FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[x] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended December 31, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from ____________ to ________________

Commission file number 1-10816

MGIC Investment Corporation
(Exact name of registrant as specified in its charter)

Wisconsin	39-1486475
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

MGIC Plaza, 250 East Kilbourn Avenue, Milwaukee, Wisconsin 53202
(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code (414) 347-6480

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class: Common Stock, Par Value $1 Per Share

Name of Each Exchange on Which Registered: New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act:

Title of Class: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

State the aggregate market value of the voting stock held by non-affiliates of the Registrant as of January 31, 1997: $3,563,865,205.*

* Solely for purposes of computing such value and without thereby admitting that such persons are affiliates of the Registrant, shares held by directors and executive officers of the Registrant are deemed to be held by affiliates of the Registrant.

Indicate the number of shares outstanding of each of the Registrant's classes of common stock as of January 31, 1997: 59,029,444.

The following documents have been incorporated by reference in this Form 10-K, as indicated:

Document	Part and Item Number of Form 10-K Into Which Incorporated
1. Information from 1996 Annual Report to Shareholders (for Fiscal Year Ended December 31, 1996)	Items 1 and 3 of Part I Items 5 through 8 of Part II
2. Proxy Statement for the 1997 Annual Meeting of Shareholders	Item 10 through 13 of Part III

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

Part I

Item 1. Business.

A. General

MGIC Investment Corporation (the "Company") is a holding company which, through its indirect wholly owned subsidiary, Mortgage Guaranty Insurance Corporation ("MGIC"), is the leading provider of private mortgage insurance coverage in the United States to mortgage bankers, savings institutions, commercial banks, mortgage brokers, credit unions and other lenders. Private mortgage insurance covers residential first mortgage loans and expands home ownership opportunities by enabling people to purchase homes with less than 20% down payments. If the home owner defaults, private mortgage insurance reduces and, in some instances, eliminates the loss to the insured institution. Private mortgage insurance also facilitates the sale of low down payment mortgage loans in the secondary mortgage market, principally to the Federal Home Loan Mortgage Corporation ("Freddie Mac") and the Federal National Mortgage Association ("Fannie Mae"). In addition to mortgage insurance, the Company, through other subsidiaries, provides various underwriting and contract services related to home mortgage lending.

MGIC is licensed in all 50 states of the United States, the District of Columbia and Puerto Rico. MGIC's claims-paying ability is rated "AA+" by Standard & Poor's Corporation ("S&P") and "Aa2" by Moody's Investors Service, Inc. ("Moody's").

The MGIC name has been associated with private mortgage insurance since 1957. The Company was formed in 1984 by members of the management of Wisconsin Mortgage Assurance Corporation ("WMAC"). WMAC's parent ("WMAC Investment," then known as MGIC Investment Corporation) and its predecessors were publicly traded from 1961 until 1982. WMAC, then known as Mortgage Guaranty Insurance Corporation, was the largest private insurer of residential first mortgages in the United States.

On February 28, 1985, the Company acquired certain assets and businesses of WMAC Investment and WMAC, including the MGIC name and offices of WMAC, and hired substantially all of WMAC's employees ("Acquisition"). WMAC retained substantially all of its insurance in force, net of domestic reinsurance (the "WMAC Book" and sometimes in other documents referred to as the "Old Book"). On March 1, 1985, MGIC commenced writing new insurance (the "MGIC Book" and sometimes in other documents referred to as the "New Book"). Effective as of the time of the Acquisition, WMAC generally ceased writing new insurance and reinsured 100% of the WMAC Book with several international reinsurers. One of the reinsurers of the WMAC Book retroceded a 20% quota share of the WMAC Book to a subsidiary of the Company. Subsequently, MGIC assumed a portion of such reinsurance and at December 31, 1996, MGIC reinsured approximately 65% of the WMAC Book. See "The WMAC Book" below.

The Company is a Wisconsin corporation. Its principal office is located at MGIC Plaza, 250 East Kilbourn Avenue, Milwaukee, Wisconsin 53202 (telephone number (414) 347-6480).

The following is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995, which applies to all statements in this Form 10-K, including its Exhibits, which are not historical facts and to all oral statements that the Company may make from time to time which are not historical facts (such written and oral statements are herein referred to as "forward looking statements"):

Actual results may differ materially from those contemplated by the forward looking statements. These forward looking statements involve risks and uncertainties, including but not limited to, the following risks:

- that interest rates may increase rather than remain stable or decrease; that demand for housing generally or in MGIC's market segment may grow less than projected or may decrease for any number of reasons including changes in interest rates, adverse economic conditions, or other reasons;

- that government housing policy may change, including changes in Federal Housing Administration ("FHA") loan limits, and changes in the statutory charters and coverage requirements of Freddie Mac and Fannie Mae;

- that MGIC's market share of new insurance written or the amount of new insurance written may grow less than projected or may decrease as a result of factors affecting housing demand, government housing policy and Freddie Mac and Fannie Mae discussed above or as a result of underwriting changes by the Company, or actions taken by the Company's competitors, including their underwriting criteria, pricing or products offered, or for other reasons;

- that cancellations may be higher than projected and persistency may be lower than projected due to refinancings, changes in Freddie Mac or Fannie Mae cancellation policies or legislation or other factors; and

- that delinquencies, incurred losses or paid losses may increase faster than projected as a result of adverse changes in regional or national economies which affect borrowers' incomes or housing values.

Investors are also directed to other risks discussed in documents filed by the Company with the Securities and Exchange Commission.

B. The MGIC Book

Types of Product

There are two principal types of private mortgage insurance: "primary" and "pool."

Primary Insurance. Primary insurance provides mortgage default protection on individual loans and covers unpaid loan principal, delinquent interest and certain expenses associated with the default and subsequent foreclosure (collectively, the "claim amount"). The insurer generally pays the coverage percentage of the claim amount specified in the primary policy, but has the option to pay 100% of the claim amount and acquire title to the property. The claim amount averages about 115% of the unpaid principal balance of the loan. Primary insurance generally applies to owner occupied, first mortgage loans on one-to-four family homes, including condominiums. Primary coverage can be used on any type of residential mortgage loan instrument approved by the mortgage insurer. References in this document to amounts of insurance written or in force, risk written or in force and other historical data related to MGIC's insurance refer only to direct (before giving effect to reinsurance) primary insurance, unless otherwise indicated.

The following table shows direct primary insurance in force and net primary risk in force (the risk, determined by the coverage percentage, which is retained after giving effect to reinsurance) for the MGIC Book as of the dates indicated:

	Primary Insurance and Risk In Force December 31,				
	1996	1995	1994	1993	1992
	(In millions of dollars)				
Direct Primary Insurance In Force	$131,397	$120,341	$104,416	$85,848	$71,246
Net Primary Risk In Force	28,565	24,593	19,664*	13,971	10,638

* Reflects the reassumption in 1994 of mortgage insurance previously reinsured. See "Reinsurance" below.

The coverage percentage provided by MGIC is determined by the lender, usually in order to comply with Freddie Mac and Fannie Mae requirements to reduce loss exposure on loans purchased by them to a designated percentage of the home's value. Until 1995, Freddie Mac and Fannie Mae had generally required that loss exposure be reduced to 75% of the home's value. Effective in the first quarter of 1995, Freddie Mac and Fannie Mae changed their coverage requirements for most new loans as follows:

Freddie Mac and Fannie Mae Coverages

Thirty Year and Certain Other Mortgage Loans			Fixed Rate, Fully Amortizing Mortgage Loans with Term of 20 years or less		
Loan-to-Value Ratio:	New Coverage	Previous Coverage	Loan-to-Value Ratio:	New Coverage	Previous Coverage
90.01 + 95.00% (up to 97% for Fannie Mae)	30%	25%*	90.01 + 95.00%	25%	25%*
85.01 + 90.00%	25%	17%	85.01 + 90.00%	12%	17%
80.01 + 85.00%	12%	12%	80.01 + 85.00%	6%	12%

* Prior to 1995, Freddie Mac and Fannie Mae had increased coverage from 22% to 25%.

