UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

# FORM 8-K

## CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): November 9, 2012

# MGIC Investment Corporation

(Exact name of registrant as specified in its charter)

| | | |
|---|---|---|
| Wisconsin | 1-10816 | 39-1486475 |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

| | |
|---|---|
| 250 E. Kilbourn Avenue, Milwaukee, Wisconsin | 53202 |
| (Address of principal executive offices) | (Zip Code) |

Registrant’s telephone number, including area code: 414-347-6480

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 2.02 Results of Operations and Financial Condition.**

The Company issued a press release on November 9, 2012 announcing its results of operations for the quarter ended September 30, 2012 and certain other information. The press release is furnished as Exhibit 99.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Pursuant to General Instruction B.2 to Form 8-K, the Company's November 9, 2012 press release is furnished as Exhibit 99 and is not filed.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

| | |
|---|---|
| | MGIC INVESTMENT CORPORATION |
| Date: November 9, 2012 | By: \s\ Timothy J. Mattke |
| | Timothy J. Mattke<br>Senior Vice President, Controller and Chief Accounting Officer |

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Exhibit Index

| **Exhibit No.** | **Description** |
| --- | --- |
| 99 | Press Release dated November 9, 2012. (Pursuant to General Instruction B.2 to Form 8-K, this press release is furnished and is not filed.) |

# News Release

**MGIC Investment Corporation**

New York Stock Exchange Common Stock Symbol – MTG

MGIC Plaza, P.O. Box 488, Milwaukee, Wisconsin 53201

**Exhibit 99.1**

MGIC
Homeownership Today

**Investor Contact:** Michael J. Zimmerman, Investor Relations, (414) 347-6596, mike—zimmerman@mgic.com
**Media Contact:** Katie Monfre, Corporate Communications, (414) 347-2650, katie—monfre@mgic.com

## MGIC Investment Corporation
## Reports Third Quarter 2012 Results

**MILWAUKEE** ***(November 9, 2012)*** ¾ MGIC Investment Corporation (NYSE:MTG) today reported a net loss for the quarter ended September 30, 2012 of $246.9 million, compared with a net loss of $165.2 million for the same quarter a year ago. Diluted loss per share was $1.22 for the quarter ending September 30, 2012, compared to diluted loss per share of $0.82 for the same quarter a year ago. The net loss for the first nine months of 2012 was $540.4 million compared with a net loss of $350.6 million for the same period last year.

Total revenues for the third quarter were $306.2 million, compared with $337.2 million in the third quarter last year. Net premiums written for the quarter were $263.5 million, compared with $255.7 million for the same period last year. Realized gains in the third quarter of 2012 were $6.2 million compared to $11.4 million for the same period last year.

New insurance written in the third quarter was $7.0 billion, compared to $3.9 billion in the third quarter of 2011. In addition, the Home Affordable Refinance Program accounted for $3.7 billion of insurance that is not included in the new insurance written total due to these transactions being treated as a modification of the coverage on existing insurance in force compared to $0.6 billion in the third quarter of 2011. New insurance written for the first nine months of 2012 was $17.1 billion compared to $10.0 billion for the same period last year. HARP activity for the first nine months of 2012 totaled $7.7 billion compared to $2.1 billion in the first nine months of 2011. Persistency, or the percentage of insurance remaining in force from one year prior, was 80.2 percent at September 30, 2012, compared with 82.9 percent at December 31, 2011, and 83.7 percent at September 30, 2011.

As of September 30, 2012, MGIC's primary insurance in force was $164.9 billion, compared with $172.9 billion at December 31, 2011, and $179.0 billion at September 30, 2011. The fair value of MGIC Investment Corporation's investment portfolio, cash and cash equivalents was $5.7 billion at September 30, 2012, compared with $6.8 billion at December 31, 2011, and $7.3 billion at September 30, 2011.

At September 30, 2012, the percentage of loans that were delinquent, excluding bulk loans, was 12.34 percent, compared with 13.79 percent at December 31, 2011, and 13.49 percent at September 30, 2011. Including bulk loans, the percentage of loans that were delinquent at September 30, 2012 was 14.51 percent, compared to 16.11 percent at December 31, 2011, and 15.85 percent at September 30, 2011.

