Exhibit 1A

Republic Mortgage Insurance Company

CORRECTIVE PLAN

Submitted to the North Carolina Department of Insurance

September 14, 2012

Submitted by Republic Mortgage Insurance Company

(A subsidiary of Republic Financial Indemnity Group, Inc.)

Preface

This Corrective Plan ("Plan") is submitted to the North Carolina Department of Insurance ("NCDOI") pursuant to the provisions of a Summary Order ("Order") issued by Commissioner Wayne Goodwin on January 19, 2012. The order placed Republic Mortgage Insurance Company ("RMIC" or "Company") under administrative supervision in accordance with the provisions of N.C. Gen. Stat. Section 58-30-60.

Pursuant to the Order, RMIC is authorized to run-off its in-force business under a NCDOI-supervised operating plan whereby all claim payments after January 19, 2012, are limited to an initial 50% partial payment and the balance deferred as a claim reserve deferred payment obligation ("DPO"). The DPO claim reserve is to be paid at a future date as and when authorized by the NCDOI. As approved by the NCDOI the DPO claim reserve is considered in the determination of regulatory capital.

Based on early 2012 financial forecasts under a stressed or "high loss" scenario, the Company initially recommended to the NCDOI that the deferred percentage of settled claims would be set at a 40% level rather than the current 50% at which it was set pursuant to the Order. RMIC's recently updated review of those high loss ratio financial forecasts are still supportive of its previous recommendation and, accordingly, it recommends that the percentage of settled claims to be deferred be established at the 40% level retroactive to the date of the Order on January 19, 2012. RMIC also recommends that the DPO reserving method remain in place at least through December 31, 2021 in the context of RMIC's continued operation under RMIC Corporation's management team and the ongoing supervision of the NCDOI, or until such later time when ultimate claims can be known or predicted with greater certainty.

Throughout the run-off process, RMIC will be obligated to keeping the NCDOI fully informed on all material operational and financial matters and will adhere to regulatory directions including communications with other state regulators. The run-off will be conducted under the administrative supervision of the NCDOI to assure fair treatment of all insureds consistent with contract terms. Meeting these obligations in a timely manner and at the maximum value is the prime objective of the Plan.

Executive Summary

The following is an Executive Summary of the Corrective Plan:

RMIC ceased issuing commitments for new mortgage guaranty insurance coverage on August 31, 2011, and entered into voluntary run-off of its insurance business. RMIC has been under close oversight by the NCDOI since that date.

This Plan is set forth as a Corrective Plan but is in fact a resolution plan to avoid receivership and bring to conclusion the ultimate claims that will be paid from the insurance contracts issued by RMIC. The overarching objective of RMIC's Plan is to fully settle all valid policyholder claims and recoveries by all beneficiaries of RMIC's policies. The Company believes it can best do so by taking all necessary steps to enhance the value of its assets and minimize all costs of operations.

RMIC believes that the Plan will further these objectives and create certainty for policyholders. A commercial run-off outside of receivership such as contemplated by the Plan realizes several benefits and advantages. These include the following:

- A commercial run-off managed by the existing management team will maintain efficient claims handling structures that will continue to satisfy all valid policyholder claims and avoid disruptions and inefficiencies.

- Since there is no guaranty fund coverage for the mortgage insurance industry, policyholders and creditors can only depend on the values of RMIC's assets and accumulated future assets to satisfy valid claims. The existing management team is well situated to produce the greatest total value.

- The existing management team has deep industry expertise and relationships with government sponsored enterprises ("GSEs"), customers and other stakeholders, allowing for the maximization of premium collections and support in loss mitigation.

- The cornerstone of RMIC's Corporation's corporate culture is high employee morale and motivation, allowing it to retain key talent and quickly align performance and compensation with achievement of the Plan's objectives.

The proposed Plan is not without risk. Management acknowledges that there are uncertainties and other considerations which bear on the success of the Plan. Many of the assumptions used in the Plan's underlying forecasts are subject to significant business, economic, and regulatory uncertainties, as well as other contingencies which may ultimately be beyond the control of RMIC or the NCDOI. Success of the Plan also depends on effective execution, the retention of key individuals at RMIC Corporation who understand and are loyal to the business, and continued regulatory and policyholder support.

