FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended MARCH 31, 1998

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________ to ________

Commission file number 1-10816

MGIC INVESTMENT CORPORATION
(Exact name of registrant as specified in its charter)

WISCONSIN	39-1486475
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

250 E. KILBOURN AVENUE MILWAUKEE, WISCONSIN	53202
(Address of principal executive offices)	(Zip Code)

(414) 347-6480
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS OF STOCK	PAR VALUE	DATE	NUMBER OF SHARES
Common stock	$1.00	3/31/98	114,105,616

MGIC INVESTMENT CORPORATION
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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
March 31, 1998 (Unaudited) and December 31, 1997

	March 31, 1998	December 31, 1997
ASSETS	(In thousands of dollars)	
Investment portfolio:		
Securities, available-for-sale, at market value:		
Fixed maturities	$2,315,903	$2,185,954
Equity securities	4,221	116,053
Short-term investments	222,631	114,733
Total investment portfolio	2,542,755	2,416,740
Cash	5,988	4,893
Accrued investment income	34,007	35,485
Reinsurance recoverable on loss reserves	24,762	26,415
Reinsurance recoverable on unearned premiums	7,934	9,239
Home office and equipment, net	33,370	33,784
Deferred insurance policy acquisition costs	26,211	27,156
Investment in unconsolidated subsidiary	31,320	29,400
Other assets	28,653	34,575
Total assets	$2,735,000	$2,617,687
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Loss reserves	$ 617,734	$ 598,683
Unearned premiums	183,666	198,305
Notes payable (note 2)	242,500	237,500
Income taxes payable	50,656	27,717
Other liabilities	62,532	68,700
Total liabilities	1,157,088	1,130,905
Contingencies (note 3)		
Shareholders' equity (note 4):		
Common stock, $1 par value, shares authorized 150,000,000; shares issued 121,110,800; shares outstanding, 3/31/98 - 114,105,616; 1997 - 113,791,593	121,111	121,111
Paid-in surplus	218,397	218,499
Treasury stock (shares at cost, 3/31/98 - 7,005,184; 1997 - 7,319,207)	(242,115)	(252,942)
Unrealized appreciation in investments, net of tax (note 6)	73,193	83,985
Retained earnings	1,407,326	1,316,129
Total shareholders' equity	1,577,912	1,486,782
Total liabilities and shareholders' equity	$2,735,000	$2,617,687

See accompanying notes to consolidated financial statements.

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
Three Months Ended March 31, 1998 and 1997
(Unaudited)

	Three Months Ended March 31, 1998	Three Months Ended March 31, 1997
	(In thousands of dollars, except per share data)	
Revenues:		
Premiums written:		
Direct	$177,797	$155,289
Assumed	1,969	2,794
Ceded	(3,279)	(2,477)
Net premiums written	176,487	155,606
Decrease in unearned premiums	13,334	14,686
Net premiums earned	189,821	170,292
Investment income, net of expenses	34,389	29,508
Realized investment gains, net	10,295	89
Other revenue	9,461	5,202
Total revenues	243,966	205,091
Losses and expenses:		
Losses incurred, net	59,438	63,194
Underwriting and other expenses	45,158	38,213
Interest expense	3,630	319
Ceding commission	(337)	(542)
Total losses and expenses	107,889	101,184
Income before tax	136,077	103,907
Provision for income tax	42,030	31,471
Net income	$ 94,047	$ 72,436
Earnings per share (notes 4 and 5):		
Basic	$ 0.83	$ 0.61
Diluted	$ 0.81	$ 0.61
Weighted average common shares outstanding (shares in thousands, notes 4 and 5)	115,741	119,323
Dividends per share (note 4)	$ 0.025	$ 0.02

See accompanying notes to consolidated financial statements.

