



SIGNATURES

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PART I. FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET  
June 30, 1996 (Unaudited) and December 31, 1995

	June 30, 1996	December 31, 1995
	-----	-----
ASSETS		
- - - - -		
Investment portfolio:		
Securities, available-for-sale, at market value:		
Fixed maturities	\$1,704,550	\$1,602,806
Equity securities	3,836	3,836
Short-term investments	81,327	80,579
	-----	-----
Total investment portfolio	1,789,713	1,687,221
Cash	5,424	9,685
Accrued investment income	31,319	29,213
Reinsurance recoverable on loss reserves	31,099	33,856
Reinsurance recoverable on unearned premiums	12,110	15,485
Home office and equipment, net	36,681	38,782
Deferred insurance policy acquisition costs	34,956	37,956
Other assets	21,431	22,521
	-----	-----
Total assets	\$1,962,733	\$1,874,719
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
- - - - -		
Liabilities:		
Loss reserves	\$ 426,539	\$ 371,032
Unearned premiums	217,534	251,163
Mortgages payable	35,606	35,799
Income taxes payable	15,857	33,686
Checks payable	12,455	9,771
Other liabilities	44,735	51,876
	-----	-----
Total liabilities	752,726	753,327
	-----	-----
Contingencies (note 2)		
Shareholders' equity:		
Common stock, \$1 par value, shares authorized 150,000,000; shares issued 60,555,400; shares outstanding, 6/30/96 - 58,903,459; 1995 - 58,629,420	60,555	60,555
Paid-in surplus	266,983	259,430
Treasury stock (shares at cost, 6/30/96 - 1,651,941; 1995 - 1,925,980)	(7,010)	(8,172)
Unrealized appreciation in investments, net of tax	18,236	54,737
Retained earnings	871,243	754,842
	-----	-----
Total shareholders' equity	1,210,007	1,121,392
	-----	-----
Total liabilities and shareholders' equity	\$1,962,733	\$1,874,719
	=====	=====

See accompanying notes to consolidated financial statements.

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF OPERATIONS  
Three and Six Month Periods Ended June 30, 1996 and 1995  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
(In thousands of dollars, except per share data)				
Revenues:				
Premiums written:				
Direct	\$143,648	\$121,314	\$268,659	\$221,178
Assumed	1,601	2,133	3,262	4,036
Ceded	(3,665)	(5,304)	(6,809)	(9,157)
	-----	-----	-----	-----
Net premiums written	141,584	118,143	265,112	216,057
Decrease in unearned premiums	9,143	4,215	30,255	20,716
	-----	-----	-----	-----
Net premiums earned	150,727	122,358	295,367	236,773
Investment income, net of expenses	25,191	21,205	49,452	41,500
Realized investment gains (losses), net	74	4	413	(43)
Other revenue	6,279	5,032	11,676	10,532
	-----	-----	-----	-----
Total revenues	182,271	148,599	356,908	288,762
	-----	-----	-----	-----
Losses and expenses:				
Losses incurred, net	56,889	44,009	113,726	87,347
Underwriting and other expenses	37,626	35,105	73,330	69,422
Interest expense	944	953	1,891	1,899
Ceding commission	(1,301)	(1,406)	(2,142)	(2,473)
	-----	-----	-----	-----
Total losses and expenses	94,158	78,661	186,805	156,195
	-----	-----	-----	-----
Income before tax	88,113	69,938	170,103	132,567
Provision for income tax	25,463	19,993	48,993	37,404
	-----	-----	-----	-----
Net income	\$ 62,650	\$ 49,945	\$121,110	\$ 95,163
	=====	=====	=====	=====
Net income per share	\$ 1.05	\$ 0.84	\$ 2.04	\$ 1.61
	=====	=====	=====	=====
Weighted average common shares outstanding (shares in thousands)	59,466	59,249	59,450	59,188
	=====	=====	=====	=====
Dividends per share	\$ 0.04	\$ 0.04	\$ 0.08	\$ 0.08
	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
Six Months Ended June 30, 1996 and 1995  
(Unaudited)

