MGIC

KEEFE, BRUYETTE & WOODS
Specialists in Financial Services

KBW Insurance Conference
September 7, 2011

MGIC Investment Corporation (NYSE: MTG)

Forward Looking Statements and Risk Factors

Our revenues and losses may be affected by the risk factors discussed at the end of this presentation, which should be considered integral to this presentation. These factors may also cause actual results to differ materially from the results contemplated by forward looking statements that we may make. Forward looking statements consist of statements which relate to matters other than historical fact, including matters that inherently refer to future events. Among others, statements that include words such as we “believe,” “anticipate,” or “expect,” or words of similar import, are forward looking statements. We are not undertaking any obligation to update any forward looking statements or other statements we may make even though these statements may be affected by events or circumstances occurring after the forward looking statements or other statements were made. No reader of this presentation should rely on the fact that such statements are current at any time other than the date of this presentation.

Current State of Economy

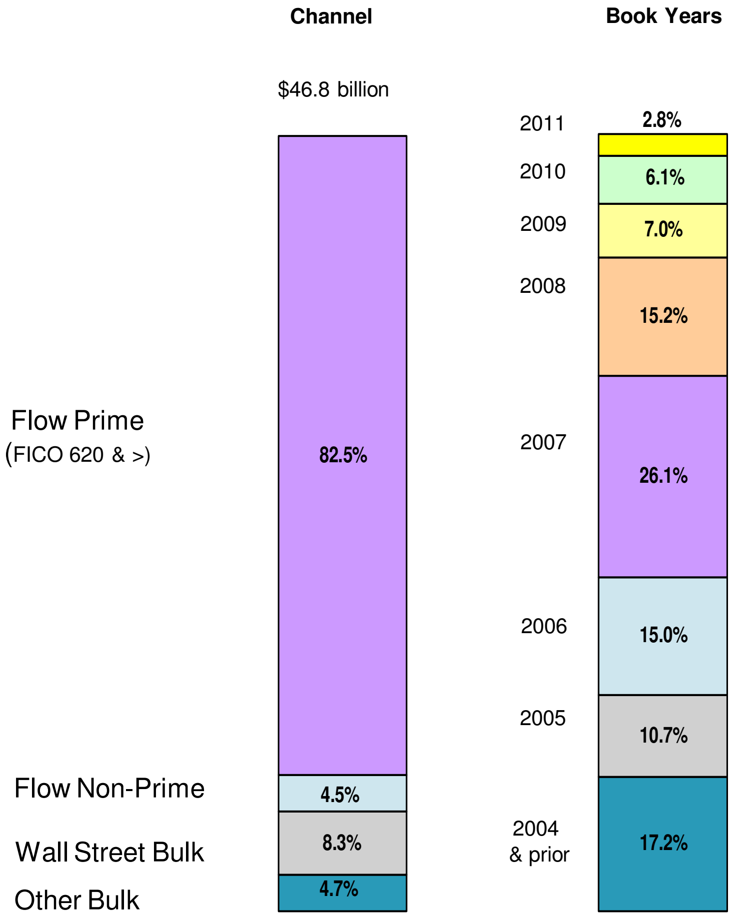
- The U.S economic recovery is weak
- Private sector job growth is sluggish
- Unemployment rates are persistently high
- Loan origination market is stagnant

Source: BEA; Moody's Economy.com

Business Overview

MGIC Overview

Primary Risk in Force as of 6/30/11



- **Founded U.S. Private Mortgage Insurance Industry Over 50 Years Ago (1957)**
- **Leading U.S. Private Mortgage Insurer** **(based on insurance in force as of Q2 2011)**
  - ~3,000 lender customers, ~23 - 24% market share in Q1 11 and Q2 11
  - Currently insuring ~1.2 million home loans
- **Highest Capitalization and Insurance-In-Force Among U.S. Mortgage Insurers**
  - ~$8.3 billion of GAAP assets at Q2 11(1)
  - ~$1.6 billion of statutory capital at MGIC as of Q2 11
  - ~$182 billion of primary insurance-in-force that generates future premiums at Q2 11
  - ~$7.8 billion investment portfolio as of Q2 11(1) that generates investment income
- **Writing Profitable New Business**
  - Tightened underwriting guidelines in 2008
- **Actively engaged in loss mitigation**
  - Both loan modifications and rescissions
- **Increased Capital Position**
  - March 2008 ($850 million) and April 2010 ($1.1 billion) Equity/Debt Offerings
- **Monoline Form**
  - Mortgage insurance is the only business allowed
- **Regulatory Oversight**
  - State insurance departments require financial and operational examinations and regular statutory reporting