The Essential Elements of the Corrective Plan

The substance of RMIC's plan is to continue the run-off under the supervision of the NCDOI based on an initial partial payment of 60% of all claims settled from January 19, 2012 forward. RMIC believes that the DPO reserving method should remain in place at least through December 31, 2021 in the context of RMIC's continued operation under NCDOI supervision or until such other time when ultimate and actual claims can be known or predicted with greater certainty. The continuation of this method will permit present and future assets to deliver maximum values to policyholders on all settled claims as they are incurred over time. The elements of the Plan cannot be evaluated in isolation or to the exclusion of this overriding objective.

A commercial run-off, as contemplated under this Plan, realizes several benefits and advantages over a judicial receivership proceeding which can be the path chosen for a traditional property and casualty insurer. The proposed plan delivers certainty to policyholders, no interruption of claim settlements, and the amount of the initial partial claim payment is known. The existing management team possesses institutional knowledge that is critical to delivering maximum value to the endeavor. With its continued leadership, timely, responsive, and cost-effective business decisions can be made, while the delays, inefficiencies and costs inherent in a judicial receivership can be eliminated.

The Plan as designed has several distinctive advantages for the benefit of policyholders and consists of the following elements:

- RMIC's direct and assumed business will be subject to partial initial payments on all settled claims at the rate of 60% in cash, with the remaining 40% deferred and retained in claim reserves.

- The 40% in reserved DPO amounts will be subject to periodic review by the Company and the NCDOI. These amounts will be retained in claim reserves and paid by RMIC in whole or in part as and when the NCDOI approves such payment.

- The payment of the initial cash portion of a settled claim and notice of the deferred amount shall be made to each payee and reflected on the books and records of RMIC. Customarily RMIC has made payment of loss claims to the known designated servicing company or mortgage lender. This practice will continue.

- RMIC will continue to be subject to a Supervision Order similar to that entered on January 19, 2012, and any updates thereto by the NCDOI, and to the monitoring and close oversight by the latter. Any material operational changes or transactions will require NCDOI approval.

- RMIC will provide loss payees an explanation of benefits with each loss payment, indicating the amount of the settled claim that is being deferred and held in reserve. No less frequently than quarterly, RMIC will provide each loss payee a statement of account reflecting the aggregate amount of deferred payment obligation outstanding.

- RMIC recognizes that the deferred payment obligations retained in claim reserves are policyholder level claim obligations having preference over general creditor and equity claim holders, and entitled to pari passu treatment with other policyholder level claims in the event of liquidation.

Financial Overview

RMIC's financial position as of December 31, 2011 and June 30, 2012 as well as operating results for the most recent five years ended December 31, 2011 and for the six months ended June 30, 2012 are summarized below.

as of and	*RMIC (Statutory / $ in Millions)*				
for the period ended	*Cash & Invested Assets*	*Admitted Assets*	*Loss & LAE Reserves*	*Statutory Capital*	*Net Loss*
12/31/2007	$ 1,733.0	$ 1,811.4	$ 501.8	$ 1,186.6	$ (108.4)
12/31/2008	1,918.4	2,000.7	1,051.9	753.4	(428.9)
12/31/2009	2,006.0	2,098.5	1,428.5	557.6	(281.2)
12/31/2010	1,635.6	1,762.6	1,254.8	396.9	(162.5)
12/31/2011	1,220.7	1,397.2	1,267.5	40.5	(347.2)
6/30/2012 (1)	$ 1,249.1	$ 1,657.3	$ 1,425.5	$ 148.1	$ (86.9)

(1) Admitted Assets, Loss & LAE reserves and Statutory Capital reflect accumulated deferred payment amounts of $193.8 million as of June 30, 2012.

Based on RMIC's most recent high loss scenario forecast, operating losses will likely continue at least through 2014. Based on the resolution plan outlined herein, which contemplates a continuation of the DPO Plan through December 31, 2021, RMIC's invested asset base would begin to be insufficient to fully cover the accumulated reserves and DPO liability in 2017. Accordingly the need for continuation of a multi-year deferral plan as set forth herein is readily apparent.

