



August 2, 2012

## **Rehabilitator Files Rules Governing Processing of Interim Cash Payments on Segregated Account Policy Claims**

NEW YORK--(BUSINESS WIRE)--Aug. 2, 2012-- **Ambac Assurance Corporation** ("Ambac Assurance") today announced that, the Wisconsin Commissioner of Insurance, acting as the Rehabilitator of the Segregated Account of Ambac Assurance (the "Segregated Account") has promulgated and filed with the Circuit Court for Dane County, Wisconsin (the "Rehabilitation Court") the Rules Governing the Submission, Processing and Partial Payment of Policy Claims in accordance with the June 4, 2012 Interim Cash Payment Order (the "Policy Claim Rules"). The Policy Claim Rules provide guidance to all Segregated Account policyholders regarding the process for submission, processing and partial payment of policy claims of the Segregated Account ("Policy Claims").

On June 4, 2012, the Rehabilitation Court issued an order (the "Interim Cash Payment Order") approving a motion by the Rehabilitator relating to the commencement of interim partial distributions on Policy Claims. The Rehabilitator has filed the Policy Claim Rules in order to facilitate an efficient and orderly process for the submission, evaluation, processing, and partial payment of Policy Claims in accordance with the Interim Cash Payment Order. Policyholders may now commence submitting Policy Claims in accordance with the Policy Claim Rules. Policyholders that submit permitted Policy Claims in any calendar month are eligible to receive 25% of the amount of the Policy Claim from the Segregated Account on or around the 20th day of the following calendar month. Accordingly, policyholders that submit permitted Policy Claims during the month of August 2012, in accordance with the Policy Claim Rules, will receive 25% of the amount of each permitted Policy Claim from the Segregated Account on September 20, 2012. A copy of the Policy Claim Rules is available at [www.ambacpolicyholders.com](http://www.ambacpolicyholders.com).

No decision has been announced with respect to effectuating or amending the Segregated Account Rehabilitation Plan or whether surplus notes will be issued with respect to the remaining balance of unpaid Policy Claims. The Rehabilitator has previously announced that more specific information regarding the status of the Segregated Account Rehabilitation Plan, including possible modifications, will be provided as soon as appropriate.

### **Ambac Assurance**

Ambac Assurance is a guarantor of public finance and structured finance obligations, and is the principal operating subsidiary of Ambac Financial Group, Inc. ("Ambac").

Ambac, headquartered in New York City, is a holding company whose affiliates provided financial guarantees and financial services to clients in both the public and private sectors around the world. On November 8, 2010, Ambac filed a petition for relief under Chapter 11 of the United States Bankruptcy Code ("Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York ("Bankruptcy Court"). The Bankruptcy Court entered an order confirming Ambac's plan of reorganization on March 14, 2012. Ambac is not currently able to estimate when it will be able to consummate such plan. Until the plan of reorganization is consummated and Ambac emerges from bankruptcy, Ambac will continue to operate in the ordinary course of business as "debtor-in-possession" in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. Ambac's common stock trades in the over-the-counter market under ticker symbol ABKFQ. Upon consummation of the plan of reorganization, Ambac's existing common stock will be cancelled and extinguished and the holders thereof will not be entitled to receive, and will not retain, any property or interest on account of such common stock.

Source: Ambac Assurance Corporation

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