

MGIC INVESTMENT CORPORATION

AUDIT COMMITTEE CHARTER

PURPOSE AND AUTHORITY

The purpose of the Audit Committee is to assist the oversight by the Company's Board of Directors of:

- the integrity of the Company's financial statements and system of internal controls,
- the qualifications, independence and performance of the independent accountants,
- the performance of the Company's internal audit function, and
- the Company's compliance with legal and regulatory requirements.

The Committee shall also provide the report of the Committee to be included in the Company's proxy statement under the rules of the Securities and Exchange Commission ("SEC").

Within the scope of its purpose, the Committee shall have unrestricted access to any of the Company's activities and personnel. Within the scope of its purpose, the Committee has authority to retain persons from within or outside the Company as necessary in its judgment to assist or advise the Committee, and the Company shall provide funds to pay the costs and expenses of persons so retained. In addition, the Company shall provide funds to pay the compensation of the independent accountants appointed by the Committee and the ordinary administrative expenses of the Committee.

Notwithstanding the Committee's purpose as set forth above, the ultimate responsibility for the integrity, completeness and fairness of the Company's financial statements and the effectiveness of the Company's system of internal controls rests with the Company's management. The independent accountants are intended to be the primary check on management's performance in this regard. Furthermore, the ultimate responsibility for the Company's compliance with legal and regulatory requirements also rests with the Company's management.

STRUCTURE

The Committee shall be comprised of three or more directors each of whom shall be independent under Sections I. B. (Composition of the Board--Independence) and III. A. (Committees of the Board--Standing Committees) of the Company's Corporate Governance Guidelines (the "Guidelines"). All members of the Committee shall meet the requirements for audit committee membership of the New York Stock Exchange.

As contemplated by the Guidelines, the members of the Committee shall be appointed annually by the Board, and the Board shall appoint one of the members as Chairperson for the Committee.

DUTIES AND RESPONSIBILITIES

Subject to the considerations referred to in the final paragraph under “Purpose and Authority” above, the Audit Committee shall perform the duties listed below. The degree of effort the Committee devotes to the performance of any particular duty shall be determined in the judgment of the Committee. It is expressly recognized that, unless the Committee decides otherwise or except as provided below, some duties need not be performed each year.

1. Appoint and compensate the independent accountants (subject to ratification by the shareholders, if the Committee deems such ratification appropriate in the circumstances), oversee the work of the independent accountants, and, if appropriate, discharge such firm. Evaluate the qualifications and performance of the independent accountants, including the lead audit partner. The independent accountants shall report directly to the Committee.
2. Pre-approve the audit and non-audit services to be performed by the independent accountants pursuant to the Committee’s “Audit and Non-Audit Services Approval and Pre-Approval Policy”, in each case, giving consideration to the effect on the accountant’s independence of performing the service. Prior to the annual audit, discuss with the independent accountants the planning and staffing of the audit. Review fees associated with audit and non-audit services performed by the independent accountants quarterly.
3. Annually obtain and review a written statement from the independent accountants describing the firm’s internal quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years, and any steps taken to deal with any such issues; and all relationships between the independent accountants and the Company. Discuss with the independent accountants any disclosed relationships or services that may impact the independence of the independent accountants, and take appropriate action to satisfy the Committee of the independence of the independent accountants. Review any other matters of which the Committee becomes aware which would impair the independence of the independent accountants.
4. After completion of the annual audit and prior to the filing of the audited financial statements with the SEC, review with the independent accountants the results of the audit of the financial statements and discuss matters required to be communicated to audit committees in accordance with standards of the Public Company Accounting Oversight Board, including any difficulties or disputes with management encountered during the audit and management’s response. Consider the independent accountants’ judgments regarding the quality and appropriateness of the Company’s accounting principles as applied in the financial statements, including reviewing the independent accountants’ report of critical accounting policies used in the audited financial statements and alternative treatments within

GAAP for material items that were discussed by the independent accountants and management.