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
Three Months Ended March 31, 1998 and 1997
(Unaudited)

	Three Months Ended March 31,	
	1998	1997
	(In thousands of dollars)	
Cash flows from operating activities:		
Net income	$ 94,047	$ 72,436
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred insurance policy acquisition costs	4,564	7,317
Increase in deferred insurance policy acquisition costs	(3,619)	(6,117)
Depreciation and amortization	1,892	2,017
Decrease in accrued investment income	1,478	4,790
Decrease in reinsurance recoverable on loss reserves	1,653	1,028
Decrease in reinsurance recoverable on unearned premiums	1,305	1,605
Increase in loss reserves	19,051	22,932
Decrease in unearned premiums	(14,639)	(16,291)
(Increase) decrease in investment in unconsolidated subsidiary	(1,920)	500
Other	28,653	15,226
Net cash provided by operating activities	132,465	105,443
Cash flows from investing activities:		
Purchase of equity securities	(3,886)	-
Purchase of fixed maturities	(242,572)	(165,998)
Proceeds from sale of equity securities	106,223	-
Proceeds from sale or maturity of fixed maturities	104,837	109,782
Net cash used in investing activities	(35,398)	(56,216)
Cash flows from financing activities:		
Dividends paid to shareholders	(2,850)	(2,361)
Net increase (decrease) in notes payable	5,000	(35,424)
Reissuance of treasury stock	9,776	9,090
Net cash provided by (used in) financing activities	11,926	(28,695)
Net increase in cash and short-term investments	108,993	20,532
Cash and short-term investments at beginning of period	119,626	143,975
Cash and short-term investments at end of period	$228,619	$164,507

See accompanying notes to consolidated financial statements.

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 1998
(Unaudited)

Note 1 - Basis of presentation

The accompanying unaudited consolidated financial statements of MGIC Investment Corporation (the "Company") and its wholly-owned subsidiaries have been prepared in accordance with the instructions to Form 10-Q and do not include all of the other information and disclosures required by generally accepted accounting principles. These statements should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 1997 included in the Company's Annual Report on Form 10-K for that year.

The accompanying consolidated financial statements have not been audited by independent accountants in accordance with generally accepted auditing standards, but in the opinion of management such financial statements include all adjustments, consisting only of normal recurring accruals, necessary to summarize fairly the Company's financial position and results of operations. The results of operations for the three months ended March 31, 1998 may not be indicative of the results that may be expected for the year ending December 31, 1998.

Note 2 - Notes payable

During 1997, the Company repurchased 4,655,985 shares of its outstanding common stock from a financial intermediary at a cost of approximately $248 million. Funds to repurchase the shares were primarily provided by borrowings under a credit facility evidenced by notes payable. The weighted average interest rate on the notes at March 31, 1998 was 5.92% per annum. The interest rate on borrowings under the facility is variable.

The credit facility provides for up to $250 million of availability which decreases by $25 million each year beginning June 20, 1998 through June 20, 2001. Any outstanding borrowings under the facility mature on June 20, 2002. The Company has the option, on notice to the lenders, to prepay any borrowings subject to certain provisions. At March 31, 1998 outstanding borrowings under the credit facility were generally for terms of less than one year.

Under the terms of the credit facility, the Company must maintain shareholders' equity of at least $900 million and MGIC must maintain a claims paying ability rating of AA- or better with Standard & Poor's Corporation ("S&P"). At March 31, 1998, the Company had shareholders' equity of $1,578 million and MGIC had a claims paying ability rating of AA+ from S&P.

During 1998 MGIC guaranteed one half of a $50 million credit facility for C-BASS, a 48% owned unconsolidated subsidiary. The facility matures in January 1999.

Note 3 - Contingencies

The Company is involved in litigation in the ordinary course of business. In the opinion of management, the ultimate disposition of the pending litigation will not have a material adverse effect on the financial position of the Company.

