MGIC Investment Corporation

Quarterly Supplement

Q3 2023

NYSE: MTG

Forward-Looking Statements

As used below, “we,” “our” and “us” refer to MGIC Investment Corporation’s consolidated operations or to MGIC Investment Corporation, as the context requires, and “MGIC” refers to Mortgage Guaranty Insurance Corporation.

This presentation may contain forward looking statements. Our actual results could be affected by the risks affecting the company which can be found in the risk factors included in our 8-K filing for the quarter ended September 30, 2023, and in other filings we make with the Securities and Exchange Commission. These risk factors may also cause actual results to differ materially from the results contemplated by any 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 “believe,” “anticipate,” “will” 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 person should rely on the fact that such statements are current at any time other than the time at which this presentation was delivered for dissemination to the public.

Primary Risk in Force
September 30, 2023

	Origination year:											
	2023	2022	2021	2020	2019	2018	2017	2016	2009 - 2015	2005 - 2008	2004 & Prior	Total
Original risk written (billions)	$8.9	$19.6	$29.9	$27.3	$16.2	$12.5	$12.3	$11.9	$43.7	$63.6	$181.5	N.M.
% of original risk remaining	97.0	91.2	79.1	50.9	24.0	14.5	14.3	11.3	2.8	4.5	0.2	N.M.
Weighted average FICO(1)	753	746	749	752	746	736	739	743	738	680	654	745
760 and > (%)	48.4	41.4	45.0	47.8	41.9	33.8	36.6	40.5	35.8	12.6	5.0	42.8
740 – 759	18.8	19.0	18.2	18.2	18.6	16.4	17.0	16.9	15.4	7.6	4.4	17.9
720 – 739	13.8	15.6	14.0	13.4	14.5	15.5	14.5	14.8	16.3	9.0	5.0	14.1
700 – 719	9.3	11.4	11.1	10.1	11.4	13.9	12.7	11.5	11.1	10.6	8.0	10.9
680 – 699	5.4	7.6	7.2	7.1	7.9	9.5	9.3	9.0	10.7	11.4	9.7	7.5
660 – 679	2.9	3.4	2.6	2.0	3.1	5.4	5.2	3.9	5.7	9.6	12.0	3.2
640 – 659	1.0	1.3	1.5	1.1	1.8	3.8	3.3	2.4	3.3	10.2	12.5	1.9
639 and <	0.4	0.4	0.4	0.5	0.8	1.7	1.4	1.1	1.7	29.1	43.5	1.9
Weighted average LTV (1)	92.9	93.2	92.9	92.6	93.3	93.9	93.8	94.1	93.9	93.7	90.3	93.0
85 and < (%)	5.2	4.5	5.0	5.2	3.4	1.9	1.9	2.4	2.6	10.5	25.9	5.0
85.01 – 90.00	29.1	25.8	27.7	31.4	25.7	22.3	21.3	11.5	15.0	26.4	29.0	27.2
90.01 – 95.00	51.4	54.6	53.1	50.6	52.1	50.8	58.9	74.4	74.1	25.4	24.4	52.3
95.01 and >	14.3	15.1	14.2	12.8	18.9	25.0	18.0	11.7	8.4	37.7	20.7	15.5
Single Premium (%)	3.1	3.5	6.8	9.4	16.2	18.9	23.5	29.1	40.1	20.0	6.8	8.6
Investor (%)	-	-	-	-	0.1	0.2	0.2	0.1	0.1	1.7	3.3	0.1
Weighted average DTI (1) (2)	39.0	38.0	35.8	35.2	36.2	37.9	36.6	35.3	35.2	43.3	39.5	36.9
DTI > 45% (1) (2) (3)	25.4	21.5	13.6	10.4	12.5	19.8	11.9	5.0	3.0	41.4	28.4	17.0
Cashout Refinance (%)	-	-	-	-	0.1	0.1	0.0	0.0	0.2	21.8	31.2	1.0
Full Documentation (%)	100	100	100	100	100	100	100	100	100	85.5	85.7	99.4
HARP (%)	-	-	-	-	-	-	-	-	0.9	29.1	6.7	1.1

Year of origination as displayed is determined by the calendar date the insurance was effective. Percentages based on remaining risk in force, including the percentage of risk in force delinquent.

(1) At time of origination; (2) In the fourth quarter of 2018 we changed our methodology for calculating DTI ratios for pricing and eligibility purposes to exclude the impact of mortgage insurance premiums. As a result, loan originators may have changed the information they provide to us, and therefore we cannot be sure that the DTI ratio we report for each loan includes the related mortgage insurance premiums in the calculation. (3) DTI > 50% less than or equal to 2% in origination years 2009 and later.