RMIC, under the investment management of its affiliate, Old Republic Asset Management Corporation, has consistently maintained a conservatively managed, publicly traded portfolio of high quality and liquid assets. As of June 30, 2012, the Company's invested asset base, by credit quality and maturity was as follows:

Republic Mortgage Insurance Company
($ in Millions)

Credit quality & maturity schedule: Invested Assets as of June 30, 2012

	1 year or less	Over 1 year thru 5 years	Over 5 years thru 10 years	Over 10 years thru 20 years	Over 20 years	Total	*% of total*
Bond Portfolio							
Class 1	$ 118	$ 287	$ 155	$ 2	$ -	$ 562	*45%*
Class 2	24	107	188	1	50	371	*30%*
Class 3	-	1	-	-	-	1	*0%*
Below Class 3	-	-	-	-	-	-	*0%*
	142	395	343	3	50	933	*75%*
Cash,short-term & other	316	-	-	-	-	316	*25%*
Invested assets	$ 458	$ 395	$ 343	$ 3	$ 50	$ 1,249	*100%*
% of total	*37%*	*32%*	*27%*	*0%*	*4%*	*100%*	

Forecasts:

Financial forecasts for the ten-year period 2012 - 2021, with and without the impact of the 40% deferred payment obligation as to all settled claims for RMIC have, as requested, been submitted confidentially to the NCDOI.

In developing the forecasts, the Company utilizes a proprietary model to evaluate the potential long-term performance of its book of business. Of necessity, the model takes into account actual premium and claim experience of prior periods, as well as a large number of assumptions and judgments about future outcomes that are highly sensitive to a wide range of estimates. Many of these relate to matters, over which the Company has no control, including:

- The conflicted interests, as well as the mortgage servicing and foreclosure practices of a large number of insured lending institutions.
- General economic and industry specific trends and events.
- The evolving or future social and economic policies of the U.S. Government vis-à-vis such critical sectors as the banking, mortgage lending, and housing industries, as well as its policies for resolving the insolvencies and future role of Fannie Mae and Freddie Mac.

In general, the model utilizes observed premium persistency and paid loss development patterns to forecast future premiums and paid losses, on both a direct and net of reinsurance basis. Historical loss ratio trends are then considered when estimating the timing of future incurred losses.

RMIC's book of business is analyzed on a consolidated basis and then, for purposes of company level forecasting, is subjected to the terms of existing captive and intercompany reinsurance contracts. RMIC's pool business is analyzed separately and is likewise subjected to the existing intercompany quota share reinsurance agreement in order to allocate the consolidated underwriting results among the three mortgage insurers within the group.

Beyond the premium and loss forecasts, operating expenses are based solely on the costs necessary to implement and manage the run-off plan for the existing portfolio of insurance in force. The forecasted expense ratios for RMIC over the next six years are expected to be at or below historical levels, but rise in years 2018 through 2021 as the reduction in premium revenue becomes more pronounced.

Earnings on the invested asset base are assumed to remain roughly constant at an assumed long term portfolio yield of 1.5%. The forecasts do not contemplate any realized investment gains or losses from securities trades.

In summary, the forecasts provided confidentially to the NCDOI by RMIC support the implementation of a 40% deferred payment plan.

Rationale for the 40% Deferral:

As the stress high loss ratio forecasts supplied to the NCDOI indicate, at the end of 2021 RMIC would be in a position to honor approximately 88% of its aggregate claim reserves inclusive of deferred payment obligations to claim beneficiaries of the 40% DPO. While the forecasts indicate that the majority of the claim and reinsurance obligations will ultimately be satisfied, significant uncertainties continue to exist with respect to premium and loss development and in regards to the economic and legal climate in which RMIC currently operates.

More specifically, these risks and uncertainties are summarized as follows:

- *Risks associated with declines in premium persistency*: Premium projections are based on currently observed persistency patterns. Such patterns are subject to change during the run-off period. Should persistency levels decline from currently observed levels the amount of premium revenue earned in the future would likely be lower than the forecast.