Losses incurred, which does not include any estimated loss related to a resolution of the Freddie Mac dispute, in the third quarter were $490.1 million up from $462.7 million reported for the same period last year primarily due to an increase in the claim rate. Net underwriting and other expenses were $50.7 million in the third quarter as compared to $52.5 million reported for the same period last year.

**Conference Call and Webcast Details**

MGIC Investment Corporation will hold a conference call today, November 9, 2012, at 10 a.m. ET to allow securities analysts and shareholders the opportunity to hear management discuss the company's quarterly results. The conference call number is 1-866-847-7859. The call is being webcast and can be accessed at the company's website at http://mtg.mgic.com/. The webcast is also being distributed over CCBN's Investor Distribution Network to both institutional and individual investors. Investors can listen to the call through CCBN's individual investor center at http://www.companyboardroom.com/ or by visiting any of the investor sites in CCBN's Individual Investor Network. The webcast will be available for replay on the company's website through December 9, 2012 under Investor Information.

**About MGIC**

MGIC (www.mgic.com), the principal subsidiary of MGIC Investment Corporation, is the nation's largest private mortgage insurer as measured by $164.9 billion primary insurance in force covering 1.0 million mortgages as of September 30, 2012. MGIC serves lenders throughout the United States, Puerto Rico, and other locations helping families achieve homeownership sooner by making affordable low-down-payment mortgages a reality.

This press release, which includes certain additional statistical and other information, including non-GAAP financial information and a supplement that contains various portfolio statistics are both available on the Company's website at http://mtg.mgic.com/ under Investor Information, Press Releases or Presentations/Webcasts.

From time to time MGIC Investment Corporation releases important information via postings on its corporate website without making any other disclosure and intends to continue to do so in the future. Investors and other interested parties are encouraged to enroll to receive automatic email alerts and Really Simple Syndication (RSS) feeds regarding new postings. Enrollment information can be found at http://mtg.mgic.com under Investor Information.

## MGIC INVESTMENT CORPORATION AND SUBSIDIARIES
## CONSOLIDATED STATEMENT OF OPERATIONS

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| | (Unaudited) (In thousands, except per share data) | | | |
| Net premiums written | $ 263,505 | $ 255,745 | $ 757,096 | $ 800,607 |
| Net premiums earned | $ 266,432 | $ 275,094 | $ 771,465 | $ 848,094 |
| Investment income | 30,394 | 48,898 | 99,980 | 160,931 |
| Realized gains, net | 6,184 | 11,405 | 110,356 | 38,900 |
| Total other-than-temporary impairment losses | — | (253) | (339) | (253) |
| Portion of loss recognized in other comprehensive income (loss), before taxes | — | — | — | — |
| Net impairment losses recognized in earnings | — | (253) | (339) | (253) |
| Other revenue | 3,209 | 2,025 | 25,530 | 9,617 |
| Total revenues | 306,219 | 337,169 | 1,006,992 | 1,057,289 |
| Losses and expenses: | | | | |
| Losses incurred | 490,121 | 462,654 | 1,378,617 | 1,232,637 |
| Change in premium deficiency reserve | (9,144) | (12,388) | (50,685) | (32,441) |
| Underwriting and other expenses, net | 50,678 | 52,477 | 149,931 | 164,070 |
| Interest expense | 24,478 | 25,761 | 74,017 | 78,129 |
| Total losses and expenses | 556,133 | 528,504 | 1,551,880 | 1,442,395 |
| Loss before tax | (249,914) | (191,335) | (544,888) | (385,106) |
| Benefit from income taxes | (2,972) | (26,130) | (4,500) | (34,508) |
| Net Loss | $(246,942) | $(165,205) | $ (540,388) | $ (350,598) |
| Diluted weighted average common shares outstanding | 202,014 | 201,109 | 201,851 | 200,983 |
| Diluted loss per share | $ (1.22) | $ (0.82) | $ (2.68) | $ (1.74) |

NOTE: See “Certain Non-GAAP Financial Measures” for diluted earnings per share contribution from realized gains and losses.

