213.4	228.1	159.6
Net income excluding investment gains	<u>\$ 845.1</u>	<u>\$ 935.9</u>	<u>\$ 670.8</u>

(a) Represents amounts for Old Republic's holding company parent, minor corporate services subsidiaries, and a small life and accident insurance operation.

## SUMMARY COMPENSATION TABLE

The following table shows the compensation for the named executive officers of the Company. Bonus (KEPRP awards), restricted stock awards and stock option awards for Messrs. Gray, 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.

SUMMARY COMPENSATION TABLE

(a) Name and Principal Positions	(b) Year	(c) Salary	(d) Bonus (1)	(e) Restricted Stock Awards ("RSAs") (2)	(f) Value of Stock Option Awards (3)	(g) Change in Pension Value and Nonqualified Deferred Compensation Earnings (4)(5)	(h) All Other Compensation (6)	(i) Total (\$)
<b>Craig R. Smiddy</b>	2022	\$890,000	\$1,451,018	\$ 1,638,000	\$ 554,400	\$ —	\$ 6,592	\$4,540,010
<i>President and Chief Executive Officer</i>	2021	863,333	1,244,483		261,800	—	22,676	2,392,292
	2020	808,333	837,579		220,800	—	15,386	1,882,098
<b>Frank J. Sodaro</b>	2022	523,000	439,495	468,000	184,800	—	60,837 (7)	1,676,132
<i>Senior Vice President and Chief Financial Officer</i>	2021	367,500	403,304		56,100	—	61,065 (7)	887,969
<i>Effective July 1, 2021</i>								
<b>W. Todd Gray</b>	2022	558,667	623,678	468,000	184,800	—	22,647	1,857,792
<i>Executive Vice President and Treasurer</i>	2021	535,000	570,369		74,800	—	18,665	1,198,834
	2020	520,000	436,505		46,000	—	11,918	1,014,423
<b>Stephen J. Oberst</b>	2022	604,808	812,032	702,000	246,400	—	52,623	2,417,863
<i>Executive Vice President</i>	2021	588,077	738,131		121,550	—	73,037 (8)	1,520,795
	2020	540,385	583,316		101,200	112,108	104,594 (8)	1,441,603
<b>Rande K. Yeager</b>	2022	594,289	1,026,878	374,400	240,240	—	37,787	2,273,594
<i>Executive Chairman – Title Insurance Group</i>	2021	581,635	1,235,896		121,550	4,637	35,061	1,978,779
	2020	564,423	853,924		101,200	58,947	26,095	1,604,589

- (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 this amount, 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.
- (2) The RSA awards shown in this column were made pursuant to the 2022 Incentive Compensation Plan. These shares vest over a three-year term beginning one year after they were awarded and are subject to forfeiture under certain conditions. The value shown is based upon the price of the Company's Common Stock on May 26, 2022, the date the Company's shareholders approved the Incentive Compensation Plan. However, this value is speculative as the actual value of each vested part is determined on the date of vesting. Upon retirement, in the case of Mr. Yeager who has attained age 65 and 10 years of service, the unvested options and restricted shares will continue to vest.
- (3) The option awards in this column (f) were made pursuant to the 2016 Incentive Compensation Plan (for years prior to 2022) and the 2022 Incentive Compensation Plan (for 2022). For 2022, the options vest similar to the RSA awards described in (2) above. For option awards prior to 2022: the options vest 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.

The value of the 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 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 4.1% 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.

- (4) 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 2022, the year-over-year change in the present value of accumulated benefits resulted in negative amounts for Mr. Yeager of \$193,981 and for Mr. Oberst of \$197,361, respectively, and in 2021 for Mr. Oberst of \$26,027, because of changes in underlying actuarial assumptions. SEC rules require that these negative changes be treated as zeros.
- (5) The Company does not have any non-qualified deferred compensation plans that credit above market or preferential earnings to participants.
- (6) Includes all non-material amounts for: (a) the Company's matching contribution to the executive officers' 401(k) accounts, (b) the Company's non-elective contributions to the executive officer's 401(k) Plan (historically, contributions to the Baseline Security Plan) 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.
- (7) Included in column (h) is \$39,469, the value of 1,503 shares of restricted stock that were awarded to Mr. Sodaro in 2017 as a "sign-on" bonus that vested in 2021 and \$35,952 the value of 1,503 shares of this restricted stock awarded that vested in 2022.
- (8) Includes \$48,600 and \$42,643 in housing expenses covered by the Company in connection with Mr. Oberst's accommodations in Chicago for 2020 and 2021 respectively. No such expenses were covered in 2022.

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## 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, 2022 by preparing a list of all United States ("U.S.") based employees of the Company's U.S. subsidiaries at year-end 2022 (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 9,500 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 2022 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:	\$ 4,540,010
The total annual compensation of the Median Employee:	\$ 83,635
Ratio of the CEO's compensation to the Median Employee:	<u>54.3</u>

## PAY VERSUS PERFORMANCE

The Board of Directors and the Compensation Committee, in particular, consider company performance in connection with the determination of compensation for the executive officers and certain other senior managers of the Company. The Company makes an effort to align executive officer compensation with shareholder value on an annual and long-term basis. The Company believes that its history of growth over many decades is, in part, a result of its compensation programs that encourage longer-term growth and the building of long-term shareholder value rather than short-term results and believes compensation has been aligned and balanced with shareholder returns.

As discussed earlier in this proxy statement, the Board of Directors and Compensation Committee retained Fredrick W. Cook, 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. As a result of this review, during the periods presented in the following tables and charts, the Company made appropriate and necessary adjustments to the named executive officers' compensation, including a shift to a larger percentage of the named executive officers' compensation to long-term incentive awards.

As required by Item 402(v) of Regulation S-K, we are providing the following table that illustrates the relationship between executive compensation actually paid (as defined by Item 402(v) of Regulation S-K) and certain measures of financial performance of the Company. The table below illustrates the compensation for our principal executive officer (PEO, also known as our CEO) and the average compensation amounts for our remaining named executive officers (NEOs).

Year	Summary Compensation Table Totals for CEO (1)	Compensation Actually Paid to CEO (1,3)	Average Summary Compensation Table Total for remaining NEOs (1)	Compensation Actually Paid to remaining NEOs (1,3)	Value of Initial Fixed \$100 Investment Based On:		Net Income	Net Operating Income (2)	Underwriting Income (2)
					Old Republic Total Shareholder Return (TSR)	Peer Group TSR			
2022	\$4,540,010	\$5,056,150	\$2,056,345	\$2,196,828	\$142.78	\$138.20	\$686.4	\$670.8	\$435.2
2021	2,392,292	3,259,180	1,243,941	1,471,040	133.84	124.70	1,534.3	935.9	785.9
2020	1,882,098	1,643,582	1,268,335	1,175,383	92.36	92.69	558.6	845.1	665.8

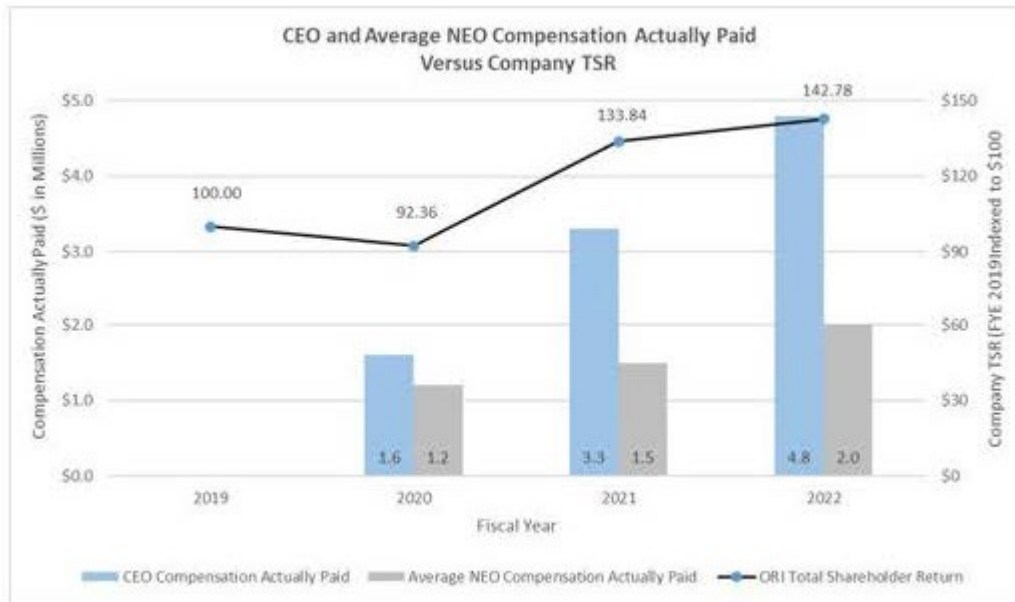
- (1) Mr. Smiddy was the Company's CEO for each year presented. For 2020, the remaining NEOs were Messers. Mueller, Gray, Oberst and Yeager. For 2021, the remaining NEOs were Messers. Mueller, Sodaro, Gray, Oberst and Yeager. Mr. Mueller retired from the Company on June 30, 2021. Mr. Sodaro was appointed the Company's CFO on July 1, 2021 and became an NEO at that time. For 2022, the remaining NEOs were Messers. Sodaro, Gray, Oberst and Yeager.
- (2) The Company has determined that underwriting income and net operating income are the financial measures that best link company performance to compensation actually paid to the Company's NEOs for the most recently completed fiscal year. Net operating income reflects net income excluding investment gains (losses) which is used in calculating operating return on equity, one of the performance measures of our long-term incentive compensation plan. Underwriting income reflects net premiums and fees earned and the associated combined ratio, both of which are performance measures of our short-term incentive compensation plans. The evaluation of periodic and long term results via these measures excluding consideration of all investment gains (losses) provides a better way to analyze, evaluate and establish accountability for the results of the insurance operations.
- (3) Amounts are calculated in accordance with the method required by Item 402(v) of Regulation S-K and do not reflect actual compensation paid to the CEO and the remaining NEOs. See table below for the details of amounts deducted and added to the Summary Compensation Table figure to calculate compensation actually paid.