[1] *Refers to MGIC Investment Corporation*

MGIC is Positioned to Take Advantage of New Business Opportunities

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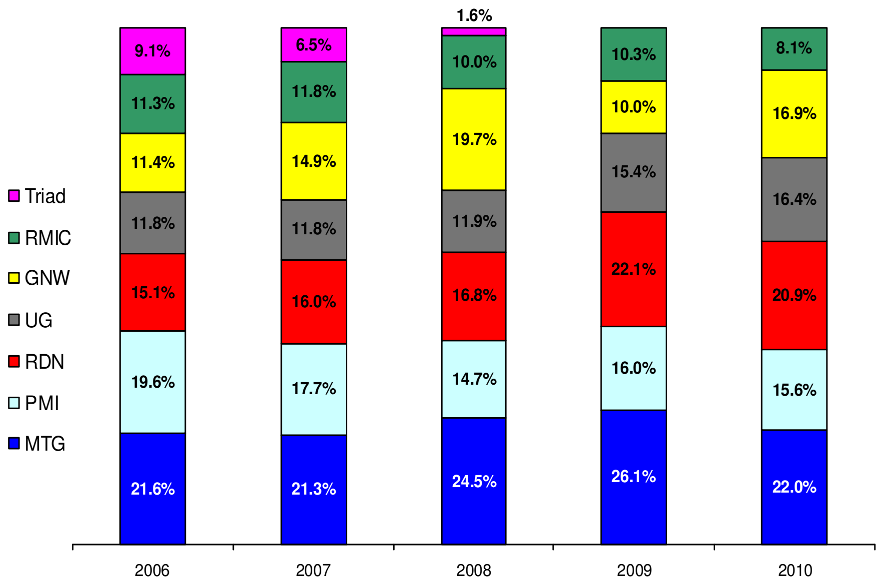
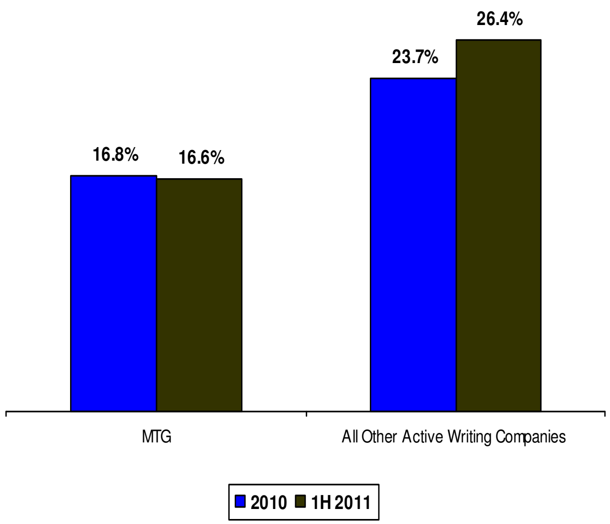
Consistent Market Leader[1]
New Insurance Written



MTG Estimated Q2 2011 Share = ~24%

Highly Efficient and Low Cost Platform[2]

Statutory Expense Ratios



Essent and United Guaranty do not report NIW

[1] Source: Inside Mortgage Finance.

[2] Other active writing companies as of September 1, 2011 are GNW, RDN, UG. For RDN , expense represents MI business only. For GNW, ratio is for US MI only.

Source: Primary Writing Company Q1 2011 and Full Year 2010 Statutory Filings for GNW, RDN, UG.

Improved Competitive Position vs. FHA

Lower Monthly Payment

90% LTV	FHA After Most Recent Price Change	MGIC Credit-Tiered Price	Difference in Monthly Payment
720 and >	$1,239	**$1,144**	**$95 Less**
700 – 719	$1,239	**$1,180**	**$59 Less**
680 – 699	$1,239	**$1,180**	**$59 Less**
660 – 679	$1,239	**$1,234**	**$5 Less**

95% LTV	FHA After Most Recent Price Change	MGIC Credit-Tiered Price	Difference in Monthly Payment
720 and >	$1,307	**$1,239**	**$68 Less**
700 – 719	$1,307	**$1,302**	**$5 Less**
680 – 699	$1,307	**$1,302**	**$5 Less**
660 – 679	$1,307	$1,379	$72 More

Assumptions:

$220,000 Purchase Price
Owner-Occupied
30-Year FRM Rate of 5%
GSE Adverse Market Fee of 25 basis points considered
GSE Loan Level Price Adjusters considered
FHA Upfront Premium is added to loan amount
All other closing costs and third-party fees are the same

Source: MGIC

Current MGIC Guideline Overview

Nonretail and Retail – Unrestricted Markets

- Min FICO = 660
- Max LTV = 97% (Min 700 FICO); 95% others
- Max DTI = 45% (min FICO 740); 41% others
- Payoffs of purchase money second liens allowed
- Max loan = $750,000 or FHFA High Cost Limit (Max LTV 90%; min FICO 700)
- Condos = Max 95% LTV

Nonretail and Retail – Tier One Markets

- Min FICO = 680
- Max LTV = 95%
- Max DTI = 41%
- Rate/Term = max LTV 95% and Max loan = $750,000 or FHFA (Max LTV 90%; min FICO 720)
- Condos = Max 90% LTV

Nonretail and Retail – Tier Two Markets

- Min FICO = 720
- Max LTV = 95%
- Max DTI = 41%
- Rate/Term = max LTV 90% and Max loan = $750,000 or FHFA (Max LTV 90%; min FICO 760)
- Condos = Max 90% LTV (FL condos ineligible)

Restricted Markets Effective May 2011

State	CBSA		Tier
Arizona		Entire State	2
California		Entire State	1
Florida		Entire State	2
Georgia	12060	Atlanta-Sandy Springs-Marietta, GA	1
Illinois	16974	Chicago-Joliet-Naperville, IL	1
Michigan	19804	Detroit-Livonia-Dearborn, MI	2
	47644	Warren-Troy-Farmington Hills, MI	2
Nevada		Entire State	2
New Jersey	35644	New York-White Plains-Wayne, NY-NJ	1
New York	35004	Nassau-Suffolk, NY	1
	35644	New York-White Plains-Wayne, NY-NJ	1