  Persistency is generally affected by the level of interest rates and availability of mortgage credit. However, in recent years persistency has also been impacted by the significant increase in delinquent loans and claim settlements, and by government and other refinance and modification programs which could enable borrowers to refinance existing loans. Changes in home price trends, mortgage interest rates, availability of mortgage credit or introduction of new mortgage finance programs by mortgage lenders or by government agencies, could have a significant impact on realized persistency over the course of the run-off period.

- *Risk associated with changes in claim development patterns*: Future incurred losses have been projected on the basis of observed trends in paid loss development. In recent years, delays in foreclosure activity resulting from the unprecedented level of seriously delinquent loans, the various refinancing and loan modification programs many of delinquent loans have been subjected to, the moratoriums that have been placed voluntarily or involuntarily on servicers of delinquent loans and delays inherent in jurisdictions where foreclosure cannot proceed without judicial intervention have extended the time frame in which loans proceed to claim. Furthermore, recent development patterns have been affected by significant levels of coverage rescissions and claim denials as a result of material misrepresentations made by the borrower or the lender and/or its agent in the loan application. These factors, among others, have had a significant effect on historical claim development patterns. The risk exists that currently observed claim development patterns may not be indicative of ultimate loss development and therefore forecasted paid losses could be significantly understated.

- *Risk of inadequate loss reserves:* RMIC established reserves for loss and loss adjustment expenses based upon mortgage loans reported to be in default as well as estimates of those in default but not yet reported. Of necessity, the reserves are best estimates by management, taking into consideration its judgments and assumptions regarding the housing and mortgage markets, unemployment rates and economic trends in general. During the current widespread, sustained economic downturn, loss reserve estimates become subject to greater uncertainty and volatility. The rate and severity of actual losses could prove to be greater than expected and require RMIC to effect substantial increases in its loss reserves. Depending upon the magnitude, such increases could have a materially adverse impact on RMIC's results of operations and financial condition.

- *Risk related to arbitration and litigation:* A few policyholders or beneficiaries of the coverage who have experienced high rates of coverage rescissions have instituted or threatened to institute litigation or arbitration proceedings challenging RMIC's position on rescissions. Whether the current rates of rescission continue or decrease, it is very possible that there may be further litigation or arbitral challenges to RMIC's rescission of coverage. If any of the challenges are successful, they could have a materially adverse effect on RMIC's financial condition. Even if such challenges are unsuccessful, the costs of addressing them could be substantial.

Given the risks associated with the uncertainties outlined above, and the impact they could have on RMIC's financial condition, we nonetheless believe that a 40% DPO reserving approach remains reasonably consistent with a possible recalibration of the loss payments throughout the run-off period based on actual premium and claim development and ultimate resolution of the noted arbitration and legal challenges.

The Corrective Plan

Corrective Plan Elements

The Plan proposed by RMIC is not designed to allow the Company to come into compliance with all of the applicable requirements in North Carolina Insurance Law which could allow the Company to qualify to underwrite mortgage guaranty insurance in North Carolina or any other state. For reasons cited earlier, RMIC does not intend to resume, in the foreseeable future, the underwriting of such business. Therefore, what RMIC proposes is a resolution plan that will best serve its existing policyholders in light of the run-off situation it faces. Given the nature of mortgage guaranty insurance the resolution must encompass a long-term plan and one that can be adjusted from time to time as economic conditions change and clarity returns to the business and the industry in which it operates. The Plan will satisfy the following six objectives for the benefit of policyholders:

1. Maximize the assets available by prudently managing expenses.
2. Maximize the assets available through an orderly run-off plan that will allow premium payments to continue to flow to RMIC, as well as amounts due from captive reinsurers.
3. Ensure that claims of all policyholders are paid timely to the maximum extent allowable whenever the insured losses may occur during the life of an insured loan.
4. Conduct a run-off of RMIC's business in a responsible and professional manner by retaining key staff that can continue loss mitigation and rescission activities.
5. Keep RMIC statutorily solvent in order to avoid the costs and delays of receivership proceedings that sacrifice the interests of policyholders.
6. Provide for independent monitoring and oversight of the Plan by the NCDOI so that policyholders know that the above five objectives are being satisfied.

