

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) January 26, 2005

MGIC Investment Corporation

(Exact Name of Registrant as Specified in Its Charter)

Wisconsin

(State or Other Jurisdiction of Incorporation)

1-10816

39-1486475

(Commission File Number)

(IRS Employer Identification No.)

MGIC Plaza, 250 East Kilbourn Avenue, Milwaukee, WI

53202

(Address of Principal Executive Offices)

(Zip Code)

(414) 347-6480

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

Compensation of Senior Management

On January 26, 2005, the Management Development, Nominating and Governance Committee (the "Committee") of the Company's Board of Directors approved the following new base salaries, effective March 21, 2005, for the following executive officers: Curt S. Culver, Chief Executive Officer - \$750,000; J. Michael Lauer, Chief Financial Officer - \$378,000; Lawrence J. Pierzchalski, Executive Vice President - Risk Management - \$371,000; Patrick Sinks, Executive Vice President-Field Operations - \$365,000; and Jeffrey H. Lane, General Counsel - \$303,000. The Committee also approved cash bonuses for these officers based on performance for the year ended December 31, 2004 as follows: Mr. Culver - \$780,392; Mr. Lauer - \$299,888; Mr. Pierzchalski - \$292,687; Mr. Sinks - \$279,184; and Mr. Lane - \$243,177.

The Committee also awarded restricted common stock of the Company and/or restricted common stock units ("RSUs") to these executive officers under the Company's 2002 Stock Incentive Plan (the "Stock Plan"). The material terms of such awards will be set forth in a restricted stock agreement. Exhibits 10.1 and 10.2 hereto collectively contain the form of such agreement, which is comprised of two instruments, a base agreement and separate incorporated terms to such base agreement. The form of the agreement not to compete contemplated by Exhibit 10.2 is filed as Exhibit 10.3 hereto. The Stock Plan is filed as Exhibit 10.3.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

Compensation of Directors

On January 27, 2005, the Company's Board of Directors established new annual compensation for serving as a Chair of a Committee of the Board as follows: Audit Committee - \$10,000; and Management Development, Nominating and Governance Committee, Risk Management Committee and Securities Investment Committee - \$5,000.

On January 26, 2005, the Committee approved, subject to the approval of the Company's Board of Directors, a program under which each Director of the Company who is not an employee of the Company will be awarded annually under the Stock Plan RSUs representing 500 shares of the Company's common stock. The RSUs vest on the first anniversary of the award date, or upon the earlier death of the Director. Once vested, the RSUs are settled in common stock as promptly as practicable after a Director ceases to be a member of the Board. On January 27, 2005, the Board of Directors approved this program.

On January 26, 2005, the Committee approved a Deposit Share Program for 2005 under the Stock Plan for all Directors other than Mr. Culver similar to Deposit Share Programs that have been approved in the past. Under the 2005 Program, all eligible Directors may elect to purchase shares of common stock from the Company at the closing price of the stock on February 28, 2005. The amount that may be used to purchase shares cannot exceed the Director's annual and meeting fees for 2004. The Company will match each share purchased with one and one-half shares of restricted common stock. A Director who had deferred annual and meeting fees during 2004 into share units under the Deferred Compensation Plan for Non-Employee Directors may reduce the amount that would otherwise be required to be used to purchase common stock by the amount so deferred. For matching purposes, the amount so deferred is treated as if shares had been purchased and one and one-half shares of restricted stock are awarded for each such share.

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The restricted stock generally vests on the first anniversary of the award. Except for gifts to family members, the shares may not be transferred prior to vesting. If the shares have not vested when a Director's service on the Board ends, they will be forfeited unless service as a Director ends on account of the Director's death or certain events involving the Director leaving the Board in connection with government or charitable service or the Committee waives the forfeiture. In lieu of restricted stock, Directors may elect to receive RSUs that will vest on the first anniversary of the award and will be settled in common stock as promptly as practicable after a Director ceases to be a member of the Board. RSUs will be entitled to dividend equivalents.

Item 9.01 Financial Statements and Exhibits

(c) The accompanying Index to Exhibits is incorporated by reference in answer to this portion of this Item, and the Exhibits listed in such Index are filed as part of this Current Report on Form 8-K.