Source: MGIC

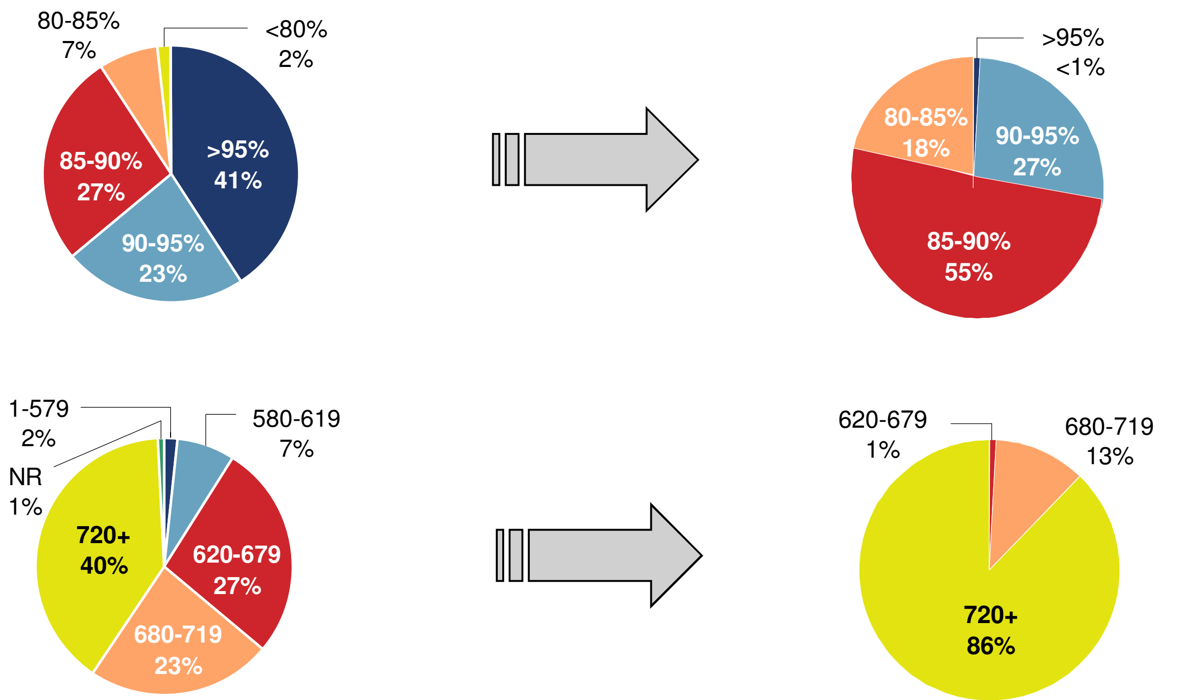
See full guidelines at www.mgic.com

Credit Profile of New Business

2007 NIW[1] | **2010 NIW[1]**

LTV

FICO



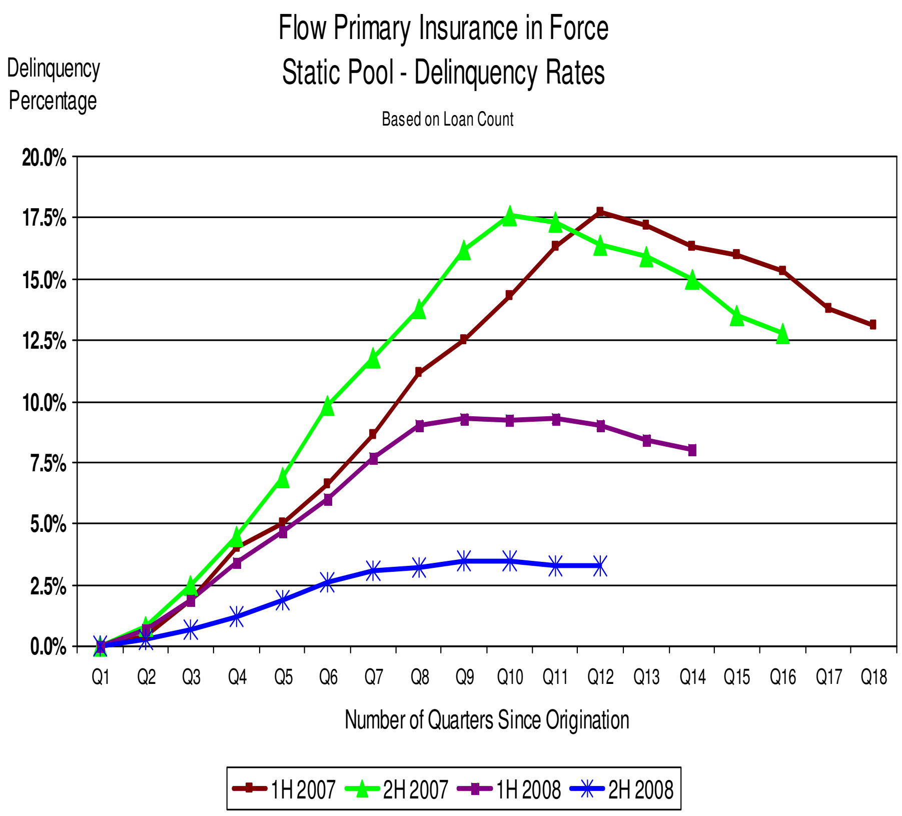
2007		2010
65 bps	Average Net Premium %	61 bps