Details of the Corrective Plan

The substance of RMIC's Plan is to continue the run-off under the supervision of the NCDOI based on an initial partial payment of 60% of all claims settled from January 19, 2012 forward. RMIC believes that the DPO reserving method should remain in place at least through December 31, 2021 in the context of RMIC's continued operation under NCDOI supervision or until such other time when ultimate and actual claims can be known or predicted with greater certainty. The continuation of this approach will permit present and future assets to deliver maximum values to policyholders on all settled claims as they are incurred over time. The elements of the Plan cannot be evaluated in isolation or to the exclusion of this overriding objective. The following sets forth the essential elements of the Plan:

1. The run-off of RMIC's in-force direct policies of insurance will, subject to the Plan, continue in accordance with the terms and conditions of those policies. This provision will allow the continuing collection of the contract premium and the servicing of insurance on a seamless basis for the fair and equitable benefit of all policyholders.

2. RMIC will continue to satisfy all settled claims with an initial cash partial payment of 60% of the settled claim amount until otherwise instructed by the NCDOI. The unpaid balance will be retained in claim reserves. The same settlement conditions shall apply to the payment of balances due on all business assumed by RMIC under reinsurance contracts.

3. The deferred claim amounts held in claim reserves will not be paid by RMIC in whole or in part until the NCDOI approves such payment.

4. The unpaid deferred amounts of all settled claims will be retained as claim reserves and appropriately considered in the determination of statutory policyholders' surplus in accordance with the permitted statutory practices as granted by the NCDOI.

5. The partial payment of settled claims and notice of the deferred amount shall be made to the payee and reflected on the books and records of RMIC.

6. While the Plan remains in effect RMIC may recommend for the NCDOI's approval a reduction of the deferred amount and a proposed effective date for such reduction. The recommendation would be attributable to past and future claims as follows:

    (a) The percentage of the settled claim allocated to the deferred amount would be reduced to the percentage recommended and the cash amount would be increased by the corresponding percentage.

(b) RMIC would distribute to all payees a corresponding percentage of their then outstanding deferred and unpaid settled claims. Any reduction in the deferred portion and increase in cash payments would be in increments of not less that 10% of the claim amount. Any reduction and effective date would be subject to the approval of the NCDOI.

7. Consistent with long term arrangements, it is proposed that all essential services and management continue to be provided by RMIC Corporation, an affiliate of RMIC, for the duration of the Plan.

8. The assistance of NCDOI is requested to maintain the certificates of authority to conduct business in good standing in the various states.

9. RMIC will provide loss payees an explanation of benefits with each settled claim indicating the respective amounts of the partial cash payment and the unpaid deferred amount held in claim reserves. No less frequently than quarterly, RMIC will provide each loss payee a statement of account reflecting the aggregate amount of deferred payment obligation outstanding and held in claim reserves.

10. The Corrective Action Plan assumes that the oversight and control of the NCDOI will continue as set forth in the Summary Order of January 19, 2012. Further, it is recognized by RMIC that the NCDOI will continue to refine specific procedures and requirements with regards to the Corrective Action Plan as circumstances may warrant.

11. RMIC will not be required to recognize any assignment, transfer, hypothecation or similar transaction affecting the DPO claim reserves to the payee of the original claim by any policyholder, trustee, servicing company or beneficiary of right, title or interest in the deferred payment obligation.

12. RMIC shall report to unaffiliated assuming reinsurers the amount of a settled claim as if it had been paid fully in cash and will seek full payment in accordance with the existing contracts of reinsurance.

RMIC will recognize that the deferred payment obligations are policyholder level claim reserves having preference over general creditor and equity claim holders and entitled to pari passu treatment with other policyholder level claims in the event of liquidation. Similarly, the deferred portion of any assumed reinsurance of RMIC will continue to be recognized as reinsurance obligations.