	Six Months Ended June 30,	
	1996	1995
	-----	-----
	(In thousands of dollars)	
Cash flows from operating activities:		
Net income	\$121,110	\$ 95,163
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred insurance policy acquisition costs	16,763	19,580
Increase in deferred insurance policy acquisition costs	(13,763)	(16,601)
Depreciation and amortization	4,522	4,175
Increase in accrued investment income	(2,106)	(3,185)
Decrease in reinsurance recoverable on loss reserves	2,757	467
Decrease in reinsurance recoverable on unearned premiums	3,375	3,086
Increase in loss reserves	55,507	44,609
Decrease in unearned premiums	(33,629)	(23,803)
Other	(2,316)	(4,535)
	-----	-----
Net cash provided by operating activities	152,220	118,956
	-----	-----
Cash flows from investing activities:		
Purchase of fixed maturities:		
Available-for-sale securities	(387,210)	(246,529)
Held-to-maturity securities	-	(26,987)
Proceeds from sale or maturity of fixed maturities:		
Available-for-sale securities	227,664	70,048
Held-to-maturity securities	-	11,007
	-----	-----
Net cash used in investing activities	(159,546)	(192,461)
	-----	-----
Cash flows from financing activities:		
Dividends paid to shareholders	(4,709)	(4,680)
Principal repayments on long-term debt	(193)	(185)
Reissuance of treasury stock	8,715	4,228
	-----	-----
Net cash provided by (used in) financing activities	3,813	(637)
	-----	-----
Net decrease in cash and short-term investments	(3,513)	(74,142)
Cash and short-term investments at beginning of year	90,264	167,289
	-----	-----
Cash and short-term investments at end of period	\$ 86,751	\$ 93,147
	=====	=====

See accompanying notes to consolidated financial statements.

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 1996  
(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, 1995 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 six months ended June 30, 1996 may not be indicative of the results that may be expected for the year ending December 31, 1996.

Note 2 - Contingencies

The Internal Revenue Service ("IRS") is presently examining the Company's income tax returns for 1991 and 1992. The Company has received proposed tax assessments relating to 1989 and 1990. Management does not agree with all of the findings of the IRS and has appealed the proposed tax assessments.

In examinations through 1988, the IRS had proposed to delay the deduction for loss reserves on mortgage loans in default until the lender takes title to the mortgaged property. In August 1992, this issue was decided in favor of another private mortgage insurer by the Court of Appeals for the federal circuit applicable to the Company. However, the IRS has continued to pursue this position with other private mortgage insurers in other circuits.

Management believes that adequate provision has been made in the financial statements for any amounts which may become due with respect to the open years.

The Company is also involved in litigation in the normal 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 if a specified loan-to-value ratio is achieved. 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 specified loan-to-value ratio was achieved. 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. Similar cases are pending against other mortgage insurers, mortgage lenders and mortgage loan servicers.

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

Results of Consolidated Operations

Three Months Ended June 30, 1996 Compared With Three Months Ended  
June 30, 1995

Net income for the three months ended June 30, 1996 was \$62.7 million, compared to \$49.9 million for the same period of 1995, an increase of 26%. Net income per share for the three months ended June 30, 1996 was \$1.05 compared to \$0.84 in the same period last year, an increase of 25%.

The amount of new primary insurance written by Mortgage Guaranty Insurance Corporation ("MGIC") during the three months ended June 30, 1996 was \$8.9 billion, compared to \$7.0 billion in the same period of 1995. Refinancing activity accounted for 19% of new primary insurance written in the second quarter of 1996, compared to 6% in the second quarter of 1995.

New insurance written for the second quarter of 1996 reflected an increase in the usage of the monthly premium product to 90% of new insurance written from 83% of new insurance written in the second quarter of 1995. New insurance written for adjustable-rate mortgages ("ARMS") decreased to 23% of new insurance written in the second quarter of 1996 from 36% of new insurance written in the same period of 1995. Also, mortgages with loan-to-value ("LTV") ratios in excess of 90% but not more than 95% ("95%") decreased to 41% of new insurance written in the second quarter of 1996 from 44% of new insurance written in the same period of 1995.