In addition to the litigation referred to above, Mortgage Guaranty Insurance Corporation ("MGIC") is a defendant in a lawsuit commenced by a borrower challenging the necessity of maintaining mortgage insurance in certain circumstances, primarily when the loan-to-value ratio is below 80%. The lawsuit purports to be brought on behalf of a class of borrowers. This case appears to be based to some degree upon guidelines issued by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association to their respective mortgage servicers under which the mortgage servicers may be required in certain circumstances to cancel borrower-purchased insurance upon the borrower's request. The plaintiff alleges that MGIC has a common law duty to inform a borrower that the insurance may be cancelled in these circumstances. The relief sought is equitable relief as well as the return of premiums paid after the insurance was cancellable under the applicable guidelines. The Company believes that MGIC has a meritorious defense to this action in that, in the absence of a specific statute (no statutory duty other than under a general consumer fraud statute is alleged), there appears to be no legal authority requiring a mortgage insurer to inform a borrower that insurance may be cancelled. Summary judgment was granted to MGIC in another case involving similar issues. Similar cases are pending against other mortgage insurers, mortgage lenders and mortgage loan servicers.

Note 4 - Shareholders' equity

On June 2, 1997 the Company effected a two-for-one stock split of the Company's common stock in the form of a 100% stock dividend. The prior year share, per share and certain equity amounts set forth in the accompanying financial statements have been adjusted to take into account the stock split.

Note 5 - Earnings per share

The Company's basic and diluted earnings per share ("EPS") have been calculated in accordance with Statement of Financial Accounting Standards No. 128, Earnings Per Share ("SFAS 128"). The following is a reconciliation of the weighted-average number of shares used for basic EPS and diluted EPS.

	Three Months Ended March 31,	
	1998	1997
	(Shares in thousands)	
Weighted-average shares - Basic EPS	113,989	118,108
Common stock equivalents	1,752	1,215
Weighted-average shares - Diluted EPS	115,741	119,323

Earnings per share for 1997 has been restated to reflect the provisions of SFAS 128. Previously reported EPS for 1997, after adjustment for the stock split, equaled diluted EPS under SFAS 128.

Note 6 - New accounting standards

Effective January 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130, Reporting Comprehensive Income ("SFAS 130"). The statement establishes standards for the reporting and display of comprehensive income and its components in annual financial statements. The Company's total comprehensive income, as calculated per SFAS 130, was as follows:

	Three Months Ended March 31,	
	1998	1997
	(In thousands of dollars)	
Net income	$ 94,047	$ 72,436
Other comprehensive loss	(10,792)	(22,851)
Total comprehensive income	$ 83,255	$ 49,585

The difference between the Company's net income and total comprehensive income for the three months ended March 31, 1998 and 1997 is primarily the change in unrealized appreciation on investments, net of tax.

Note 7 - Subsequent events

On May 7, 1998, the Company's Board of Directors authorized the repurchase of shares of the Company's common stock with an aggregate purchase price of up to $250 million. The Company's previous $250 million stock repurchase program was completed during 1997. The Company expects to fund the repurchase program through a bank loan facility, which the Company is in the process of arranging, and from operating cash flow.

At the Company's May 7, 1998 annual shareholders' meeting, shareholders approved an increase in the number of authorized shares of common stock from 150 million to 300 million shares and approved a class of preferred stock of 10 million shares.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Consolidated Operations

Three Months Ended March 31, 1998 Compared With Three Months Ended March 31, 1997

Net income for the three months ended March 31, 1998 was $94.0 million, compared to $72.4 million for the same period of 1997, an increase of 30%. After giving effect to the Company's two-for-one stock split, effective June 2, 1997, diluted earnings per share for the three months ended March 31, 1998 was $0.81 compared to $0.61 in the same period last year, an increase of 33%. See notes 4 and 5 to the consolidated financial statements.

The amount of new primary insurance written by Mortgage Guaranty Insurance Corporation ("MGIC") during the three months ended March 31, 1998 was $8.5 billion, compared to $6.5 billion in the same period of 1997. Refinancing activity accounted for 35% of new primary insurance written in the first quarter of 1998, compared to 17% in the first quarter of 1997.

New insurance written for the first quarter of 1998 reflected an increase in the usage of the monthly premium product to 95% of new insurance written from 92% of new insurance written in the first quarter of 1997. New insurance written for adjustable-rate mortgages decreased to 13% of new insurance written in the first quarter of 1998 from 26% of new insurance written in the same period of 1997. Also, mortgages with loan-to-value ratios in excess of 90% but not more than 95% decreased to 34% of new insurance written in the first quarter of 1998 from 42% of new insurance written in the same period of 1997.