Explanation of Why the Proposed Corrective Plan is in Policyholder's Best Interests

RMIC believes that a commercial run-off such as contemplated by the Plan realizes several distinctive benefits and advantages. These include the following:

- A commercial run-off serviced and managed for the duration of the Plan by RMIC Corporation's existing employees and management team will maintain efficient claims handling structures that will continue to satisfy all valid policyholder claims and avoid disruptions and inefficiencies.

- Since there is no guaranty fund coverage for the mortgage insurance industry, policyholders and creditors can only depend on the values of RMIC's assets and accumulated future assets to satisfy valid claims. RMIC Corporation's management team is well situated to produce the greatest value.

- The existing management team has deep industry expertise and relationships with government sponsored enterprises ("GSEs"), customers and other stakeholders, allowing for the maximization of premium collections and support in loss mitigation.

- The cornerstone of RMIC's Corporation's corporate culture is high employee morale and motivation, allowing it to retain key talent and quickly align performance and compensation with achievement of the Plan's objectives.

Run-off Priorities

As stated earlier, the Plan proposed by RMIC is in reality a resolution or run-off plan to wind-up the policy obligations of RMIC in an effective and efficient manner. This objective necessitates the establishment of the following priorities:

Priority 1 – Employee Retention

Through its employees and management team RMIC Corporation has run a very efficient business from an expense ratio standpoint. This has been helped in part by a long-term focus on utilizing a mix of full-time associates and contract employees to help manage the volume fluctuations in the business.

Recently RMIC Corporation has undergone several major staff reductions in order to right-size the business for the existing market conditions and to ultimately position the Company for a successful run-off of the book. At its recent peak in 2005, RMIC Corporation had 450 full-time associates. As the mortgage markets collapsed, in 2007 and beyond, this number has been reduced significantly. In the summer of 2011, the business had 329 full-time associates. In August of 2011, with waivers not extended by the NCDOI, the business was placed into run-off operating mode. Since then a further staff reduction has occurred and year-end 2011 staffing consisted of 205 associates. In early February of 2012 another staff reduction was undertaken and the remaining associate count at the end of the second quarter of this year was approximately 130.

A meaningful number of existing associates are currently engaged in volume-based activities. These include HAMP and HARP modification activities and the review of currently delinquent loans for adherence to the Master Policy and underwriting guidelines. These activities are expected to abate as this year comes to a close. At that point additional associates are expected to separate from RMIC Corporation.

Several steps have been taken to assure the retention and continued service of associates who are deemed most important to the run-off. As the run-off evolves, RMIC Corporation should transition to a more stable staffing environment. The final disposition of the loans that contain misrepresentation and modification programs supported by the GSE's and federal government which are targeted towards reducing defaults in existing loan portfolios should wane gradually.

- RMIC Corporation's first step in assuring continued employment has been to pay severance to all of the associates who have been terminated. The established severance package at RMIC Corporation allows for two weeks of salary for each year of service.

- The next step was to offer retention bonuses to key associates who will be of needed assistance in the run-off. RMIC Corporation believes that it is more efficient to retain existing staff with solid knowledge of its business than to attempt to attract new people to a run-off insurance operation in Winston-Salem.

- RMIC Corporation will strive to maintain a positive work environment to encourage tenure by the most qualified associates needed in a run-off operating mode.

Priority 2 – Leadership and Staffing

The management of RMIC in run-off operating mode is presented with unique human resource challenges:

- How to retain managers and staff with irreplaceable institutional knowledge.

- How to retain and motivate individuals in an environment that is uncertain except for the near certainty that many will eventually lose their jobs.

- How to attract and retain the best people as the run-off evolves.

- How to retain people with essential core competencies, especially when they will be required to do more with less support as the organization shrinks.

- How to retain senior management that will execute the run-off plan when they may have better opportunities available to them with an operating enterprise.

- How to create an organizational culture that is at once motivated and challenged by run-off operating mode that best serves policyholder interests.

As previously noted, the Company believes that a combination of its existing severance plan and a reasonable retention plan for those associates most important to the run-off operating mode will contribute significantly to a stable employee base as circumstances develop. In spite of these initiatives, the Company recognizes that it will be a challenge to keep those associates necessary to effectuate a successful run-off. With this in mind, the Company will continue to evaluate the qualifications of key associates within individual departments who can be capable of taking additional responsibilities in the event of departures of associates currently identified as most important to the run-off.