SIGNATURES

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

MGIC INVESTMENT CORPORATION

Date: February 1, 2005

By: /s/ Jeffrey H. Lane

Jeffrey H. Lane
Senior Vice President, General Counsel
and Secretary

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.1	Restricted Stock Agreement
10.2	Incorporated Terms to Restricted Stock Agreement
10.3	Agreement Not to Compete

RESTRICTED STOCK AGREEMENT

THIS RESTRICTED STOCK AGREEMENT is made and entered into as of the date indicated on the signature page under "Date of Agreement" by and between MGIC Investment Corporation, a Wisconsin corporation (the "Company"), and the employee of Mortgage Guaranty Insurance Corporation whose signature is set forth on the signature page hereto (the "Employee").

INTRODUCTION

The Company is awarding shares of the Company's Common Stock, \$1.00 par value per share (the "Stock"), and to the extent, if any, indicated in this instrument, Restricted Stock Units ("RSUs"), to the Employee under the MGIC Investment Corporation 2002 Stock Incentive Plan (the "Plan") and this Agreement.

This Agreement consists of this instrument and the Incorporated Terms Dated As of January ___, 200__ to Restricted Stock Agreement (the "Incorporated Terms"), which although not attached to this instrument, are part of this Agreement and were provided to the Employee as indicated in Paragraph 1(b) below.

The parties mutually agree as follows:

1. Award of Restricted Stock or RSUs; Incorporated Terms.

(a) Subject to the terms and conditions set forth herein, the Company awards the Employee the number of shares of Stock as follows: the number of shares set forth after "Shares of Base Restricted Stock" on the signature page shall be the "Base Restricted Stock"; the number of shares set forth after "Shares of Matching Restricted Stock" on the signature page shall be the "Matching Restricted Stock"; the number of shares set forth after "Shares of Time Vested Restricted Stock" shall be the "Time Vested Restricted Stock"; and the number of shares set forth after "Shares of Performance Restricted Stock" shall be the "Performance Restricted Stock," except that if after "Restricted Stock Units" on the signature page "Yes" appears, then all shares of Stock indicated after "Time Vested Restricted Stock" shall be awarded in the form of RSUs. The term "Restricted Stock" as used in the remainder of this Agreement shall be applied separately to the Base Restricted Stock, the Matching Restricted Stock, the Time Vested Restricted Stock and the Performance Restricted Stock as if the term "Restricted Stock" were the term "Base Restricted Stock," "Matching Restricted Stock," "Time Vested Restricted Stock," or "Performance Restricted Stock," as the case may be.

(b) The Incorporated Terms are incorporated in this instrument with the same effect as if they were physically set forth in this instrument. The Incorporated Terms and this instrument constitute a single agreement which is referred to as "this Agreement." The terms "herein," "hereof," "above" and similar terms used in this Agreement refer to this Agreement as a whole. The Incorporated Terms were attached to an e-mail sent in ___, 2005 to the Employee from the Company's Secretary which included other documents relating to the Restricted Stock. The Company is hereby advising the Employee to

print and retain a copy of the Incorporated Terms. The Employee agrees if there is any difference between the text of the Incorporated Terms obtained as indicated above and the text of the Incorporated Terms retained by the Company's Secretary, the text of the copy retained by the Secretary will control.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Employee has hereunto affixed his hand and seal, all as of the day and year set forth below.

Date of Agreement:

As of January __, 200__

MGIC INVESTMENT CORPORATION

By: _____

Title: _____

Sign Here: 

(SEAL) _____

Name: _____

Shares of Base Restricted Stock: _____

Shares of Matching Restricted Stock: _____

Shares of Time Vested Restricted Stock: _____

Shares of Performance Restricted Stock: _____

Restricted Stock Units: _____

Base Restricted Stock

Release Date: January __, 200__

Matching Restricted Stock

Release Date: January __, 200__

Time Vested Restricted Stock

Release Date: Each of January __, 200__ — 20__

Restricted Stock Units

Settlement Date:

Performance Restricted Stock

Release Date: Each of January __, 200__ — 20__

Target: \$__

* * * *

Beneficiary:

Address of Beneficiary:

Beneficiary Tax Identification
No:

INCORPORATED TERMS
DATED AS OF _____, 200_
TO
RESTRICTED STOCK AGREEMENT

The following are the "Incorporated Terms" referred to in the instrument entitled "Restricted Stock Agreement" which refers to these Incorporated Terms and which has been signed by the Company and the Employee (the "Base Instrument"). The Incorporated Terms and the Base Instrument constitute a single agreement and that agreement consists of the Base Instrument and the Incorporated Terms. The Incorporated Terms dovetail with the Base Instrument; because the last paragraph of the Base Instrument is Paragraph 1, the Incorporated Terms begin with Paragraph 2.