Additional Book Year Statistics
September 30, 2023

	Origination year:											
	2023	2022	2021	2020	2019	2018	2017	2016	2009-2015	2005 - 2008	2004 & Prior	Total
Delinquency statistics: (1)												
Risk in force delinquent (%)	0.1	1.0	1.2	1.0	2.2	4.6	3.9	3.4	5.7	12.6	16.6	1.8
# of loans delinquent	125	2,143	3,806	2,274	1,512	1,713	1,369	927	1,506	7,236	2,109	24,720
Delinquency rate (based on loan count) (%)	0.1	1.0	1.2	1.1	2.0	4.2	3.5	3.1	4.9	10.5	12.4	2.1
# of new notices received in quarter	158	1,426	2,268	1,310	772	786	666	451	631	2,889	883	12,240
New notices previously delinquent (%)	5.0	25.7	43.7	55.3	75.0	80.4	83.0	83.2	89.2	97.4	97.3	69.2
Loans remaining never reported delinquent (%)	99.8	98.1	97.0	95.5	86.4	77.9	80.0	81.3	75.0	32.3	27.5	89.3
Ever to date claims paid (millions)	-	$0.3	$1.9	$0.9	$2.0	$7.8	$11.9	$11.1	$159.0	$13,361.0	N.M.	N.M.

	In force year:											
	2023	2022	2021	2020	2019	2018	2017	2016	2009 - 2015	2005 - 2008	2004 & Prior	Total
Loans covered by reinsurance: (2)												
Quota Share Transactions and XOL Transactions (%) (3)	93.0	93.4	92.5	91.6	-	-	-	-	-	-	-	77.1
Home Re Transactions (%)	-	-	98.9	98.0	10.0	98.4	95.1	56.2	-	-	-	53.1
Total loans covered by reinsurance (%)	93.0	93.4	99.6	99.5	10.0	98.4	95.1	56.2	-	-	-	86.4

Year of origination as displayed is determined by the calendar date the insurance was effective.

(1) Percentages based on remaining risk in force, including the percentage of risk in force delinquent. Other delinquency statistics are based on the number of remaining loans.
(2) Reinsurance coverage percentage is calculated as the risk in force on policies with reinsurance coverage divided by the total risk in force. Quota share reinsurance cede rate is a weighted average of 32% on eligible business for 2023, 33% on eligible business for 2022, and 32% on eligible business for 2021.
(3) We terminated our 2017 and 2018 QSR Transactions effective December 31, 2021. We terminated our 2015 and 2019 QSR Transactions effective December 31, 2022. We have elected to terminate our 2020 QSR Transaction effective December 31. 2023.

Losses Incurred
September 30, 2023

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
# of New notices	12,240	10,580	11,297	11,899	10,990
New notice claim rate	7.5%	7.5%	7.5%	7.5%	7.5%
New notice severity	57,900	57,300	57,100	55,500	49,500
Current period losses incurred, net ($m)	48	42	47	46	36
Prior period development, net* ($m)	(48)	(60)	(41)	(77)	(141)
Losses incurred, net ($m)	-	(18)	6	(31)	(105)

*Percentage of development related to:					
Claim Rate improvement	92%	93%	100%	96%	94%
Other (severity, pool, other)	8%	7%	0%	4%	6%

Loss Reserves
September 30, 2023

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Delinquency Inventory*	24,720	23,823	24,757	26,387	25,878
Average claim rate	32.3%	34.5%	35.5%	34.4%	38.5%
Average severity	58,530	57,430	56,730	55,035	54,290
Direct primary loss reserves ($m)	467	472	498	498	540
Total Direct loss reserves (includes primary, pool, IBNR and LAE) ($m)	526	531	559	558	603

*Aging of delinquency inventory – consecutive months delinquent					
3 months or less	35%	32%	31%	33%	30%
4-11 months	33%	34%	34%	31%	30%
12 months or more	32%	34%	35%	36%	40%
Average risk in force on delinquency inventory	55,717	54,591	54,023	52,511	51,403
Severity to exposure	105%	105%	105%	105%	105%

Home Re 2023-1 Ltd.
Transaction Overview

MGIC

Transaction	✓ On October 23, 2023, MGIC obtained fully collateralized excess of loss reinsurance coverage on mortgage insurance policies written from June 1, 2022 through August 31, 2023. ✓ The total amount of reinsurance was $330.2 million as of the closing date.
Reinsurer	✓ Reinsurance is provided by Home Re 2023-1 Ltd. ("Home Re"), a newly formed Bermuda-based special purpose insurer. Home Re is not a subsidiary or an affiliate of MGIC. ✓ Home Re has funded its reinsurance obligations by issuing four classes of mortgage insurance-linked notes that have a 10-year legal maturity with a 5-year call option in an unregistered private offering. The notes are non-recourse to any assets of MGIC or its affiliates. ✓ The proceeds of the notes offering were deposited into a reinsurance trust account for the benefit of MGIC. The noteholders have a subordinated interest in the reinsurance trust account, which is the sole source of funds for the repayment of principal of the notes.
MGIC Benefits	✓ Further diversifies sources of capital ✓ Protection against adverse credit losses on the reinsured business ✓ Further mitigates counterparty risk ✓ Provides PMIERs and rating agency capital benefit