[1] *Includes flow and bulk business in 2007. In 2010, MGIC did not write any bulk business.*

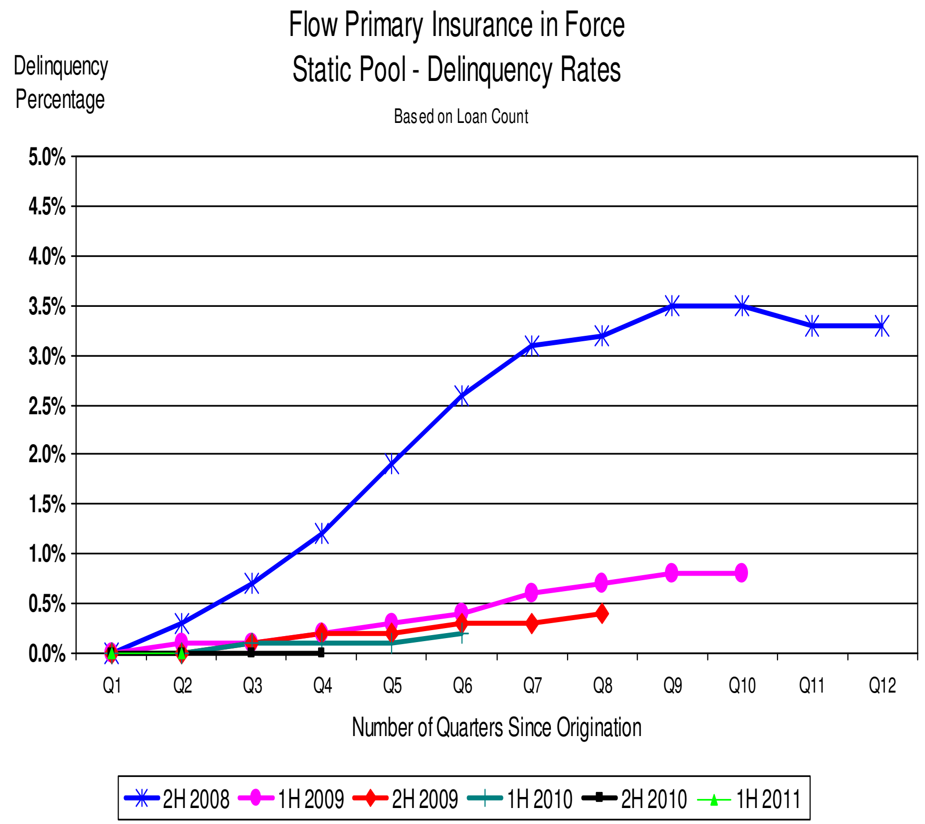
Source: MGIC

Recent Credit Performance by Book Year

1H 2007 - 2H 2008



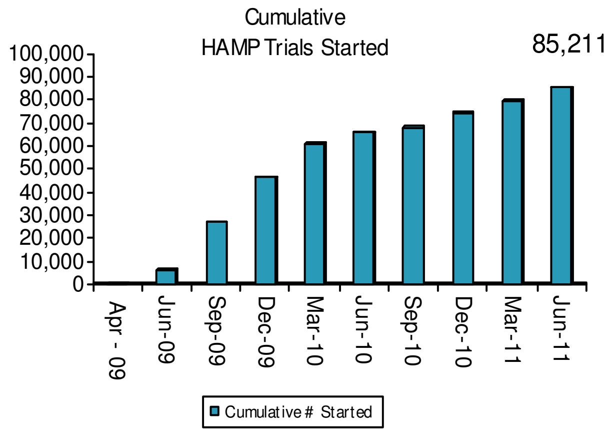
2H 2008 – 1H 2011



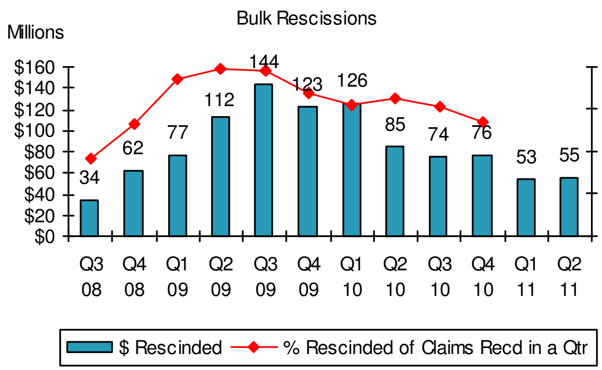
Positive Impact of Underwriting Changes

Static Pool Delinquency Rates = (total number of delinquent loans at the end of the stated reporting period) / (original number of loans insured in the 6 month periods shown)