2. **Restrictions.** (a) Except as otherwise provided herein, the Base Restricted Stock, the Matching Restricted Stock and the Time Vested Restricted Stock may not be sold, transferred or otherwise alienated or hypothecated until, in the case of the Base Restricted Stock, the date set forth after "Base Restricted Stock Release Date" on the signature page; in the case of the Matching Restricted Stock, the date set forth after "Matching Restricted Stock Release Date" on the signature page; and in the case of the Time Vested Restricted Stock, until the Release Date determined as follows. For each date set forth after "Time Vested Restricted Stock Release Date" on the signature page, divide the number of shares set forth after "Shares of Time Vested Restricted Stock" by the sum of one and the difference between the latest year set forth after "Time Vested Restricted Stock Release Date" on the signature page and the earliest year set forth thereafter. The resulting quotient, rounded down to the nearest whole share, is the number of shares of Restricted Stock that shall be released on each date set forth after "Time Vested Restricted Stock Release Date" and such date shall be the Release Date for such shares (and only for such shares). The term "Release Date" shall be applied separately to the Base Restricted Stock, the Matching Restricted Stock and the Time Vested Restricted Stock as if the term "Release Date" were the term "Base Restricted Stock Release Date," the term "Matching Restricted Stock Release Date," or the term "Time Vested Restricted Stock Release Date," as the case may be, and such application shall correspond to the application of the term "Restricted Stock" as set forth in Paragraph 1(a) of the Base Instrument.

(b) The Release Date for RSUs shall be the same as the Release Date for the Time Vested Restricted Stock. Except as otherwise provided herein, RSUs may not be sold, transferred or otherwise alienated or hypothecated regardless of the occurrence of the Release Date.

(c) Except as otherwise provided herein, the Performance Restricted Stock may not be sold, transferred or otherwise alienated or hypothecated until the Release Date determined as follows. For each date set forth after "Performance Restricted Stock Release Date" on the signature page, multiply the number of shares set forth after "Shares of Performance Restricted Stock" on the signature page by the quotient of dividing the EPS for the fiscal year of the Company ended on the December 31 immediately preceding such date by the amount set forth after "Target" on the signature page. The resulting product, rounded down to the nearest

whole share, is the number of shares of Restricted Stock that shall be released on the corresponding date set forth after “Performance Restricted Stock Release Date” and such date shall be the Release Date for such shares (and only for such shares). “EPS” means the Company’s diluted earnings per share, determined in accordance with generally accepted accounting principles and adjusted to exclude the after-tax effect of (i) realized gains and losses, and (ii) extraordinary items, except that there shall not be excluded such items attributable to joint ventures. If by any date set forth after “Performance Restricted Stock Release Date” the Company has not publicly announced its diluted earnings per share, such date shall be two business days after such earnings are publicly announced.

3. Escrow. (a) Shares of Restricted Stock shall be issued (in certificate or electronic form, at the discretion of the Company) as soon as practicable in the name of the Employee but shall be held in an escrow arrangement by the transfer agent for the Stock, as escrow agent. The Employee shall give the Company a stock power for such Stock duly endorsed in blank which will be held in escrow for use in the event such Stock is forfeited in whole or in part. Unless forfeited as provided herein, Restricted Stock shall cease to be held in escrow and certificates for such Stock shall be delivered to the Employee, or in the case of his death, to his Beneficiary (as hereinafter defined) on the Release Date or upon any other termination of the restrictions imposed by Paragraph 2 hereof.

(b) Unless forfeited as provided herein, on the Restricted Stock Units Release Date set forth on the signature page or determined as provided thereon, RSUs shall be settled by the issuance of shares of Stock and certificates for such Stock shall be delivered to the Employee, or in the case of his death, to his Beneficiary.