Priority 3 – Lender and Beneficiary Communication Efforts

The primary objective of the Plan is to satisfy all valid insurance obligations due to RMIC's policyholders. As further discussed elsewhere herein, the Plan is subject to various risks and uncertainties that may require a substantial change to the Plan in the future. Such an alteration would of course require NCDOI approval and any necessary participation by RMIC's policyholders and any recommendations regarding possible modifications. For this to occur, policyholders will need to be kept informed on the progress of the Plan and its results.

For these reasons, and the simple fact that the Company's policyholders will benefit from implementation of the Plan or any modifications thereto, RMIC intends to be openly transparent in its accountability to them.

The Company has always maintained close lender and policyholder relationships. The significant relationships with Fannie Mae and Freddie Mac in particular are maintained in the Winston-Salem home office of the Company through continuing associates in the most important areas of everyday operations. The Company maintains a significant web presence that allows servicers to access such matters as claims status and updates of various issues impacting the servicing of their books of business. The

Company's website will continue to be the primary medium for communication and access to financial statements and any other pertinent news relative to the Plan.

Priority 4 – Run-Off Expertise

Since its inception, RMIC has been a growth oriented company focused on customer service, prudent risk management and shareholder value. Managing the Company in a run-off operating mode is a challenge of the utmost importance. The Company, its operating infrastructure and its existing group of associates have the necessary experience and institutional knowledge that is well suited to successfully execute the Plan. The Company also has experience in running off the TICOR mortgage insurance book of business on a third-party basis during the 1990's. Several of the key associates from that TICOR run-off continue to be employed with RMIC Corporation.

Priority 5 – Alignment of Investment Portfolio

The Company, under the investment management of its affiliate, Old Republic Asset Management Corporation will continue to manage, with the appropriate approvals from the NCDOI, the investment portfolio with a focus on high-quality liquid investments of a duration that matches fairly the timing of anticipated claims obligations.

Priority 6 – Reinsurance

Management and staff will continue to pursue all reinsurance ceded recoveries to which the Company is entitled under various reinsurance arrangements. Any amendments, commutations or novations of RMIC's existing reinsurance contracts will be approved in advance by the NCDOI.

Priority 7 – Strategic Initiatives

The Company is focusing on the following issues as key to the successful execution of the run-off plan:

- Assure the seamless operation and integrity of all of the systems that serve the policy servicing, claims, and financial accounting areas of the Company.

- Maintain pro-active relationship with the key stakeholders in the process:
    - The North Carolina Department of Insurance (NCDOI).
    - Fannie Mae and Freddie Mac.
    - Large servicers of mortgages particularly those who hold significant numbers of insured loans in their mortgage portfolios.

    - Maintain key contacts with the government entities that are driving the modification activity on delinquent loans.

- Manage the current and prospective legal exposures to the best possible outcome for the Company.

- Continue to pursue all possible modification opportunities on loans in the portfolio, particularly any new programs potentially related to principal reduction.

- Continue to aggressively enforce all of the rights under master policies particularly those related to misrepresentation and the servicers' obligation to help mitigate the insurers' loss.

Certain Considerations and Risk Factors

This document sets forth RMIC's proposal for a commercially feasible run-off designed to be in the best interests of RMIC's policyholders, claimants and other constituencies. The Plan complies with applicable laws and regulations. Without limiting the scope of its duties and responsibilities, the management of RMIC acknowledges that there are many uncertainties, including those associated with financial forecasts and other considerations which will bear on the success of the Plan. These risks include but are not limited to the following:

- **The Plan and Financial Forecasts Involve Subjective Professional Judgments**

- **Improving Forecasted Results will Require Successful Execution on all Fronts**

- **The Plan's Success will Depend on Cost-Effectively Retaining and Adding Skill Sets to Management and Staff**

- **Continued Regulatory Support will be Critical to Success**

- **Further Adverse Development in the Housing and Mortgage Markets Could Cause Much Higher Losses than Any Forecasted to Date**

- **Litigation Risks Remain**