	2022		2021		2020	
	CEO	Average of the remaining NEOs	CEO	Average of the remaining NEOs	CEO	Average of the remaining NEOs
Total Compensation as reported on Summary Compensation Table	\$4,540,010	\$2,056,345	\$2,392,292	\$1,243,941	\$1,882,098	\$1,268,335
Deduct change in present value (PV) of pension benefits as reported on Summary Compensation Table (i)	—	—	—	(1,159)	—	(42,264)
Deduct fair value of stock options granted as reported in Summary Compensation Table	(554,400)	(213,860)	(261,800)	(93,500)	(220,800)	(65,550)
Deduct fair value of stock awards granted as reported in Summary Compensation Table	(1,638,000)	(503,100)	—	—	—	—
Add fair value at year end of stock options granted in current year	678,600	262,015	530,600	189,500	118,800	45,163
Add fair value of year end of stock awards granted in current year	1,690,500	519,023	—	—	—	—
Add change in fair value at year end from fair value of prior year end of unvested stock option awards granted in prior fiscal years	240,000	56,788	423,913	93,752	(101,573)	(19,009)
Add change in fair value at year end from fair value of prior year end of unvested stock awards granted in prior fiscal years	—	—	—	1,830	—	(1,999)
Add change in fair value at year end from prior year fair value of stock option awards granted in prior fiscal years that vested in current fiscal year	99,440	19,903	174,175	34,121	(34,943)	(6,896)
Add change in fair value at year end from prior year fair value of stock awards granted in prior fiscal years that vested in current fiscal year	—	(286)	—	2,555	—	(2,397)
Compensation Actually Paid	5,056,150	2,196,828	3,259,180	1,471,040	1,643,582	1,175,383

- (i) Represents aggregate change in the actuarial present value of the named executive officer's accumulated benefit under all defined benefit and actuarial pension plans reported in the Summary Comp Table.

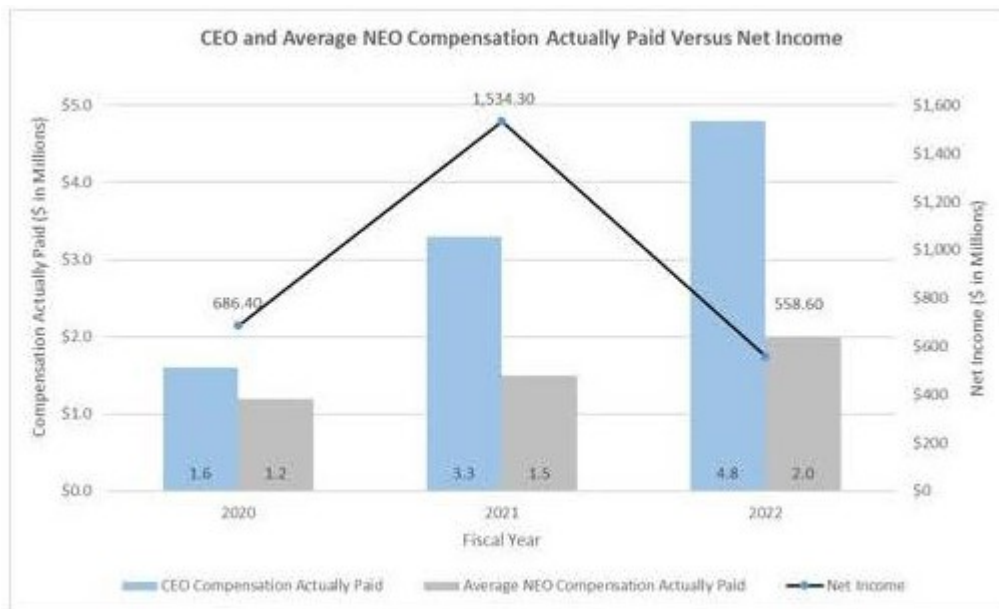
## Description of Relationship Between CEO and NEO Compensation Actually Paid and Company TSR

The following chart sets forth the relationship between compensation actually paid to our CEO, the average of compensation actually paid to our remaining NEOs, and the Company's cumulative TSR over the three most recently completed fiscal years.



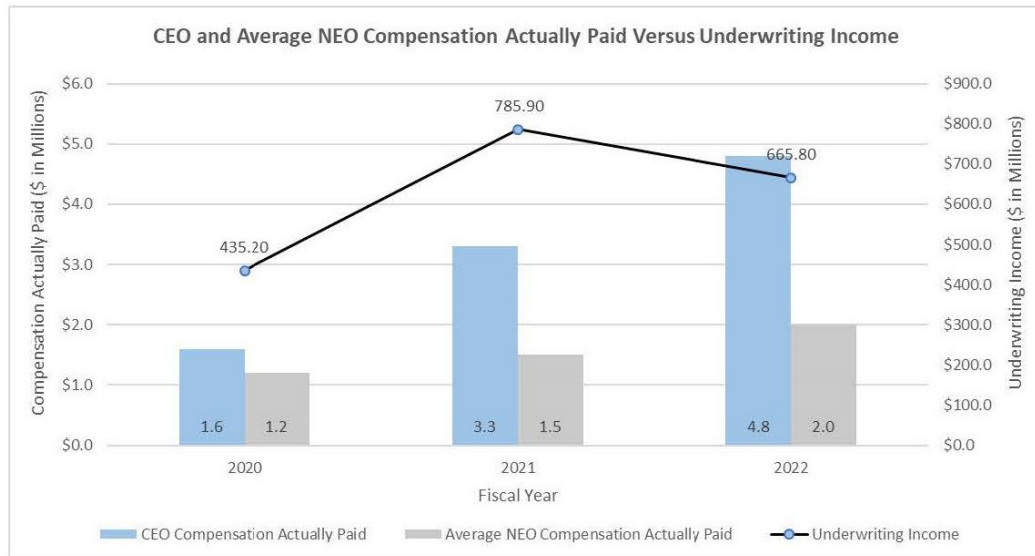
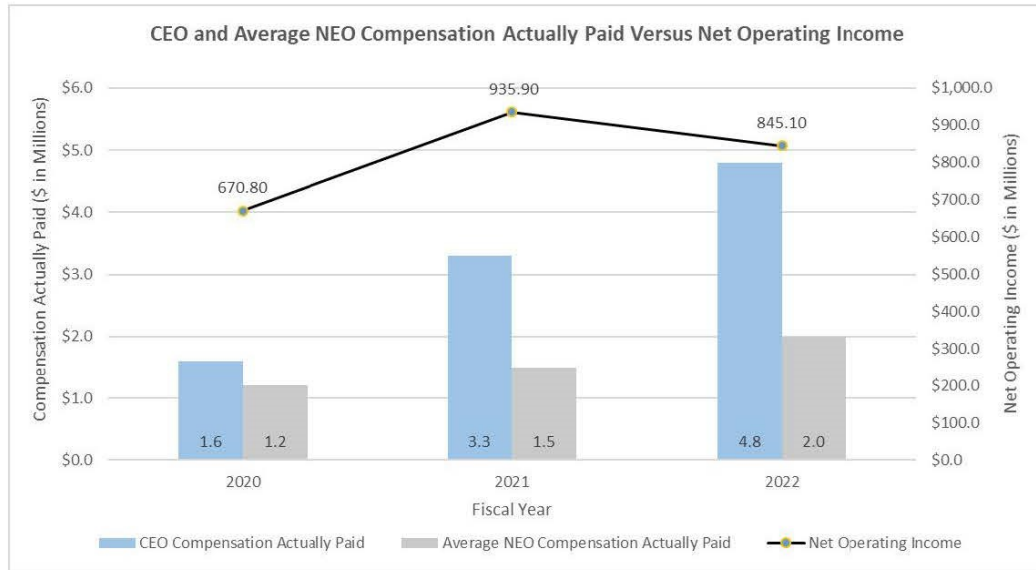
## Description of Relationship Between CEO and NEO Compensation Actually Paid and Net Income

The following chart sets forth the relationship between compensation actually paid to our CEO, the average of compensation actually paid to our remaining NEOs, and the Company's net income over the three most recently completed fiscal years.



## Description of Relationship Between CEO and NEO Compensation Actually Paid and Net Operating Income and Underwriting Income

The following chart sets forth the relationship between compensation actually paid to our CEO, the average of compensation actually paid to our remaining NEOs, and the Company's net operating income and underwriting income over the three most recently completed fiscal years.



## **Tabular List of Financial Performance Measures**

The four items listed below represent the additional most important metrics used to determine compensation actually paid to company performance for the most recently completed year.