Home Re 2023-1 Ltd.
Structure

Coverage Levels	Coverage Level ($ in 000s)	Funded %	Notes Issued ($ in 000s)	% of Risk in Force	Credit Enhancement %	Weighted Average Life (in years)[1]	Coupon (bps)	DBRS Rating
A-H	8,484,443			93.25%	6.75%	RETAINED BY MGIC		
M-1A	59,140	100%	59,140	0.65%	6.10%	0.99	SOFR+215	BBB (low) (sf)
M-1B	150,126	100%	150,126	1.65%	4.45%	2.56	SOFR+460	BB (sf)
M-2	109,183	90%	98,265	1.20%	3.25%	4.59	SOFR+600	B (high) (sf)
B-1	22,746	100%	22,746	0.25%	3.00%	5.01	SOFR+725	B (sf)
B-2	90,985			1.00%	2.00%	RETAINED BY MGIC		
B-3H	181,976			2.00%	0.00%	RETAINED BY MGIC		
Issued Notes			330,237	3.75%				

Details of the Reinsured Loans at Closing:

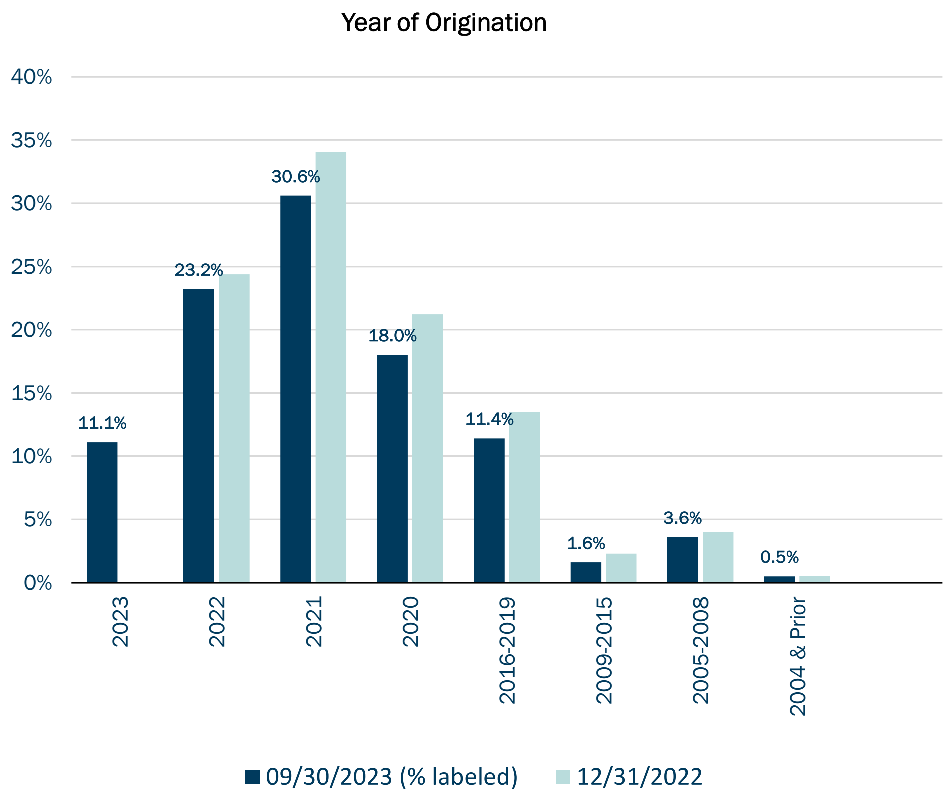
- Reference pool of 202,154 loans having aggregate unpaid principal balance of $66,061bn
- Adjusted risk in force of $9.099bn - adjusted risk in force accounts for existing reinsurance from unaffiliated third parties on loans in the reference pool
- Mortgage insurance coverage on mortgage loans having an insurance coverage in force date from June 1, 2022 to August 31, 2023, inclusive