## MGIC INVESTMENT CORPORATION AND SUBSIDIARIES
## CONSOLIDATED BALANCE SHEET AS OF

| | September 30, 2012 | December 31, 2011 | September 30, 2011 |
|---|---|---|---|
| | (Unaudited) (In thousands, except per share data) | | |
| ASSETS | | | |
| Investments (1) | $4,926,764 | $5,823,647 | $6,458,220 |
| Cash and cash equivalents | 730,404 | 995,799 | 866,614 |
| Reinsurance recoverable on loss reserves (2) | 117,859 | 154,607 | 166,874 |
| Prepaid reinsurance premiums | 1,174 | 1,617 | 1,782 |
| Home office and equipment, net | 26,891 | 28,145 | 28,527 |
| Deferred insurance policy acquisition costs | 10,451 | 7,505 | 7,696 |
| Other assets | 195,347 | 204,910 | 217,590 |
| | $6,008,890 | $7,216,230 | $7,747,303 |
| LIABILITIES AND SHAREHOLDERS’ EQUITY | | | |
| Liabilities: | | | |
| Loss reserves (2) | $4,004,001 | $4,557,512 | $4,791,560 |
| Unearned premiums | 140,137 | 154,866 | 166,703 |
| Premium deficiency reserve | 84,132 | 134,817 | 146,525 |
| Senior notes | 99,891 | 170,515 | 244,259 |
| Convertible senior notes | 345,000 | 345,000 | 345,000 |
| Convertible junior debentures | 370,164 | 344,422 | 336,694 |
| Other liabilities | 297,589 | 312,283 | 327,737 |
| Total liabilities | 5,340,914 | 6,019,415 | 6,358,478 |
| Shareholders’ equity | 667,976 | 1,196,815 | 1,388,825 |
| | $6,008,890 | $7,216,230 | $7,747,303 |
| Book value per share (3) | $ 3.31 | $ 5.95 | $ 6.90 |
| (1) Investments include net unrealized gains on securities | 130,330 | 120,087 | 199,779 |
| (2) Loss reserves, net of reinsurance recoverable on loss reserves | 3,886,142 | 4,402,905 | 4,624,686 |
| (3) Shares outstanding | 202,032 | 201,172 | 201,172 |

## CERTAIN NON-GAAP FINANCIAL MEASURES

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| | (Unaudited) (In thousands, except per share data) | | | |
| Diluted earnings per share contribution from realized gains (losses): | | | | |
| Realized gains and impairment losses | $ 6,184 | $ 11,152 | $110,017 | $ 38,647 |
| Income taxes at 35% (1) | — | — | — | — |
| After tax realized gains | 6,184 | 11,152 | 110,017 | 38,647 |
| Weighted average shares | 202,014 | 201,109 | 201,851 | 200,983 |
| Diluted EPS contribution from realized gains and impairment losses | $ 0.03 | $ 0.06 | $ 0.55 | $ 0.19 |

(1) Due to the establishment of a valuation allowance, income taxes provided are not currently affected by realized gains or losses. Management believes the diluted earnings per share contribution from realized gains or losses provides useful information to investors because it shows the after-tax effect of these items, which can be discretionary.