- Growth in Net Premium and Fees Earned
- Combined Ratio
- Growth in Book Value per Share, Inclusive of Dividends
- Operating Return on Equity

## **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**

For performance year 2022, the Company used annual performance recognition awards (KEPRPs) usually comprised of cash at the time of the awards and deferred cash, cash performance awards, as well as equity-based awards issued under the 2022 Incentive Compensation Plan. These awards are intended to reward and retain executive officers, certain senior managers, and certain other employees of the Company and its subsidiaries, based on management's and the Compensation Committee's review of their performance. These awards were made under the Company's KEPRPs, the 2022 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)

For the 2022 performance year and prior, 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 final 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 and certain other employees 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.

Following issuance of awards for 2022 performance year, no further awards will be made under the KEPRPs.

## 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, 2022. 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.

<b>Nonqualified Deferred Compensation</b>			
<b>Name</b>	<b>Company's Contributions in 2022(1)</b>	<b>Aggregate Interest Earnings 2022(2)</b>	<b>Aggregate Deferred Balance as of December 31, 2022</b>
Craig R. Smiddy	\$675,000	\$51,018	\$3,467,471
Frank J. Sodaro	192,500	4,495	562,858
W. Todd Gray	275,000	23,678	1,554,139
Stephen J. Oberst	360,000	42,032	2,562,097
Rande K. Yeager	457,500	61,878	3,684,292

(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.

(2) The portion of an executive's account balance accrued on or after January 1, 2005 receives an interest credit calculated under the terms of the applicable KEPRP. The interest credit is a specified percentage of the composite investment income yield for the prior year.

## **2023 PERFORMANCE RECOGNITION PLAN (PRP)**

Beginning in 2023 (payable in 2024), the PRP will replace the KEPRPs as a means of providing cash incentive compensation to the named executive officers and certain other senior managers. The adoption of the PRP reflects the Compensation Committee's desire to shift to a more objective performance-based program and to provide for annual payouts based on satisfaction of specified performance objectives and individual performance. The Board's approval of the PRP is one part of the overall strategy to develop a clear line of sight between performance, accountability, and incentive compensation.

### **SUMMARY OF THE 2023 PERFORMANCE RECOGNITION PLAN**

*Eligibility.* Our Compensation Committee may identify employees of the Company or any of its affiliates (a "Participant") who will be eligible to earn awards under the PRP and determine the amount of the performance-based award opportunity for a Participant for a designated performance period ("Performance Period") and the conditions under which they may be earned.

*Performance Criteria; Performance Objectives.* For any given Performance Period, the Compensation Committee will select performance criteria and establish in writing one or more performance objectives ("Performance Objectives") for each Participant. The performance criteria used by the Compensation Committee may include either objective or subjective criteria that measure performance by the Company, an operating segment or other affiliate and/or a Participant's performance. These criteria are similar to the performance criteria under the 2022 Incentive Compensation Plan and may include, but are not limited to, customary industry, corporate or financial performance measures. An award will also have a discretionary component that subjectively measures an individual's performance. Each Performance Objective will be weighted as against the other Performance Objectives selected for an award and will specify the percentage that can be earned based on the level of achievement. For example, less than threshold (0%), threshold (50%), objective (100%), and maximum (200%). The Compensation Committee will establish the Performance Objectives for each Performance Period for executive officers prior to, or as soon as practicable after, the commencement of such Performance Period.

*Vesting.* Awards under the PRP will have such vesting provisions (including upon change of control) as specified in the award agreement, which may vary by Participant. In general, awards will vest in accordance with the provisions applicable to the 2023 Awards described below.

*Payment.* The amount paid under an award will depend on the level of achievement of the applicable weighted Performance Objectives during the Performance Period, as determined by the Compensation Committee. The Compensation Committee may make adjustments to the Performance Objectives if the objectives have been affected

by special factors that in the Compensation Committee's judgment should be taken into account in the equitable administration of the PRP. Awards shall be paid in cash, subject to applicable withholding taxes, during the tax year following the end of the Performance Period.

*Amendment and Termination.* The Board may at any time terminate, in whole or in part, or from time to time amend, the PRP, and in connection therewith adjust the timing of payments to be made in respect of outstanding awards.

*Clawbacks.* All awards granted under the PRP will be subject to recoupment in accordance with the Company's clawback policies.

### **2023 Performance Targets under the 2023 Performance Recognition Plan**

The performance targets set under the PRP for the named executive officers for the 2023 Performance Period (payable in 2024) are specified as a percentage of base salary earned by the executive during the 2023 Performance Period. However, the amount to be paid to the executive officer will depend on the level of achievement (threshold, objective, or maximum) of each of the 2023 Performance Objectives based on the weighted percentages applied to the award, as provided in the table below.

**Please See Continuation on Next Page**

Name and Position	Target Award Percent of Base Salary (%) <sup>(2)</sup>	Less than threshold – 0% (\$)	Threshold – 50% (\$)	Objective – 100% (\$)	Maximum – 200% (\$)
<b>Performance Objectives<sup>(1)</sup></b>					
Craig R. Smiddy, President and Chief Executive Officer	165%				
\$/% change – Net Earned Premiums & Fees (excluding Title and RFIG run-off) (35%)		\$0	\$267,575	\$535,150	\$1,070,300
% Underwriting Margin/Combined Ratio (excluding RFIG run-off) (35%)		0	267,575	535,150	1,070,300
Discretionary (30%)		0	229,350	458,700	917,400
Total		0	764,500	1,529,000	3,058,000
Frank J. Sodaro, Senior Vice President and Chief Financial Officer	90%				
\$/% change – Net Earned Premiums & Fees (excluding Title and RFIG run-off) (35%)		0	88,305	176,610	353,220
% Underwriting Margin/Combined Ratio (excluding RFIG run-off) (35%)		0	88,305	176,610	353,220
Discretionary (30%)		0	75,690	151,380	302,760
Total		0	252,300	504,600	1,009,200
W. Todd Gray, Executive Vice President and Treasurer	130%				
\$/% change – Net Earned Premiums & Fees (excluding Title and RFIG run-off) (35%)		0	134,073	268,147	536,293
% Underwriting Margin/Combined Ratio (excluding RFIG run-off) (35%)		0	134,073	268,147	536,293
Discretionary (30%)		0	114,920	229,840	459,680
Total		0	383,066	766,134	1,532,266
Stephen J. Oberst, Executive Vice President	130%				
\$/% change – Net Earned Premiums & Fees (excluding Title and RFIG run-off) (35%)		0	142,567	285,133	570,267
% Underwriting Margin/Combined Ratio (excluding RFIG run-off) (35%)		0	142,567	285,133	570,267
Discretionary (30%)		0	122,200	244,400	488,800
Total		0	407,334	814,666	1,629,334
Rande K. Yeager, Executive Chairman – Title Insurance Group	130%				
% Underwriting Margin/Combined Ratio (Title only) (70%)		0	276,640	553,280	1,106,560
Discretionary (30%)		0	118,560	237,120	474,240
Total		0	395,200	790,400	1,580,800

(1) The Performance Period under the 2023 Awards is calendar year 2023. The performance criteria consist of the following (and the weighted percentages noted in the table): (i) \$/% change – Net Earned Premiums & Fees, which reflects the change in the amount of net earned premiums and fees earned during the Performance Period as compared to the prior year; (ii) % Underwriting Margin/Combined Ratio, which reflects underwriting margin/combined ratio for the Performance Period; and (iii) discretionary.

Awards will be paid in the tax year following the Performance Period. The executives must be employed by the Company or one of its affiliates on the date of payment to vest in the award. Notwithstanding the foregoing, if an executive dies or becomes disabled during the Performance Period, the executive's award will vest pro rata. In addition, if the executive is terminated without cause in connection with a change in control, the award will vest in full. The amount actually paid on a vested (or pro rata vested) award is subject to the level of achievement of the Performance Objectives.

(2) Base Salary is defined as the earned base salary during the Performance Period. For illustrative purposes in the table above, the amounts shown in the threshold, objective, and maximum columns are based on the target award percentage of base salary estimated to be earned by

## STOCK OPTION AND RESTRICTED STOCK AWARDS UNDER INCENTIVE COMPENSATION PLANS

The Company believes executive officers, certain other senior managers, and certain other employees 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 Old Republic International 2022 Incentive Compensation Plan ("2022 Incentive Compensation Plan") was approved by shareholders in May 2022. The prior plan, the "2016 Incentive Compensation Plan" was also approved by shareholders. Following approval by the shareholders of the 2022 Incentive Compensation Plan, no further awards have been or will be made under the 2016 Incentive Compensation Plan.

Under the 2016 Incentive Compensation Plan, an award to a participant could have been in the form of a stock option or restricted stock award, or a combination of these. 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. 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 2022 Incentive Compensation Plan, a total of 20,000,000 new shares, plus 4,782,518 shares that remained available for issuance under the 2016 Incentive Compensation Plan (and shares subject to awards which are forfeited under the plan) were available for grants under the 2022 Incentive Compensation Plan. As of March 1, 2023, 21,550,275 shares remains available for awards under the 2022 Incentive Compensation Plan.

The above stated objectives of the 2016 and 2022 Incentive Compensation Plans 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, certain senior managers, and certain 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 0.8% 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 the individual award granted to the CEO, CFO, and the other executive officers, certain senior

managers, and certain other employees and a total pool of awards to be made to other employees, with such awards to be determined by the CEO. Each award is made at the fair market value of the Company's Common Stock 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 grants of these awards has typically occurred during March and is not linked to any Company actions such as the release of earnings.

## STOCK OPTION AND RESTRICTED STOCK GRANTS DURING 2022

The following table sets forth certain information regarding options to purchase shares of Common Stock granted in 2022 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.