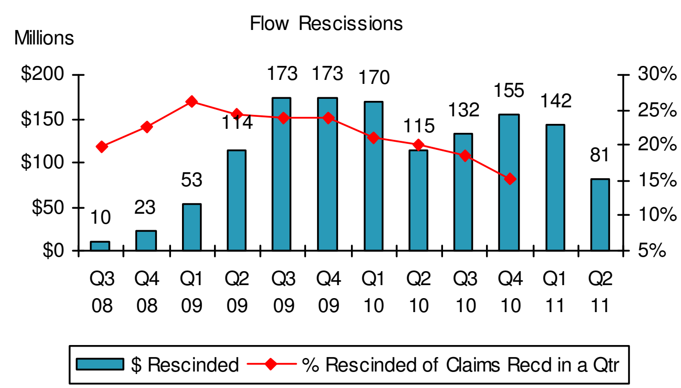
Loss Mitigation
(Primary Only)



- ~8% (~14,300 units) of delinquent primary inventory in HAMP trial at 6/30/11
- ~31,300 Permanent HAMP modifications completed and still performing at 6/30/11
    - ~8,900 completed in 1H 2011
- HAMP trial starts, while lower than last year, continue to be reported to us
- ~24,700 Non-HAMP modifications including GSE alternatives in 2010
    - ~5,500 completed in 1H 2011



~92% of Q4 2010 claims resolved

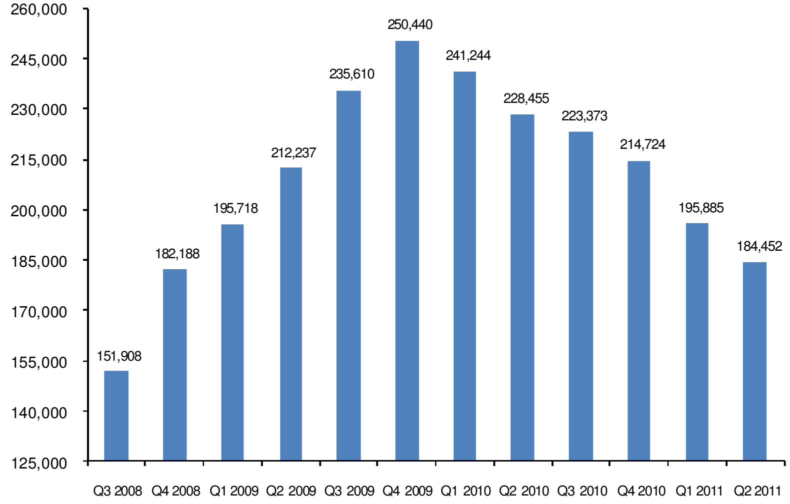


~91% of Q4 2010 claims resolved

Source: MGIC

Recent Delinquency Trends

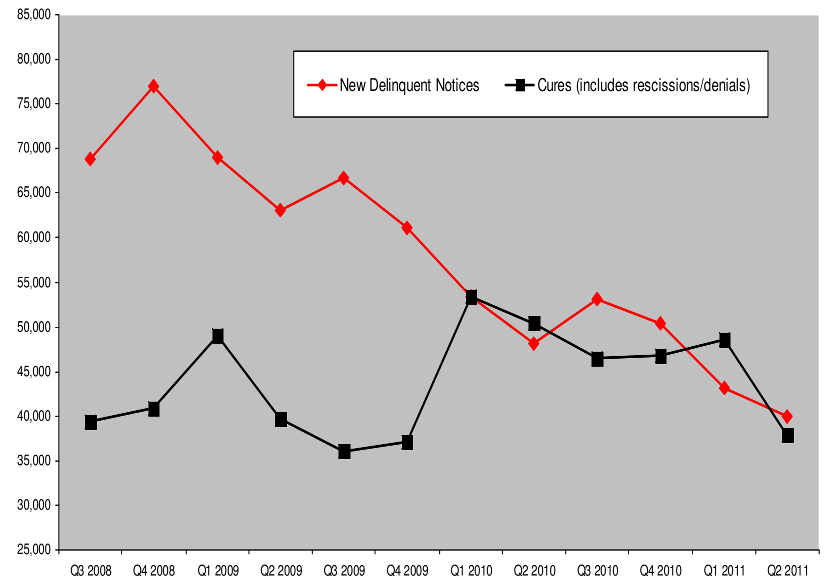
Primary Delinquent Inventory



19% Lower Q2 11 vs. Q2 10

6% Lower Q2 11 vs. Q1 11

Primary New Notice and Cure Activity



17% Fewer Notices Q2 11 vs. Q2 10

7% Fewer Notices Q1 11 vs. Q2 11

Source: MGIC

MGIC Investment Corporation
2nd Quarter 2011 Update

	3 Months Ending			% Change	
	06/30/2010	03/31/2011	06/30/2011	Y-o-Y	Q-o-Q
Revenues	All Amounts Shown in Millions Except Where Indicated				
NIW	$ 2,700	$ 3,000	$ 3,100	14.8%	3.3%
Net Premium Written	$ 309	$ 289	$ 284	-8.0%	-1.4%
Total Revenues	$ 406	$ 353	$ 353	-13.1%	0.0%
Incurred Losses	$ 320	$ 310	$ 460	43.6%	48.0%
Net Income	$ 25	$ (34)	$ (152)	-116.2%	-77.8%
Paid Losses	$ 580	$ 687	$ 818	41.0%	19.1%
Notice Inventory (# of Units)	228,455	195,885	184,452	-19.3%	-5.8%
Investments (incl. Cash and Cash Equivalents)	$ 9,481	$ 8,315	$ 7,784	-17.9%	-6.4%
Operating Ratios					
Loss Ratio (%)	103.5	107.6	161.6	56.1%	50.2%
Expense Ratio (%)	15.0	15.2	16.5	10.0%	8.6%
Statutory Risk to Capital (1)	17.8:1	19.7:1	20.4:1		