## Additional Information

| | Q2 2011 | Q3 2011 | Q4 2011 | Q1 2012 | Q2 2012 | Q3 2012 |
|---|---|---|---|---|---|---|
| New primary insurance written (NIW) (billions) | $ 3.1 | $ 3.9 | $ 4.2 | $ 4.2 | $ 5.9 | $ 7.0 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New primary risk written (billions) | $ 0.8 | | $ 1.0 | | $ 1.0 | | $ 1.0 | | $ 1.5 | | $ 1.8 | |
| Product mix as a % of primary flow NIW | | | | | | | | | | | | |
| >95% LTVs | 2% | | 2% | | 2% | | 2% | | 3% | | 3% | |
| ARMs | 1% | | 1% | | 1% | | 1% | | 1% | | 1% | |
| Refinances | 16% | | 20% | | 39% | | 42% | | 32% | | 32% | |
| Primary Insurance In Force (IIF) (billions) (1) | $ 182.4 | | $ 179.0 | | $ 172.9 | | $ 169.0 | | $ 166.7 | | $ 164.9 | |
| Flow | $ 160.9 | | $ 158.3 | | $ 153.5 | | $ 150.3 | | $ 148.6 | | $ 147.5 | |
| Bulk | $ 21.5 | | $ 20.7 | | $ 19.4 | | $ 18.7 | | $ 18.1 | | $ 17.4 | |
| Prime (620 & >) | $ 153.3 | | $ 150.9 | | $ 146.3 | | $ 143.5 | | $ 142.3 | | $ 141.7 | |
| A minus (575 - 619) | $ 10.4 | | $ 10.1 | | $ 9.7 | | $ 9.3 | | $ 8.9 | | $ 8.5 | |
| Sub-Prime (< 575) | $ 2.7 | | $ 2.7 | | $ 2.6 | | $ 2.5 | | $ 2.4 | | $ 2.3 | |
| Reduced Doc (All FICOs) | $ 16.0 | | $ 15.3 | | $ 14.3 | | $ 13.7 | | $ 13.1 | | $ 12.4 | |
| Annual Persistency | 83.3% | | 83.7% | | 82.9% | | 82.2% | | 81.4% | | 80.2% | |
| Primary Risk In Force (RIF) (billions) (1) | $ 46.8 | | $ 46.0 | | $ 44.5 | | $ 43.5 | | $ 42.9 | | $ 42.5 | |
| Prime (620 & >) | $ 38.9 | | $ 38.3 | | $ 37.2 | | $ 36.5 | | $ 36.2 | | $ 36.1 | |
| A minus (575 - 619) | $ 2.8 | | $ 2.7 | | $ 2.6 | | $ 2.6 | | $ 2.4 | | $ 2.3 | |
| Sub-Prime (< 575) | $ 0.8 | | $ 0.8 | | $ 0.8 | | $ 0.7 | | $ 0.7 | | $ 0.7 | |
| Reduced Doc (All FICOs) | $ 4.3 | | $ 4.2 | | $ 3.9 | | $ 3.7 | | $ 3.6 | | $ 3.4 | |
| RIF by FICO | | | | | | | | | | | | |
| FICO 620 & > | 91.5% | | 91.5% | | 91.5% | | 91.7% | | 91.9% | | 92.1% | |
| FICO 575 - 619 | 6.6% | | 6.6% | | 6.6% | | 6.4% | | 6.3% | | 6.1% | |
| FICO < 575 | 1.9% | | 1.9% | | 1.9% | | 1.9% | | 1.8% | | 1.8% | |
| Average Coverage Ratio (RIF/IIF) (1) | | | | | | | | | | | | |
| Total | 25.6% | | 25.7% | | 25.7% | | 25.7% | | 25.8% | | 25.8% | |
| Prime (620 & >) | 25.3% | | 25.4% | | 25.4% | | 25.4% | | 25.5% | | 25.5% | |
| A minus (575 - 619) | 27.1% | | 27.2% | | 27.3% | | 27.3% | | 27.4% | | 27.4% | |
| Sub-Prime (< 575) | 28.8% | | 28.8% | | 28.9% | | 28.9% | | 28.9% | | 29.0% | |
| Reduced Doc (All FICOs) | 27.1% | | 27.3% | | 27.2% | | 27.3% | | 27.2% | | 27.2% | |
| Average Loan Size (thousands) (1) | | | | | | | | | | | | |