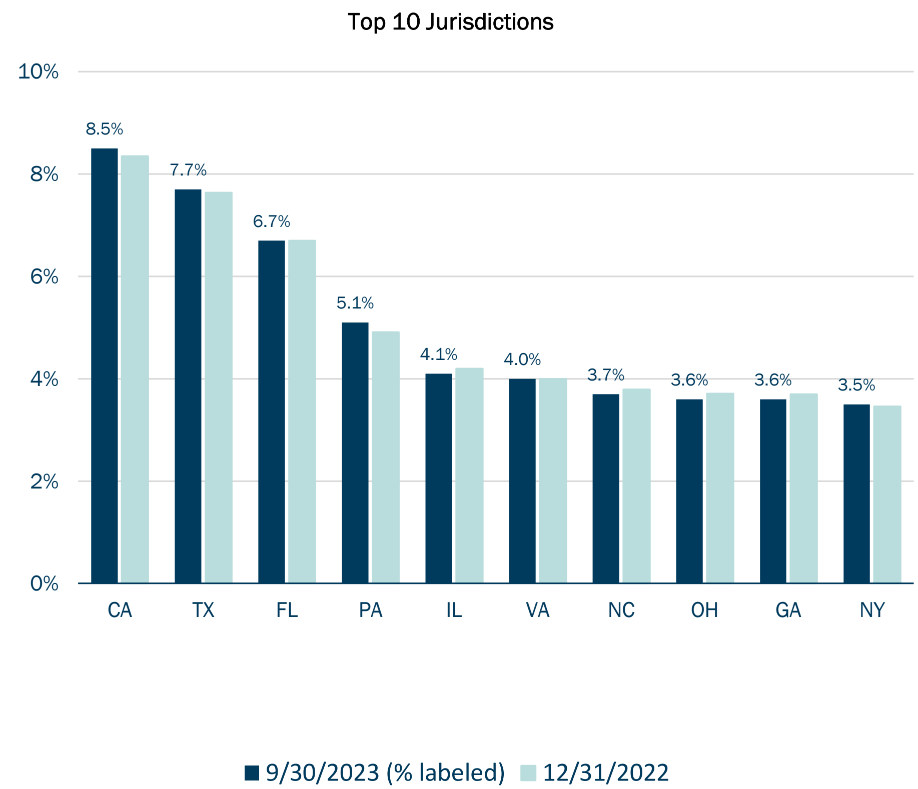
Key Transaction and Structure Details:

- Cut-off Date: August 31, 2023
- Optional Call Date: October 25, 2028
- Legal Final Date: October 25, 2033
- Clean-up Call Event: Aggregate outstanding principal amount, net of impairment amounts, is ≤ 10% of the issuance AEPB
- Trigger Events:
  - 100% of principal is subject to triggers
  - Minimum Credit Enhancement Test: 7.25%
  - Sixty-Plus Delinquency Amount Test: three months average sixty-plus delinquency rate is >=75% of the subordination percentage
- Stepdown Event: if the deal passes the Delinquency Trigger and Target Credit Enhancement (7.25%), the Subordinate level Principal Reduction Amount is 2x the product of the Principal Reduction Amount and the Subordinate Percentage.

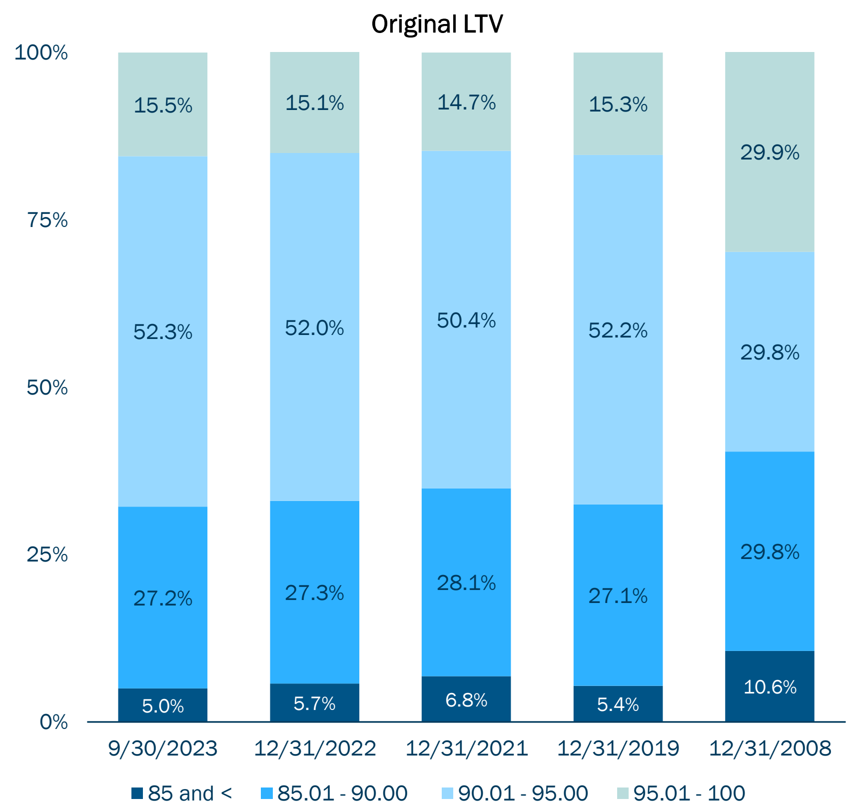
[1] Weighted average life based on assumptions of 10% CPR, no defaults and MGIC exercises its option to terminate on the occurrence of an Optional Call Date or Clean-up Call Event when first eligible.