4. Transfer After Release Date; Securities Law Restrictions. Except as otherwise provided herein, Restricted Stock shall become free of the restrictions of Paragraph 2 and be freely transferable by the Employee on the Release Date. Notwithstanding the foregoing or anything to the contrary herein, the Employee agrees and acknowledges with respect to any Restricted Stock and any Stock delivered in settlement of RSUs that has not been registered under the Securities Act of 1933, as amended (the “Act”) (i) he will not sell or otherwise dispose of such Stock except pursuant to an effective registration statement under the Act and any applicable state securities laws, or in a transaction which, in the opinion of counsel for the Company, is exempt from such registration, and (ii) a legend will be placed on the certificates or other evidence for the Restricted Stock to such effect.

5. Termination of Employment Due to Death. If the Employee’s employment with the Company or any of its subsidiaries is terminated because of death prior to the Release Date, (i) the restrictions of Paragraph 2 applicable to the Restricted Stock shall terminate on the date of death and such Restricted Stock shall be free of such restrictions and, except as otherwise provided in Paragraph 4 hereof, freely transferable and (ii) a Release Date shall be deemed to have occurred for all RSUs.

6. Forfeiture of Restricted Stock. (a) If the Employee’s employment with the Company and all of its subsidiaries is terminated prior to the Release Date for any reason (including without limitation, disability or termination by the Company and all subsidiaries

thereof, with or without cause) other than death, all Restricted Stock and all RSUs shall be forfeited to the Company on the date of such termination unless otherwise provided in subparagraph (b) below, or unless the Management Development, Nominating and Governance Committee of the Company's Board of Directors (the "Management Development Committee") or other Committee of such Board administering the Plan (the Management Development Committee or such other Committee is herein referred to as the "Committee") determines, on such terms and conditions, if any, as the Committee may impose, that all or a portion of the Restricted Stock and/or Stock deliverable on settlement of RSUs shall be released to the Employee and the restrictions of Paragraph 2 applicable thereto shall terminate. Absence of the Employee on leave approved by a duly elected officer of the Company, other than the Employee, shall not be considered a termination of employment during the period of such leave.

(b) If the Employee's employment with the Company and all of its subsidiaries terminates by reason of retirement after reaching age 62 and after having been employed by the Company or any subsidiary thereof for an aggregate period of at least seven years, such retirement shall not result in forfeiture of the Performance Restricted Stock or of any RSUs (this provision does not apply to the Base or Matching Restricted Stock nor does it apply to Time Vested Restricted Stock not awarded in the form of RSUs) if no later than the date on which employment terminates, the Employee enters into an agreement with the Company (which agreement shall be drafted by and acceptable to the Company) under which the Employee agrees not to compete with the Company and its subsidiaries during a period ending one year after the latest of the dates set forth after (i) "Time Vested Restricted Stock Release Date" on the signature page, and (ii) "Performance Restricted Stock Release Date" on the signature page, and the Employee complies with such agreement. If the Employee enters into such a non-competition agreement and thereafter breaches the terms thereof, the Restricted Stock and RSUs shall be forfeited. If the conditions in the second preceding sentence are satisfied and the Employee complies with the terms of such agreement, upon the Employee's death, the provisions of Paragraph 5 shall apply as if the Employee's employment with the Company and its subsidiaries terminated because of such death.

(c) Any shares of the Performance Restricted Stock for which a Release Date has not occurred by the latest date set forth after "Performance Restricted Stock Release Date" on the signature page (such date being subject to extension as contemplated in the last sentence of paragraph 2(b)) shall be forfeited to the Company, unless the Committee determines otherwise as contemplated in subparagraph (a) above.

(d) If Restricted Stock is forfeited, the Employee hereby appoints the Company, acting through any Senior Vice President or more senior officer, as the Employee's attorney-in-fact to transfer such forfeited Restricted Stock to the Company.