| Total IIF | $ 156.22 | | $ 156.79 | | $ 158.59 | | $ 158.89 | | $ 159.59 | | $ 160.70 | |
| Flow | $ 155.13 | | $ 155.72 | | $ 157.87 | | $ 158.28 | | $ 159.20 | | $ 160.62 | |
| Bulk | $ 164.89 | | $ 165.42 | | $ 164.55 | | $ 163.99 | | $ 162.80 | | $ 161.38 | |
| Prime (620 & >) | $ 156.03 | | $ 156.55 | | $ 158.87 | | $ 159.29 | | $ 160.26 | | $ 161.69 | |
| A minus (575 - 619) | $ 129.57 | | $ 130.60 | | $ 130.70 | | $ 130.37 | | $ 129.86 | | $ 129.43 | |
| Sub-Prime (< 575) | $ 116.73 | | $ 120.73 | | $ 121.13 | | $ 120.98 | | $ 120.65 | | $ 120.01 | |
| Reduced Doc (All FICOs) | $ 195.71 | | $ 196.26 | | $ 194.06 | | $ 193.54 | | $ 192.23 | | $ 191.18 | |
| Primary IIF — # of loans (1) | 1,167,476 | | 1,141,442 | | 1,090,086 | | 1,063,797 | | 1,044,342 | | 1,026,200 | |
| Prime (620 & >) | 982,658 | | 964,011 | | 921,112 | | 901,300 | | 887,967 | | 875,953 | |
| A minus (575 - 619) | 80,231 | | 77,548 | | 74,036 | | 71,250 | | 68,538 | | 65,878 | |
| Sub-Prime (< 575) | 22,958 | | 22,252 | | 21,391 | | 20,633 | | 20,003 | | 19,371 | |
| Reduced Doc (All FICOs) | 81,629 | | 77,631 | | 73,547 | | 70,614 | | 67,834 | | 64,998 | |
| | **Q2 2011** | | **Q3 2011** | | **Q4 2011** | | **Q1 2012** | | **Q2 2012** | | **Q3 2012** | |
| Primary IIF — Delinquent Roll Forward — # of Loans | | | | | | | | | | | | |
| Beginning Delinquent Inventory | 195,885 | | 184,452 | | 180,894 | | 175,639 | | 160,473 | | 153,990 | |
| Plus: New Notices | 39,972 | | 44,342 | | 41,796 | | 34,781 | | 32,241 | | 34,432 | |
| Less: Cures | (35,832) | | (34,335) | | (33,837) | | (37,144) | | (26,368) | | (27,384) | |
| Less: Paids (including those charged to a deductible or captive) | (13,553) | | (12,033) | | (12,086) | | (11,909) | | (11,738) | | (11,344) | |
| Less: Rescissions and denials (6) | (2,020) | | (1,532) | | (1,128) | | (894) | | (618) | | (809) | |
| Ending Delinquent Inventory | 184,452 | | 180,894 | | 175,639 | | 160,473 | | 153,990 | | 148,885 | |
| Primary claim received inventory included in ending delinquent inventory (6) | 14,504 | | 13,799 | | 12,610 | | 12,758 | | 13,421 | | 12,508 | |
| Composition of Cures | | | | | | | | | | | | |
| Reported delinquent and cured intraquarter | 8,996 | | 10,240 | | 9,333 | | 11,353 | | 7,104 | | 8,097 | |
| Number of payments delinquent prior to cure | | | | | | | | | | | | |
| 3 payments or less | 14,457 | | 12,663 | | 13,883 | | 16,523 | | 11,875 | | 10,593 | |
| 4-11 payments | 7,952 | | 6,840 | | 6,298 | | 6,277 | | 5,349 | | 5,433 | |
| 12 payments or more | 4,427 | | 4,592 | | 4,323 | | 2,991 | | 2,040 | | 3,261 | |
| Total Cures in Quarter | 35,832 | | 34,335 | | 33,837 | | 37,144 | | 26,368 | | 27,384 | |