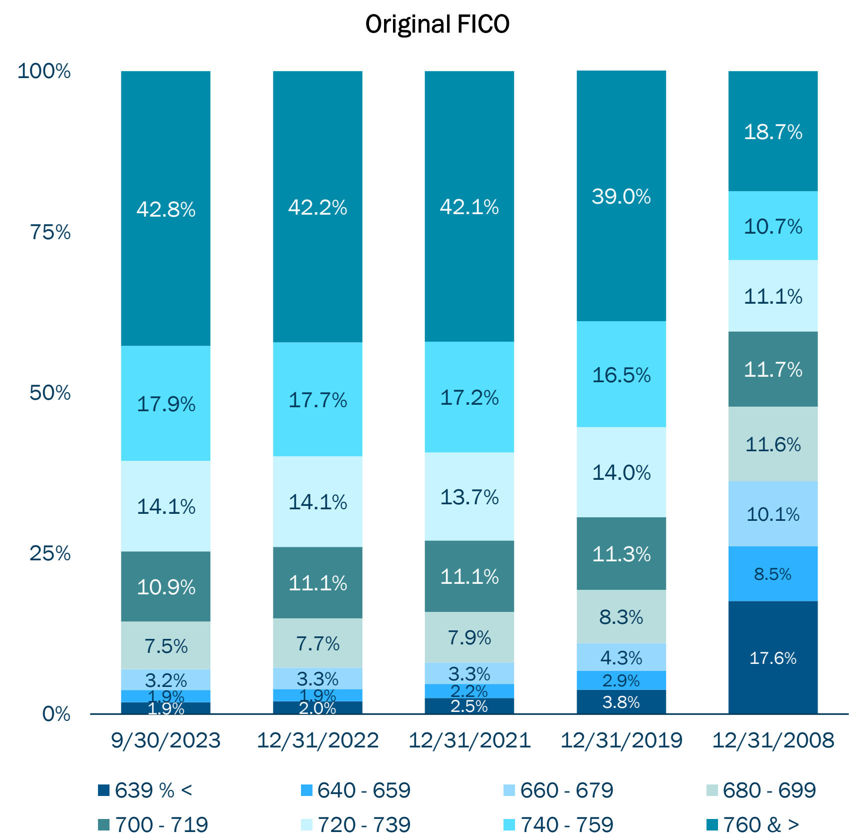
Primary Risk in Force





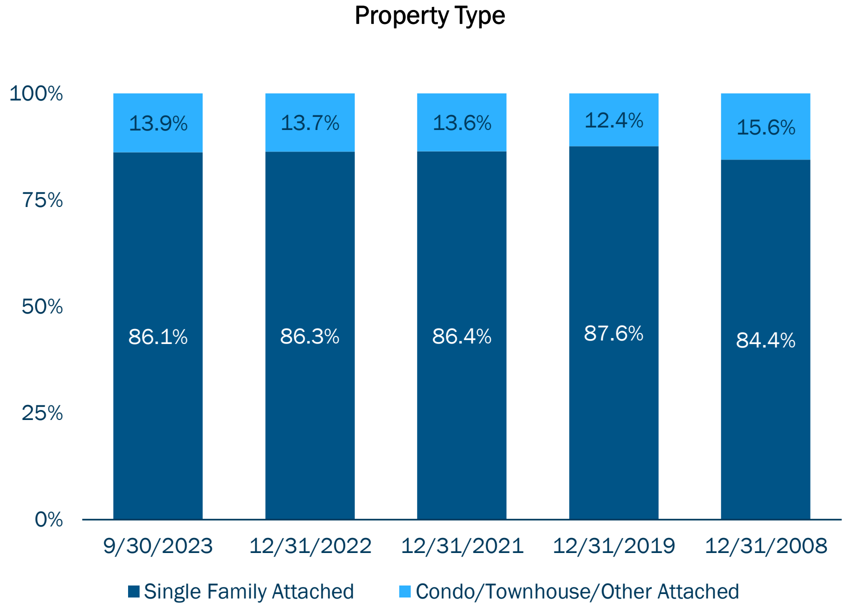
Primary Risk in Force

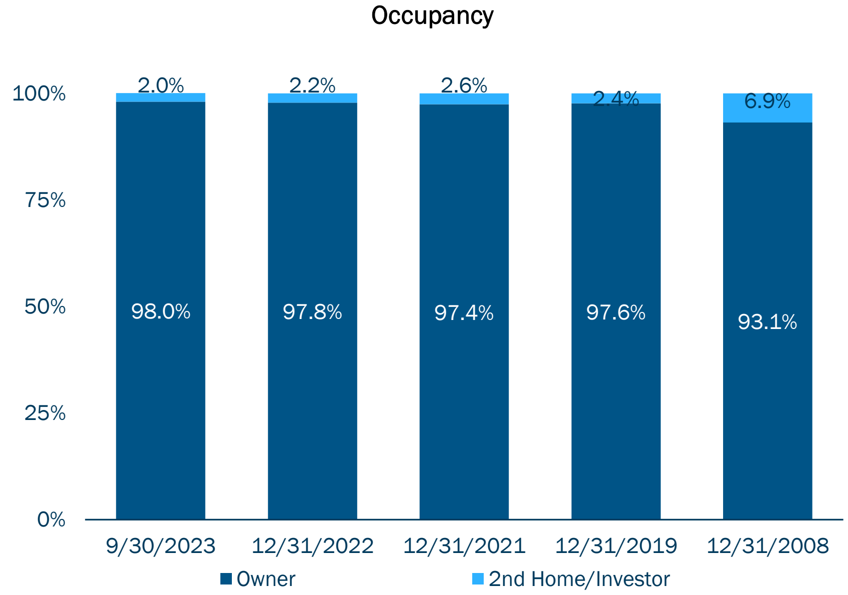




Note: Charts may not add to 100% due to rounding.