The \$8.9 billion of new primary insurance written during the second quarter of 1996 was partially offset by the cancellation of \$6.1 billion of insurance in force, and resulted in a net increase of \$2.8 billion in primary insurance in force, compared to new primary insurance written of \$7.0 billion, the cancellation of \$2.9 billion, and a net increase of \$4.1 billion during the second quarter of 1995. Direct primary insurance in force was \$125.0 billion at June 30, 1996 compared to \$112.1 billion at June 30, 1995.

Cancellation activity increased in the second quarter of 1996 from the second quarter of 1995 due to the increased refinancing activity which resulted in a decrease in the MGIC persistency rate (percentage of insurance remaining in force from one year prior) to 81.5% at June 30, 1996 from 87.4% at June 30, 1995.

Net premiums written were \$141.6 million during the second quarter of 1996, compared to \$118.1 million during the second quarter of 1995, an increase of \$23.5 million or 20%. The increase was primarily a result of the growth in insurance in force.

Net premiums earned were \$150.7 million for the second quarter of 1996, compared to \$122.4 million for the second quarter of 1995, an increase of \$28.3 million, or 23%, primarily reflecting the growth of insurance in force.

Investment income for the second quarter of 1996 was \$25.2 million, an increase of 19% over the \$21.2 million in the second quarter of 1995. This increase was primarily the result of an increase in the amortized cost of average invested assets to \$1,727.7 million for the second quarter of 1996 from \$1,419.5 million for the second quarter of 1995, an increase of 22%. The portfolio's average pre-tax investment yield was 5.8% for the second quarter of 1996 compared to 6.0% in the same period of 1995. The portfolio's average after-tax investment yield was 5.1% for the second quarter of 1996 compared to 5.3% for the second quarter of 1995.

Other revenue, primarily fee-based services for underwriting and contracts with government agencies for premium reconciliation and claim administration, was \$6.3 million in the second quarter of 1996, compared to \$5.0 million in the same period of 1995. Fees from underwriting services increased \$1.8 million, offset by a decrease in fees from contracts with government agencies of \$0.6 million.

Net losses incurred increased to \$56.9 million during the second quarter of 1996 from \$44.0 million during the second quarter of 1995, an increase of 29%. Such increase was primarily a result of higher reserve levels necessitated by increased notice of default activity on loans insured in late 1994 and the first half of 1995, the continued growth and maturation of the insurance in force and higher coverages for business written during 1995 and 1996. The increase was partially offset by a redundancy in prior year loss reserves resulting from actual claim rates and actual claim amounts being lower than those estimated by the Company when originally establishing the reserve at December 31, 1995. The Company expects that, in general, incurred losses will continue to rise as a result of increased delinquency activity primarily related to the higher risk profile of loans insured in late 1994 and the first half of 1995, and the continued growth and maturing of its insurance in force as well as anticipated higher severity resulting from higher coverages for business written beginning in 1995. At June 30, 1996, 55% of MGIC's insurance in force was written during the preceding ten quarters, compared to 67% at June 30, 1995. 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. A substantial portion of the insurance written in 1992 and 1993 represented insurance on the refinance of mortgage loans originated in earlier years. (See Safe Harbor Statement at the end of this document.)

Underwriting and other expenses increased 7% to \$37.6 million in the second quarter of 1996 from \$35.1 million in the second quarter of 1995. This increase was primarily due to an increase in expenses associated with the fee-based services for underwriting and an increase in premium tax.

The consolidated insurance operations loss ratio was 37.7% for the second quarter of 1996 compared to 36.0% for the second quarter of 1995. The consolidated insurance operations expense and combined ratios were 22.7% and 60.4%, respectively, for the second quarter of 1996 compared to 25.7% and 61.7% for the second quarter of 1995.