- NIW up year over year
  - MI Share increasing vs. FHA
  - Improving market share within industry
- Delinquent inventory down 19% year-over-year and 6% in the quarter
- $5.1 billion of gross reserves
- $7.8 billion cash and investments (including $823mm at holding company)
- Risk to capital within statutory guidelines

[1] *Refers to Mortgage Guaranty Insurance Corp.*

Capital Raised 2008 - 2010

- April 2010
  - $1.1 billion of new capital
  - Issued approximately 75 million shares of common stock
    - Issue Price $10.75/share
  - Senior Convertible Notes of $345 million
    - 5% coupon, semi annual payments

- March 2008
  - $840mm of new capital
  - Issued approximately 43 million shares of common stock
    - Issue Price of $11.25/share
  - Private placement of $390 million Junior Subordinated Convertible Debentures
    - 9% coupon, semi-annual payments

"Stacked" Subsidiary Licensed and Capitalized Should it Be Needed

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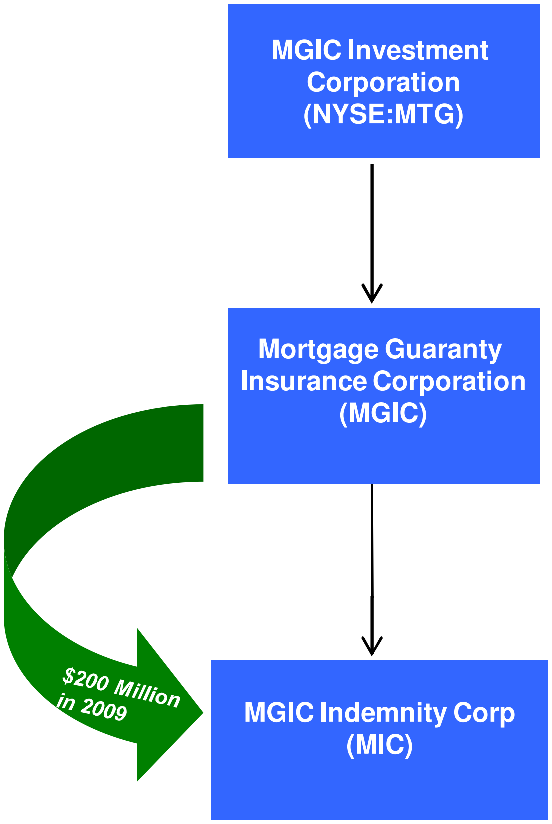

- MGIC is below the risk to capital ratio threshold, or its equivalent, as of June 30, 2011
- MGIC does not expect to exceed 25:1 in 2011
- MIC is a wholly owned subsidiary of MGIC
- MIC is approved by WI OCI and Fannie Mae through 2011, and Freddie Mac through 2012
- $200 million of capital was contributed to MIC in 2009
- MIC established and capitalized to write new business on an uninterrupted basis
- Existing policyholders should benefit from profitability of new insurance written by MIC

Claims-Paying Ability / Regulatory Capital Position

MGIC

- Expected claims paying resources exceed expected claim obligations
  - Claims paying resources include $7 billion of cash, cash equivalents and investments, (excludes approximately $823 million at the holding company) and future premium generated from $182 billion insurance in force portfolio as of June 30, 2011
- In addition, captive reinsurance trust accounts, totaling approximately $451 million as of June 30, 2011, support $206 million of reinsurance recoverable
- S&P reported on July 18, 2011, that as of year end 2010, MGIC had a capital adequacy ratio of 120%. The capital adequacy ratio is the ratio of the sources and uses of cash over a 10-year runoff period under a severe economic scenario. A ratio exceeding 100% means that expected resources (cash, investments, investment income and future premiums) exceed expected claim payments and expenses.
- Moody's reported on Aug. 17, 2010 (date of last published report) , that it estimated that as of Dec. 31, 2009, MGIC's total claim-paying resources were 1.2 times that of future expected claim payments.
- MGIC's Risk to Capital Ratio was 20.4:1 as of 6/30/11, within the statutory limitation of 25:1
  - Reflects $5.1 billion of established loss reserves
- MGIC continues to be an approved insurer with Fannie Mae and Freddie Mac

Investment Portfolio

- $7.8 billion as of June 30, 2011 including $823 million at holding company
- $126 million market value in excess of book value at June 30, 2011
- 70% taxable, 30% tax preferenced
- ~95% with an underlying rating of “A” or better
  - ~ 49% rated “AAA”
  - ~ 24% rated “AA”
  - ~ 23% rated “A”
- Effective Duration of 2.9 years
- Imbedded pre-tax yield, based on book value, is 2.6%

Current Operating Strategy

MGIC

"MGIC is Open for Business"