Name	Grant Date	Number of Shares of Restricted Stock (1)	Number of Securities Underlying Options (2)	Exercise or Base Price of Option Awards	Grant Date Fair Value of Option and Fair Value of Restricted Stock Award
Craig R. Smiddy	3/10/2022		180,000	\$24.49	\$554,400
	5/26/2022	70,000			1,638,000
Frank J. Sodaro	3/10/2022		60,000	24.49	184,800
	5/26/2022	20,000			468,000
W. Todd Gray	3/10/2022		60,000	24.49	184,800
	5/26/2022	20,000			468,000
Stephen J. Oberst	3/10/2022		80,000	24.49	246,400
	5/26/2022	30,000			702,000
Rande K. Yeager (3)	3/10/2022		78,000	24.49	240,240
	5/26/2022	16,000			374,400

(1) Restricted stock awards awarded in 2022 are subject to restrictions that lapse in three equal installments beginning one year after the date of the award. If a grantee dies or retires in good standing after attaining age 65 and 10 years of service or due to disability, the outstanding restrictions will lapse, either by acceleration or continuing vesting. In addition, the 2022 Incentive Compensation Plan contains additional terms regarding the laps of restriction upon a change of control of the Company. 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. 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 fair market value of the shares. 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.

(2) The term of each option is 10 years from the Grant Date. Options vest in three equal installments beginning one year after the date of the award. If an optionee dies, retires: in good standing after attaining age 65 and with 10 years of service or due to disability, the outstanding options will become vested, either by acceleration or continuing vesting. After the occurrence of one of the foregoing events, vested options are exercisable prior to the earlier of the option expiration date or the fourth anniversary after the preceding listed events. Upon a separation from service without cause, vested options are exercisable prior to earlier of the option expiration date of the fourth anniversary of the separation date. In addition, the 2022 Incentive Compensation Plan contains additional terms regarding exercisability upon the change of control of the Company.

(3) Upon retirement, in the case of Mr. Yeager who has attained age 65 and 10 years of service, the unvested options and restricted shares will continue to vest.

## EXERCISES OF STOCK OPTIONS DURING 2022

The following table sets forth certain information regarding options to purchase shares of Common Stock exercised during 2022 by the executive officers named in the Summary Compensation Table.

**Stock Option Exercises and Restricted Stock Vested During 2022**

Name	Option Awards		Restricted Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Restricted Shares Acquired on Vesting	Value Realized on Vesting
Craig R. Smiddy	—	\$—	—	\$—
Frank J. Sodaro	—	—	1,503	35,952
W. Todd Gray	—	—	—	—
Stephen J. Oberst	11,000	117,040	—	—
Rande K. Yeager	—	—	—	—

**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 2022. The Company's Incentive Compensation Plans have been approved by the shareholders.

**Equity Compensation Plan Status as of Year End 2022**

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	9,619,004	\$20.68	21,550,275
Equity compensation plans not approved by security holders	—	—	—
<b>Total</b>	<u>9,619,004*</u>	<u>\$20.68</u>	<u>21,550,275</u>

(\*) A total of 31,875 options from its 2013 grant year included in this total were either exercised or expired as of March 1, 2023.

**OUTSTANDING EQUITY AWARDS AT YEAR END 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 2022**

<b>Name</b>	<b>Number of Securities Underlying Unexercised Options Exercisable</b>	<b>Number of Securities Underlying Unexercised Options Unexercisable</b>	<b>Option Exercise Price</b>	<b>Option Expiration Date</b>	<b>Number of Shares of Restricted Stock that have not vested</b>	<b>Market Value of Shares of Restricted Stock that have not vested</b>
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		
	50,000	—	20.98	02/20/28		
	49,000	21,000	21.12	03/19/29		
	17,500	7,500	21.99	08/20/29		
	54,000	66,000	22.72	02/25/30		
	35,000	105,000	21.30	03/09/31		
—	180,000	24.49	03/10/32	70,000	\$1,784,300	
Frank J. Sodaro	10,000	—	20.98	02/20/28		
	10,500	4,500	21.12	03/19/29		
	9,000	11,000	16.17	03/17/30		
	7,500	22,500	21.30	03/09/31		
	—	60,000	24.49	03/10/32	20,000	509,800
W. Todd Gray	1,500	—	19.98	03/22/27		
	4,125	—	20.98	02/20/28		
	4,725	2,025	21.12	03/19/29		
	10,125	12,375	22.72	02/25/30		
	10,000	30,000	21.30	03/09/31		
—	60,000	24.49	03/10/32	20,000	509,800	
Stephen J. Oberst	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		
	24,000	—	20.98	02/20/28		
	19,600	8,400	21.12	03/19/29		
	10,500	4,500	21.99	08/20/29		
	24,750	30,250	22.72	02/25/30		
	16,250	48,750	21.30	03/09/31		
—	80,000	24.49	03/10/32	30,000	702,000	
Rande K. Yeager	—	78,000	24.49	03/10/32	16,000	407,840

**PERFORMANCE GRANTS UNDER THE 2022 INCENTIVE COMPENSATION PLAN**

Beginning in 2024, the Compensation Committee currently anticipates that a portion of the equity compensation awards granted to executive officers, certain senior managers and certain other employees will include performance-based objectives (“Performance Grants”). The committee anticipates that approximately 60% of the equity compensation awards to executive officers and certain other employees will include Performance Grants measured over a 3-year Performance Period. The Performance Grants earned will depend on the level of achievement (threshold, objective, or maximum) for the Performance Period, for each of the two anticipated Performance Objectives, based on a 50% weighting for each. Less than threshold will earn 0%, meeting the threshold will earn 50%, meeting the objective will earn 100% and meeting or exceeding the maximum will earn 200%, with achievement levels between the threshold and the maximum interpolated accordingly. The two Performance Objectives anticipated are 3-Year Operating Return on Equity and Average 3-Year Annual Compound Total Return Growth in Book Value (including dividends).

## 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, depending on whether the awards are assumed or not in the transaction and whether or not the grantee experiences a separation of service without cause, the effect may be to accelerate the vesting of benefits under these plans and require the immediate payment of all deferred balances under such plans. In addition, retirement in good standing after attaining age 65 and 10 years of service will result in continued vesting under the 2022 Incentive Compensation Plan awards.

## 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) Plan. 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 .....	<u>1.5 times</u>

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

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 Pension 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 Mr. 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 Pension 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 minimum age for participants to request an in-service withdrawal is 59.5. Mr. Oberst is currently eligible for early retirement benefits and /or in-service withdrawals under the Company Pension 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 Company 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 Company Pension Plan.

<b>Pension Benefits</b>				
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	—	—	—
W. Todd Gray	None	—	—	—
Stephen J. Oberst	Company Plan	13.1	\$348,073	—
Rande K. Yeager	Company Plan	26.6	\$1,014,210	\$ 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.

## **ORI 401(k) SAVINGS AND PROFIT SHARING PLAN**

The 401(k) Plan, which has been in place since 1978, and was originally called Employees Saving and Stock Ownership Plan (ESSOP), 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. On December 30, 2022, the Company's Baseline Security Plan (BSP) was merged with and into the ESSOP and ESSOP was renamed the ORI 401(k) Savings and Profit Sharing Plan (401(k) Plan). At March 1, 2023, the 401(k) Plan held approximately 6.5% of ORI's Common Stock.

Eligible employees who elect to participate in the 401(k) Plan 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 deferred by the participants 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 minimum age for participants to request in-service withdrawals is 59.5. The 401(k) Plan includes 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 matching contributions are distributable either in cash or the Company's Common Stock at the time of a distributable event. In addition, to the matching contributions, discretionary annual Company contributions can be made under the 401(k) Plan similar to what was historically contributed by the Company to the BSP. These annual 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.

## **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.

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## ITEM 3

### VOTE ON EXECUTIVE COMPENSATION

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#### BACKGROUND

It is Old Republic's policy to provide full disclosure concerning its compensation philosophy and corporate governance. At the Company's 2022 Annual Meeting of the Shareholders, about 92.4% 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 2022 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.

#### 2022 EXECUTIVE COMPENSATION VOTE

At the Company's 2022 Annual Meeting of the Shareholders approximately 92.4% of shares present in person or by proxy voted to approve the Company's executive compensation for 2021. The Compensation Committee and Board of Directors considered this vote when it reviewed executive compensation for 2022.

#### 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](http://www.oldrepublic.com).

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**ITEM 4**  
**AMENDED AND RESTATED CERTIFICATE OF INCORPORATION**

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This proposal is to approve the Amended and Restated Certificate of Incorporation of Old Republic International Corporation.

**BACKGROUND**

In August 2022, the Delaware General Assembly amended Section 102(b)(7) of the Delaware General Corporation Law, or the DGCL, to authorize corporations to adopt a provision in their certificate of incorporation to eliminate or limit monetary liability of certain corporate officers for breach of the fiduciary duty of care. Previously, the DGCL allowed only exculpation of corporate directors for breach of the fiduciary duty of care. Article Seventeenth of the Company's Restated Certificate of Incorporation (the "Charter") currently provides for the exculpation of directors, but does not include a provision that allows for the exculpation of officers.

As amended, Section 102(b)(7) of the DGCL authorizes corporations to provide for exculpation of the following officers: (i) the corporation's president, chief executive officer, chief operating officer, chief financial officer, chief legal officer, controller, treasurer or chief accounting officer of the Company at any time during the course of conduct alleged in the action or proceeding to be wrongful; (ii) named executive officers identified in the Company's SEC filings because such person is or was one of the most highly compensated executive officers of the Company at any time during the course of conduct alleged in the action or proceeding to be wrongful; and (iii) individuals who have agreed by written agreement with the Company to be identified as officers of the Company.