The effective tax rate was 28.9% in the second quarter of 1996, compared to 28.6% in the second quarter of 1995. During both periods, the effective tax rate was below the statutory rate of 35%, reflecting the benefits of tax-preferenced investment income.

#### Six Months Ended June 30, 1996 Compared With Six Months Ended June 30, 1995

Net income for the six months ended June 30, 1996 was \$121.1 million, compared to \$95.2 million for the same period of 1995, an increase of 27%. Net income per share for the six months ended June 30, 1996 was \$2.04 compared to \$1.61 in the same period last year, an increase of 27%.

The amount of new primary insurance written by MGIC during the six months ended June 30, 1996 was \$16.5 billion, compared to \$13.1 billion in the same period of 1995. Refinancing activity accounted for 24% of new primary insurance written in the first half of 1996, compared to 7% in the first half of 1995.

New insurance written for 1996 reflected an increase in the usage of the monthly premium product to 89% of new insurance written from 80% of new insurance written in the first half of 1995. New insurance written for ARMS decreased to 20% of new insurance written in the first half of 1996 from 44% of new insurance written in the same period of 1995. Also, mortgages with LTV ratios of 95% decreased to 39% of new insurance written in the first six months of 1996 from 44% of new insurance written in the same period of 1995.

Principally as a result of changes in the coverage requirements by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, new insurance written for mortgages with LTV ratios in excess of 80% but not more than 90% and coverage of 25% was 40% of new insurance written in the first half of 1996 compared to 27% in the first half of 1995. New insurance written for mortgages with LTV ratios of 95% and coverage of 30% was 36% of new insurance written in the first half of 1996 compared to 28% in the first half of 1995.

The \$16.5 billion of new primary insurance written during the first half of 1996 was partially offset by the cancellation of \$11.8 billion of insurance in force, and resulted in a net increase of \$4.7 billion in primary insurance in force, compared to new primary insurance written of \$13.1 billion, the cancellation of \$5.4 billion, and a net increase of \$7.7 billion during the first half of 1995. Direct primary insurance in force was \$125.0 billion at June 30, 1996 compared to \$112.1 billion at June 30, 1995.

Cancellation activity increased in the first six months of 1996 from the first half of 1995 due to the increased refinancing activity which resulted in a decrease in the MGIC persistency rate (percentage of insurance remaining in force from one year prior) to 81.5% at June 30, 1996 from 87.4% at June 30, 1995.

Net premiums written were \$265.1 million during the first half of 1996, compared to \$216.1 million during the first half of 1995, an increase of \$49.0 million or 23%. The increase was primarily a result of the growth in insurance in force and the increase in coverage requirements discussed above.

Net premiums earned were \$295.4 million for the first six months of 1996, compared to \$236.8 million for the first six months of 1995, an increase of \$58.6 million, or 25%, primarily reflecting the growth of insurance in force and the increase in coverage requirements discussed above.

Investment income for 1996 was \$49.5 million, an increase of 19% over the \$41.5 million in the first six months of 1995. This increase was primarily the result of an increase in the amortized cost of average invested assets to \$1,682.3 million for the first half of 1996 from \$1,387.4 million for the first half of 1995, an increase of 21%. The portfolio's average pre-tax investment yield was 5.9% for the first six months of 1996 compared to 6.0% in the first six months of 1995. The portfolio's average after-tax investment yield was 5.1% for 1996 compared to 5.3% for the first half of 1995.

Other revenue, primarily contracts with government agencies for premium reconciliation and claim administration, and fee-based services for underwriting, was \$11.7 million in the first half of 1996, compared to \$10.5 million in the first half of 1995. Fees from underwriting services increased \$2.6 million, offset by a decrease in fees from contracts with government agencies of \$1.7 million.

Ceding commission for 1996 was \$2.1 million, compared to \$2.5 million for the first half of 1995, a decrease of 16%. The decrease was primarily attributable to reductions in premiums ceded under quota share reinsurance agreements.