7. Beneficiary. (a) The person whose name appears on the signature page hereof after the caption "Beneficiary" or any successor designated by the Employee in accordance herewith (the person who is the Employee's Beneficiary at the time of his death herein referred to as the "Beneficiary") shall be entitled to receive the Restricted Stock to be released to the Beneficiary under Paragraphs 3 and 5 as a result of the death of the Employee and the Stock to be

delivered in settlement of RSUs. The Employee may from time to time revoke or change his Beneficiary without the consent of any prior Beneficiary by filing a new designation with the Committee. The last such designation received by the Committee shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Committee prior to the Employee's death, and in no event shall any designation be effective as of a date prior to such receipt.

(b) If no such Beneficiary designation is in effect at the time of an Employee's death, or if no designated Beneficiary survives the Employee or if such designation conflicts with law, upon the death of the Employee, the Employee's estate shall be entitled to receive the Restricted Stock and the Stock to be delivered in settlement of RSUs. If the Committee is in doubt as to the right of any person to receive such Restricted Stock or Stock, the Company may retain the same and any distributions thereon, without liability for any interest thereon, until the Committee determines the person entitled thereto, or the Company may deliver such all of such property and any distributions thereon to any court of appropriate jurisdiction and such delivery shall be a complete discharge of the liability of the Company therefor.

8. Restricted Stock Legend. In addition to any legends placed on certificates for Restricted Stock, each certificate or other evidence for shares of Restricted Stock shall bear the following legend:

"The sale or other transfer of these shares of stock, whether voluntary, or by operation of law, is subject to certain restrictions set forth in the MGIC Investment Corporation 2002 Stock Incentive Plan and a Restricted Stock Agreement between MGIC Investment Corporation and the registered owner hereof. A copy of such Plan and such Agreement may be obtained from the Secretary of MGIC Investment Corporation."

When the restrictions imposed by Paragraph 2 hereof terminate, the Employee shall be entitled to have the foregoing legend removed from such Stock.

9. Voting Rights; Dividends and Other Distributions; Rights of RSUs. (a) While the Restricted Stock is subject to restrictions under Paragraph 2 and prior to any forfeiture thereof, the Employee may exercise full voting rights for the Restricted Stock.

(b) While the Restricted Stock is subject to the restrictions under Paragraph 2 and prior to any forfeiture thereof, the Employee shall be entitled to receive all dividends and other distributions paid with respect to the Restricted Stock. If any such dividends or distributions are paid in Stock, such shares shall be subject to the same restrictions as the shares of Restricted Stock with respect to which they were paid, including the requirement that Restricted Stock be held in escrow pursuant to Paragraph 3 hereof.

(c) Subject to the provisions of this Agreement, the Employee shall have, with respect to the Restricted Stock, all other rights of holders of Stock.

(d) RSUs represent only the right to receive as Stock, on the terms provided herein, the number of shares indicated after “Shares of Time Vested Restricted Stock” on the signature page, and the Employee with respect to RSUs shall have no rights as a holder of Stock, including the right to vote or to receive dividends, until certificates for such Stock are actually delivered in settlement of the RSU. Notwithstanding the preceding sentence, on each date on which the Company pays a dividend in cash on the Stock, the Company shall make a payment in cash on the RSUs that are outstanding on the record date for such dividend equal to the dividend that would have been paid on the number of shares indicated after “Shares of Time Vested Restricted Stock” on the signature page had such shares been outstanding.

10. Tax Withholding. (a) It shall be a condition of the obligation of the Company to release from escrow Restricted Stock to the Employee or the Beneficiary or to deliver Stock in settlement of RSUs, and the Employee agrees, that the Employee shall pay to the Company upon its demand, such amount as may be requested by the Company for the purpose of satisfying its liability to withhold federal, state, or local income or other taxes incurred by reason of the award of the Restricted Stock or RSUs, as a result of the termination of the restrictions on Restricted Stock hereunder or the delivery of Stock in settlement of RSUs.