Primary Risk in Force





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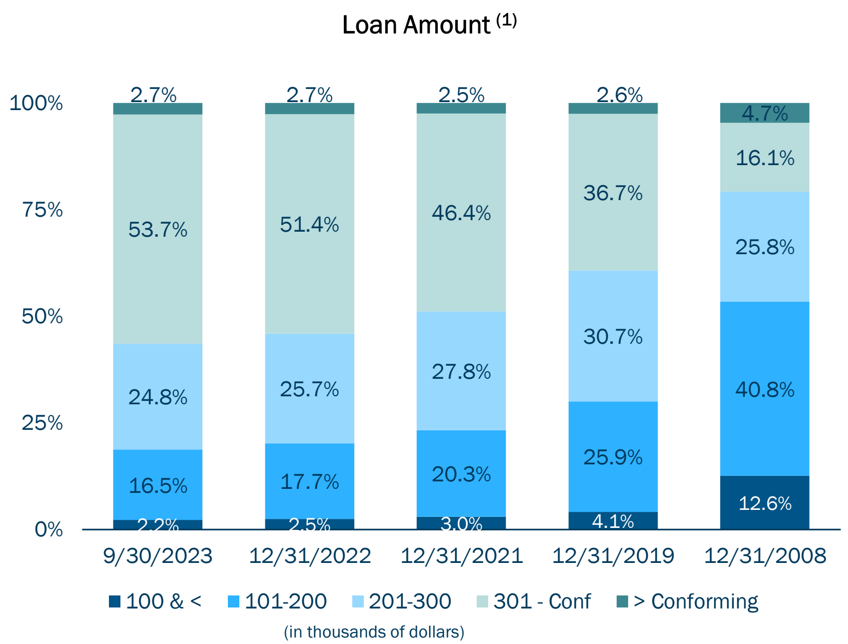
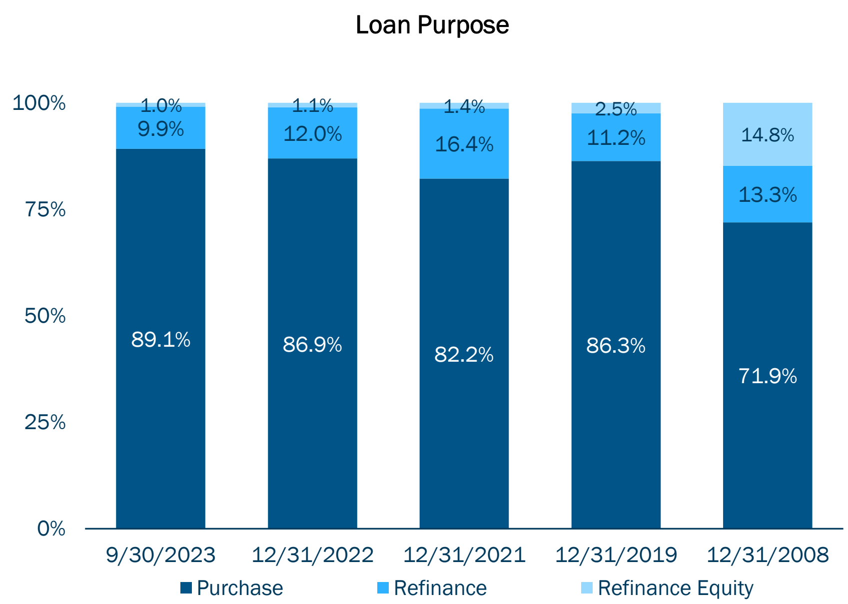
Primary Risk in Force