As a result of these deeper coverage requirements, coverage percentages on new insurance written in 1995 and 1996 were higher than coverages on loans insured in 1994 and prior years. The following table shows, by loan-to-value ("LTV") and coverage categories, new insurance written during the periods indicated:

Coverage Categories as a Percentage of New Insurance Written

	Year Ended December 31,		
LTV and Coverage	1996	1995	1994
95% LTV/ 30% Coverage	38.4%	34.1%	1.5%
90% LTV/ 25% Coverage	38.9%	33.0%	3.5%

MGIC charges higher premium rates for higher coverages, and the deeper Freddie Mac and Fannie Mae coverage requirements have resulted in higher premiums charged on similar types of loans with the same characteristics (such as LTV and loan type) affecting the premium rate. MGIC expects that these deeper coverage requirements will cause its average claim amount to increase, with no significant impact on underwriting expenses or frequency of default. Because reserves for losses are only established by MGIC for loans in default, MGIC receives increased premium from deeper coverage before any higher losses may be incurred resulting from that deeper coverage. MGIC uses a pricing methodology for these coverages similar to other types of coverage. However, there can be no assurance that the higher premium rates adequately reflect the risks associated with increased coverages. In addition, such higher premium rates may make government insurance programs, particularly programs of the FHA, more competitive. See "Sales and Marketing and Competition,Competition" and "Regulation,Indirect Regulation" below. There can be no assurance that the deeper coverage requirements of Freddie Mac and Fannie Mae will remain in effect.

Mortgage insurance coverage cannot be terminated by the insurer, except for non-payment of premium, and remains renewable at the option of the insured lender, generally at the renewal rate fixed when the loan was initially insured. Lenders may cancel insurance at any time at their option or because of mortgage repayment, which may be accelerated because of the refinancing of mortgages. In the case of a loan purchased by Freddie Mac or Fannie Mae, a borrower meeting certain conditions may require the mortgage servicer to cancel insurance upon the borrower's request when the principal balance of the loan is 80% or less of the home's current value and in certain circumstances when such principal balance is 80% or less of the home's original value.

The Company understands that Fannie Mae is considering making changes in its cancellation policy. These changes would, among other things, generally provide for automatic cancellation of mortgage insurance, including existing insurance in force, when the loan reaches one-half of its amortization period and certain requirements relating to timeliness of borrower mortgage payments are met. The Company does not believe that adoption of this automatic cancellation policy by Fannie Mae would have a material adverse effect on its business.

Some states require that mortgage servicers periodically notify borrowers of the circumstances in which they may request a mortgage servicer to cancel insurance and some states allow the borrower to require the mortgage servicer to cancel insurance under certain circumstances. Bills have been introduced and are pending in a number of other states for such purposes. The Company understands that Fannie Mae's draft policy also requires that mortgage servicers give notice to borrowers that insurance may be cancelled under Fannie Mae's policy in certain circumstances. In February, 1997, a bill was introduced in the United States Senate that would require, for loans originated 90 days or more after the enactment of the bill, automatic cancellation of private mortgage insurance if the principal balance of the loan is 80% or less of the home's original value. Among other things, the bill also would require the servicer to advise the borrower, in writing at origination, with each periodic statement of account and for loans outstanding on the date the bill is enacted, not later than 180 days after enactment, of the circumstances in which mortgage insurance may be cancelled. Earlier in 1997, a bill was introduced in the United States House of Representatives that would require the servicer to advise the borrower in writing of the circumstances in which mortgage insurance may be cancelled.

Coverage tends to continue in areas experiencing economic contraction and housing price depreciation. The persistency of coverage in such areas coupled with cancellation of coverage in areas experiencing economic expansion and housing price appreciation can increase the percentage of the insurer's portfolio comprised of loans in economically weak areas. This development can also occur during periods of heavy mortgage refinancing, such as occurred during 1993 and early 1994, because refinanced loans in areas of economic expansion experiencing property value appreciation are less likely to require mortgage insurance at the time of refinancing, while refinanced loans in economically weak areas not experiencing property value appreciation are more likely to require mortgage insurance at the time of refinancing or not qualify for refinancing at all and, thus, remain subject to the mortgage insurance coverage.

When a borrower refinances an MGIC-insured mortgage loan by paying it off in full with the proceeds of a new mortgage, the insurance on that existing mortgage is cancelled, and insurance on the new mortgage is considered to be new primary insurance written. Therefore, continuation of MGIC's coverage from a refinanced loan to a new loan results in both a cancellation of insurance and new insurance written. The percentage of primary risk written with respect to loans representing refinances was 13.7% in 1996, as compared to 9.3% in 1995. Refinance loans represented 23.5%, 15.4%, 7.7% and 9.5% of primary risk written during the successive quarters of 1996.

In addition to varying with the coverage percentage, MGIC's premium rates vary depending upon the perceived risk of a claim on the insured loan and, thus, take into account the LTV, the loan type (fixed payment versus non-fixed payment), mortgage term and coverage percentage. Premium rates cannot be changed after the issuance of coverage. Because the Company believes that over the long term each region of the United States is subject to similar factors affecting risk of loss on insurance written, MGIC generally utilizes a nationally based, rather than a regional or local, premium rate policy.

Mortgage lenders usually require mortgage borrowers to fund the mortgage insurance premiums, which the lenders pay to the mortgage insurer. MGIC has three basic types of premium payment plans: monthly, annual and single premium plans.During 1996 and 1995, these premium plans represented the following dollar amounts and percentages of new insurance written:

Premium Plans as Percentages of
New Insurance Written

	1996		1995	
	(In millions of dollars)			
Monthly premium plan	$29,138	88.9%	$25,198	83.2%
Annual premium plan	3,333	10.2	4,726	15.6
Single premium plan	285	0.9	353	1.2
Total	$32,756	100.0%	$30,277	100.0%

Under the monthly premium plan, a monthly premium payment is made to MGIC to provide only one month of coverage, rather than one year of coverage provided by the annual premium plan. To offset the reduced initial cash flow, the annualized premium rates for the monthly premium plan are higher than the premium rates for the annual plan for comparable loans.

Under the annual premium plan, the initial premium is paid to MGIC in advance, and earned over the next twelve months of coverage, with annual renewal premiums paid in advance thereafter and earned over the subsequent twelve months of coverage. The annual premiums can be paid with either a higher premium rate for the initial year of coverage and lower premium rates for the renewal years, or with premium rates which are equal (level) for the initial year and subsequent renewal years.

Under the single premium plan, a single payment is made to MGIC, covering a specified term exceeding 12 months, which can be either non-refundable or refundable if the coverage is cancelled by the insured lender.

Pool Insurance. Pool insurance is generally used as an additional "credit enhancement" for certain secondary market mortgage transactions. Pool insurance generally covers the loss on a defaulted mortgage loan which exceeds the claim payment under the primary coverage, if primary insurance is required on that mortgage loan, as well as the total loss on a defaulted mortgage loan which did not require primary insurance, in each case up to a stated aggregate loss limit. At December 31, 1996, net MGIC Book pool insurance in force was $740 million, representing $181 million of net risk in force. Virtually all of such net risk in force was written or committed to prior to 1989.

In 1996, MGIC began to offer pool insurance generally covering fixed rate, 30-year mortgage loans delivered to Freddie Mac and Fannie Mae ("agency pool insurance"). The aggregate loss limit on agency pool insurance does not exceed 1% of the aggregate original principal balance of the mortgage loans in the pool. New risk written in 1996 under agency pool insurance was minimal, and the Company does not anticipate that new risk written in 1997 under agency pool insurance will be material to its total risk in force.

Customers

Originators of residential mortgage loans such as mortgage bankers, savings institutions, commercial banks, mortgage brokers, credit unions and other lenders (e.g., financial, insurance and service companies) are the customers of MGIC and in 1996 accounted for 38.2%, 26.5%, 21.6%, 11.2%, 2.0%, and 0.5%, respectively, of MGIC's new insurance written.

To obtain primary insurance from MGIC, a mortgage lender must first apply for and receive a mortgage guaranty master policy ("Master Policy") from MGIC. MGIC had approximately 8,600 master policyholders at December 31, 1996 (not including policies issued to branches and affiliates of large lenders). In 1996, MGIC issued coverage on mortgage loans for approximately 59% of its master policyholders.

MGIC's top 10 customers generated 20.0% of its new insurance written in 1996, compared to 20.7% in 1995. The largest single customer of MGIC (including branches and affiliates), measured by new insurance written, accounted for 3.0% of new insurance written during both 1996 and 1995. MGIC's single largest customer, measured by insurance in force as of December 31, 1996, represented 3.5% of such insurance in force.

Sales and Marketing and Competition

Sales and Marketing. MGIC sells its insurance products through its own employees, located throughout the United States. At December 31, 1996, MGIC had 25 underwriting service centers located in 19 states and in Puerto Rico.

Competition. MGIC and other private mortgage insurers compete directly with federal and state governmental and quasi-governmental agencies, principally the FHA and, to a lesser degree, the Veterans

Administration ("VA"). These agencies sponsor government-backed mortgage insurance programs, which during 1996 accounted for approximately 45% (compared to approximately 39% during 1995) of the total low down payment residential mortgages which were subject to governmental or private mortgage insurance. See "Regulation , Indirect Regulation" below.