(b) If the Employee does not make an election under Section 83(b) of the Internal Revenue Code of 1986, as amended, with respect to the Restricted Stock awarded hereunder, the Employee may satisfy the Company’s withholding tax requirements by electing to have the Company withhold that number of shares of Restricted Stock otherwise deliverable to the Employee from escrow hereunder or that number of shares of Stock that would otherwise be issued in settlement of RSUs, or to deliver to the Company a number of shares of Stock, in each case, having a Fair Market Value on the day prior to the Tax Date (as defined below) equal to the amount required to be withheld as a result of the termination of the restrictions on such Restricted Stock. The election must be in writing and be delivered to the Company prior to the Tax Date. If the number of shares so calculated to be withheld shall include a fractional share, the Employee shall deliver cash in lieu of such fractional share. All elections shall be made in a form approved by the Company. As used herein, “Tax Date” means the date on which the Employee must include in his gross income for federal income tax purposes the fair market value of the Restricted Stock, or Stock delivered in settlement of the RSUs, over the purchase price therefor.

11. Adjustments in Event of Change in Stock or Fiscal Year. In the event of any change in the outstanding shares of Stock (“capital adjustment”) for any reason, including but not limited to, any stock splits, stock dividend, recapitalization, merger, consolidation, reorganization, combination or exchange of shares or other similar event which, in the judgment of the Committee, could distort the implementation of the award of Restricted Stock or the award of RSUs or the realization of the objectives of such award, the Committee may make such adjustments in the shares of Restricted Stock subject to this Agreement or in the shares deliverable on settlement of RSUs, or in the terms, conditions or restrictions of this Agreement, including the Target set forth on the signature page, as the Committee deems equitable. In addition, if the Company changes its fiscal year from a year ending December 31, the Committee

may make such adjustments in the Performance Restricted Stock Release Date and the Target as the Committee deems equitable.

12. Change in Control. If a "Change in Control of the Company" (as defined in the Annex attached hereto) occurs, notwithstanding anything herein, the restrictions of Paragraph 2 applicable to the Restricted Stock shall terminate on the date of the Change in Control of the Company and a Release Date shall be deemed to have occurred for all RSUs.

13. Powers of Company Not Affected; No Right to Continued Employment.

(a) The existence of the Restricted Stock or RSUs shall not affect in any way the right or power of the Company or its stockholders to make or authorize any combination, subdivision or reclassification of the Stock or any reorganization, merger, consolidation, business combination, exchange of shares, or other change in the Company's capital structure or its business, or any issue of bonds, debentures or stock having rights or preferences equal, superior or affecting the Restricted Stock or any Stock to be issued in settlement of RSUs or, in both cases, the rights thereof, or dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. The determination of the Committee as to any such adjustment shall be conclusive and binding for all purposes of this Agreement.

(b) Nothing herein contained shall confer upon the Employee any right to continue in the employment of the Company or any subsidiary or interfere with or limit in any way the right of the Company or any subsidiary to terminate the Employee's employment at any time, subject, however, to the provisions of any agreement of employment between the Company or any subsidiary and the Employee. The Employee acknowledges that a termination of his or her employment could occur at a time before which the restrictions referred to in Paragraph 2 above have lapsed, resulting in the forfeiture of the Restricted Stock and RSUs by the Employee, unless otherwise provided herein. In such event, the Employee will not be able to realize the value of the Restricted Stock or of the Stock that underlies the RSUs nor will the Employee be entitled to any compensation on account of such value.

14. Interpretation by Committee. The Employee agrees that any dispute or disagreement which may arise in connection with this Agreement shall be resolved by the Committee, in its sole discretion, and that any interpretation by the Committee of the terms of this Agreement or the Plan and any determination made by the Committee under this Agreement or the Plan may be made in the sole discretion of the Committee and shall be final, binding, and conclusive. Any such determination need not be uniform and may be made differently among Employees awarded Restricted Stock and RSUs.

15. Miscellaneous. (a) This Agreement shall be governed and construed in accordance with the laws of the State of Wisconsin applicable to contracts made and to be performed therein between residents thereof.

(b) The waiver by the Company of any provision of this Agreement shall not operate or be construed to be a subsequent waiver of the same provision or waiver of any other provision hereof.

(c) The Restricted Stock and RSUs shall be deemed to have been awarded pursuant to the Plan and is subject to the terms and conditions thereof. In the event of any conflict between the terms hereof and the provisions of the Plan, the terms and conditions of the Plan shall prevail. Any and all terms used herein, unless specifically defined herein shall have the meaning ascribed to them in the Plan. A copy of the Plan is available on request of the Employee made in writing or by e-mail to the Company's Secretary.