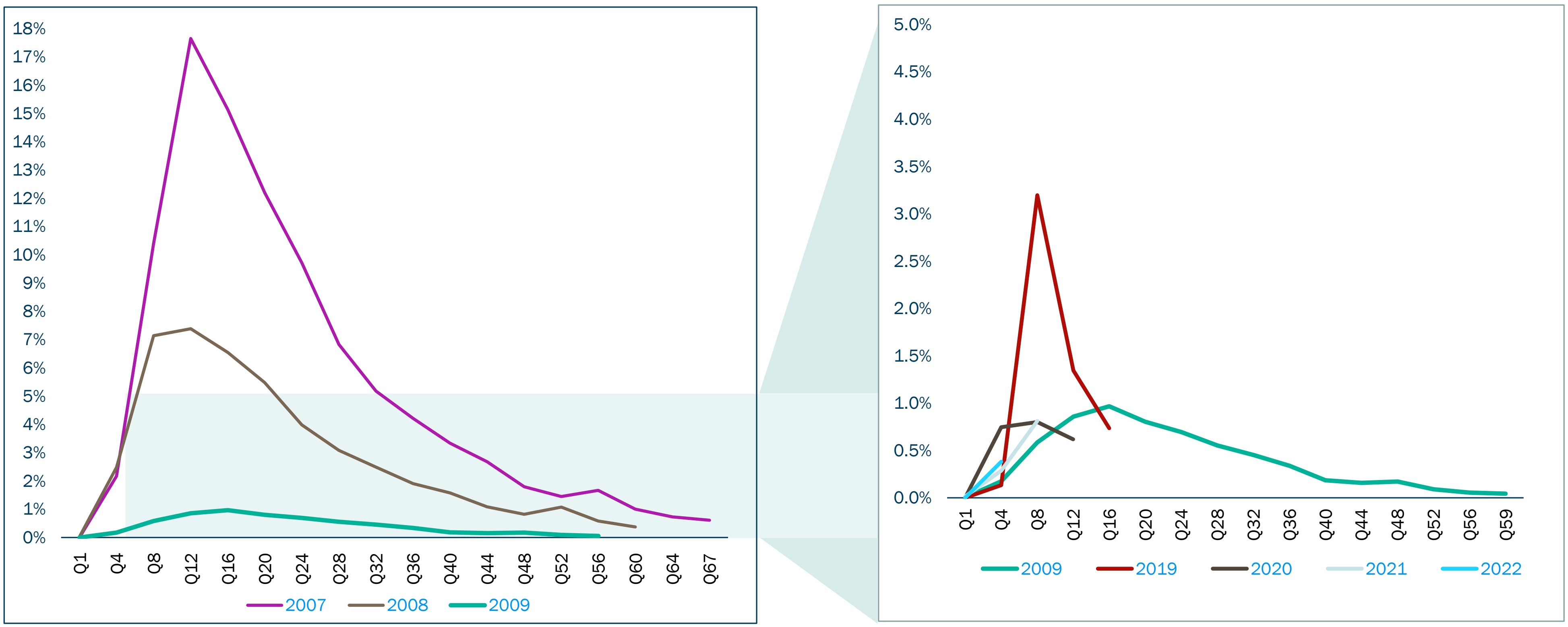


(1) Loans within the conforming loan limit have an original principal balance that does not exceed the maximum conforming loan limit for mortgages to be acquired by the GSEs. For 2023, the conforming loan limit for one unit properties is $726,200 and the limit in the most high cost areas is $1,089,300.

Note: Charts may not add to 100% due to rounding.

