



REPUBLIC MORTGAGE INSURANCE COMPANY

Christopher S. Nard
President/CEO

To: All Policyholders and Beneficiaries
of Mortgage Guaranty Insurance Policies Issued
by Republic Mortgage Insurance Company ("RMIC")

From: Christopher S. Nard

Date: January 25, 2012

Subject: Order of Supervision Issued by the North Carolina Department of Insurance

RMIC had been operating pursuant to a waiver of minimum state regulatory capital requirements since late 2009. The waiver expired on August 31, 2011. The business was then placed in run-off operating mode. In this run-off situation the Company has collected renewal premiums, participated in industry modification activities, and paid valid claims on policies in force as of August 31, 2011. No new business has been written since the latter date.

On January 19, 2012 the North Carolina Department of Insurance ("NCDOI") issued an Order of Supervision ("Order") providing for its immediate administrative supervision of RMIC. Please click [here](#) for a copy of the Order.

Under the Order, RMIC continues to manage the business through its employees, and retains its status as a wholly-owned subsidiary of its parent holding company, Old Republic International Corporation. The primary impact on policyholders and their beneficiaries is the Order's requirement that RMIC may not pay more than fifty percent of any claims allowed under any policy of insurance it has issued. The remaining fifty percent shall be deferred and credited to a temporary surplus account on the books of RMIC during an initial period not to exceed one year. Accordingly, all claim payments made on January 19, 2012 and thereafter will therefore be made at the rate of fifty percent.

The NCDOI has scheduled an informal conference to be attended by RMIC and policyholders that wish to attend to discuss the Order of Supervision and any corrective plan proposed by RMIC. The conference will be held on Wednesday, February 22, 2012, at 10:00 A.M. in the Jim Long Hearing Room, Room #3009 of the Dobbs Building, located at 430 North Salisbury Street, Raleigh, Wake County, North Carolina. If you would like to attend the informal conference please RSVP to the Company at 336-661-4255.

A Subsidiary of Old Republic International Corporation

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