(d) Any notice, filing or delivery hereunder or with respect to Restricted Stock shall be given to the Employee at either his usual work location or his home address as indicated in the records of the Company, and shall be given to the Committee or the Company at 250 East Kilbourn Avenue, Milwaukee 53202, Attention: Secretary. All such notices shall be given by first class mail, postage pre-paid, or by personal delivery.

(e) This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns and shall be binding upon and inure to the benefit of the Employee, the Beneficiary and the personal representative(s) and heirs of the Employee, except that the Employee may not transfer any interest in any Restricted Stock prior to the release of the restrictions imposed by Paragraph 2 and nor may the Employee transfer any interest in any RSUs.

(f) As a condition to the grant of the Restricted Stock and RSUs, the Employee must execute an agreement not to compete in the form provided to the Employee by the Company.

The end of Paragraph 15 is the end of the Incorporated Terms. The remainder of the Agreement is contained in the Base Instrument.

ANNEX

Definition of “Change in Control of the Company” and Related Terms

1 Change in Control of the Company. A “Change in Control of the Company” shall be deemed to have occurred if an event set forth in any one of the following paragraphs shall have occurred:

(i) any Person (other than (A) the Company or any of its subsidiaries, (B) a trustee or other fiduciary holding securities under any employee benefit plan of the Company or any of its subsidiaries, (C) an underwriter temporarily holding securities pursuant to an offering of such securities or (D) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock in the Company (“Excluded Persons”)) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates after July 22, 1999, pursuant to express authorization by the Board of Directors of the Company (the “Board”) that refers to this exception) representing more than 50% of the total fair market value of the stock of the Company or representing 50% or more of the total voting power of the stock of the Company; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors of the Company then serving: (A) individuals who, on July 22, 1999, constituted the Board and (B) any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A under the Act) whose appointment or election by the Board or nomination for election by the Company’s shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors on July 22, 1999, or whose initial appointment, election or nomination for election as a director which occurred after July 22, 1999 was approved by such vote of the directors then still in office at the time of such initial appointment, election or nomination who were themselves either directors on July 22, 1999 or initially appointed, elected or nominated by such majority vote as described above ad infinitum (collectively the “Continuing Directors”); provided, however, that individuals who are appointed to the Board pursuant to or in accordance with the terms of an agreement relating to a merger, consolidation, or share exchange involving the Company (or any direct or indirect subsidiary of the Company) shall not be Continuing Directors for purposes of this Agreement until after such individuals are first nominated for election by a vote of at least a majority of the then Continuing Directors and are thereafter elected as directors by the

shareholders of the Company at a meeting of shareholders held following consummation of such merger, consolidation, or share exchange; and, provided further, that in the event the failure of any such persons appointed to the Board to be Continuing Directors results in a Change in Control of the Company, the subsequent qualification of such persons as Continuing Directors shall not alter the fact that a Change in Control of the Company occurred; or

(iii) a merger, consolidation or share exchange of the Company with any other corporation is consummated or voting securities of the Company are issued in connection with a merger, consolidation or share exchange of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (A) a merger, consolidation or share exchange which would result in the voting securities of the Company entitled to vote generally in the election of directors outstanding immediately prior to such merger, consolidation or share exchange continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof entitled to vote generally in the election of directors of such entity or parent outstanding immediately after such merger, consolidation or share exchange, or (B) a merger, consolidation or share exchange effected to implement a recapitalization of the Company (or similar transaction) in which no Person (other than an Excluded Person) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates after July 22, 1999, pursuant to express authorization by the Board that refers to this exception) representing at least 50% of the combined voting power of the Company's then outstanding voting securities entitled to vote generally in the election of directors; or

(iv) the sale or disposition by the Company of all or substantially all of the Company's assets (in one transaction or a series of related transactions within any period of 24 consecutive months), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity of which at least 75% of the combined voting power of the voting securities entitled to vote generally in the election of directors (or such lower percentage as is determined under the IRS Notice) immediately after such sale are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale. It is understood that in no event shall a sale or disposition of assets be considered to be a sale of substantially all of the assets unless the assets sold or disposed of have a total gross fair market value of at least 40% of the total gross fair market value of all of the Company's assets immediately prior to such sale or disposition.