In addition to competition from federal agencies, MGIC and other private mortgage insurers face competition from state-supported mortgage insurance funds in several states, including California, Illinois and New York. From time to time, other state legislatures and agencies consider expansions of the authority of their state governments to insure residential mortgages.

MGIC and other private mortgage insurers also compete with mortgage lenders which self-insure against the risk of loss from defaults on all or a portion of their low down payment mortgage loans.

The private mortgage insurance industry consists of nine active mortgage insurers (including a joint venture in which a mortgage insurer is one of the joint venturers). During 1995 and 1996, MGIC was the largest private mortgage insurer based on new primary insurance written and at December 31, 1996, MGIC also had the largest book of direct primary insurance in force.

The Company believes MGIC competes with other private mortgage insurers principally on the basis of the strength of its management team and field organization; its ability to meet lender needs by providing underwriting risk management, affordable housing, loss mitigation, capital markets and training support; effective use of technology and innovation in the delivery and servicing of MGIC's insurance products; and structured programs involving agency pool insurance, captive reinsurance and other programs in which insurance is offered on special terms for certain loans or groups of loans. The Company believes MGIC's additional competitive strengths, compared to other private insurers, are its customer relationships, name recognition and reputation.

Certain private mortgage insurers compete by offering lower premium rates than other companies, including MGIC, either in general or with respect to particular classes of business. MGIC on a case-by-case basis will adjust premium rates, generally depending on the risk characteristics, loss performance or class of business of the loans to be insured, or the costs associated with doing such business.

Two other mortgage insurers, General Electric Mortgage Insurance Corporation ("GEMIC") and United Guaranty Residential Insurance Company, an affiliate of American International Group, Inc., have higher claims-paying ability ratings from S&P and Moody's than MGIC, principally based on having definitive capital support agreements from affiliated companies.

Risk Management

Risk Management Approach. MGIC evaluates four major elements of risk:

- Individual Loan and Borrower. Except to the extent its delegated underwriting program is being utilized as described below, MGIC evaluates insurance applications based on its analysis of the borrower's ability to repay the mortgage loan and the characteristics and value of the property. The analysis of the borrower includes reviewing the borrower's housing and total debt ratios as well as the borrower's FICO credit score, as reported by credit reporting agencies. In the case of delegated underwriting, compliance with program parameters is monitored by periodic audits of delegated business.

- Geographic Market. MGIC places significant emphasis on the condition of the housing markets around the nation in determining its underwriting policies.

- Product. The type of mortgage instrument that the borrower selects and the purpose of the loan are important factors in MGIC's analysis of mortgage default risk. MGIC analyzes four general characteristics of the product to quantify this risk evaluation: (i) LTV ratio; (ii) type of loan instrument; (iii) type of property; and (iv) purpose of the loan. In addition to its underwriting guidelines (as referred to below), pricing is MGIC's principal method used to manage these risks. Loans with higher LTV ratios generally have a higher premium, as do instruments such as adjustable rate mortgage loans ("ARMs") and loans with a maturity longer than fifteen years.

- Mortgage Lender. MGIC evaluates from time to time its major customers and the performance of their business which MGIC has insured.

Based on historical performance, the Company believes that the claim incidence for loans with LTVs in excess of 90% but not more than 95% ("95% LTV loans") is substantially higher than for loans with LTV ratios of 90% or less; for ARMs during a prolonged period of rising interest rates would be substantially higher than for fixed rate loans; for loans in which the original loan amount exceeds $200,000 is higher than for loans where such amount is $200,000 or less; and for loans with FICO credit scores below 620 is higher than for loans with FICO credit scores of 620 and above. While there is no meaningful data on claim incidence for loans with LTVs in excess of 95% ("97% LTV loans") because this product has only been recently offered by the industry, the Company anticipates that claim incidence on 97% LTV loans will be higher than on 95% LTV loans. MGIC charges higher premium rates for insuring 95% and 97% LTV loans and ARMs. However, there can be no assurance that such higher rates adequately reflect the increased risk associated with those types of loans, particularly in a period of economic recession.

There are also other types of loan characteristics relating to the individual loan or borrower which affect the risk potential for a loan. The presence of a number of higher-risk characteristics in a loan materially increases the likelihood of a claim on such a loan unless there are other characteristics to lower the risk.

Underwriting Process. To obtain primary insurance on a specific mortgage loan, a master policyholder typically submits an application to an MGIC underwriting service center, supported by various documents, if required by MGIC. MGIC utilizes national underwriting guidelines to evaluate the potential risk of default on mortgage loans submitted for insurance coverage. These guidelines generally are consistent with Fannie Mae and Freddie Mac underwriting guidelines and take into account the applicable premium rates charged by MGIC and the loss experience of the private mortgage insurance industry, as well as the initiatives to expand home ownership opportunities undertaken by Fannie Mae and Freddie Mac. MGIC's underwriters have discretionary authority to insure loans which deviate in one or more respects from MGIC's underwriting guidelines. In most such cases, offsetting underwriting strengths must be identified.

In order to react to local or regional economic conditions, MGIC has also developed for use by its underwriting staff certain modified guidelines which attempt to address particular regional or local market developments. These "special market underwriting guidelines" are updated from time to time and deviate in varying degrees from MGIC's national guidelines based on MGIC's analysis of area housing markets and related economic indicators and conditions. The special market underwriting guidelines are more liberal than the published national guidelines in some markets, but in other markets are more restrictive.

To assist its staff of underwriters, MGIC utilizes a computer-assisted underwriting system which analyzes and approves certain mortgage insurance applications based on MGIC's underwriting standards, but without personal underwriter intervention, thereby allowing MGIC's underwriting staff to devote additional attention to evaluating more difficult underwriting decisions. MGIC audits a representative sample of applications approved by the system.

Delegated Underwriting. Delegated underwriting is a program whereby approved lenders are allowed to commit MGIC to insure loans utilizing their MGIC-approved underwriting guidelines and underwriting evaluation. While MGIC does not underwrite on a case-by-case basis the credit of the borrower, the value of the property, or other factors which it normally considers in its underwriting decision, it does audit on a regular basis a sample of the loans insured.

At December 31, 1996, MGIC's delegated underwriting program involved 662 lenders, including all of MGIC's top twenty customers. Loans insured under MGIC's delegated underwriting program accounted for approximately 30.7% of MGIC's total risk in force at December 31, 1996. The percentage of new risk written by delegated underwriters increased to 41.0% in 1996 from 38.2% in 1995, and 28.6% in 1994. In mid-1996, MGIC introduced a program under which MGIC approves a loan for insurance if the borrower satisfies certain minimum criteria for credit scores and debt ratios. As a result of this new program, which represented approximately 3.8% of new risk written in 1996, MGIC anticipates that the percentage of new risk written under the delegated underwriting program will decline in 1997. The performance of loans insured under the delegated underwriting program has been comparable to MGIC's non-delegated business, although performance of that program has not yet been tested in a period of severe economic stress.

Affordable Housing. In recent years, MGIC has increased its insurance of residential mortgages identified by its customers as loans secured by properties owned and occupied by low- and moderate-income borrowers, or by borrowers who reside in areas targeted for community reinvestment or redevelopment ("affordable housing" loans). The percentage of affordable housing loans designated as such by lenders was 2.3% of new risk written in 1996, as compared to 4.9% in 1995. The Company believes that affordable housing loans have higher risks than its other insured business. Therefore, MGIC has instituted various programs seeking to mitigate the higher risk characteristics of such loans. However, while early in the life of such lender-designated loans, on the basis of the limited information available, the Company believes that the default rate and claims rate on such loans will be higher than the average default rate and claims rate on the MGIC Book.

Reinsurance

General. In each year from 1985 through 1993, MGIC had ceded certain percentages of its new insurance written under quota share reinsurance agreements with several international reinsurers. Effective January 1, 1994, MGIC reassumed from its principal reinsurer, European Reinsurance Company of Zurich ("European Re"), MGIC's mortgage insurance written in 1985 through 1993, which had been ceded to European Re and discontinued quota share reinsurance for new insurance written. At December 31, 1996, approximately 3% of MGIC's insurance in force was reinsured. Reinsuring against possible loan losses does not discharge MGIC from liability to a policyholder; however, the reinsurer agrees to indemnify MGIC for the reinsurer's share of losses incurred.