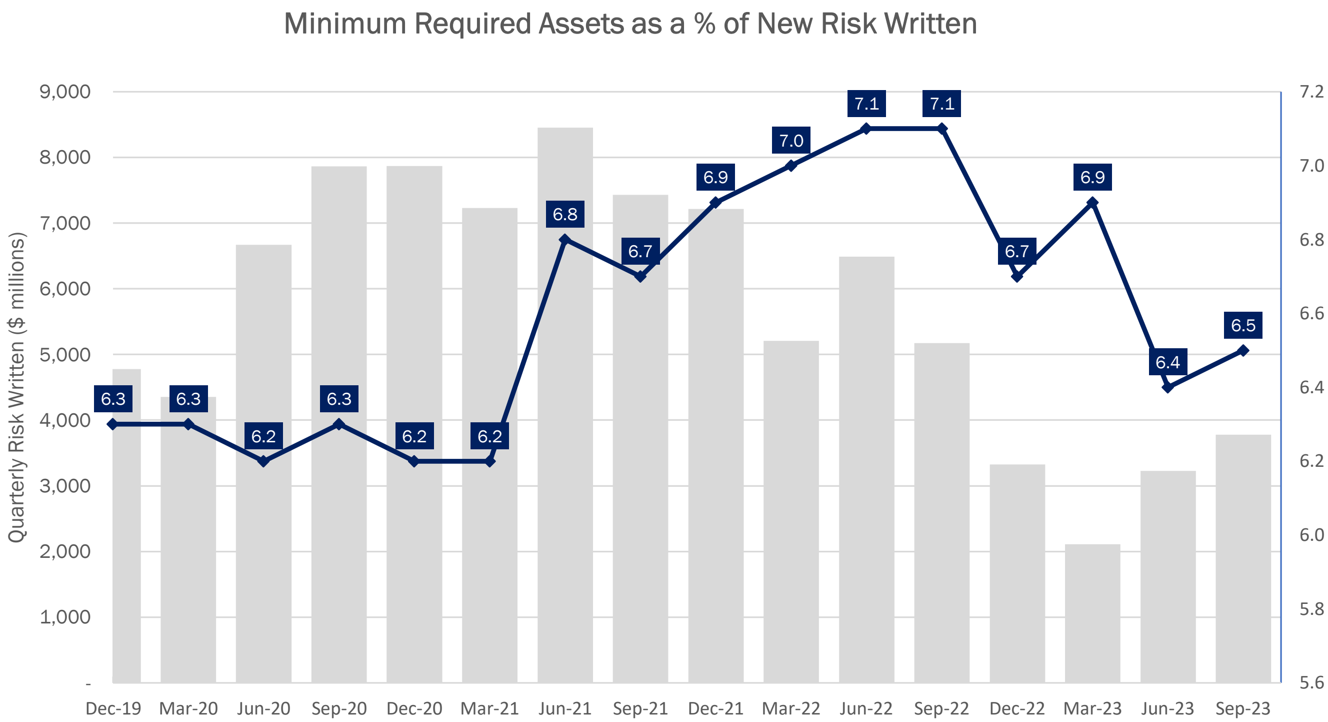
Flow Delinquency Rate
September 30, 2023

Static Pool Delinquency Rates Based on Loan Count



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

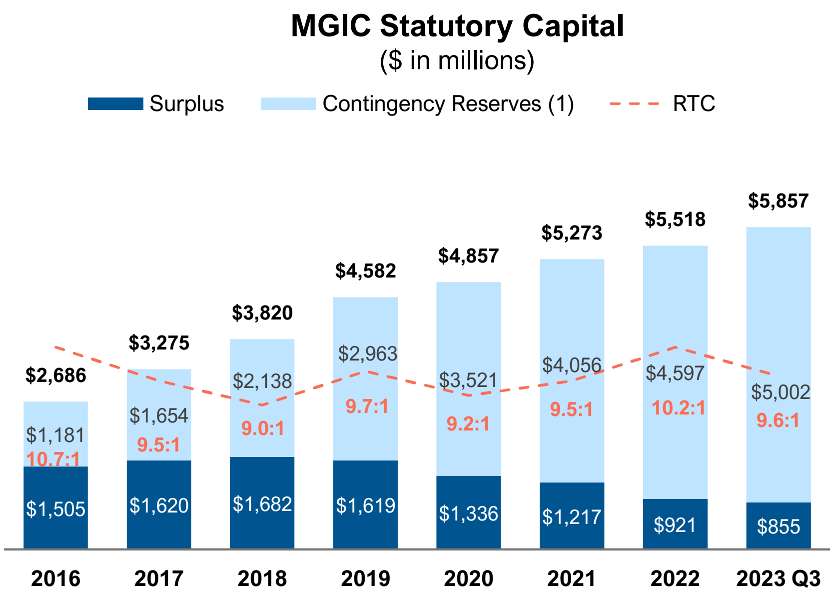
Capital Requirements on New Risk Written



As of September 30, 2023 ($B):	
Minimum Required Assets	$3.5
Reinsurance Credit	$2.2
Available Assets	$6.0

Statutory Capital

MGIC



	2016	2017	2018	2019	2020	2021	2022	2023 Q3
Dividends to Holding Company:	$64M	$140M	$220M	$280M	$390M	$400M	$800M	$300M

Scheduled Contingency Reserve Releases:	
Year	Amount (M)
2024	$248
2025	$507
2026	$527
2027	$531
2028	$543
2029	$567
2030	$578
2031	$554
2032	$541
2033	$405

(1) Contingency reserves are established by contributing 50% of earned premiums. Reserves are released to surplus after 10 years on a first in, first out basis or when incurred losses exceed 35% of earned premiums in a calendar year.