Net losses incurred increased to \$113.7 million during the first six months of 1996 from \$87.3 million during the first six months of 1995, an increase of 30%. Such increase was primarily a result of higher reserve levels necessitated by increased notice of default activity on loans insured in late 1994 and the first half of 1995, the continued growth and maturation of the insurance in force and higher coverages for business written during 1995 and 1996. The increase was partially offset by a redundancy in prior year loss reserves resulting from actual claim rates and actual claim amounts being lower than those estimated by the Company when originally establishing the reserve at December 31, 1995. The Company expects that, in general, incurred losses will continue to rise as a result of increased delinquency activity primarily related to the higher risk profile on loans insured in late 1994 and the first half of 1995, and the continued growth and maturing of its insurance in force as well as anticipated higher severity resulting from higher coverages for business written beginning in 1995. At June 30, 1996, 55% of MGIC's insurance in force was written during the

preceding ten quarters, compared to 67% at June 30, 1995. 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. A substantial portion of the insurance written in 1992 and 1993 represented insurance on the refinance of mortgage loans originated in earlier years. (See Safe Harbor Statement at the end of this document.)

Underwriting and other expenses increased 6% to \$73.3 million in the first half of 1996 from \$69.4 million in the first half of 1995. This increase was primarily due to an increase in expenses associated with the fee-based services for underwriting and an increase in premium tax.

The consolidated insurance operations loss ratio was 38.5% for the first half of 1996 compared to 36.9% for the first half of 1995. The consolidated insurance operations expense and combined ratios were 24.0% and 62.5%, respectively, for the first half of 1996 compared to 28.2% and 65.1% for the first half of 1995.

The effective tax rate was 28.8% in the first half of 1996, compared to 28.2% in the first half of 1995. 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 1996 resulted from a lower percentage of total income before tax generated from tax-preferenced investments in 1996.

#### 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 for the six months ended June 30, 1996, 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. In January 1997, the Company is obligated to repay mortgages payable of \$35.4 million, which are secured by the home office and substantially all of the furniture and fixtures of the Company.

Consolidated total investments were \$1,789.7 million at June 30, 1996, compared to \$1,687.2 million at December 31, 1995, an increase of 6%. Included in the change in investments was a decrease of \$56.1 million in unrealized gains. The investment portfolio includes unrealized gains on securities marked to market at June 30, 1996 and December 31, 1995 of \$28.1 million and \$84.2 million, respectively. As of June 30, 1996, the Company had \$81.3 million of short-term investments with maturities of 90 days or less. In addition, at June 30, 1996, based on amortized cost, the Company's total investments, which were virtually all 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 15% to \$426.5 million at June 30, 1996 from \$371.0 million at December 31, 1995, reflecting the higher level of defaults for the reasons described above. 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 \$33.7 million from \$251.2 million at December 31, 1995 to \$217.5 million at June 30, 1996, reflecting the continued high level of monthly premium policies written, for which there is no unearned premium. Reinsurance recoverable on unearned premiums decreased \$3.4 million to \$12.1 million at June 30, 1996 from \$15.5 million at December 31, 1995, primarily reflecting the reduction in unearned premiums.

Consolidated shareholder's equity increased to \$1,210.0 million at June 30, 1996, from \$1,121.4 million at December 31, 1995, an increase of 8%. This increase consisted of \$121.1 million of net income during the first six months of 1996 and \$8.7 million from the reissuance of treasury stock, offset by a decrease in net unrealized gains on investments of \$36.5 million, net of tax, and dividends declared of \$4.7 million.

MGIC is the principal insurance subsidiary of the Company. MGIC's risk-to-capital was 18.2:1 at June 30, 1996 compared to 19.1:1 at December 31, 1995. The decrease was due to MGIC's increased policyholders' reserves, partially offset by the additional risk in force of \$1.5 billion resulting from the \$4.2 billion addition to insurance in force, net of reinsurance, during the first six months of 1996.

The Company's combined insurance risk-to-capital ratio was 18.9:1 at June 30, 1996, compared to 19.9:1 at December 31, 1995. The decrease was due to the same reasons as described above.