Captive Mortgage Reinsurance. MGIC will reinsure with a mortgage reinsurance affiliate of a lender a portion of the risk on loans originated or purchased by the lender which have MGIC primary insurance. The amount of captive reinsurance ceded by MGIC to date has not been material. In the fourth quarter of 1996, the Office of the Comptroller of the Currency ("OCC"), which regulates national banks and their subsidiaries, and the Office of Thrift Supervision ("OTS"), which regulates federally chartered savings institutions, separately announced that captive mortgage reinsurance was a permissible activity that could be conducted in operating subsidiaries after approval of an application made to those agencies. As a result of the announcements by the OCC and the OTS, MGIC expects that it will enter into additional captive reinsurance arrangements. The Company understands that the Department of Housing and Urban Development ("HUD") is considering whether captive mortgage reinsurance programs comply with the Real Estate Settlement Procedures Act of 1974, as amended, and the regulations thereunder ("RESPA"). There can be no assurance that HUD will not challenge captive mortgage reinsurance under RESPA or that captive mortgage reinsurance complies with RESPA.

Past Industry Losses; Defaults; and Claims

Past Industry Losses. The private mortgage insurance industry, including the WMAC Book, experienced substantial unanticipated incurred losses in the mid-to-late 1980s. From the 1970s until 1981, rising home prices in the United States generally led to profitable insurance underwriting results for the industry and caused private mortgage insurers to emphasize market share. To maximize market share, until the mid-1980s, private mortgage insurers employed liberal underwriting practices, and charged premium rates which, in retrospect, generally did not adequately reflect the risk assumed (particularly on pool insurance). These industry practices compounded the losses which resulted from changing economic and market conditions which occurred during the early and mid-1980s, including (i) severe regional recessions and attendant declines in property values in the nation's energy producing states; (ii) the development by lenders of new mortgage products to defer the impact on home buyers of double digit mortgage interest rates; and (iii) changes in federal income tax incentives which initially encouraged the growth of investment in non-owner occupied properties.

Defaults. The claim cycle on private mortgage insurance begins with the insurer's receipt of notification of a default on an insured loan from the lender. Lenders are required to notify MGIC of defaults within 130 days after the initial default, although most lenders do so earlier. The incidence of default is affected by a variety of factors, including the level of borrower income growth, unemployment, divorce and illness, the level of interest rates and general borrower creditworthiness. Defaults that are not cured result in a claim to MGIC. Defaults may be cured by the borrower bringing current the delinquent loan payments or by a sale of the property and the satisfaction of all amounts due under the mortgage.

The following table shows the number of primary and pool loans insured in the MGIC Book, the related number of loans in default and the percentage of loans in default (default rate) as of the dates indicated:

Default Statistics for the MGIC Book

	December 31,				
	1996	1995	1994	1993	1992
PRIMARY INSURANCE					
Insured loans in force . .	1,299,038	1,219,304	1,080,882	921,259	806,958
Loans in default	25,034	19,980	15,439	13,658	13,082
Percentage of loans in default (default rate) .	1.93%	1.64%	1.43%	1.48%	1.62%
POOL INSURANCE					
Insured loans in force . .	19,123	20,427	23,242	30,890	42,359
Loans in default	855	1,053	1,097	1,419	1,225
Percentage of loans in default (default rate) .	4.47%	5.15%	4.72%	4.59%	2.89%

Although the number of primary loans in default increased from 1992 through 1996 as a result of the continued growth and maturity of the MGIC Book, the default rate for primary loans declined during 1993 and 1994, due to the significant increase in new insurance written in 1993 and 1994 and improved economic conditions in certain regions of the United States, as indicated in the table below. The default rate for primary loans increased from 1994 through 1996 due to an increase in the risk profile of loans insured in late 1994 and the first half of 1995 and the continued maturation of MGIC's insurance in force.

The percentage of pool insurance loans in default increased from 1992 to 1995, as a result of the significant reduction in insured loans in force and continued economic difficulties in certain regions of the country.

Regions of the United States may experience different default rates due to varying localized economic conditions from year to year. The following table shows the percentage of the MGIC Book's primary loans in default by MGIC region at the dates indicated:

Default Rates for Primary Insurance By Region*

	Dec. 31, 1996	Dec. 31, 1995	Dec. 31, 1994
MGIC REGION:			
New England . .	2.09%	2.17%	2.32%
Northeast . . .	2.74	2.49	2.29
Mid-Atlantic .	1.96	1.64	1.45
Southeast . . .	1.83	1.46	1.25
Great Lakes . .	1.57	1.21	0.99
North Central .	1.49	1.21	1.02
South Central .	1.56	1.27	0.97
Plains	0.97	0.75	0.59
Pacific	2.70	2.43	2.10
National . .	1.93%	1.64%	1.43%

* The default rate is affected by both the number of loans in default at any given date as well as the number of insured loans in force at such date.

Claims. Claims result from defaults which are not cured. Whether a claim results from an uncured default principally depends on the borrower's equity in the home at the time of default and the borrower's (or the lender's) ability to sell the home for an amount sufficient to satisfy all amounts due under the mortgage. Claims are affected by various factors, including local housing prices and employment levels, and interest rates.

Under the terms of the Master Policy, the lender is required to file a claim for primary insurance with MGIC within 60 days after it has acquired good and marketable title to the underlying property through foreclosure. Depending on the applicable state foreclosure law, an average of about 12 months transpires from the date of default to payment of a claim on an uncured default. The claim amount generally averages about 115% of the unpaid principal amount of the loan.

Within 60 days after the claim has been filed, MGIC has the option of either (i) paying the coverage percentage specified for that loan, with the insured retaining title to the underlying property and receiving all proceeds from the eventual sale of the property or (ii) paying 100% of the claim amount in exchange for the lender's conveyance of good and marketable title to the property to MGIC, with MGIC then selling the property for its own account.

Claim activity is not evenly spread throughout the coverage period of a book of primary business. Relatively few claims are received during the first two years following issuance of coverage on a loan. This is followed by a period of rising claims which, based on industry experience, has historically reached its highest level in the third through fifth years after the year of loan origination. Thereafter, the number of claims received has historically declined at a gradual rate, although the rate of decline can be affected by conditions in the economy, including lower housing price appreciation. There can be no assurance that this historical pattern of claims will continue in the future. Moreover, when a loan is refinanced, because the new loan replaces, and is a continuation of, an earlier loan, the pattern of claims frequency for that new loan may be different from the historical pattern of other loans. As of December 31, 1996, 60.9% of the MGIC Book primary insurance in force had been written during 1994, 1995, and 1996, although a portion of such insurance arose from the refinancing of earlier originations.

In addition to the increasing level of claim activity arising from the maturing of the MGIC Book, another important factor affecting MGIC Book losses is the amount of the average claim paid, which is generally referred to as claim severity. The main determinants of claim severity are the amount of the mortgage loan and coverage percentage on the loan. The average claim severity on the MGIC Book primary insurance was $21,817 for 1996 as compared to $21,071 in 1995. Although prior to 1995 the coverage percentage remained relatively constant on the MGIC Book, the Company anticipates that MGIC Book claim severity will likely increase over the long term due to the higher coverage percentages generally written beginning in 1995 as required by Fannie Mae and Freddie Mac.

Loss Reserves

A significant period of time may elapse between the occurrence of the borrower's default on a mortgage payment (the event triggering a potential future claim payment by MGIC), the reporting of such default to MGIC and the eventual payment of the claim related to such uncured default. To recognize the liability for unpaid losses related to outstanding reported defaults (known as the default inventory), the Company (similar to other private mortgage insurers) establishes loss reserves, representing the estimated percentage of defaults which will ultimately result in a claim (known as the claim rate), and estimates of the severity of each claim which will arise from the defaults included in the default inventory. In accordance with industry accounting practices, the Company does not establish loss reserves for future claims on insured loans which are not currently in default.

The Company also establishes reserves to provide for the estimated costs of settling claims, including legal and other fees, and general expenses of administering the claims settlement process ("loss adjustment expenses"), and for losses and loss adjustment expenses from defaults which have occurred, but which have not yet been reported to the insurer.

The Company's reserving process is based upon the assumption that past experience, adjusted for the anticipated effect of current economic conditions and projected future economic trends, provides a reasonable basis for estimating future events. However, estimation of loss reserves is a difficult process, especially in light of the rapidly changing economic conditions over the past few years in certain regions of the United States. In addition, economic conditions that have affected the development of the loss reserves in the past may not necessarily affect development patterns in the future, in either a similar manner or degree.

For a further description of loss reserves, see Note 6 to the consolidated financial statements of the Company, included in Exhibit 13 to this Annual Report on Form 10-K.