In light of the amendments to Section 102(b)(7) of the DGCL, the Board has proposed and declared it advisable to amend and restate the Charter in its entirety by adopting the Amended and Restated Certificate of Incorporation in the form attached to this proxy statement as Appendix 1 (the "Amended and Restated Charter") to provide for the exculpation of officers as described herein.

The new Delaware legislation permits, and the Amended and Restated Charter would permit, exculpation only for direct claims brought by shareholders for breach of an officer's fiduciary duty of care, including class actions, but would not eliminate officers' monetary liability for breach of fiduciary duty claims brought by the corporation itself or for derivative claims brought by shareholders in the name of the Company. Furthermore, as is currently the case with directors under the Company's Charter, the proposed officer exculpation would not apply to (i) breaches of the duty of loyalty to the Company or its shareholders, (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) actions brought under Section 174 of the DGCL, or (iv) any transaction in which the officer derived an improper personal benefit.

**REASONS FOR THE PROPOSED AMENDED AND RESTATED CHARTER**

The board of directors desires to amend and restate the Charter to maintain provisions consistent with the governing statutes contained in Delaware law and believes that amending and restating the Charter to add the authorized liability protection for certain officers of the Company, consistent with the protection in the Charter currently afforded directors of the Company, is necessary to attract and retain experienced and qualified officers. In the absence of such protection, qualified officers might be deterred from serving as officers due to exposure to personal liability and the risk that substantial expense will be incurred in defending lawsuits, regardless of merit. Further, the Company has undertaken in its indemnification agreements with each of its directors and certain officers to contract with its directors and certain officers to indemnify them to the fullest extent permitted by law against personal liability for actions taken on good faith performance of their duties to the Company.

The board of directors balanced these considerations with the Company's corporate governance guidelines and best practices and determined that it is advisable and in the best interests of the Company and its shareholders to amend and restate the current exculpation and liability provisions set forth in Article Seventeenth of the Charter to

extend exculpation protection to the Company's officers in addition to its directors as set forth in the Amended and Restated Charter.

### **TEXT OF PROPOSED AMENDMENT**

As discussed above, Article Seventeenth in the Company's Charter currently provides for the exculpation of directors. This proposal requests that shareholders approve the amendment and restatement of the Company's Charter to restate Article Seventeenth thereof to extend the exculpation provision to certain of the Company's officers as permitted by amended DGCL Section 102(b)(7). As amended and restated, Article Seventeenth of the Amended and Restated Charter provides follows:

No director or officer of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, except to the extent such elimination or limitation of liability is not permitted under the Delaware General Corporation Law as presently in effect or as the same may hereafter be amended. No amendment or repeal of this provision shall apply to or have any effect on the liability of any director or officer of the Corporation for any acts or omissions of such director or officer occurring prior to such amendment or repeal.

### **TIMING AND EFFECT OF CHARTER AMENDMENT**

If the Amended and Restated Charter is approved by the Company's shareholders, it will become effective immediately upon the filing of the Amended and Restated Charter with the Secretary of State of the State of Delaware, which the Company expects to file promptly after the Annual Meeting. Other than the replacement of the existing Article Seventeenth as described above, the remainder of the Company's Charter will remain unchanged after effectiveness of the Amended and Restated Charter. If the Company's shareholders do not approve the Amended and Restated Charter, the Company's current Charter and exculpation provisions relating to directors will remain in place. However, even if our shareholders approve the Amended and Restated Charter, our board of directors retains discretion under Delaware law not to implement it.

### **REQUIRED VOTE**

To be approved and adopted, this proposal requires the affirmative vote of a majority of the shares outstanding and entitled to vote on this proposal. Abstentions and broker non-votes will have the same effect as votes against this proposal.

### **BOARD OF DIRECTORS' RECOMMENDATION**

For the reasons stated above, the Board of Directors unanimously recommends a vote FOR the approval and adoption of the Amended and Restated Charter.

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## **ITEM 5**

### **FREQUENCY OF ADVISORY VOTE ON EXECUTIVE COMPENSATION**

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#### **BACKGROUND**

The Board of Directors, as part of its commitment to transparency in corporate governance and executive compensation, has determined that submitting to shareholders a resolution to approve the Company's compensation policies, practices and procedures concerning executive officers, commonly referred to as a "Say-on-Pay" proposal should be done annually. To further enhance this procedure and as prescribed by law and regulation, the shareholders of the Company are asked to indicate their preference concerning the frequency of these votes. Regardless of the frequency selected, the Company must, at least every six years, unless the law or regulations concerning this matter change, provide the shareholders the opportunity to re-evaluate the frequency of voting on this issue.

## **PROPOSED RESOLUTION**

Resolved, that the shareholders of the Company shall vote on a resolution concerning the frequency of approving the Company's compensation policies, practices and procedures concerning executive officers, commonly referred to as a "Say-on-Pay" proposal. The choices the shareholders may recommend are: every year, every two years, or every three years. Further, if the shareholder wishes, he or she may abstain on this matter.

## **REQUIRED VOTE**

This vote is required by law but is advisory and is not binding upon the Company or its Board of Directors with regard to the frequency of such a vote, provided the Company's shareholders vote at least every three years on a "Say-on-Pay" resolution and the shareholders have an opportunity, at least every six years, to recommend the frequency of such votes. This vote is intended to serve as an indication of the frequency shareholders wish to address this issue. The Board of Directors and Compensation Committee believe a choice of voting on compensation matters every year is appropriate as this practice was approved by the Board over twelve years ago. During the last decade that executive compensation has been voted on by Old Republic's shareholders, the vote has approval vote has ranged from 88.0% to 98.8% with an average of almost 95% in favor of the Company's compensation policies, practices and procedures. While the Board believes voting on these policies, practices and procedures every year is appropriate, the choice receiving a plurality of votes shall be considered by the Board of Directors in determining the frequency of such votes. The results of the vote on this matter shall be disclosed in a filing made with the SEC that will be available for review through the Company's website at [www.oldrepublic.com](http://www.oldrepublic.com). Any change resulting from this vote shall be disclosed after the Board of Directors has had an opportunity to review and evaluate the vote. Such action shall be announced in a filing made with the SEC that will be available for review through the Company's website. This filing will be made at least 60 days prior to the deadline for the submission of shareholder proposals for next year's meeting. Further, it is currently anticipated that a vote on the frequency of having advisory votes on executive compensation shall again occur in connection with the Company's 2029 election of Directors.

## **BOARD OF DIRECTORS' RECOMMENDATION**

The Board of Directors recommends a vote for every year for this proposal. Proxies solicited by the Board of Directors shall be voted in that manner unless shareholders specify one of the other options in their proxies.

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## OTHER INFORMATION

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### SHAREHOLDER PROPOSALS OR DIRECTOR NOMINATIONS FOR THE 2024 ANNUAL MEETING OF THE SHAREHOLDERS

To be included in the Company's proxy statement for the 2024 Annual Meeting of Shareholders pursuant to Rule 14a-8 under the Exchange Act, a shareholder proposal must be received by the Company no later than December 1, 2023, and otherwise comply with all applicable federal securities laws. Proposals should be directed to the attention of the Corporate Secretary at 307 N. Michigan Avenue, Chicago, Illinois 60601.

Pursuant to the advance notice provisions of our by-laws, in order for a shareholder to properly nominate a Board candidate or bring any other business at the Company's annual shareholder meetings, notice of such nomination or business must be given in writing to the Corporate Secretary and delivered to or mailed and received at the Company's principal executive offices, not less than 90 days nor more than 120 days prior to first anniversary of the preceding year's annual shareholder meeting, and otherwise comply with the information and procedural requirements set forth in our by-laws.

In order for a nominee for election to the board of directors to be included in our proxy statement and proxy card for any annual meeting of shareholders, notice of such nominee must be properly submitted pursuant to the proxy access provisions of our by-laws and have been delivered to or mailed and received at the principal executive offices of the Company not less than 120 days nor more than 150 days prior to the first anniversary of the date of the proxy statement for the corporation's immediately preceding annual meeting of shareholders, and otherwise comply with the information and procedural requirements set forth in our by-laws.

These descriptions are summaries only, and for the complete provisions, shareholders should refer to the Company's by-laws, which can be reviewed on the Company's website, [www.oldrepublic.com](http://www.oldrepublic.com).

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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, 2023

**AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
OLD REPUBLIC INTERNATIONAL CORPORATION**

(Pursuant to Sections 212, 242, and 245 of the  
General Corporation Law of the State of Delaware)

Old Republic International Corporation (the “**Corporation**”), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the “**General Corporation Law**”), hereby adopts this Amended and Restated Certificate of Incorporation and

**DOES HEREBY CERTIFY:**

1. The name of the Corporation is Old Republic International Corporation and that the Corporation was originally incorporated pursuant to the General Corporation Law on March 6, 1969.

2. That the Board of Directors of the Corporation (the “**Board of Directors**”) duly adopted resolutions proposing to amend and restate the Restated Certificate of Incorporation of the Corporation, declaring it advisable to amend and restate the Restated Certificate of Incorporation to eliminate or limit the monetary liability of certain corporate officers for breaches of the fiduciary duty of care, and directing such Amended and Restated Certificate of Incorporation be submitted to the shareholders for approval at the Corporation’s next annual meeting.