The $8.5 billion of new primary insurance written during the first quarter of 1998 was offset by the cancellation of $8.7 billion of insurance in force, and resulted in a net decrease of $.2 billion in primary insurance in force, compared to new primary insurance written of $6.5 billion, the cancellation of $5.1 billion, and a net increase of $1.4 billion in insurance in force during the first quarter of 1997. Direct primary insurance in force was $138.3 billion at March 31, 1998 compared to $138.5 billion at December 31, 1997 and $132.8 billion at March 31, 1997. In addition to providing primary insurance coverage, the Company also insures pools of mortgage loans. New pool risk written during the three months ended March 31, 1998 was $144 million, which was virtually all agency pool insurance. The Company's direct pool risk in force at March 31, 1998 was $730.7 million compared to $261.3 million at March 31, 1997 and is expected to increase during the remainder of 1998 as a result of outstanding commitments to write additional agency pool insurance.

Cancellation activity increased during 1997 and the first quarter of 1998 due to favorable mortgage interest rates which resulted in a decrease in the MGIC persistency rate (percentage of insurance remaining in force from one year prior) to 78.4% at March 31, 1998 from 82.7% at March 31, 1997. Cancellation activity could increase due to factors other than refinances and home sales if proposed legislation regarding cancellation of mortgage insurance is enacted.

Net premiums written were $176.5 million during the first quarter of 1998, compared to $155.6 million during the first quarter of 1997, an increase of 13%. Net premiums earned were $189.8 million for the first quarter of 1998, an increase of 11% over the $170.3 million for the same period in 1997. The increases were primarily a result of the growth in insurance in force since March 31, 1997 and renewal premiums on mortgage loans with deeper coverages.

Investment income for the first quarter of 1998 was $34.4 million, an increase of 17% over the $29.5 million in the first quarter of 1997. This increase was primarily the result of an increase in the amortized cost of average invested assets to $2.4 billion for the first quarter of 1998 from $2.0 billion for the first quarter of 1997, an increase of 17%. The portfolio's average pre-tax investment yield was 5.8% for the first quarter of 1998 and 5.9% for the same period in 1997. The portfolio's average after-tax investment yield was 4.9% for the first quarter of 1998 and 5.0% for the same period in 1997. The Company realized gains of $10.3 million during the three months ended March 31, 1998 resulting primarily from the sale of equity securities compared to minimal realized gains on investments during the same period in 1997.

Other revenue was $9.5 million for the first quarter of 1998 compared to $5.2 million for the same period in 1997. The increase is primarily the result of $1.9 million of equity earnings from C-BASS, the Company's joint venture with Enhance Financial Services Group Inc. and an increase in fee-based services for underwriting.

Net losses incurred decreased 6% to $59.4 million during the first quarter of 1998 from $63.2 million during the first quarter of 1997. Such decrease was primarily attributed to a decrease in the primary insurance notice inventory during the first quarter as compared to an increase in the primary insurance notice inventory during the comparable period of 1997, along with improvements in certain high-cost geographic regions. At March 31, 1998, 59% of MGIC's insurance in force was written during the preceding thirteen quarters, compared to 63% at March 31, 1997. The highest claim frequency years have typically been the third through fifth year after the year of loan origination. However, the pattern of claims frequency for refinance loans may be different from the historical pattern of other loans.

Underwriting and other expenses increased to $45.2 million in the first quarter of 1998 from $38.2 million in the first quarter of 1997, an increase of 18%. This increase was primarily due to an increase in expenses associated with the fee-based services for underwriting and an increase in premium tax due to higher premiums written.

Interest expense increased to $3.6 million in the first quarter of 1998 from $.3 million during the same period in 1997. Interest expense in the current period is the result of debt incurred to fund the stock repurchase program. Interest expense for the first quarter of 1997 represents interest prior to the repayment in January 1997 of the mortgages payable. See note 2 to the consolidated financial statements.