Geographic Dispersion

The following table reflects the percentage of primary risk in force in the top 10 states and top 10 metropolitan statistical areas ("MSAs") for the MGIC Book at December 31, 1996:

Dispersion of Primary Risk in Force

Top 10 States			Top 10 MSAs		
1.	California	13.1%	1.	Chicago	4.3%
2.	Texas	6.8	2.	Boston	3.7
3.	Illinois	5.9	3.	Los Angeles	3.3
4.	Michigan	5.6	4.	Washington, DC	3.1
5.	Ohio	4.5	5.	Detroit	2.3
6.	New York	4.4	6.	Atlanta	2.3
7.	Florida	4.1	7.	Philadelphia	2.1
8.	Pennsylvania	4.0	8.	Dallas	1.9
9.	Massachusetts	3.8	9.	Orange County	1.6
10.	New Jersey	3.6	10.	Houston	1.6
Total		55.8%	Total		26.2%

The percentages shown above for various MSAs can be affected by changes, from time to time, in the federal government's definition of an MSA.

Insurance in Force by Policy Year

The following table sets forth the dispersion of MGIC's primary insurance in force as of December 31, 1996, by year of policy origination since MGIC began operations on March 1, 1985:

Primary Insurance In Force by Policy Year

Policy Year	Primary Insurance in Force (In millions of dollars)	Percent of Total
1985-1990	$ 9,574	7.3%
1991	4,198	3.2
1992	12,790	9.7
1993	24,785	18.9
1994	24,249	18.5
1995	26,570	20.2
1996	29,231	22.2
Total	$131,397	100.0%

Product Characteristics of Risk in Force

At December 31, 1996 and 1995, 99.2% and 99.0%, respectively, of MGIC's risk in force was primary insurance and the remaining risk in force was pool insurance. The following table reflects at the dates indicated the (i) total dollar amount of primary risk in force for the MGIC Book and (ii) percentage of such primary risk in force (as determined on the basis of information available on the date of mortgage origination) by the categories indicated.

Characteristics of Primary Risk in Force

	December 31, 1996	December 31, 1995

Direct Risk in Force (Dollars in Millions)	$29,308	$25,502
Lender Concentration:		
Top 10 lenders	17.9%	16.9%
Top 20 lenders	28.1%	25.6%
LTV:(1)		
95s(2)	43.5%	39.6%
90s(3)	56.2	60.2
80s	0.3	0.2
Total	100.0%	100.0%
Loan Type:		
Fixed(4)	71.5%	70.5%
ARM(5)	25.0	26.0
Balloon(6)	3.4	3.4
Other(7)	0.1	0.1
Total	100.0%	100.0%
Original Insured Loan Amount:		
$200,000 and less	87.8%	89.1%
Over $200,000	12.2	10.9
	100.0%	100.0%
Mortgage Term:		
15-years and under	5.3%	6.5%
Over 15 years	94.7	93.5
Total	100.0%	100.0%
Property Type:		
Single-family(8)	93.4%	93.3%
Condominium	6.1	6.2
Other(9)	0.5	0.5
Total	100.0%	100.0%
Occupancy Status:		
Primary residence	99.0%	99.3%
Second home	0.8	0.6
Non-owner occupied	0.2	0.1
Total	100.0%	100.0%

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(1) Loan-to-value represents the ratio (expressed as a percentage) of the dollar amount of the mortgage loan to the value of the property at the time the loan became insured. They are identified as in excess of 90% LTV ("95s"); in excess of 80% LTV and up to 90% LTV ("90s"); and equal to or less than 80% LTV ("80s").

(2) Includes 97% LTV loans, which were 1.7% and 1.0%, respectively, of primary risk in force at December 31, 1996 and 1995.

(3) MGIC includes in its classification of 90s, loans where the borrower makes a down payment of 10% and finances the associated mortgage insurance premium payment as part of the mortgage loan. At December 31, 1996 and 1995, 3.7% and 4.5%, respectively, of the primary risk in force consisted of these types of loans.

(4) Includes fixed rate mortgages with temporary buydowns (where in effect, the applicable interest rate is typically reduced by one or two percentage points during the first two years of the loan).

(5) Includes ARMs where payments adjust fully with interest rate adjustments. Also includes ARMs with negative amortization, which at December 31, 1996 and 1995, represented 2.2% and 2.4%, respectively, of primary risk in force. As of December 31, 1996 and 1995, ARMs with LTVs in excess of 90% represented 9.2% and 8.4%, respectively, of primary risk in force.

(6) Balloon payment mortgages are loans with a maturity, typically five to seven years, that is shorter than the loans' amortization period.

(7) Primarily includes graduated payment mortgages (loans with scheduled increases in monthly payments to shorten the loans' maturity).

(8) Includes townhouse-style attached housing with fee simple ownership.

(9) Includes cooperatives and manufactured homes deemed to be real estate.

C. The WMAC Book

The WMAC Book is in a "run-off" status and no new insurance has been written on the WMAC Book since February 28, 1985, other than pursuant to then existing agreements. In connection with the Acquisition, 100% of the WMAC Book was reinsured with several international reinsurers (the "WMAC Reinsurers"), and one of the WMAC Reinsurers retroceded a 20% quota share of the reinsurance on the WMAC Book to a subsidiary of the Company. In

September, 1996, MGIC assumed from one of the WMAC Reinsurers all of such Reinsurer's reinsurance interest in the WMAC Book. As a result of these transactions and another transaction with a WMAC Reinsurer, at December 31, 1996, MGIC had an approximately 65% interest in renewal premiums and losses from the WMAC Book and had approximately $1.3 billion of risk in force from the WMAC Book. MGIC is administering the WMAC Book, collecting renewal premiums, administering claims on behalf of WMAC and advancing funds for the payment of claims on behalf of WMAC pursuant to a management agreement with WMAC.

D. Other Business

The Company, through certain non-insurance subsidiaries, provides various mortgage services for the mortgage finance industry, such as contract underwriting, premium reconciliation and claims administration for the Department of Housing and Urban Development and the Resolution Trust Corporation, respectively, and secondary marketing of mortgage-related assets. The Company owns approximately 48% of Credit-Based Asset Servicing and Securitization LLC ("C-BASS"), which began operations in mid-1996. C-BASS was formed to acquire, sell and service distressed and other types of residential whole loan mortgage assets and to acquire and sell certain classes of mortgage-backed securities. The revenues recognized from these mortgage services operations, other non-insurance services and C-BASS represented 3.0% and 3.6% of the Company's consolidated revenues in 1996 and 1995, respectively.

E. Investment Portfolio

Policy and Strategy

Cash flow from the Company's investment portfolio represented approximately 29% of its total cash flow from operations during 1996. The Company's long-term investment portfolio is managed by a subsidiary of The Northwestern Mutual Life Insurance Company, although the Company maintains overall control of investment policy and strategy. The Company maintains direct management of its short-term investment portfolio.

The Company's current policies emphasize preservation of capital, as well as total return. Therefore, the Company's investment portfolio consists of high-quality, fixed-income investments. Liquidity is sought through diversification and investment in publicly traded securities. The Company attempts to maintain a level of liquidity commensurate with its perceived business outlook and the expected timing, direction and degree of changes in interest rates. The Company's investment policies in effect at December 31, 1996, limited investments in the securities of a single issuer (other than the U.S. government and its agencies). The Company's investment policies in effect at December 31, 1996, did not permit purchasing securities rated below "A."

At December 31, 1996, based on amortized cost value, approximately 98.6% of the Company's total investment portfolio was invested in securities rated "A" or better, with 53.1% which were rated "AAA" and 20.5% which were rated "AA," in each case by at least one nationally recognized securities rating organization.

The Company's investment policies and strategies are subject to change depending upon regulatory, economic and market conditions and the existing or anticipated financial condition and operating requirements, including the tax position, of the Company.

Investment Operations

At December 31, 1996, the consolidated book value (which is equal to market value) of the Company's investment portfolio was $2.0 billion. At December 31, 1996, municipal securities represented 70.0% of the book value of the total investment portfolio. Securities due within one year, within five to ten years, and after ten years, represented 8.8%, 42.8% and 38.2%, respectively, of such total book value.

The Company's net pre-tax investment income was $105.4 million for the year ended December 31, 1996, representing an after-tax yield of 5.1% for the year, a decline from 5.2% for 1995, resulting from a decline in the average interest rate on investments in 1996 as compared to 1995.

For further information concerning investment operations, see Note 4 to the consolidated financial statements of the Company, included in Exhibit 13 to this Annual Report on Form 10-K.

F. Regulation

Direct Regulation

The Company and its insurance subsidiaries, including MGIC, are subject to regulation, principally for the protection of policyholders, by the insurance departments of the various states in which each is licensed to do business. The nature and extent of such regulation varies, but generally depends on statutes which delegate regulatory, supervisory and administrative powers to state insurance commissioners.