3. That the following amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 212 of the General Corporation Law.

4. That this Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this Corporation’s Restated Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

**RESOLVED**, that the Certificate of Incorporation of the Corporation be amended and restated in its entirety to read as follows:

**FIRST**

The name of the corporation is Old Republic International Corporation.

## SECOND

The address of its registered office in the State of Delaware is 251 Little Falls Drive in the City of Wilmington 19808, County of New Castle. The name of its registered agent at such address is The Prentice-Hall Corporation System, Inc.

## THIRD

The nature of the business or purposes to be conducted or promoted are:

To acquire, own and dispose of the whole or any part of the capital stock, securities, assets or obligations of other corporations; and

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

## FOURTH

The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is Six Hundred Seventy-five Million (675,000,000) shares divided into three classes as follows:

Seventy-Five Million (75,000,000) shares of Preferred Stock of the par value of one cent (\$.01) per share (Preferred Stock).

Five Hundred Million (500,000,000) shares of Common Stock of the par value of \$1.00 per share (Common Stock).

One Hundred Million (100,000,000) shares of Class B Common Stock of the par value of \$1.00 per share (Class B Common Stock).

The designations, powers, preferences and rights, and the qualifications, limitations or restrictions of the above classes of stock are as follows:

## DIVISION I

### Preferred Stock

1. The Board of Directors is expressly authorized at any time, and from time to time, to issue shares of Preferred Stock in one or more series, and for such consideration as the Board may determine, with such voting powers, full or limited but not to exceed one vote per share, or without voting powers, and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated in the resolution or resolutions providing for the issue thereof, and as are not stated in this Certificate of Incorporation, or any amendment thereto. All shares of any one series shall be of equal rank and identical in all respects.

2. No dividend shall be paid or declared on any particular series of Preferred Stock unless dividends shall be paid or declared pro rata on all shares of Preferred Stock at the time outstanding of each other series which ranks equally as to dividends with such particular series.

3. Unless and except to the extent otherwise required by law or provided in the resolution or resolutions of the Board of Directors creating any series of Preferred Stock pursuant to this Division I, the holders of the Preferred Stock shall have no voting power with respect to any matter whatsoever. In no event shall the Preferred Stock be entitled to more than one vote in respect of each share of stock. Subject to the protective conditions or restrictions of any outstanding series of Preferred Stock, any amendment to this Certificate of Incorporation which shall increase or decrease the authorized capital stock of any class or classes may be adopted by the affirmative vote of the holders of a majority of the outstanding shares of the voting stock of the Corporation.

4. Shares of Preferred Stock redeemed, converted, exchanged, purchased, retired or surrendered to the Corporation, or which have been issued and reacquired in any manner, shall upon compliance with any applicable provisions of the General Corporation Law of the State of Delaware, have the status of authorized and unissued shares of Preferred Stock and may be reissued by the Board of Directors as part of the series of which they were originally a part or may be reclassified into and reissued as part of a new series or as a part of any other series, all subject to the protective conditions or restrictions of any outstanding series of Preferred Stock.

## **DIVISION II**

### **Common Stock and Class B Common Stock**

1. Dividends. Subject to the preferential rights, if any, applicable to shares of the Preferred Stock and subject to applicable requirements, if any, with respect to the setting aside of sums for purchase, retirement or sinking funds for the Preferred Stock, the holders of the Common Stock and the Class B Common stock shall be entitled to receive to the extent permitted by law, such dividends as may be declared from time to time by the Board of Directors; provided that whenever a cash dividend is paid to the holders of Class B Common Stock, the Corporation shall also pay to the holders of the Common Stock a cash dividend per share at least equal to the cash dividend per share paid to the holders of the Class B Common Stock and further provided that the Corporation may pay cash dividends to the holders of the Common Stock in excess of cash dividends paid, or without paying cash dividends, to holders of the Class B Common Stock.

2. Liquidation. In the event of the voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of the Corporation, after distribution in full of the preferential amounts, if any, to be distributed to the holders of shares of the Preferred Stock, holders of the Common Stock and the Class B Common Stock shall be entitled to receive all the remaining assets of the Corporation of whatever kind available for distribution to stockholders ratably in proportion to the number of shares of Common Stock and the Class B Common Stock held by them, respectively.

3. Voting Rights. Except as may be otherwise required by law or this Certificate of Incorporation, each holder of the Common Stock shall have one vote in respect of each share of Common Stock held by him of record on the books of the Corporation on all matters voted upon by the stockholders and each holder of the Class B Common Stock shall have one-tenth (1/10) of one vote in respect of each share of Class B Common Stock held by him of record on the books of the Corporation on all matters voted upon by the stockholders; provided that the holders of the Common Stock and the Class B Common Stock shall vote together as a single class.

4. Definition. Notwithstanding the provisions of the Designations, preferences, and rights of Series A Junior Participating Preferred Stock, the Designations, preferences and rights of Series G-3 Convertible Preferred Stock for the purposes of the Corporation's Restated Certificate of Incorporation, as amended, the term "Common Stock" shall mean Common Stock as defined in the first paragraph of this Article FOURTH and shall not include the Class B Common Stock of the Corporation, provided, however, that for the purposes of the section titled "Voting," the term "Common Stock" shall mean both the Common Stock as defined in the first paragraph of this Article FOURTH and the Class B Common Stock of the Corporation.

## **DIVISION III**

### **Elimination of Preemptive Rights**

No holder of stock of any class of the Corporation shall be entitled as a matter of right to purchase or subscribe for any part of any unissued stock of any class, or of any additional stock of any class of capital stock of the Corporation, or of any bonds, certificates of indebtedness, debentures, or other securities convertible into stock of the Corporation, now or hereafter authorized, but any such stock of other securities convertible into stock may be issued and disposed of pursuant to resolution by the Board of Directors to such persons, firms, corporations or associations and upon such terms and for such

consideration (not less than the par value or stated value thereof) as the Board of Directors in the exercise of its discretion may determine and as may be permitted by law without action by the stockholders.

## **DESIGNATIONS, PREFERENCES AND RIGHTS OF SERIES A JUNIOR PARTICIPATING PREFERRED STOCK**

### 1. Designation.

The shares of such series shall be designated as “Series A Junior Participating Preferred Stock” (the “Series A Preferred Stock”) and the number of shares constituting the Series A Preferred Stock shall be 10,000,000; such number of shares may be increased or decreased by resolution of the Board of Directors; provided that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights, or warrants or upon conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

### 2. Dividends and Distributions.

(a) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock, in preference to the holders of Common Stock, par value \$1.00 per share (the “Common Stock”), of the Corporation, and of any other junior stock, shall be entitled to receive, when and if declared by the Board of Directors, out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a “Quarterly Dividend Payment Date”), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$1 or (b) subject to the provision for adjustment hereinafter set forth, 100 time the aggregate per share amount (payable in kind) of all non-cash dividend or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (a) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$1 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid

dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall not be more than 60 days prior to the date fixed for the payment thereof.

### 3. Voting Rights.

The holders of shares of Series A Preferred Stock shall have the following voting rights:

(a) Except as provided in paragraph (c) of this Section 3 and subject to the provisions for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation.

(b) Except as otherwise provided herein or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(c) (i) If, on the date used to determine stockholders of record for any meeting of stockholders for the election of directors, a default in preference dividends (as defined in subparagraph (v) below) on the Series A Preferred Stock shall exist, the holders of the Series A Preferred Stock shall have the right, voting as a class as described in subparagraph (ii) below, to elect two directors (in addition to the directors elected by holders of Common Stock of the Corporation). Such right may be exercised (a) at any meeting of stockholders for the election of directors or (b) at a meeting of the holders of shares of Voting Preferred Stock (as hereinafter defined), called for the purpose in accordance with the By-Laws of the Corporation, until all such cumulative dividends (referred to above) shall have been paid in full or until non-cumulative dividends have been paid regularly for at least one year.

(ii) The right of the holders of Series A Preferred Stock to elect two directors as described above, shall be exercised as a class concurrently with the rights of holders of any other series of Preferred Stock upon which voting rights to elect such directors have been conferred and are then exercisable. The Series A Preferred Stock and any additional series of Preferred Stock which the Corporation may issue and which may provide for the right to vote with the foregoing series of Preferred Stock are collectively referred to herein as "Voting Preferred Stock."

(iii) Each director elected by the holders of shares of Voting Preferred Stock shall be referred to herein as a "Preferred Director." A Preferred Director so elected shall continue to serve as such director for a term of one year; except that upon any termination of the right of all such holders to vote as a class of Preferred Directors, the term of office of such directors shall terminate. Any Preferred Director may be removed by, and shall not be removed except by, the vote of the holders of record of a majority of the outstanding shares of Voting Preferred Stock then entitled to vote for the election of directors, present (in person or by proxy) and voting together as a single class (a) at a meeting of the stockholders, or (b) at a meeting of the holders of shares of such Voting Preferred Stock; called for the purpose in accordance with the By-laws of the Corporation, or (c) by written consent signed by the holders of a majority of the then outstanding shares of Voting Preferred Stock then entitled to vote for the election of directors, taken together as a single class.