The consolidated insurance operations loss ratio was 31.3% for the first quarter of 1998 compared to 37.1% for the first quarter of 1997. The consolidated insurance operations expense and combined ratios were 19.9% and 51.2%, respectively, for the first quarter of 1998 compared to 21.1% and 58.2% for the first quarter of 1997.

The effective tax rate was 30.9% in the first quarter of 1998, compared to 30.3% in the first quarter of 1997. During both periods, the effective tax rate was below the statutory rate of 35%, reflecting the benefits of tax-preferenced investment income. The higher effective tax rate in 1998 resulted from a lower percentage of total income before tax being generated from tax-preferenced investments.

Liquidity and Capital Resources

The Company's consolidated sources of funds consist primarily of premiums written and investment income. The Company generated positive cash flows from operating activities of $132.5 million for the three months ended March 31, 1998, as shown on the Consolidated Statement of Cash Flows. Funds are applied primarily to the payment of claims and expenses. The Company's business does not require significant capital expenditures on an ongoing basis. Positive cash flows are invested pending future payments of claims and other expenses; cash flow shortfalls, if any, could be funded through sales of short-term investments and other investment portfolio securities.

Consolidated total investments were $2.5 billion at March 31, 1998, compared to $2.4 billion at December 31, 1997, an increase of 5%. This increase is due primarily to positive cash flow from operations. The investment portfolio includes unrealized gains on securities marked to market at March 31, 1998 and December 31, 1997 of $112.6 million and $129.2 million, respectively. As of March 31, 1998, the Company had $222.6 million of short-term investments with maturities of 90 days or less. In addition, at March 31, 1998, based on amortized cost, the Company's total investments, which were primarily comprised of fixed maturities, were approximately 98% invested in "A" rated and above, readily marketable securities, concentrated in maturities of less than 15 years.

Consolidated loss reserves increased 3% to $617.7 million at March 31, 1998 from $598.7 million at December 31, 1997. Consistent with industry practices, the Company does not establish loss reserves for future claims on insured loans which are not currently in default.

Consolidated unearned premiums decreased $14.6 million from $198.3 million at December 31, 1997 to $183.7 million at March 31, 1998, primarily reflecting the continued high level of monthly premium policies written, for which there is no unearned premium. Reinsurance recoverable on unearned premiums decreased $1.3 million to $7.9 million at March 31, 1998 from $9.2 million at December 31, 1997, primarily reflecting the reduction in unearned premiums.

Consolidated shareholders' equity increased to $1.6 billion at March 31, 1998, from $1.5 billion at December 31, 1997, an increase of 6%. This increase consisted of $94.0 million of net income during the first three months of 1998 and $10.7 million from the reissuance of treasury stock offset by a decrease in net unrealized gains on investments of $10.8 million, net of tax, and dividends declared of $2.8 million.

MGIC is the principal insurance subsidiary of the Company. MGIC's risk-to-capital ratio was 15.1:1 at March 31, 1998 compared to 15.7:1 at December 31, 1997. The decrease was due to MGIC's increased policyholders' reserves, partially offset by the net additional risk in force of $77.1 million, net of reinsurance, during the first three months of 1998.

The Company's combined insurance risk-to-capital ratio was 15.7:1 at March 31, 1998, compared to 16.4:1 at December 31, 1997. The decrease was due to the same reasons as described above.

See note 7 for discussion regarding the Company's stock repurchase program.