Activities currently underway

- Meeting with customers to promote and communicate benefits of Private MI for them and their borrowers
- Working with servicers, investors, government agencies and policymakers to enhance and promote prudent loss mitigation programs
- Maintaining and where possible improving industry leading cost advantage

Longer term is more of a balancing act

- Manage statutory capital to support new insurance writings
- Manage holding company capital to maximize long term shareholder value
- Continue to meet with regulators and policymakers to promote the benefits of Private MI and how it is consistent with goals of reducing government's role in the housing market

Proposed QRM Rule and MGIC's Response

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MGIC Assessment of Proposal

- Definition is too narrow
- In appropriate focus on down payment
- Public MI (FHA) unfairly advantaged over Private MI
  - FHA insured are QRM without any qualifying criteria
- Adverse impact on housing is probable
  - Less credit available and/or higher costs for low down payment loans

Highlights of MGIC Response

- Private MI aligns the interest of the borrower, lender, MI company, and servicer ("Skin in the Game" for all)
- Analytics support that MI reduces risk of default
- Private MI is private capital at risk and reduces the role of government in the housing market
- Use of Private MI would expand low down payment market over proposed rules, lessening the impact of QRM on the housing market in a prudent way

	QRM	Alt QRM	MGIC's Proposed Standards
Max LTV - Purchase	80%	90%	95%
Max LTV – Rate/Term Refi	*75%*	90%	95%
Max LTV – Cash out Refi	70%	75%	75%
MI	n/a	Considered	Required on > 80% LTV
Second Lien	Refi Only	All Purp	CLTV<=75%
Max DTI Ratio	36%	38% / 41% ARM/FRM	45%
Credit	690 equiv	690 equiv	660 equiv

Four Ways to Implement MGIC'S Recommendation

1. Conform the QRM definition to our proposed standards
2. Allow risk retention exemption for our proposed standards similar to FHA
3. Consider our proposed standards as "Low Credit Risk," a category provided for in NPR and DFA
4. Consider Private MI as risk retention

MI's Potential Role

- Ready to Insure Prudently Underwritten Mortgages
  - Industry has raised $7.3 billion in new capital (1)
  - Investors have provided an additional $600 million to capitalize a recent entrant
  - Capacity exists to support new insurance written

- Three different studies all arrived at the same conclusion: Private MI reduces default risk
  - All three studies are contained in MGIC's response which can be found at http://phx.corporate-ir.net/phoenix.zhtml?c=117240&p=irol-presentations

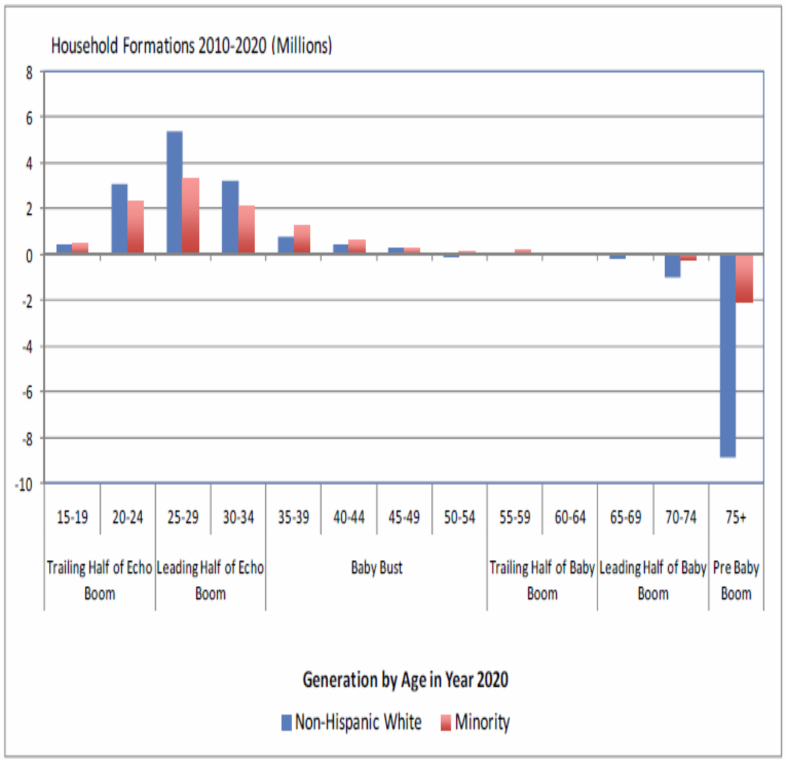
1) Includes capital raised by MTG, RDN, GNW, ORI, and PMI

Source: MICA, Genworth, Promontory, Milliman

Strong Long Term Demographics

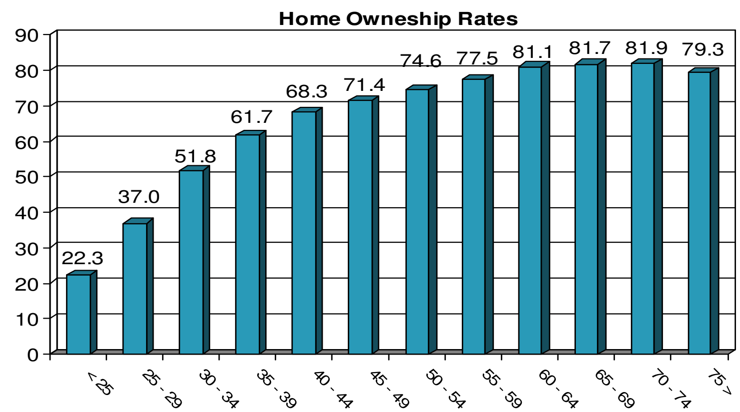
Expected to be 11.8mm - 13.8mm Households created between 2010 and 2020

Over the Next Decade, New Households Formed by Younger Generations Will Exceed Losses from Older Generations



Note: Uses JCHS low-immigration population growth assumption.

