

# Enact Mortgage Insurance Completes XOL Reinsurance Transaction as Part of its Diversified Credit Risk Transfer Program

March 31, 2022

## Secures approximately \$325 million of excess of loss reinsurance coverage from panel of reinsurers

RALEIGH, N.C., March 31, 2022 (GLOBE NEWSWIRE) -- **Enact Holdings, Inc. ("Enact")** a leading provider of private mortgage insurance through its insurance subsidiaries, today announced that its flagship legal entity, Enact Mortgage Insurance Corporation, has secured approximately \$325 million of additional excess of loss ("XOL") reinsurance coverage. This credit risk transfer (CRT) transaction covers a portfolio of existing mortgage insurance policies written from July 1, 2021 through December 31, 2021, and is effective March 1, 2022. Reinsurance coverage is provided by a panel of reinsurers each currently rated "A-" or better by Standard & Poor's or A.M. Best Company, Inc.

"Today's announcement reflects the continued execution of our growth and risk management strategy and demonstrates our ability to source cost effective PMIERS capital and loss protection in a period of capital markets volatility and widening spreads," said Enact's President & CEO Rohit Gupta. "Enact's CRT program allows us to participate effectively across reinsurance markets with highly rated counterparties and in the capital markets via mortgage insurance linked notes. We select the type and structure of our CRT transactions based on several factors, including market conditions, capacity, and cost, with a focus on further strengthening our capital position and improving capital efficiency while driving shareholder value."

This latest CRT transaction follows the forward XOL reinsurance transaction executed in January of 2022, covering a portion of mortgage insurance policies written from January 1, 2022 to December 31, 2022, that is expected to provide approximately \$300 million of reinsurance coverage from a panel of reinsurers.

Since 2015, Enact has executed approximately \$4.4 billion of CRT transactions, including approximately \$2.6 billion of reinsurance coverage with highly rated reinsurers and approximately \$1.8 billion through our Triangle Re mortgage insurance linked note platform.

### Forward Looking Statements:

*This communication contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act. These forward-looking statements may address, among other things, our expected financial and operational results, the related assumptions underlying our expected results, and the quotations of management. These forward-looking statements are distinguished by use of words such as "will," "may," "would," "anticipate," "expect," "believe," "designed," "plan," "predict," "project," "target," "could," "should," or "intend," the negative of these terms, and similar references to future periods. These views involve risks and uncertainties that are difficult to predict and, accordingly, our actual results may differ materially from the results discussed in our forward-looking statements. Our forward-looking statements contained herein speak only as of the date of this press release. Factors or events that we cannot predict, including uncertainty around Covid-19 and the effects of government and other measures seeking to contain its spread; risks related to an economic downturn or recession in the United States and in other countries around the world; changes in political, business, regulatory, and economic conditions; changes in or to Fannie Mae and Freddie Mac (the "GSEs"), whether through Federal legislation, restructurings or a shift in business practices; failure to continue to meet the mortgage insurer eligibility requirements of the GSEs; competition for customers; lenders or investors seeking alternatives to private mortgage insurance; an increase in the number of loans insured through Federal government mortgage insurance programs, including those offered by the Federal Housing Administration; and other factors described in the risk factors contained in our 2021 Annual Report on Form 10-K and other filings with the Securities and Exchange Commission, may cause our actual results to differ from those expressed in forward-looking statements. Although Enact believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, Enact can give no assurance that its expectations will be achieved and it undertakes no obligation to update publicly any forward-looking statements as a result of new information, future events, or otherwise, except as required by applicable law.*

### About Enact Holdings, Inc.

[Enact](#) (Nasdaq: ACT), operating principally through its wholly-owned subsidiary Enact Mortgage Insurance Corporation since 1981, is a leading U.S. private mortgage insurance provider committed to helping more people achieve the dream of homeownership. Building on a deep understanding of lenders' businesses and a legacy of financial strength, we partner with lenders to bring best-in-class service, leading underwriting expertise, and extensive risk and capital management to the mortgage process, helping to put more people in homes and keep them there. By empowering customers and their borrowers, Enact seeks to positively impact the lives of those in the communities in which it serves in a sustainable way. Enact is headquartered in Raleigh, North Carolina.

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