

S&P Affirms Build America Mutual's AA Rating and Stable Outlook Under New Methodology

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NEW YORK--(BUSINESS WIRE)--Nov. 22, 2019-- S&P Global Ratings today affirmed its AA rating and stable outlook for Build America Mutual, the largest municipal-only bond insurer, recognizing BAM's "excellent capital and earnings" and other key strengths in assigning BAM the highest rating S&P maintains for any active bond insurer. The rating was affirmed following the adoption of new ratings methodologies for bond insurance that align the sector with S&P's ratings for other insurers.

"We're pleased that S&P has concluded the process of bringing all insurers under a common criteria and recognized BAM's extraordinary capital strength and unique mutual structure in affirming our rating," said BAM Chief Executive Officer Sean W. McCarthy. "S&P's new methodology enhances transparency for our stakeholders and will support the durability of our rating going forward."

In a Research Update accompanying the ratings action, S&P said the rating reflected BAM's "very strong competitive position," "excellent capital and earnings" based on the total assets of the operating group comprised of BAM and HG Re Ltd., "exceptional" liquidity, and "prudent underwriting discipline," reflected by an insured portfolio with an average rating of "A."

About Build America Mutual

BAM is a mutual bond insurance company operated for the benefit of its members – the cities, states and other municipal entities that use BAM's financial guaranty to lower their cost of borrowing. BAM is the official provider of bond insurance for 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 September 30, 2019, BAM has insured more than \$65 billion of municipal securities for more than 3,500 municipal issuers nationwide. Learn more at <http://buildamerica.com/mission/>

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