



PAT QUINN
Governor

ANDREW BORON
Director

NEWS

Illinois Department of Insurance

FOR IMMEDIATE RELEASE:
Tuesday, December 11, 2012

CONTACT: Kimberly Parker
312 814-1577

Triad Guaranty Insurance Corporation and Triad Guaranty Assurance Corporation Agree to Being Placed into Rehabilitation

Dept of Insurance will present a plan to address future payment of claims

CHICAGO - December 11, 2012. Illinois Department of Insurance (DOI) Director Andrew Boron today announced an Agreed Order of Rehabilitation has been entered against Triad Guaranty Insurance Corporation (Triad) and its subsidiary Triad Guaranty Assurance Corporation (TGAC) with the consent of their respective Boards of Directors by the Circuit Court of Cook County, Illinois. The court also entered a finding of insolvency against Triad. Both companies, located at 101 South Stratford Road, Winston-Salem, North Carolina, were formerly authorized to transact the business of mortgage guaranty insurance, which insures banking institutions for financial loss associated with residential mortgage defaults. The Companies ceased issuing new commitments for mortgage guaranty insurance in 2008, and have been operating their business under two Corrective Orders issued by DOI.

Under Illinois law, DOI's Director is appointed statutory Rehabilitator of both companies involved. Generally, an Order of Rehabilitation allows DOI's Director to restructure an insurance company's business. The restructuring or "run-off" involves taking over the affairs of a company but not taking on new obligations or issuing new or renewing policies. The Director is vested with title to the company's property, assets, rights of action or lawsuits, books, records and premises. In accordance with the Illinois Insurance Code, DOI's Director is charged with preparing and presenting a Plan of Rehabilitation to address future payment of the claims of Triad's creditors, including mortgage lenders Fannie Mae, Freddie Mac, and other mortgage banking institutions. Director Boron expects to file a Plan of Rehabilitation with the Supervising Court in approximately 45 days.

"I want to commend the Triads' Boards and management for their commitment and cooperation during this transition," said Director Boron. "The department will have oversight and management authority over Triads' business and affairs. And we are committed to working in the best interest of Triads' creditors."

A copy of the Order of Rehabilitation is available at www.osdchi.com or can be obtained by calling the Office of the Special Deputy Receiver (OSD) at 312-836-9500, located at 222 Merchandise Mart Plaza, Suite 960, Chicago, IL, 60654. OSD is assisting Director Boron with the rehabilitation of Triad and TGAC.

###