(iv) So long as a default in any preference dividends on the Series A Preferred Stock shall exist or the holders of any other series of Voting Preferred Stock shall be entitled to elect Preferred Directors, (a) any vacancy in the office of a Preferred Director may be filled (except as provided in the following clause (b)) by an instrument in writing signed by the remaining Preferred Directors and filed with the Corporation and (b) in the case of the removal of any Preferred Director, the vacancy may be filled by the vote or written consent of the holders of a majority of the outstanding shares of Voting Preferred Stock then entitled to vote for the election of directors present (in person or by proxy) and voting together as a single class at such time as the removal shall be effected. Each director appointed as aforesaid by the remaining Preferred Director shall be deemed, for all purposes hereof, to be a Preferred Director. Whenever (1) no default in preference dividends on the Series A Preferred Stock shall exist and

(2) the holders of other series of Voting Preferred Stock shall no longer be entitled to elect such Preferred Directors, then the number of directors constituting the Board of Directors of the Corporation shall be reduced by two.

(v) For purposes hereof, a “default in preference dividends” on the Series A Preferred Stock shall be deemed to have occurred whenever the amount of cumulative and unpaid dividends on the Series A Preferred Stock shall be equivalent to six full quarterly dividends or more (whether or not consecutive), and, having so occurred, such default shall be deemed to exist thereafter until, but only until, all cumulative dividends on all shares of the Series A Preferred Stock then outstanding shall have been paid through the last Quarterly Dividend Payment Date or until, but only until, non-cumulative dividends have been paid regularly for at least one year.

(d) Except as set forth herein (or as otherwise required by applicable law), holders of Series A Preferred Stock shall have no general or special voting rights and their consent shall not be required for taking any corporate action.

#### 4. Certain Restrictions.

(a) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably in the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (a) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

#### 5. Reacquired Shares.

Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set

forth herein, in the Certificate of Incorporation, or in any other Certificate of Designations creating a series of Preferred Stock or any similar stock or as otherwise required by law.

6. Liquidation, Dissolution or Winding Up.

(a) Subject to the prior and superior rights of holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Preferred Stock with respect to rights upon liquidation, dissolution or winding up (voluntary or otherwise), no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received \$100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Capital Adjustment") equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 100 (the "Adjusted Number"). Following the payment of the full amount of the Series A Liquidation Preference and the Capital Adjustment in respect of all outstanding shares of Series A Preferred Stock and Common Stock, respectively, holders of Series A Preferred Stock and holders of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(b) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series A Preferred Stock, then such remaining assets shall be distributed ratably to the holders of Series A Preferred Stock and the holders of such parity shares in proportion in their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Capital Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

7. Consolidation, Merger, etc.

In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provisions for adjustment hereinafter set forth, equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

8. No Redemption.

The shares of Series A Preferred Stock shall not be redeemable.

9. Ranking.

The Series A Preferred Stock shall rank, with respect to payment of dividends and the distribution of assets, junior to all series of any other class of the Corporation's Preferred Stock.

10. Amendment.

The Certificate of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class.

FIFTH

The number of directors of the Corporation shall be fixed from time to time by, or in the manner provided in its by-laws and may be increased or decreased as therein provided, but in no event shall the number of directors of the Corporation be less than five (5) nor more than eighteen (18). The directors shall be classified with respect to the time for which they shall severally hold office by dividing them as equally as the total number of directors will permit into three classes, and all directors shall hold office until their successors are elected and qualified. The term of service of each class of directors shall be three years or until the third annual meeting of the shareholders following the election of the class. The terms of service of each class of directors shall expire in successive years. At each annual meeting of the shareholders, successors to the class of directors whose terms then expire shall be elected to serve for the full term of three years or until the third annual meeting of shareholders following their election. At each succeeding annual meeting of shareholders, the shareholders shall elect directors only of the class whose terms then expire.

SIXTH

The Corporation is to have perpetual existence.

SEVENTH

The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatsoever.

EIGHTH

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized, subject to the protective conditions or restrictions, of any outstanding series of Preferred Stock fixed by the Board of Directors pursuant to the authority conferred upon the Board of Directors by Article Fourth of this Certificate of Incorporation and Section 151 of Title 8 of the Delaware Code:

1. To make, alter or repeal the By-Laws of the Corporation.
2. To authorize and cause to be executed mortgages and liens on the real and personal property of the Corporation.
3. To set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.
4. By a majority of the whole Board, to designate one or more committees, each committee to consist of two or more of the Directors of the Corporation. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member of any meeting of the committee. Any such committee, to the extent provided in the resolution or in the By-Laws of the Corporation, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; provided, however, the By-laws may provide that in the absence or disqualification of any member of such committee or committees the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they

constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

5. Subject to the provisions of Article Fourteenth of this Certificate of Incorporation, when and as authorized by the affirmative vote of the holders of a majority of the stock issued and outstanding having voting power given at a stockholders meeting duly called upon such notice as is required by statute, or when authorized by the written consent of the holders of a majority of the voting stock issued and outstanding, to sell, lease or exchange all or substantially all of the property and assets of the Corporation, including its goodwill and its corporate franchises, upon which such terms and conditions and for such consideration, which may consist in whole or in part of money or property including shares of stock in, and/or other securities of any other corporation or corporations, as its Board of Directors shall deem expedient and for the best interests of the Corporation.

#### NINTH

Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganizations shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders of this Corporation, as the case may be, and also on this Corporation.

#### TENTH

Meetings of stockholders and of the Board of Directors may be held within or without the State of Delaware, as the By-laws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-laws of the Corporation. Elections of Directors need not be by written ballot unless the By-laws of the Corporation shall so provide.

#### ELEVENTH

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

#### TWELFTH

No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its Directors or officers are Directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if:

- (a) The material facts as to his interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or

committee in good faith authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested Director or Directors; or

(b) The material facts as to his interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(c) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

### THIRTEENTH

1. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a Director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe this conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.
2. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) and amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no such indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.
3. To the extent that any person referred to in paragraphs 1 and 2 of this Article Thirteenth has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to therein or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.
4. Any indemnification under paragraphs 1 and 2 of this Article Thirteenth (unless made by a court), shall be made by the Corporation only as authorized in the specific case upon a

determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs 1 and 2 of this Article Thirteenth. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum (as defined in the By-Laws of the Corporation) consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable, or even if obtainable a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (c) by the stockholders.

5. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding in the manner provided in paragraph 4 of this Article Thirteenth upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article Thirteenth.
6. The indemnification and advancement of expenses provided by, or granted pursuant to other sections of this Article Thirteenth shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, by-law, agreement, vote of stockholders or disinterested Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.
7. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article Thirteenth.
8. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article Thirteenth shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person. Any repeal or modification of this Article Thirteenth shall not adversely affect any right to indemnification or advancement of expenses of any present or former Director, officer, employee or agent of the Corporation existing at the time of such repeal or modification.
9. For purposes of this Article Thirteenth, references to the "Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its Directors, officers, employees or agents, so that any person who is or was a Director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article Thirteenth, with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.
10. For purposes of this Article Thirteenth, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a Director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such Director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall

be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Article Thirteenth.

11. If this Article Thirteenth or any portion hereof is invalidated by any court of competent jurisdiction, then the Corporation shall nevertheless provide such indemnification and advancement of expenses as would otherwise be permitted under any portion of this Article Thirteenth that shall not have been invalidated.

#### FOURTEENTH

1. Except as set forth in paragraph 2 of this Article Fourteenth, the affirmative vote or consent of the holders of 80% of the outstanding shares of all classes of stock of the Corporation entitled to vote in elections of Directors, considered for the purposes of this Article Fourteenth as one class, shall be required to:
  - (a) for the adoption of any agreement for the merger or consolidation of the Corporation with or into any other Corporation (as hereinafter defined), or
  - (b) to authorize any sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all, or any Substantial Part (as hereinafter defined) of the assets of the Corporation or any Subsidiary (as hereinafter defined) to any Other Corporation, or
  - (c) to authorize the issuance or transfer by the Corporation of any Substantial Amount (as hereinafter defined) of securities of the Corporation in exchange for the securities or assets of any Other Corporation if, in any such case, as of the record date for the determination of stockholders entitled to notice thereof and to vote thereon or consent thereto such Other Corporation is the Beneficial Owner (as hereinafter defined) of more than 10% of the outstanding shares of the stock of the Corporation entitled to vote in elections of Directors considered for the purposes of this Article Fourteenth as one class. Such affirmative vote or consent shall be in addition to the vote or consent of the holders of the stock of the Corporation otherwise required by law, this Certificate of Incorporation or any agreement or contract to which the Corporation is a party.
2. The provisions of paragraph 1 of this Article Fourteenth shall not be applicable to any transaction described therein if such transaction is approved by resolution of the Board of Directors of the Corporation, provided that (a) a majority of the members of the Board of Directors voting for the approval of such transaction were duly elected and acting members of the Board of Directors prior to the time such Other Corporation shall have become a Beneficial Owner of more than 10% of the shares of stock in the Corporation entitled to vote in elections of Directors; or (b) such transaction is approved by resolution unanimously adopted by the whole Board of Directors of the Corporation at any time prior to the consummation thereof.
3. The Board of Directors shall have the power and duty to determine for the purposes of this Article Fourteenth, on the basis of information known to such Board, if and when any Other Corporation is the Beneficial Owner of more than 10% of the outstanding shares of stock of the Corporation entitled to vote in elections of Directors, and any such determination shall be conclusive and binding for all purposes of this Article Fourteenth.
4. As used in this Article Fourteenth, the following terms have the meanings as set forth below:
  - (a) “Other Corporation” means any person, firm, corporation or other entity, other than a subsidiary of the Corporation.
  - (b) “Substantial Part” means any assets having a then fair market value, in the aggregate, of more than \$5,000,000.

