

## **BAM Announces Agreement to Expand Claims-Paying Resources by \$100 Million**

04-16-2018

NEW YORK--(BUSINESS WIRE)--Build America Mutual, the only mutual insurer of U.S. municipal bonds, today announced it will be adding to its strong internal capital growth and expanding its claims-paying resources by \$100 million through a collateralized reinsurance agreement with Fidus Re Ltd., a special-purpose insurer created solely to provide collateralized reinsurance protection to BAM.

"As a mutual insurer, BAM was designed to generate unparalleled capital strength to support its guaranty and benefit our investors and issuer members," said Seán W. McCarthy, Chief Executive Officer of BAM. "We have delivered on that promise with capital strength well in excess of rating agency and regulatory requirements. This transaction, the first of its kind, is a creative way for us to expand that surplus even further at an attractive price, which speaks to the quality of BAM's insured portfolio and the strength of BAM's position in the marketplace."

"Having a stable and durable foundation of financial strength allows BAM to remain focused on our mission: Providing efficient capital markets access to U.S. public sector issuers who finance essential public infrastructure, and serving municipal bond investors with durable ratings, transparency, and protection against default," said BAM Chairman Robert Cochran. "This foundation was built into our structure from day one when BAM was organized as a mutual insurer, has continued as we have grown our capital base organically, and is further enhanced today by the Fidus transaction."

The reinsurance protection is scheduled to become effective during the second quarter of 2018.

### About Build America Mutual

Domiciled in New York, BAM is a mutual bond insurance company operated for the benefit of its members – cities, states and other municipal entities – that use BAM's financial guaranty to lower their cost of borrowing. BAM is sponsored by the National League of Cities, and was launched in 2012 with initial capital provided by subsidiaries of White Mountains Insurance Group, Ltd. (NYSE:WTM). Through March 31, 2018, BAM insured more than \$46 billion of municipal bonds in more than 5,500 primary and secondary-market transactions, and delivered an estimated \$550 million of savings for its members. BAM-insured bonds are rated AA with a Stable outlook by S&P Global Ratings.

### Contacts

Build America Mutual  
Michael Stanton, 212-235-2575  
Head of Corporate Strategy and Communications  
[mstanton@buildamerica.com](mailto:mstanton@buildamerica.com)