5. The Committee of MGIC shall appoint the actuary who will render the Statement of Actuarial Opinion on MGIC's loss and loss adjusting expense reserves, and shall obtain and review the actuary's report and Statement of Actuarial Opinion.
6. Review the financial information included in the annual earnings release with management and the independent accountants prior to release to the public. Review the annual financial statements and a draft of the annual Management's Discussion and Analysis with management and the independent accountants. Recommend to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K.
7. Review the financial information included in the quarterly earnings release with management prior to release to the public. Discuss with management the types of information to be included in the Company's earnings releases and in any earnings guidance. Discuss with the independent accountants and management the Company's quarterly financial statements and Management's Discussion and Analysis covering the quarterly financial statements, and discuss with the independent accountants certain matters required to be communicated to audit committees in accordance with generally accepted auditing standards, in each case prior to the Company's filing of Form 10-Q.
8. In consultation with the independent accountants, review the disclosures made to the Committee and the independent accountants by the CEO and CFO during their certification process for the Form 10-K and Form 10-Q about all significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein, and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.
9. Review with management the Company's disclosure controls and procedures and any significant changes thereto.
10. Review the material activities of the internal audit function, including:
 - the appointment, performance, compensation and, if appropriate, dismissal of the Internal Audit Director.
 - Internal Audit's charter.
 - Internal Audit's annual audit plan and changes thereto, and coordination with the independent accountants.
 - any difficulties encountered in the course of their audits, including any restrictions on

- the scope of work performed or access to required information.
- Internal Audit's independence and effectiveness, including compliance with the Institute of Internal Auditors' "International Standards for the Professional Practice of Internal Auditing".
 - Internal Audit's resources and expertise.
 - corrective actions taken by management to address the findings and recommendations of the internal auditors.
11. Review with management and the independent accountants:
- significant accounting and financial reporting developments (including significant changes in the selection or application of accounting principles) and their impact on the Company's financial statements.
 - significant matters relating to the Company's income tax filings.
12. Review the Company's processes for assessing risks (other than those reviewed by the Risk Management and Securities Investment Committees of the Board) and the effectiveness of the Company's system of internal controls in place to manage the risks through a review of the reports of the independent accountants and the internal auditors, and discussions with management, the Internal Audit Director, and the independent accountants.
13. Review management's and the independent accountants' annual assessment of the Company's internal control over financial reporting prior to filing of Form 10-K.
14. Review comment letters from the SEC relating to the Company's filings and management's responses thereto.
15. Review significant reports of examinations made by regulatory agencies and management's responses thereto.
16. Review with management the adequacy of statements of policy regarding conflicts of interest and business conduct, the means used to monitor compliance and address exceptions, and the results of monitoring programs. Review and approve the transactions that the Company's Code of Business Conduct provides are within the province of the Committee.
17. Review with the Company's counsel and compliance officer the processes for monitoring compliance with laws and regulations, and review any legal, regulatory and compliance matters that could have a material impact on the Company's financial statements.
18. Review the policies, procedures and audit results associated with officers' expenses.

19. Provide the report of the Committee to be included in the Company's proxy statement under the rules of the SEC.
20. Report after each Committee meeting a summary of the Committee's activities to the Board of Directors.
21. Annually evaluate the performance of the Committee by completing a self-assessment.
22. Establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and review any such complaints received by the Company.
23. Meet separately, periodically, with management, the Internal Audit Director, and the independent accountants and at least annually with the General Counsel.
24. Set hiring policies for employees or former employees of the independent accountants.
25. Review the Form 11-K filing associated with the Company's Profit Sharing and Savings Plan.
26. Annually review this charter and the Committee's "Audit and Non-Audit Services Approval and Pre-Approval Policy". Submit any proposed changes to the charter resulting from the review to the Board of Directors for approval.
27. Conduct or authorize investigations into matters within the Committee's scope of responsibilities.
28. Meet with the Executive Vice President-Risk Management and the Chairman of the Risk Management Committee (RMC) of the Board to review the RMC's oversight of the risks associated with the Company's mortgage insurance business.
29. Perform other duties within the scope of the Committee's responsibilities as requested by the Board of Directors.

MEETINGS

Subject to the next sentence, the Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall meet to review the financial information contained in the Company's quarterly and annual earnings releases, and the financial statements and Management's Discussion and Analysis contained in the Company's Form 10-Q and Form 10-K. Any meeting may be held telephonically. Appropriate briefing materials will be provided to all

Committee members prior to the scheduled meetings. The Internal Audit Director will act as Committee Secretary and prepare minutes of the meetings. After the minutes are approved by the Committee, a copy will be sent to the Secretary of the Company for filing in the Company's minute books. The approved minutes of the Committee, as is the case with the minutes of all of the Committees of the Board, are available for review by any interested Director.

The Internal Audit Director, independent accountants and representatives of management shall each meet alone with the Committee periodically and have the authority and are expected to contact the Committee on any matters requiring its attention. As necessary or desirable, the Chairperson may request that members of management, the Internal Audit Director, representatives of the independent accountants, and outside advisors be present at Committee meetings.