In general, such regulation relates, among other things, to licenses to transact business; policy forms; premium rates; annual and other reports on financial condition; the basis upon which assets and liabilities must be stated; requirements regarding contingency reserves equal to 50% of premiums earned; minimum capital levels and adequacy ratios; reinsurance requirements; limitations on the types of investment instruments which may be held in an investment portfolio; the size of risks and limits on coverage of individual risks which may be insured; deposits of securities; limits on dividends payable; and claims handling. Most states also regulate transactions between insurance companies and their parents or affiliates. For a description of limits on dividends payable, see Note 10 to the consolidated financial statements of the Company, included in Exhibit 13 to this Annual Report on Form 10-K.

Mortgage insurance premium rates are also subject to state regulation to protect policyholders against the adverse effects of excessive, inadequate or unfairly discriminatory rates and to encourage competition in the insurance marketplace. Any increase in premium rates must be justified, generally on the basis of the insurer's loss experience, expenses and future trend analysis. The general mortgage default experience may also be considered. Premium rates are subject to review and challenge by state regulators. Legislatures and state insurance departments generally allow private mortgage insurers to insure residential loans with LTVs of up to 97%.

A number of states generally limit the amount of insurance risk which may be written by a private mortgage insurer to 25 times the insurer's total policyholders' reserves, commonly known as the "risk-to-capital" requirement.

MGIC is required to contribute to a contingency loss reserve an amount equal to 50% of earned premiums. Such amounts cannot be withdrawn for a period of 10 years, except under certain circumstances.

Mortgage insurers are generally single-line companies, restricted to writing residential mortgage insurance business only. This essentially prohibits MGIC from using its capital resources in support of other types of insurance or non-insurance business. Although the Company, as an insurance holding company, is prohibited from engaging in certain transactions with MGIC without submission to and, in some instances, prior approval of applicable insurance departments, the Company is not subject to insurance company regulation on its non-insurance businesses.

Regulation of reinsurance varies by state. Except for Wisconsin, New York and California, most states have no special restrictions on reinsurance that would apply to private mortgage insurers other than standard reinsurance requirements applicable to property and casualty insurance companies. Standard reinsurance requirements generally involve the "admitting" or approving of reinsurers doing business in a particular state. Special restrictions, including trust fund or letter of credit requirements, may apply to reinsurance arrangements with reinsurers which are foreign or not admitted.

As the most significant purchasers and sellers of conventional mortgage loans and beneficiaries of private mortgage insurance, Freddie Mac and Fannie Mae impose requirements on private mortgage insurers in order for such insurers to be eligible to insure loans sold to such agencies. These requirements of Freddie Mac and Fannie Mae are subject to change from time to time. Currently, MGIC is an approved mortgage insurer for both Freddie Mac and Fannie Mae. To the extent Fannie Mae or Freddie Mac implements new eligibility requirements for mortgage insurers, changes current guarantee fee arrangements, allows alternative credit enhancement, or alters or liberalizes underwriting guidelines on low down payment mortgages they purchase, private mortgage insurers, including MGIC, are likely to respond to or comply with such actions in order to maintain market share of new insurance written.

Fannie Mae has issued primary mortgage insurance master policy guidelines applicable to MGIC and all other Fannie Mae-approved private mortgage insurers, establishing certain minimum terms of coverage necessary in order for an insurer to be eligible to insure loans purchased by Fannie Mae. The terms of MGIC's Master Policy comply with these guidelines.

Certain proposed legislation regarding cancellation of mortgage insurance is discussed at "The MGIC Book - Types of Product - Primary Insurance" above.

Indirect Regulation

The Company and MGIC are also indirectly, but significantly, impacted by regulations affecting purchasers of mortgage loans, such as Freddie Mac and Fannie Mae, and regulations affecting governmental insurers, such as the FHA and VA, and lenders. Private mortgage insurers, including MGIC, are highly dependent upon federal housing legislation and other laws and regulations to the extent they affect the demand for private mortgage insurance and the housing market generally. From time to time, those laws and regulations have been amended so as to change competition from government agencies, particularly FHA. Various proposals are discussed from time to time by Congress and certain federal agencies to reform or modify the FHA, but the scope and content of any such proposals, and whether they will be enacted into law, and their effect on MGIC cannot be predicted.

During 1995, Fannie Mae and Freddie Mac each introduced their own automated underwriting systems which may be used by originators selling loans to them. As a result of these new systems and for other reasons, the process by which mortgage originators sell loans to Fannie Mae and Freddie Mac is becoming increasingly automated, a trend MGIC expects to continue. The selection of a private mortgage insurer is a decision that has traditionally been made by the mortgage loan originator who, for loans sold to Fannie Mae and Freddie Mac, may choose any insurer meeting their eligibility requirements. As a result of continuing automation, Fannie Mae and Freddie Mac could develop the capability to supplant the mortgage originator as the person making the insurance purchasing decision, although MGIC is not aware that either Fannie Mae or Freddie Mac has any plans to do so. The concentration of purchasing power that would be attendant if such development in fact occurred could adversely affect, from the Company's perspective, the terms on which mortgage insurance is written on loans sold to Fannie Mae and Freddie Mac.

RESPA applies to most residential mortgage loans insured by MGIC, and regulations thereunder provide that mortgage insurance is a "settlement service" for purposes of mortgage loans subject to RESPA. Subject to certain exceptions, RESPA prohibits certain payments in money or other forms by providers of settlement services to their customers, such as mortgage lenders, in return for the referral of business to the provider.

The OTS, the OCC, the Federal Reserve Board, and the Federal Deposit Insurance Corporation have uniform guidelines on real estate lending by insured lending institutions under their supervision. The guidelines specify that a residential mortgage loan originated with an LTV of 90% or greater should have appropriate credit enhancement in the form of mortgage insurance or readily marketable collateral, although no depth of coverage percentage is specified in the guidelines.

Since 1989, OTS has had in effect its risk-based capital rules for savings institutions which establish a lower capital requirement if a low down payment loan is insured with private mortgage insurance, as opposed to being self-insured. To the extent risk-based capital rules for savings institutions are changed in the future, or if, as has been proposed by some plans, the functions and authority of the OTS are transferred to, or consolidated with, other federal banking agencies, and such actions do not continue to provide for favorable capital treatment for privately insured mortgage loans, some or all of the benefits of OTS' risk-based capital rules to MGIC and the mortgage insurance industry may be curtailed or eliminated.

Lenders are subject to various laws, including the Home Mortgage Disclosure Act, the Community Reinvestment Act and the Fair Housing Act, and Fannie Mae and Freddie Mac are subject to various laws, including laws relating to government sponsored enterprises, which may impose obligations or create incentives for increased lending to low and moderate income persons, or in targeted areas.

There can be no assurance that other federal laws and regulations affecting such institutions and entities will not change, or that new legislation or regulations will not be adopted, which will adversely affect the demand for private mortgage insurance.

Employees

At December 31, 1996, the Company had 1,026 full- and part-time employees, of whom 660 were assigned to its Milwaukee headquarters and 366 were assigned to its field offices.

Item 2. Properties.

Properties

At December 31, 1996, the Company leased office space in various cities throughout the United States comprising 122,000 square feet under leases expiring between 1997 and 2002 and which require annual rentals of $2.0 million in 1997.

The Company owns its headquarters facility in downtown Milwaukee, Wisconsin which contains approximately 253,000 square feet of space. The Company also owns a 90,000 square foot office/warehouse facility in Milwaukee.

The Company maintains two mainframe computers at its corporate data center located in its headquarters building to support its data processing requirements for accounting, claims, marketing, risk management, underwriting and non-insurance operations. The Company has in place back up procedures in the event of emergency situations.

Item 3. Legal Proceedings.

Information concerning certain legal proceedings involving the Company and its subsidiaries is included in Notes 9 and 12 to the consolidated financial statements, included in Exhibit 13 to this Annual Report on Form 10-K, which Notes are incorporated herein by reference.

Item 4. Submission of Matters to a Vote of Security Holders.

None

Executive Officers

Certain information with respect to the Company's executive officers as of March 1, 1997 is set forth below:

Name and Age	Title
William H. Lacy, 52	President and Chief Executive Officer of the Company and Chairman of the Board and

	Chief Executive Officer of MGIC; Director of the Company and MGIC
Curt S. Culver, 44	President and Chief Operating Officer of MGIC and Executive Vice President of the Company
J. Michael Lauer, 52 . . .	Executive Vice President and Chief Financial Officer of the Company and MGIC
Lawrence J. Pierzchalski, 44	Executive Vice President,Risk Management of MGIC
Gordon H. Steinbach, 51 . .	Executive Vice President,Credit Policy of MGIC
Jeffrey H. Lane, 47	Senior Vice President, General Counsel and Secretary of the Company and MGIC
James S. MacLeod, 49 . . .	Senior Vice President,Field Operations of MGIC

Mr. Lacy has served as President and Chief Executive Officer of the Company since October 1987 and Chairman of the Board and Chief Executive Officer of MGIC since May 1996. He was Executive Vice President and Chief Operating Officer of the Company from March 1985 to October 1987. He was President and Chief Executive Officer of MGIC from March 1985 to May 1996.