Year 2000 Compliance

Almost all of the Company's computer systems, including all of the systems which are integral to its business, either have been originally developed to be Year 2000 compliant or have been reprogrammed. The Company plans to reprogram the remaining systems and to complete tests of all systems for Year 2000 compliance by the end of 1998. All costs incurred through the first quarter of 1998 for systems for Year 2000 compliance have been expensed and were immaterial. The costs of the remaining reprogramming and testing are expected to be immaterial. Some of the Company's computer systems integral to its business interface with computer systems of third parties. Virtually all transactions with systems operated by third parties involve nationally recognized service bureaus, Fannie Mae, Freddie Mac or other companies that were among the top 50 mortgage servicers in 1997. The Company is assuming that these third parties will successfully address Year 2000 compliance for their own systems and is planning to work with many of these third parties in 1998 to coordinate testing of Year 2000 system interfaces. As a result, the Company does not anticipate Year 2000 compliance arising from interfaces with third-party systems will have a material impact on its operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At March 31, 1998, the Company had no derivative financial instruments in its investment portfolio. The Company places its investments in instruments that meet high credit quality standards, as specified in the Company's investment policy guidelines; the policy also limits the amount of credit exposure to any one issue, issuer and type of instrument. At March 31, 1998, the average duration of the Company's investment portfolio was 5.7 years. The effect of a 1% increase/decrease in market interest rates would result in a 5.7% decrease/increase in the value of the Company's investment portfolio.

The Company's borrowings under the credit facility are subject to an interest rate that is variable. Changes in market interest rates would have minimal impact on the value of the note payable. See note 2 to the consolidated financial statements.

SAFE HARBOR STATEMENT

The following is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995, which applies to all statements in this Form 10-Q, which are not historical facts and to all oral statements that the Company may make from time to time relating thereto which are not historical facts (such written and oral statements are herein referred to as "forward looking statements"):

> Actual results may differ materially from those contemplated by the forward looking statements. These forward looking statements involve risks and uncertainties, including but not limited to, the following risks:
>
> - that demand for housing generally or in MGIC's market segment may be adversely affected by changes in interest rates, adverse economic conditions, or other reasons;
>
> - that government housing policy may change, including changes in Federal Housing Administration ("FHA") loan limits, and changes in the statutory charters and coverage requirements of Freddie Mac and Fannie Mae; that MGIC's market share of new insurance written or the amount of new insurance written may be adversely affected as a result of factors affecting housing demand, government housing policy and Freddie Mac and Fannie Mae discussed above; or as a result of underwriting changes by the Company; actions taken by the Company's competitors, including their underwriting criteria, pricing or products offered; decisions by lenders to originate low down payment loans using substitutes for mortgage insurance, including self-insurance, or to the extent legally permissible, to provide insurance themselves; or for other reasons;

- that cancellations may increase and persistency may decrease due to refinancings, changes in Freddie Mac or Fannie Mae cancellation policies or legislation regarding mortgage insurance cancellation, or due to other factors; and

- that delinquencies, incurred losses or paid losses may increase as a result of adverse changes in regional or national economies which affect borrowers' incomes or housing values.

The foregoing "Safe Harbor" Statement also identifies certain material risks of the Company's business.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits - The exhibits listed in the accompanying Index to Exhibits are filed as part of this Form 10-Q.

(b) Reports on Form 8-K - No reports were filed on Form 8-K during the quarter ended March 31, 1998.

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 thereunto duly authorized, on May 14, 1998.

MGIC INVESTMENT CORPORATION

/s/ J. Michael Lauer

J. Michael Lauer
Executive Vice President and
Chief Financial Officer

/s/ Patrick Sinks

Patrick Sinks
Vice President, Controller and
Chief Accounting Officer

INDEX TO EXHIBITS
(Item 6)

Exhibit Number	Description of Exhibit
11.1	Statement Re Computation of Net Income Per Share
27	Financial Data Schedule

EXHIBIT 11.1

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES
STATEMENT RE COMPUTATION OF NET INCOME PER SHARE (1)
Three Months Ended March 31, 1998 and 1997

	Three Months Ended March 31, 1998	Three Months Ended March 31, 1997
	(In thousands of dollars, except per share data)	
BASIC EARNINGS PER SHARE		
Adjusted shares outstanding	113,989	118,108
Net income	$94,047	$72,436
Basic earnings per share	$ 0.83	$ 0.61
DILUTED EARNINGS PER SHARE		
Adjusted shares outstanding:		
Average common shares outstanding	113,989	118,108
Net shares to be issued upon exercise of dilutive stock options after applying treasury stock method	1,752	1,215
Adjusted shares outstanding	115,741	119,323
Net income	$94,047	$72,436
Diluted earnings per share	$ 0.81	$ 0.61

(1) The prior year share and per share amounts have been adjusted to reflect the Company's two-for-one stock split in the form of a 100% stock dividend effective June 2, 1997.