(c) “Subsidiary” means any corporation in which the Corporation owns, directly or indirectly, more than 50% of the voting securities.

(d) “Substantial Amount” means any securities of the Corporation having a then fair market value of more than \$5,000,000.

(e) “Beneficial Owner” of stock means a person, or an affiliate or “associate” of such person (as such terms are defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934 as in effect on February 1, 1978), who directly or indirectly controls the voting of such stock, or who has any option, warrants, conversion or other rights to acquire such stock.

## FIFTEENTH

In addition to any separate class vote, if any, which may be required by law, the affirmative vote of the holders of 80% of the outstanding shares of all classes of stock of the Corporation entitled to vote in the election of Directors, such outstanding shares of stock to be considered as one class, shall be required in order to amend or repeal any of the provisions of Article Fourteenth or subsection 5 of Article Eighth of the Certificate of Incorporation. The affirmative vote of the holders of 66-2/3% of the outstanding shares of all classes of stock of the Corporation entitled to vote in the election of Directors, such outstanding shares of stock to be considered as one class, shall be required in order to amend or repeal any of the provisions of Article Fifth of the Certificate of Incorporation. The same respective stockholder vote requirements prescribed by the foregoing provisions of this Article Fifteenth shall also be required, respectively, in order to amend or repeal the respective foregoing provisions of this Article Fifteenth prescribing such stockholder vote requirement.

## SIXTEENTH

1. The provisions of this Article Sixteenth shall apply independently of any other provision of this Certificate of Incorporation if any Other Corporation (as hereinafter defined) seeks to accomplish a Business Combination (as hereinafter defined) within the ten year period following the date the Other Corporation became an Acquiring Entity (as hereinafter defined).

2. As used in this Article Sixteenth, the following terms shall have the meanings as set forth below:

(a) “Acquiring Entity” means any Other Corporation which is, and for fewer than ten years has been, the Beneficial Owner of more than 10% of the outstanding shares of stock of the Corporation entitled to vote in elections of Directors, considered for the purposes of this paragraph as one class.

(b) “Affiliate” or “Associate” of a person have the same meaning as is assigned to such terms under Rule 12b-2 of the General Rules and Regulations (the “Regulations”) under the Securities and Exchange Act of 1934 as in effect on March 1, 1983.

(c) “Beneficial Owner” of stock means a person, or an Affiliate or Associate of such person, who is a “beneficial owner” of stock, as such term is defined under Rule 13d-3 of the Regulations as in effect on March 1, 1983, except that, without limitation, any shares of voting stock of the Corporation that any Acquiring Entity, or any Affiliate or Associate of such Acquiring Entity, has the right to acquire pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise shall be deemed beneficially owned by the Acquiring Entity.

(d) “Business Combination” means any transaction as described in paragraph 1 of Article Fourteenth.

(e) “Continuing Director” means a Director duly elected to the Board of Directors prior to the time the Other Corporation became an Acquiring Entity, and the term “Outside Directors” shall mean a Director who is not (i) an officer or employee of the Corporation or any relative of an officer or employee or (ii) an Acquiring Entity, or an officer, Director, employee, Affiliate or Associate of an Acquiring Entity, or a relative of any of the foregoing.

(f) “Other Corporation” shall have the same meaning as set forth in paragraph 4 of Article Fourteenth.

For the purposes of this Article Sixteenth, the Board of Directors shall have the power and duty to determine, on the basis of information known to such Board, if and when any Other Corporation is or has become an Acquiring Entity. Any such determination shall be conclusive and binding for all purposes of this Article Sixteenth.

3. Except as set forth in paragraph 4 of this Article Sixteenth, the affirmative vote of the holders of 66-2/3% of all classes of stock of the Corporation entitled to vote in elections of directors, considered for this purpose as one class, excluding stock of which the Acquiring Entity is the Beneficial Owner, shall be required for approval of any Business Combination with any Other Corporation unless all of the following conditions are fulfilled:

(a) The cash or fair market value or other consideration to be received per share by common stockholders of the Corporation in such Business Combination will not, at the time of the Business Combination is effected, be less than the greater of:

(i) the highest per share price (including brokerage commissions and/or soliciting dealers’ fees) paid by the Acquiring Entity in acquiring any of its holdings of the Corporation’s Common Stock; or

(ii) an amount bearing a percentage relationship to the market price of the Corporation’s Common Stock immediately prior to the public announcement of such Business Combination equal to the highest percentage relationship that any per share price (including brokerage commissions and/or soliciting dealers’ fees) theretofore paid by the Acquiring Entity for any of its holding of the Corporation’s Common Stock bore to the market price of such Common Stock immediately prior to the transaction resulting in the acquisition of such Common Stock; or

(iii) the book value of the Corporation’s Common Stock as of the end of the most recent calendar quarter determined in accordance with generally accepted accounting principles; or

(iv) an amount calculated by multiplying the earnings per share of the Corporation’s Common Stock for the four fiscal quarters immediately preceding the record date for determination of stockholder entitled to vote on such Business Combination by the then price earnings multiple of the Acquiring Entity as customarily computed and reported in the financial press.

Appropriate adjustments shall be made with respect to (i), (ii), (iii) and (iv) above for recapitalization and for stock splits, stock dividends, and like distributions. For purposes of subparagraph 3(a) of this Article Sixteenth, the term “other consideration to be received” shall include, without limitation, capital stock of this Corporation retained by its existing public stockholders in the event of a Business Combination in which this Corporation is the surviving corporation.

(b) After the Other Corporation has become an Acquiring Entity:

(i) the Corporation’s Board of Directors shall have included at all times representation by one or more Continuing Directors unless the lack of such representation

results entirely from either death or normal retirement under retirement policies in effect prior to the time the Other Corporation became an Acquiring Entity; and

(ii) there shall have been no reduction in the rate of dividends payable on the Corporation's Common Stock except as required by law or as may be necessary to insure that the Corporation is not in breach of any covenant in any of its agreements for borrowed money, or except as may have been approved by a majority vote of the Continuing Directors; and

(iii) such Acquiring Entity shall not have acquired any newly issued shares of stock, directly or indirectly, from the Corporation (except upon conversion of convertible securities acquired by it prior to becoming an Acquiring Entity or as a result of a pro rata stock dividend or stock split, or except with the approval of a majority vote of the Continuing Directors).

(c) Without the approval of a majority vote of the Continuing Directors, such Acquiring Entity shall not have (i) received the benefit directly or indirectly (except proportionately as a stockholder) of any loans, advances, guarantees, pledges or other financial assistance provided by the Corporation, or (ii) made any major changes in the Corporation's business or equity structure.

(d) A timely mailing shall have been made to the stockholders of this Corporation containing in a prominent place (i) any recommendations as to the advisability (or inadvisability) of the Business Combination that the Continuing Directors or Outside Directors may choose to state, if there are at the time any such Directors, and (ii) the opinion of a reputable nationally recognized investment banking or financial services firm as to the fairness (or not) of the terms of the Business Combination, from the point of view of the stockholders of this Corporation other than the Acquiring Entity (such firm to be engaged solely on behalf of such other stockholders, to be paid a reasonable fee for its services by this Corporation upon receipt of such opinion, to be a firm that has not previously been significantly associated with the Acquiring Entity and, if there are at the time any such Directors, to be selected by a majority of the Continuing Directors and Outside Directors).

4. The provisions of paragraph 3 of this Article Sixteenth shall not be applicable to any Business Combination if (a) such transaction is approved by resolution unanimously adopted by the whole Board of Directors of the Corporation at any time prior to the consummation thereof; or (b) the Business Combination is solely between this Corporation and another corporation, 50% or more of the voting stock of which is owned by this Corporation and none of which is owned by the Acquiring Entity; provided that if this Corporation is not the surviving entity, each stockholder of this Corporation receives the same type of consideration in such transaction in proportion to his stock holdings and the provisions of this Article Sixteenth of the Corporation's Certificate of Incorporation are continued in effect or adopted by such surviving corporation as part of its Articles of Incorporation or Certificate of Incorporation, as the case may be, without any charge.
5. In connection with a proposed Business Combination, the Continuing Directors may retain special outside legal counsel, an investment banking firm, an accounting firm, and such other experts that they, in their discretion, may deem necessary or appropriate to assist them in their evaluation of the transaction, all at the expense of the Corporation.
6. In addition to any other provision of this Certificate of Incorporation, there shall be required to amend, alter, change or repeal any of the provisions of this Article Sixteenth the affirmative vote of the holders of 66-2/3% of all classes of stock of the Corporation entitled to vote in elections of Directors, considered for this purpose as one class, excluding stock of which an Acquiring Entity, if any, is the Beneficial Owner.

7. Nothing in this Article Sixteenth shall be construed to relieve an Acquiring Entity from any fiduciary obligation imposed by law. The conditions and voting requirements of this Article Sixteenth shall be in addition to the conditions and voting requirements imposed by law or other provisions of this Certificate of Incorporation, including, without limitation, Article Fourteenth.

#### SEVENTEENTH

No director or officer of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, except to the extent such elimination or limitation of liability is not permitted under the Delaware General Corporation Law as presently in effect or as the same may hereafter be amended. No amendment or repeal of this provision shall apply to or have any effect on the liability of any director or officer of the Corporation for any acts or omissions of such director or officer occurring prior to such amendment or repeal.

**IN WITNESS WHEREOF**, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation as of \_\_\_\_\_, 2023.

By: \_\_\_\_\_  
Name:  
Title:



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