



NEWS RELEASE

Arch Capital Group Ltd. Confirms Participation in Freddie Mac's New Mortgage Pilot Program

2018-03-13

HAMILTON, Bermuda--(BUSINESS WIRE)-- Arch Capital Group Ltd. [NASDAQ:ACGL], a globally diversified mortgage and property/casualty insurer and reinsurer, is committed towards delivering traditional and innovative mortgage risk transfer products that provide meaningful and affordable capacity to the U.S. housing sector.

Arch today confirms that it is, through a new U.S. subsidiary and in conjunction with Freddie Mac, piloting a new mortgage credit risk transfer program, deemed "IMAGIN" (Integrated Mortgage Insurance), to attract a diversified and robust capital base to the U.S. housing market, in a highly efficient structure, that will support market stability through economic cycles.

Arch has established a new Washington D.C. based subsidiary, Arch MRT, which will insure Freddie Mac and transfer 100% of the risk assumed to a panel of diversified, well-capitalized, and highly rated (re)insurers that provide high quality collateral assets in trust. This arrangement encourages additional participants and capital to support first-loss exposure in mortgages. The high quality panel of (re)insurers will competitively bid, through a transparent process, to provide, over the long term, lower cost mortgage insurance for borrowers.

Arch remains committed to providing mortgage risk transfer solutions across many offerings such as primary mortgage insurance through Arch Mortgage Insurance Company, credit risk transfer transactions (CRT), MRT, and other forms of protection as the marketplace evolves.

Arch Capital Group Ltd., a Bermuda-based company with approximately \$11.30 billion in capital at December 31, 2017, writes insurance, reinsurance and mortgage insurance on a worldwide basis through its wholly owned

subsidiaries.

Cautionary Note Regarding Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements. This release or any other written or oral statements made by or on behalf of Arch Capital Group Ltd. and its subsidiaries may include forward-looking statements, which reflect our current views with respect to future events and financial performance. All statements other than statements of historical fact included in or incorporated by reference in this release are forward-looking statements.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe” or “continue” or their negative or variations or similar terminology. Forward-looking statements involve our current assessment of risks and uncertainties. Actual events and results may differ materially from those expressed or implied in these statements. A non-exclusive list of the important factors that could cause actual results to differ materially from those in such forward-looking statements includes the following: adverse general economic and market conditions; increased competition; pricing and policy term trends; fluctuations in the actions of rating agencies and our ability to maintain and improve our ratings; investment performance; the loss of key personnel; the adequacy of our loss reserves, severity and/or frequency of losses, greater than expected loss ratios and adverse development on claim and/or claim expense liabilities; greater frequency or severity of unpredictable natural and man-made catastrophic events; the impact of acts of terrorism and acts of war; changes in regulations and/or tax laws in the United States or elsewhere; our ability to successfully integrate, establish and maintain operating procedures as well as integrate the businesses we have acquired or may acquire into the existing operations; changes in accounting principles or policies; material differences between actual and expected assessments for guaranty funds and mandatory pooling arrangements; availability and cost to us of reinsurance to manage our gross and net exposures; the failure of others to meet their obligations to us; and other factors identified in our filings with the U.S. Securities and Exchange Commission.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included herein or elsewhere. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

View source version on [businesswire.com](http://www.businesswire.com/news/home/20180313006531/en/): <http://www.businesswire.com/news/home/20180313006531/en/>

Arch Capital Group Ltd.

Mark D. Lyons, 441-278-9250

Source: Arch Capital Group Ltd.