Mr. Culver has served as President and Chief Operating Officer of MGIC and Executive Vice President of the Company since May 1996. Mr. Culver served as Executive Vice President+Marketing and Field Operations of MGIC from January 1995 to May 1996; was Executive Vice President+Marketing of MGIC from May 1993 to January 1995; was Executive Vice President-Corporate Development of MGIC from July 1992 to May 1993, and was Senior Vice President-Office of the President of MGIC from January 1991 to July 1992. He was Senior Vice President-Marketing of MGIC from April 1988 to January 1991 and held various management positions with MGIC in the areas of marketing and sales from March 1985 to April 1988.

Mr. Lauer has served as Executive Vice President and Chief Financial Officer of the Company and MGIC since March 1989.

Mr. Pierzchalski has served as Executive Vice President-Risk Management of MGIC since May 1996. He served as Senior Vice President-Risk Management of MGIC from July 1992 to May 1996. He was Vice President-Risk Management from April 1990 to July 1992, and held various management positions with MGIC in the areas of market research, corporate planning and risk management from March 1985 to April 1990.

Mr. Steinbach has served as Executive Vice President-Credit Policy of MGIC since October 1996. He served as the Executive Vice President-Affordable Housing and Claims of MGIC from July, 1992 to October 1996 and was Executive Vice President-Risk Management/Claims of MGIC from April 1991 to July, 1992. He was Executive Vice President-Risk Management of MGIC from March 1988 to April 1991, Senior Vice President-Risk Management of MGIC from May 1986 to March 1988 and Senior Vice President-Underwriting from March 1985 to May 1986.

Mr. Lane has served as Senior Vice President, General Counsel and Secretary of the Company and MGIC since August 1996. For more than five years prior to his joining the Company, Mr. Lane was a partner of Foley & Lardner, a law firm headquartered in Milwaukee, Wisconsin.

Mr. MacLeod was appointed Senior Vice President - Field Operations of MGIC in May 1996 and was Senior Vice President - Sales of MGIC from January 1995 to May 1996. He served as Senior Vice President - Business Development Operations of MGIC from October 1994 to January 1995. Prior thereto he was Senior Vice President - Office of the President of MGIC from May 1993 to October 1994; was Senior Vice President - Marketing of MGIC from January 1991 to May 1993; was Senior Vice President - Division Manager of MGIC from July 1987 to January 1991 and had held various management positions with MGIC in the areas of underwriting and risk management from March 1985 to July 1987.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Market

The information set forth under the caption "MGIC Stock" in Exhibit 13 to this Annual Report on Form 10-K is incorporated herein by reference.

Item 6. Selected Financial Data.

The information set forth in the tables under the caption "Five-Year Summary of Financial Information" in Exhibit 13 to this Annual Report on Form 10-K is hereby incorporated by reference in answer to this Item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information set forth under the caption "Management's Discussion and Analysis" in Exhibit 13 to this Annual Report on Form 10-K is hereby incorporated by reference in answer to this Item.

Item 8. Financial Statements and Supplementary Data.

The consolidated statements of operations, of shareholders' equity and of cash flows for each of the years in the three-year period ended December 31, 1996, and the related consolidated balance sheet of the Company as of December 31, 1996 and 1995, together with the related notes thereto and the report of independent accountants, as well as the unaudited quarterly financial data, all set forth in Exhibit 13 to this Annual Report on Form 10-K, are hereby incorporated by reference in answer to this Item.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

The information on the Directors of the Registrant is included in the Company's Proxy Statement for the 1997 Annual Meeting of Shareholders, and is hereby incorporated by reference. The information on the Executive Officers of the Registrant appears at the end of Part I of this Form 10-K.

Item 11. Executive Compensation.

This information is included in the Company's Proxy Statement for the 1997 Annual Meeting of Shareholders (other than information covered by Instruction (9) to Item 402(a) of Regulation S-K of the Securities and Exchange Commission), and is hereby incorporated by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

This information is included in the Company's Proxy Statement for the 1997 Annual Meeting of Shareholders, and is hereby incorporated by reference.

Item 13. Certain Relationships and Related Transactions.

This information is included in the Company's Proxy Statement for the 1997 Annual Meeting of Shareholders, and is hereby incorporated by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) 1. Financial statements , The financial statements listed in the accompanying Index to Consolidated Financial Statements and Financial Statement Schedules are filed as part of this Form 10-K.

2. Financial statement schedules , The financial statement schedules listed in the accompanying Index to Consolidated Financial Statements and Financial Statement Schedules are filed as part of this Form 10-K.

3. Exhibits , 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 Form 10-K.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended December 31, 1996.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES

[Item 14(a) 1 and 2]

Consolidated Financial Statements (all contained in Exhibit 13 to this Annual Report on Form 10-K)

Consolidated statement of operations for each of the three years in the period ended December 31, 1996

Consolidated balance sheet at December 31, 1996 and 1995

Consolidated statement of shareholders' equity for each of the three years in the period ended December 31, 1996

Consolidated statement of cash flows for each of the three years in the period ended December 31, 1996

Notes to consolidated financial statements

Report of independent accountants

Financial Statement Schedules (all contained immediately following the signature page to this Annual Report on Form 10-K)

Report of independent accountants on financial statement schedules

Schedules at and for the specified years in the three-year period ended December 31, 1996:

Schedule I	-	Summary of investments - other than investments in related parties
Schedule II	-	Condensed financial information of Registrant
Schedule IV	-	Reinsurance

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedules, or because the information required is included in the consolidated financial statements and notes thereto.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 14, 1997.

MGIC INVESTMENT CORPORATION

By /s/ William H. Lacy
William H. Lacy
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below as of the date set forth above by the following persons on behalf of the registrant and in the capacities indicated.

Name and Title

/s/ William H. Lacy
William H. Lacy
President, Chief Executive Officer and
Director

/s/ J. Michael Lauer
J. Michael Lauer
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

/s/ Patrick Sinks
Patrick Sinks
Vice President, Controller and
Chief Accounting Officer
(Principal Accounting Officer)

/s/ James A. Abbott
James A. Abbott
James A. Abbott, Director

/s/ Mary K. Bush
Mary K. Bush, Director

Karl E. Case, Director

/s/ David S. Engleman
David S. Engelman
David S. Engelman, Director

/s/ James D. Ericson
James D. Ericson, Director

/s/ Kenneth M. Jastrow, II
Kenneth M. Jastrow, II, Director

/s/ Sheldon B. Lubar
Sheldon B. Lubar, Director

/s/ William A. McIntosh
William A. McIntosh, Director

/s/ Leslie M. Muma
Leslie M. Muma, Director

/s/ Wayne J. Roper
Wayne J. Roper, Director

/s/ Peter J. Wallison
Peter J. Wallison, Director

/s/ Edward J. Zore
Edward J. Zore, Director

100 East Wisconsin Avenue
Telephone 414 276 9500
Suite 1500
Milwaukee, WI 53202

PRICE WATERHOUSE LLP

Report of Independent Accountants on
Financial Statement Schedules

To the Board of Directors
of MGIC Investment Corporation

Our audits of the consolidated financial statements referred to in our report dated January 8, 1997 appearing on page 27 of the 1996 Annual Report to Shareholders of MGIC Investment Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included audits of the Financial Statement Schedules listed in Item 14(a) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE LLP

Milwaukee, Wisconsin
January 8, 1997

MGIC INVESTMENT CORPORATION

SCHEDULE I - SUMMARY OF INVESTMENTS -
OTHER THAN INVESTMENTS IN RELATED PARTIES

December 31, 1996

Type of Investment	Amortized Cost	Market Value	Amount at which shown in the balance sheet
	(In thousands of dollars)		
Fixed maturities:			
Bonds:			
United States Government and government agencies and authorities	$77,498	$78,636	$78,636
States, municipalities and political subdivisions	1,364,790	1,420,727	1,420,727
Foreign governments	13,966	14,391	14,391
Public utilities	56,262	56,629	56,629
All other corporate bonds	312,355	314,083	314,083
Redeemable preferred stocks	7,322	7,615	7,615
Total fixed maturities	1,832,193	1,892,081	1,892,081
Equity securities:			
Common stocks:			
Banks, trust and insurance companies	1,333	4,039	4,039
Total equity securities	1,333	4,039	4,039
Short-term investments	140,114	140,114	140,114
Total investments	$1,973,640	$2,036,234	$2,036,234