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM FORM 10-Q FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

3-MOS
DEC-31-1998
MAR-31-1998
2,315,903
0
0
4,221
0
0
2,542,755
228,619
0
26,211
2,735,000
617,734
183,666
0
0
242,500
0
0
121,111
1,456,801
2,735,000
189,821
34,389
10,295
9,461
59,438
945
44,213
136,077
42,030
94,047
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0
0
94,047
.83
.81
0
0
0
0
0
0
0

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM FORM 10-Q FOR THE
NINE MONTHS ENDED SEPTEMBER 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

9-MOS
DEC-31-1997
SEP-30-1997
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0
103,596
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0
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222,500
0
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121,111
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237,226
2.03
2.00
0
0
0
0
0
0
0

7

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM FORM 10-Q FOR THE
SIX MONTHS ENDED JUNE 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

6-MOS
DEC-31-1997
JUN-30-1997
2,019,757
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0
45,618
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121,111
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343,771
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596
11,709
121,445
2,400
57,480
219,567
66,516
153,051
0
0
0
153,051
1.29
1.28
0
0
0
0
0
0
0

7

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM FORM 10-Q FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

3-MOS
DEC-31-1997
MAR-31-1997
1,912,393
0
0
4,039
0
0
2,074,349
164,507
0
30,756
2,256,773
536,974
203,016
0
0
0
0
0
121,111
1,301,315
2,256,773
170,292
29,508
89
5,202
63,194
1,200
37,013
103,907
31,471
72,436
0
0
0
72,436
.61
.61
0
0
0
0
0
0
0

7

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

YEAR
DEC-31-1996
DEC-31-1996
1,892,081
0
0
4,039
0
0
2,036,234
143,975
0
31,956
2,222,315
514,042
219,307
0
0
35,424
0
0
121,111
1,245,004
2,222,315
617,043
105,355
1,220
22,013
234,350
6,000
140,483
365,028
107,037
257,991
0
0
0
257,991
2.19
2.17
372,833
312,630
(78,280)
16,872
106,096
484,215
0

7

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM FORM 10-Q FOR THE
NINE MONTHS ENDED SEPTEMBER 30, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

9-MOS
DEC-31-1996
SEP-30-1996
1,813,866
0
0
3,836
0
0
1,934,735
124,982
0
33,456
2,105,564
486,204
220,721
0
0
35,516
0
0
121,111
1,161,338
2,105,564
452,146
76,378
979
17,081
173,973
4,500
105,231
263,137
76,242
186,895
0
0
0
186,895
1.59
1.57
0
0
0
0
0
0
0

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM FORM 10-Q FOR THE
SIX MONTHS ENDED JUNE 30, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

6-MOS
DEC-31-1996
JUN-30-1996
1,704,550
0
0
3,836
0
0
1,789,713
86,751
0
34,956
1,962,733
426,539
217,534
0
0
35,606
0
0
121,111
1,088,896
1,962,733
295,367
49,452
413
11,676
113,726
3,000
70,330
170,103
48,993
121,110
0
0
0
121,110
1.03
1.02
0
0
0
0
0
0
0

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM FORM 10-Q FOR THE THREE MONTHS ENDED MARCH 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

3-MOS
DEC-31-1996
MAR-31-1996
1,632,536
0
0
3,836
0
0
1,734,789
102,808
0
36,456
1,906,847
401,141
227,978
0
0
35,704
0
0
121,111
1,037,055
1,906,847
144,640
24,261
339
5,397
56,837
1,500
34,204
81,990
23,530
58,460
0
0
0
58,460
.50
.49
0
0
0
0
0
0
0