



March 11, 2009

MBIA Statement Concerning: Aurelius Capital Master Ltd., et. al. vs. MBIA Inc., MBIA Insurance Corp. and MBIA Insurance Corp. of Illinois

MBIA today received a purported class action complaint challenging its recently announced Transformation. The complaint makes various broad based and unsubstantiated allegations with regard to the Transformation. All of MBIA's actions were approved by the New York State Insurance Department (NYSID) after a thorough examination, including an assessment by both the Company's outside advisers and the NYSID of MBIA's ability to meet its obligations to all policyholders. In addition, the Illinois Division of Insurance approved all transactions entered into by MBIA Insurance Corp. of Illinois in connection with the Transformation. MBIA believes the allegations in the complaint are without merit and intends to defend it vigorously. Copies of the New York State Insurance Department's approval and of the complaint are posted on MBIA's Web Site at www.mbia.com.