Risk Factors Comparison 2024-02-28 to 2023-02-24 Form: 10-K

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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~~ **auto** liability, general liability, errors and omissions **(E & O)** and directors' and officers' **(D & O)** 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, **2023,** 2022, **and** 2021 ~~and 2020~~, the Company experienced consolidated favorable development of reserves for losses and loss adjustment expenses incurred in prior years of $ **305. 8 million, $** 282. 6 million, **and** $ 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~~ **2023**, the consolidated investment portfolio reflected an allocation of approximately ~~80~~ **83** % to fixed income (bonds and notes) and short- term investments, and ~~20~~ **17** % to equity securities (common stocks). For the years ended December 31, **2023,** 2022, **and** 2021 ~~and 2020~~, the Company reported $ **578. 3 million, $** 459. 5 million, **and** $ 434. 3 ~~million and $ 438. 9~~ million of net investment income, respectively. The Company' s **entire** ~~investments~~ - **investment** ~~are~~ **portfolio is** subject to market- wide risks and fluctuations **inherent in the financial markets, including but not limited to, inflation, regulatory changes, inactive capital markets, governmental and social stability, economic outlooks, unemployment, financial industry events, and recession**, 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, **2023,** 2022, **and** 2021 ~~and 2020~~ to the holding company by its subsidiaries amounted to $ **673. 3 million, $** 614. 6 million, **and** $ 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 **- based information systems** to conduct business. The Company uses computer systems ~~to store~~ and **other electronic** ~~manage customer, employee, and company data and~~ information **resources,** ~~. These computer systems include~~ **including** both proprietary and third **-** party technology systems and tools ~~. In addition~~ , ~~the Company routinely~~ **to process,** ~~transmits~~ - **transmit** , ~~receives~~ - **receive,** and ~~stores~~ - **store certain** personal, confidential **,** and proprietary information **; to communicate with customers, service providers and other third parties** by email and other electronic means **;** ~~. The Company~~ and ~~its employees and agents also~~ **perform various business operations, including** ~~transfer~~ **transferring** 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~~ **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 **' s investments in new underwriting subsidiaries are unsuccessful, the Company' s expectations for top- and bottom- line growth may not be met. A significant component of the Company' s growth strategy includes the successful investment in new specialized insurance businesses focused on specialty niches. The Company makes upfront investments to build these new ventures and additional expenditures are required to support them as they seek to grow to scale. These new underwriting subsidiaries may not meet the Company' s growth and profitability targets, and given the start- up nature of these new businesses, there is a risk that the Company could suffer the loss of all or a significant portion of its capital investments. In addition, these new businesses are exposed to risks and challenges that could cause the Company' s overall growth projections to differ materially from expectations. These risks include, but are not limited to: the loss of one or more key employees, challenges in building new information technology (IT) systems and / or integrating new systems with existing IT systems, and difficulty in underwriting and managing exposures to new products and new markets, which may change the Company' s overall risk exposure. In addition, changing market conditions in these new business lines could also lead to growth and profitability expectations not being met. These challenges could negatively impact the Company' s results in the near term, and if the investment in these subsidiaries is not successful, the Company' s results of operations and financial condition could be materially and adversely affected. 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 **IT** ~~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 **IT** ~~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~~ **a material** 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~~ **five** 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 /~~ **premium and fee** 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~~ **auto** 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 **the Terrorism Risk Insurance Act (** TRIA **)** , **the Terrorism Risk Insurance Revision and Extension Act (** TRIREA **)** , and **the Terrorism Risk Insurance Program Reauthorization Act (** 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 **was** ~~has been~~ adversely affected by the pandemic. The impact of ~~the~~ **a** 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 **creditworthy** ~~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~~ **2023** , approximately $ ~~3~~ **2** . 0 billion or ~~80~~ **79** . ~~5~~ **0** % 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~~ **2023** , 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 disproportionally affect Florida. For example, a declining business climate or real estate market that is localized in Florida could have an adverse effect on the segment' s results of operations. Adverse regulatory developments, including reductions in rates or increased regulatory or capital requirements in Florida could similarly adversely affect the segment' s business, financial condition **,** and results of operations. A title failure or other claim on a large commercial title policy could adversely affect the Title Insurance segment and the Company. The Title Insurance segment' s commercial business involves the issuance of title policies on commercial properties. Policies insuring title on large commercial properties (or aggregations of many smaller properties) may have policy exposure extending into the hundreds of millions of dollars. Historically, the segment has not obtained reinsurance on its large commercial policies. Given the large policy limits, a significant loss on one of these policies ~~would~~ **could** have a material adverse effect on the Title **Insurance** segment and the Company. SPECIFIC RISKS RELATING TO THE RFIG **RUN** - ~~RUNOFF~~ **OFF** SEGMENT Inadequate reserves for losses could **have a** ~~materially~~ -- **material** ~~adversely~~ -- **adverse** ~~affect~~ **effect on** 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. **On November 11, 2023, a definitive agreement was reached to sell the RFIG Run- off mortgage insurance business, including the asset portfolio and reserves, to Arch U. S. MI Holdings Inc., a subsidiary of Arch Capital Group Ltd., with the sale expected to close in the first half of 2024, subject to customary closing conditions, regulatory approvals, and other contingencies. The pending divestiture was disclosed in a Form 8- K filed on November 13, 2023.**