| Composition of Paids | | | | | | | | | | | | |
| Number of payments delinquent at time of claim payment | | | | | | | | | | | | |
| 3 payments or less | 26 | | 55 | | 38 | | 44 | | 50 | | 71 | |
| 4-11 payments | 1,848 | | 1,317 | | 1,600 | | 1,776 | | 1,840 | | 1,771 | |
| 12 payments or more | 11,679 | | 10,661 | | 10,448 | | 10,089 | | 9,848 | | 9,502 | |
| Total Paids in Quarter | 13,553 | | 12,033 | | 12,086 | | 11,909 | | 11,738 | | 11,344 | |
| Aging of Primary Delinquent Inventory | | | | | | | | | | | | |
| Consecutive months in default | | | | | | | | | | | | |
| 3 months or less | 30,107 | 16% | 33,167 | 18% | 31,456 | 18% | 22,516 | 14% | 24,488 | 16% | 25,593 | 17% |
| 4-11 months | 48,148 | 26% | 45,110 | 25% | 46,352 | 26% | 45,552 | 28% | 38,400 | 25% | 35,029 | 24% |
| 12 months or more | 106,197 | 58% | 102,617 | 57% | 97,831 | 56% | 92,405 | 58% | 91,102 | 59% | 88,263 | 59% |
| Number of payments delinquent | | | | | | | | | | | | |
| 3 payments or less | 40,968 | 22% | 43,312 | 24% | 42,804 | 24% | 33,579 | 21% | 33,677 | 22% | 35,130 | 24% |
| 4-11 payments | 51,523 | 28% | 47,929 | 26% | 47,864 | 27% | 45,539 | 28% | 39,744 | 26% | 36,359 | 24% |
| 12 payments or more | 91,961 | 50% | 89,653 | 50% | 84,971 | 49% | 81,355 | 51% | 80,569 | 52% | 77,396 | 52% |
| Primary IIF — # of Delinquent Loans (1) | 184,452 | | 180,894 | | 175,639 | | 160,473 | | 153,990 | | 148,885 | |
| Flow | 139,032 | | 137,084 | | 134,101 | | 121,959 | | 116,798 | | 113,339 | |
| Bulk | 45,420 | | 43,810 | | 41,538 | | 38,514 | | 37,192 | | 35,546 | |
| Prime (620 & >) | 115,980 | | 114,828 | | 112,403 | | 102,884 | | 98,447 | | 95,517 | |
| A minus (575 - 619) | 26,878 | | 26,600 | | 25,989 | | 23,002 | | 22,428 | | 21,865 | |
| Sub-Prime (< 575) | 9,725 | | 9,562 | | 9,326 | | 8,434 | | 8,175 | | 7,999 | |
| Reduced Doc (All FICOs) | 31,869 | | 29,904 | | 27,921 | | 26,153 | | 24,940 | | 23,504 | |
| Primary IIF Delinquency Rates (1) | 15.80% | | 15.85% | | 16.11% | | 15.09% | | 14.75% | | 14.51% | |
| Flow | 13.40% | | 13.49% | | 13.79% | | 12.84% | | 12.51% | | 12.34% | |
| Bulk | 34.91% | | 35.02% | | 35.33% | | 33.82% | | 33.50% | | 32.97% | |
| Prime (620 & >) | 11.80% | | 11.91% | | 12.20% | | 11.42% | | 11.09% | | 10.90% | |
| A minus (575 - 619) | 33.50% | | 34.30% | | 35.10% | | 32.28% | | 32.72% | | 33.19% | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sub-Prime (< 575) | 42.36% | 42.97% | 43.60% | 40.88% | 40.87% | 41.29% | |
| Reduced Doc (All FICOs) | 39.04% | 38.52% | 37.96% | 37.04% | 36.77% | 36.16% | |