#### Safe Harbor Statement

The following is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995, which applies as follows to all statements relating to incurred losses, delinquency activity and claims frequency in this Form 10-Q that are not historical facts:

Such statements that are not historical facts are forward looking statements. Actual future incurred losses, increased delinquency activity and claims frequency may differ materially from those expected or projected in the forward looking statements. These forward looking statements involve risks and uncertainties that the incidence and severity of losses, delinquencies and claims may increase beyond expectations or projections for various reasons, including but not limited to, the following: a reduction in the growth of borrower income, a reduced level of borrower creditworthiness, and increased unemployment; higher interest rates and adverse economic conditions; and a reduced level of housing price appreciation and a reduced ability of homeowners to sell homes to satisfy their mortgage obligations.

PART II. OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a) The Annual Meeting of Shareholders of the Company was held on May 2, 1996.

(b) At the Annual Meeting, the following Directors were elected to Class II of the Board of Directors, for a term expiring at the annual meeting of shareholders to be held in 1999 or until a successor is duly elected and qualified:

Mary K. Bush, David S. Engelman, Kenneth M. Jastrow, II, and William H. Lacy

Directors with continuing terms of office are:

Class I

(term expiring 1998): James A. Abbott  
James D. Ericson  
Sheldon B. Lubar  
Edward J. Zore

Class III

(term expiring 1997): Karl E. Case  
Leslie M. Muma  
Wayne J. Roper  
Peter J. Wallison

(c) Matters voted upon at the Annual Meeting and the number of shares voted for, or against or withheld, or abstaining from voting, are as follows:

(1) Election of four Directors for a term expiring in 1999.

	FOR	WITHHELD
	-----	-----
Mary K. Bush	53,550,093	115,540
David S. Engelman	53,556,515	109,118
Kenneth M. Jastrow, II	53,549,843	115,790
William H. Lacy	53,556,500	109,133

(2) Ratification of the appointment of Price Waterhouse LLP as independent public accountants for the Company for 1996.

For:	53,623,315
Against:	22,263
Abstaining from Voting:	20,055

There were no "broker non-votes" applicable to any of these matters described above.

(d) Not applicable

ITEM 5. OTHER INFORMATION

For a discussion of certain litigation brought by borrowers challenging the necessity of maintaining mortgage insurance in certain circumstances, see the last paragraph of Note 2 to the Consolidated Financial Statements (Unaudited) of the Company contained in Part I above.

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 June 30, 1996.

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 August 8, 1996.

MGIC INVESTMENT CORPORATION

/s/ J. Michael Lauer

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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



MGIC INVESTMENT CORPORATION AND SUBSIDIARIES  
 STATEMENT RE COMPUTATION OF NET INCOME PER SHARE  
 Three and Six Month Periods Ended June 30, 1996 and 1995

	Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
(In thousands of dollars, except per share data)				
<b>PRIMARY NET INCOME PER SHARE</b>				
Adjusted shares outstanding:				
Average common shares outstanding	58,904	58,530	58,846	58,477
Net shares to be issued upon exercise of dilutive stock options after applying treasury stock method	562	719	604	711
Adjusted shares outstanding	59,466	59,249	59,450	59,188
Net income	\$ 62,650	\$ 49,945	\$121,110	\$ 95,163
Primary net income per share	\$ 1.05	\$ 0.84	\$ 2.04	\$ 1.61
<b>FULLY DILUTED NET INCOME PER SHARE</b>				
Adjusted shares outstanding:				
Average common shares outstanding	58,904	58,530	58,846	58,477
Net shares to be issued upon exercise of dilutive stock options after applying treasury stock method	563	743	604	773
Adjusted shares outstanding	59,467	59,273	59,450	59,250
Net income	\$ 62,650	\$ 49,945	\$121,110	\$ 95,163
Fully diluted net income per share	\$ 1.05	\$ 0.84	\$ 2.04	\$ 1.61