- ~1.2 - 1.4 million households projected to be formed annually between 2010 - 2020
- Minorities will account for ~70% of growth
- Echo Boomers (born 1979 - 1994) will account for majority of growth
- Homeownership rates are 37% for 25 – 29 year olds & 52% for 30-34 year olds versus a national average rate of 67%



Source: 2011 The State of the Nation's Housing from Joint Center for Housing Studies of Harvard University ,

Summary

Tailwinds

- Equity/Debt offerings provided additional capital
  - Contributed $200mm to MGIC in 2010
  - $823 million cash and investments at Hold Co.
  - Expected claim paying resources continue to exceed expected claim payments
- Legacy credit impact is lessening
  - Year-over-year decline in number of new notices
  - Declining number of loans delinquent
- FHA opportunity
- Attractive returns on new business
  - Environment conducive to writing attractive new business

Headwinds

- Regulatory uncertainty (e.g. capital requirements, GSEs, Dodd-Frank)
- Lower new insurance written
  - FHA pricing and guidelines
  - GSE Pricing Policy
  - Slow to change origination practices
- Subdued economic recovery
  - Weak job market
  - Low consumer confidence
- Stagnant home sales/loan originations
  - Decreasing home values

Summary of Risk Factors

MGIC

•The amount of insurance we write could be adversely affected if the definition of Qualified Residential Mortgage results in a reduction of the number of low down payment loans available to be insured or if lenders and investors select alternatives to private mortgage insurance.

.Changes in the business practices of the GSEs, federal legislation that changes their charters or a restructuring of the GSEs could reduce our revenues or increase our losses.

•MGIC may not continue to meet the GSEs' mortgage insurer eligibility requirements.

.We have reported net losses for the last four years, expect to continue to report annual net losses, and cannot assure you when we will return to profitability.

•Even though our plan to write new insurance in MGIC Indemnity Corporation ("MIC") has received approval from the Office of the Commissioner of Insurance of the State of Wisconsin ("OCI") and the GSEs, we cannot guarantee that the implementation of our plan will allow us to continue to write new insurance on an uninterrupted basis.

•We may not continue to realize benefits from rescissions at the rates we have recently experienced and we may not prevail in proceedings challenging whether our rescissions were proper.

•We are defendants in private and government litigation and are subject to the risk of private litigation and regulatory proceedings in the future.

•Because we establish loss reserves only upon a loan default rather than based on estimates of our ultimate losses, losses may have a disproportionate adverse effect on our earnings in certain periods.

•Because loss reserve estimates are subject to uncertainties and are based on assumptions that are currently very volatile, paid claims may be substantially different than our loss reserves.

•Loan modification and other similar programs may not continue to provide material benefits to us and our losses on loans that re-default can be higher than what we would have paid had the loan not been modified.

•If the volume of low down payment home mortgage originations declines, the amount of insurance that we write could decline, which would reduce our revenues.

•Competition or changes in our relationships with our customers could reduce our revenues or increase our losses.

•Downturns in the domestic economy or declines in the value of borrowers' homes from their value at the time their loans closed may result in more homeowners defaulting and our losses increasing.

•The mix of business we write also affects the likelihood of losses occurring.

The premiums we charge may not be adequate to compensate us for our liabilities for losses and as a result any inadequacy could materially affect our financial condition and results of operations.

•It is uncertain what effect foreclosure moratoriums and issues arising from the investigation of servicers' foreclosure procedures will have on us.

•Various government entities and private parties have from time to time enacted foreclosure (or equivalent) moratoriums and suspensions (which we collectively refer to as moratoriums).

•We are susceptible to disruptions in the servicing of mortgage loans that we insure.

•If interest rates decline, house prices appreciate or mortgage insurance cancellation requirements change, the length of time that our policies remain in force could decline and result in declines in our revenue.

•Your ownership in our company may be diluted by additional capital that we raise or if the holders of our outstanding convertible debt convert that debt into shares of our common stock.

•While we believe we have settled this matter on a preliminary basis, the Internal Revenue Service had proposed significant adjustments to our taxable income for 2000 through 2007.

•We could be adversely affected if personal information on consumers that we maintain is improperly disclosed.

•The implementation of the Basel II capital accord, or other changes to our customers' capital requirements, may discourage the use of mortgage insurance.

•Our Australian operations may suffer significant losses.

Refer to our second quarter Form 10-Q filed with SEC on August 9, 2011 for a full discussion of risk factors that may impact the results of the Company. The Form 10-Q can be found on the SEC's website or the Company's website.

MGIC

Company Contact:

Michael Zimmerman
Senior Vice President
Investor Relations

Direct: (414) 347-6596
mike_zimmerman@mgic.com