| | Q2 2011 | Q3 2011 | Q4 2011 | Q1 2012 | Q2 2012 | Q3 2012 | |
|---|---|---|---|---|---|---|---|
| Reserves | | | | | | | |
| Primary | | | | | | | |
| Direct Loss Reserves (millions) | $ 4,504 | $ 4,403 | $ 4,249 | $ 3,985 | $ 3,934 | $ 3,855 | |
| Average Direct Reserve Per Default | $ 24,416 | $ 24,342 | $ 24,193 | $ 24,835 | $ 25,547 | $ 25,890 | |
| Pool | | | | | | | |
| Direct Loss Reserves (millions) | $ 570 | $ 379 | $ 299 | $ 216 | $ 168 | $ 144 | |
| Ending Delinquent Inventory | 36,552 | 33,792 | 32,971 | 26,601 | 25,178 | 9,337 | (7) |
| Pool claim received inventory included in ending delinquent inventory | 1,836 | 1,345 | 1,398 | 893 | 1,154 | 255 | |
| Other Gross Reserves (millions) (5) | $ 9 | $ 10 | $ 10 | $ 8 | $ 7 | $ 5 | |
| Net Paid Claims (millions) (1) (2) | $ 818 | $ 751 | $ 704 | $ 673 | $ 636 | $ 587 | |
| Flow | $ 562 | $ 475 | $ 484 | $ 459 | $ 466 | $ 430 | |
| Bulk | $ 115 | $ 137 | $ 135 | $ 124 | $ 113 | $ 115 | |
| Pool — with aggregate loss limits | $ 167 | $ 138 | $ 90 | $ 95 | $ 64 | $ 42 | |
| Pool — without aggregate loss limits | $ 3 | $ 6 | $ 4 | $ 4 | $ 6 | $ 7 | |
| Reinsurance | $ (44) | $ (20) | $ (28) | $ (24) | $ (25) | $ (21) | |
| Other (5) | $ 15 | $ 15 | $ 19 | $ 15 | $ 12 | $ 14 | |
| Reinsurance terminations (2) | $ (2) | $ (36) | $ — | $ — | $ — | $ — | |
| Prime (620 & >) | $ 472 | $ 419 | $ 430 | $ 408 | $ 402 | $ 378 | |
| A minus (575 - 619) | $ 77 | $ 68 | $ 62 | $ 64 | $ 63 | $ 57 | |
| Sub-Prime (< 575) | $ 20 | $ 17 | $ 14 | $ 18 | $ 18 | $ 16 | |
| Reduced Doc (All FICOs) | $ 108 | $ 108 | $ 113 | $ 93 | $ 96 | $ 94 | |
| Primary Average Claim Payment (thousands) (1) | $ 49.9 | $ 50.9 | $ 51.1 | $ 48.9 | $ 49.3 | $ 48.0 | |
| Flow | $ 47.9 | $ 48.0 | $ 48.3 | $ 46.2 | $ 46.8 | $ 44.8 | |
| Bulk | $ 62.3 | $ 64.2 | $ 64.5 | $ 62.6 | $ 63.2 | $ 65.4 | |
| Prime (620 & >) | $ 48.3 | $ 49.5 | $ 49.6 | $ 47.4 | $ 47.6 | $ 45.9 | |
| A minus (575 - 619) | $ 46.0 | $ 46.1 | $ 44.3 | $ 44.5 | $ 44.6 | $ 42.5 | |
| Sub-Prime (< 575) | $ 46.7 | $ 43.9 | $ 40.7 | $ 44.9 | $ 44.4 | $ 46.2 | |
| Reduced Doc (All FICOs) | $ 63.0 | $ 63.9 | $ 66.8 | $ 62.6 | $ 64.3 | $ 65.6 | |
| Risk sharing Arrangements — Flow Only | | | | | | | |
| % insurance inforce subject to risk sharing | 16.8% | 14.4% | 13.8% | 13.1% | 12.7% | 12.2% | |
| % Quarterly NIW subject to risk sharing | 4.8% | 5.6% | 5.3% | 5.4% | 5.6% | 5.6% | |
| Premium ceded (millions) | $ 13.3 | $ 11.4 | $ 9.9 | $ 9.2 | $ 8.7 | $ 8.2 | |
| Captive trust fund assets (millions) (2) | $ 451 | $ 392 | $ 386 | $ 371 | $ 360 | $ 350 | |
| Captive Reinsurance Ceded Losses Incurred — Flow Only (millions) | $ 12.9 | $ 17.4 | $ 15.5 | $ 13.5 | $ 12.2 | $ 12.2 | |
| Active excess of Loss | | | | | | | |
| Book Year | | | | | | | |
| 2005 | $ 2.3 | $ 4.4 | $ 3.5 | $ 2.5 | $ 3.2 | $ 2.2 | |
| 2006 | $ 0.7 | $ 1.6 | $ 1.5 | $ 1.5 | $ 0.8 | $ 0.5 | |
| 2007 | $ 0.7 | $ 0.9 | $ 0.8 | $ 0.6 | $ 0.8 | $ 0.2 | |
| 2008 | $ 2.2 | $ 2.3 | $ 1.8 | $ 1.9 | $ 1.5 | $ 0.3 | |
| Active quota Share | | | | | | | |
| Book Year | | | | | | | |
| 2005 | $ 1.3 | $ 1.0 | $ 1.4 | $ 1.1 | $ 1.2 | $ 1.6 | |
| 2006 | $ 1.4 | $ 1.2 | $ 1.5 | $ 1.2 | $ 1.0 | $ 1.5 | |
| 2007 | $ 2.5 | $ 4.2 | $ 4.3 | $ 3.7 | $ 3.4 | $ 5.2 | |
| 2008 | $ 1.5 | $ 1.1 | $ 0.6 | $ 0.9 | $ 0.3 | $ 0.6 | |
| 2009 | $ — | $ — | $ 0.1 | $ 0.1 | $ — | $ — | |
| 2010 | $ — | $ — | $ — | $ — | $ — | $ 0.1 | |
| Terminated agreements | $ 0.3 | $ 0.7 | $ — | $ — | $ — | $ — | |