2 Related Definitions. For purposes of this Annex, the following terms, when capitalized, shall have the following meanings:

(i) Act. The term “Act” means the Securities Exchange Act of 1934, as amended.

(ii) Affiliate and Associate. The terms “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Act.

(iii) Beneficial Owner. A Person shall be deemed to be the “Beneficial Owner” of any securities:

(a) which such Person or any of such Person’s Affiliates or Associates has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; *provided, however*, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, (A) securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person’s Affiliates or Associates until such tendered securities are accepted for purchase, or (B) securities issuable upon exercise of Rights issued pursuant to the terms of the Company’s Rights Agreement, dated as of July 22, 1999, between the Company and Wells Fargo Bank Minnesota, National Association (as successor Rights Agent), as amended from time to time (or any successor to such Rights Agreement), at any time before the issuance of such securities;

(b) which such Person or any of such Person’s Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has “beneficial ownership” of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Act), including pursuant to any agreement, arrangement or understanding; *provided, however*, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security under this Subsection 1 (c) as a result of an agreement, arrangement or understanding to vote such security if the agreement, arrangement or understanding: (A) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations under the Act and (B) is not also then reportable on a Schedule 13D under the Act (or any comparable or successor report); or

(c) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person’s Affiliates or

Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in Subsection 1(c) (ii) above) or disposing of any voting securities of the Company.

(iv) IRS Notice. The term “IRS Notice” shall mean the IRS Notice 2005-1, which was issued with respect to the American Jobs Creation Act of 2004.

(v) Person. The term “Person” shall mean any individual, firm, partnership, corporation or other entity, including any successor (by merger or otherwise) of such entity, or a group of any of the foregoing acting in concert.

(vi) Stock. The term “stock” shall have the meaning contemplated by the IRS Notice.

AGREEMENT NOT TO COMPETE

As a condition to and in consideration of the award by MGIC Investment Corporation (the "Company") of shares of Restricted Stock (or Restricted Stock Units) pursuant to the 2002 Stock Incentive Plan, to the individual signing this Agreement Not to Compete (hereinafter "Employee"), Employee agrees that he will not render services to any competitor of the Company (a) during the term of his employment and (b) for a period of one year after the termination of the Employee's employment, in the geographic area or areas (localized or national, as the case may be) in which he was employed, assigned or otherwise worked on behalf of the Company, or a present or future parent, subsidiary or affiliate of the Company (collectively, "Subsidiary"), during the three years prior to the termination of his employment.

For the purposes of this Agreement: (a) the term "competitor" means any company (regardless of the form of its organization), including a proprietorship (i) engaged in the business of guaranteeing or insuring mortgages in any geographic area in which the Company or any Subsidiary is engaged in guaranteeing or insuring mortgages or (ii) engaged in any other business in which the Company or any Subsidiary is engaged, in any geographic area in which the Company or any Subsidiary is so engaged, but only if such business accounted for at least 10% of the revenues of the Company and its subsidiaries, on a consolidated basis, during the twelve months preceding the month in which the Employee's employment terminated; and (b) the term "services" means services of the same or similar nature to any services Employee rendered to the Company or subsidiaries during the three-year period prior to Employee's termination of employment.

The provisions of this Agreement shall bind the Employee and inure to the benefit of the Company, notwithstanding: (a) any termination of the Restricted Stock Award Agreement associated with this Agreement, or any forfeiture of the related Restricted Stock (or Restricted Stock Units), or (b) any issuance of shares to the Employee upon any termination of restrictions applicable to any Restricted Stock or in settlement of any Restricted Stock Unit.

The Employee acknowledges that the Company and each Subsidiary are third party beneficiaries of this Agreement and each one is entitled to enforce the provisions of this Agreement by an action for injunction, damages or both, and such other relief as may be proper.

All terms capitalized in this Agreement shall have the respective meanings set forth in the associated Restricted Stock Agreement, unless otherwise defined herein. The validity and construction of this Agreement shall be governed by the internal laws of the State of Wisconsin (excluding the conflict of laws provisions of such laws). This Agreement does not supersede or modify any other agreement regarding non-competition of which the Company has the benefit.

Dated: As of this ___ day of ___, 200_.

Employee