| | Q2 2011 | Q3 2011 | Q4 2011 | Q1 2012 | Q2 2012 | Q3 2012 | |
|---|---|---|---|---|---|---|---|
| Direct Pool RIF (millions) | | | | | | | |
| With aggregate loss limits | $ 905 | $ 770 | $ 674 | $ 569 | $ 508 | $ 469 | |
| Without aggregate loss limits | $ 1,324 | $ 1,260 | $ 1,177 | $ 1,092 | $ 1,024 | $ 945 | |
| Mortgage Guaranty Insurance Corporation — Risk to Capital | 20.4:1 | 22.2:1 | 20.3:1 | 20.3:1 | 27.8:1 | 31.5:1 | (3) |
| Combined Insurance Companies — Risk to Capital | 23.4:1 | 24.0:1 | 22.2:1 | 22.2:1 | 30.0:1 | 34.1:1 | (3) |
| GAAP loss ratio (insurance operations only) (4) | 161.6% | 168.2% | 174.8% | 128.5% | 227.3% | 184.0% | |
| GAAP underwriting expense ratio (insurance operations only) | 16.5% | 16.4% | 14.9% | 16.7% | 16.6% | 13.6% | |

Note: The FICO credit score for a loan with multiple borrowers is the lowest of the borrowers' "decision FICO scores." A borrower's "decision FICO score" is determined as follows: if there are three FICO scores available, the middle FICO score is used; if two FICO scores are available, the lower of the two is used; if only one FICO score is available, it is used.

Note: The results of our operations in Australia are included in the financial statements in this document but the additional information in this document does not include our Australian operations, unless otherwise noted, which are immaterial.

(1) In accordance with industry practice, loans approved by GSE and other automated underwriting (AU) systems under "doc waiver" programs that do not require verification of borrower income are classified by MGIC as "full doc." Based in part on information provided by the GSEs, MGIC estimates full doc loans of this type were approximately 4% of 2007 NIW. Information for other periods is not available. MGIC understands these AU systems grant such doc waivers for loans they judge to have higher credit quality. MGIC also understands that the GSEs terminated their "doc waiver" programs in the second half of 2008. Reduced documentation loans only appear in the reduced documentation category and do not appear in any of the other categories.

(2) Net paid claims, as presented, does not include amounts received in conjunction with termination of reinsurance agreements. In a termination, the agreement is cancelled, with no future premium ceded and funds for any incurred but unpaid losses transferred to us. The transferred funds result in an increase in the investment portfolio (including cash and cash equivalents) and there is a corresponding decrease in reinsurance recoverable on loss reserves. This results in an increase in net loss reserves, which is offset by a decrease in net losses paid.

(3) Preliminary

(4) As calculated, does not reflect any effects due to premium deficiency.

(5) Includes Australian operations

(6) Refer to our risk factor titled "Our losses could increase if rescission rates decrease faster than we are projecting, we do not prevail in proceedings challenging whether our rescissions were proper or we enter into material resolution arrangements" in our Form 10-Q filed with the Securities and Exchange Commission on November 9, 2012 for information about our suspension

of certain rescissions and the number of rescissions suspended as of September 30, 2012.

(7) During the third quarter of 2012, approximately 15,600 pool notices were removed from the pool notice inventory due to the exhaustion of the aggregate loss on a pool policy we have with Freddie Mac. See our risk factor titled "We are defendants in private and government litigation and are subject to the risk of additional private litigation, government litigation and regulatory proceedings in the future" in our Form 10-Q filed with the Securities and Exchange Commission on November 9, 2012 for a discussion of our interpretation of the appropriate aggregate loss.