MGIC INVESTMENT CORPORATION

SCHEDULE II - CONDENSED FINANCIAL INFORMATION OF REGISTRANT

CONDENSED BALANCE SHEET
PARENT COMPANY ONLY

December 31, 1996 and 1995

	1996	1995
	(In thousands of dollars)	
ASSETS		
Investment portfolio, at market value:		
Fixed maturities	$20,211	$ 17,798
Equity securities	-	30
Short-term investments	4,683	4,120
Total investment portfolio	24,894	21,948
Cash	7	9
Investment in subsidiaries, at equity in net assets	1,341,206	1,104,455
Income taxes receivable - affiliates	12,088	5,645
Accrued investment income	260	278
Other assets	16	-
Total assets	$1,378,471	$ 1,132,335
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Accounts payable - affiliates	$12,356	$10,943
Shareholders' equity (note B):		
Common stock, $1 par value, shares authorized 150,000,000; shares issued 60,555,400; outstanding 1996 - 58,950,434; 1995 - 58,629,420	60,555	60,555
Paid-in surplus	268,540	259,430
Treasury stock (shares at cost, 1996 - 1,604,966; 1995 - 1,925,980)	(7,073)	(8,172)
Unrealized appreciation in investment portfolio of subsidiaries, net of tax	40,685	54,737
Retained earnings	1,003,408	754,842
Total shareholders' equity	1,366,115	1,121,392
Total liabilities and shareholders' equity	$1,378,471	$1,132,335

See accompanying supplementary notes to Parent Company condensed financial statements.

MGIC INVESTMENT CORPORATION

SCHEDULE II - CONDENSED FINANCIAL INFORMATION OF REGISTRANT

CONDENSED STATEMENT OF OPERATIONS
PARENT COMPANY ONLY
Years Ended December 31, 1996, 1995 and 1994

	1996	1995	1994
	(In thousands of dollars)		
Revenue:			
Equity in undistributed net income of subsidiaries	$240,631	$186,184	$153,756
Dividends received from subsidiaries	16,349	20,521	4,802
Investment income, net	1,256	902	1,048
Realized investment (losses) gains, net	(32)	42	-
Other income	3	-	-
Total revenue	258,207	207,649	159,606
Expenses:			
Operating expenses	216	84	93
Total expenses	216	84	93
Income before tax	257,991	207,565	159,513
Credit for income tax	-	-	(5)
Net income	$ 257,991	$207,565	$ 159,518

See accompanying supplementary notes to Parent Company condensed financial statements.

MGIC INVESTMENT CORPORATION

SCHEDULE II - CONDENSED FINANCIAL INFORMATION OF REGISTRANT

CONDENSED STATEMENT OF CASH FLOWS
PARENT COMPANY ONLY
Years Ended December 31, 1996, 1995 and 1994

	1996	1995	1994
	(In thousands of dollars)		
Cash flows from operating activities:			
Net income	$257,991	$207,565	$159,518
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed net income of subsidiaries	(240,631)	(186,184)	(153,756)
Increase in income taxes receivable	(6,443)	(1,969)	(1,267)
Decrease in accrued investment income	18	31	40
Increase in accounts payable - affiliates	1,413	1,704	3,484
Decrease in other liabilities	-	(226)	(733)
Other	(1)	(233)	197
Net cash provided by operating activities	12,347	20,688	7,483
Cash flows from investing activities:			
Increase in investment in subsidiaries	(10,000)	(15,000)	-
Purchase of fixed maturities	(7,232)	(11,034)	(355)
Sale of fixed maturities	4,632	9,205	1,970
Sale of equity securities	30	-	-
Net cash (used in) provided by investing activities	(12,570)	(16,829)	1,615
Cash flows from financing activities:			
Dividends paid to shareholders	(9,425)	(9,371)	(9,335)
Reissuance of treasury stock	10,209	6,079	2,151
Net cash provided by (used in) financing activities	784	(3,292)	(7,184)
Net increase in cash and short-term investments	561	567	1,914
Cash and short-term investments at beginning of year	4,129	3,562	1,648
Cash and short-term investments at end of year	$4,690	$4,129	$3,562

See accompanying supplementary notes to Parent Company condensed financial statements.

MGIC INVESTMENT CORPORATION

SCHEDULE II - CONDENSED FINANCIAL INFORMATION OF REGISTRANT

PARENT COMPANY ONLY

SUPPLEMENTARY NOTES

Note A

The accompanying Parent Company financial statements should be read in conjunction with the Consolidated Financial Statements and Notes to Consolidated Financial Statements appearing on pages 14 through 27 of the MGIC Investment Corporation 1996 Annual Report to Shareholders.

Note B

The Company's insurance subsidiaries are subject to statutory regulations as to maintenance of policyholders' surplus and payment of dividends. The maximum amount of dividends that the insurance subsidiaries may pay in any twelve-month period without regulatory approval by the Office of the Commissioner of Insurance of the State of Wisconsin is the lesser of adjusted statutory net income or 10% of statutory policyholders' surplus as of the preceding calendar year end. Adjusted statutory net income is defined for this purpose to be the greater of statutory net income, net of realized investment gains, for the calendar year preceding the date of the dividend or statutory net income, net of realized investment gains, for the three calendar years preceding the date of the dividend less dividends paid within the first two of the preceding three calendar years. In 1997, the Company's principal insurance subsidiary, Mortgage Guaranty Insurance Corporation can pay $25.2 million of dividends and the other insurance subsidiaries of the Company can pay $3.0 million of dividends without such regulatory approval.

Certain of the Company's non-insurance subsidiaries also have requirements as to maintenance of net worth. These restrictions could also affect the Company's ability to pay dividends. In 1997, the Company can pay dividends of $35.5 million from the Parent Company's funds and funds available from the non-insurance subsidiaries. In 1996, 1995 and 1994, the Company paid dividends of $9.4 million, $9.4 million and $9.3 million, respectively or $.16 per share.

MGIC INVESTMENT CORPORATION

SCHEDULE IV - REINSURANCE

MORTGAGE INSURANCE PREMIUMS EARNED
Years Ended December 31, 1996, 1995 and 1994

	Gross Amount	Ceded to Other Companies	Assumed From Other Companies	Net Amount	Percentage of Amount Assumed to Net
	(In thousands of dollars)				
Year ended December 31,					
1996	$623,148	$19,350	$13,245	$617,043	2.1%
1995	$522,069	$23,760	$8,191	$506,500	1.6%
1994	$425,277	$31,492	$10,205	$403,990	2.5%

INDEX TO EXHIBITS

[Item 14(a)3]

Exhibit Numbers	Description of Exhibits
3.1	Articles of Incorporation, as amended, including Articles of Amendment effective May 23, 1994.(1)
3.2	Amended and Restated Bylaws.(2)
4.1	Article 6 of the Articles of Incorporation (included within Exhibit 3.1)
4.2	Amended and Restated Bylaws (included as Exhibit 3.2)
10.1	Common Stock Purchase Agreement between the Company and The Northwestern Mutual Life Insurance Company ("NML"), dated November 30, 1984(3)
10.2	Reinsurance Management Agreement between WMAC and MGIC, dated February 28, 1985(4)
10.3	Reinsurance Management Agreement between Mortgage Guaranty Reinsurance Corporation ("MGRC") and MGIC, effective September 30, 1985(5)
10.4	Tax Agreement between NML, the Company and certain subsidiaries of the Company, dated January 1, 1986, including amendment thereto dated as of August 2, 1991(6)
10.5	Tax Sharing Agreement between the Company, MGIC and certain subsidiaries of MGIC, dated January 22, 1986(7)
10.6	Amendment to Tax Agreement, dated as of August 14, 1991, by and between NML, the Company, and its subsidiaries(8)
10.7	Investment Advisory and Servicing Agreement between the Company and NML Equity Services, Inc. (now known as Northwestern Mutual Investment Services,Inc.), dated December 29, 1989, as amended by Amendment dated as of January 19, 1993(9)
10.8	Amendment to Investment Advisory and Servicing Agreement described in Exhibit 10.9, dated as of February 1, 1995.(10)
10.9	Amendment to Investment Advisory and Servicing Agreement described in Exhibit 10.9, dated as of January 26, 1996.(11)
10.10	MGIC Investment Corporation Amended and Restated 1989 Stock Option Plan (including forms of option agreement).(12)
10.11	MGIC Investment Corporation 1991 Stock Incentive Plan (formerly known as the 1991 Stock Option Plan).(13)
10.12	Form of Stock Option Agreement under 1991 Stock Option Plan (now known as the 1991 Stock Incentive Plan).(14)
10.13	Two forms of Stock Option Agreements under 1991 Stock Incentive Plan (1994 Form 1 and 1994 Form 2).(15)
10.14	Form of Restricted Stock Award Agreement under 1991 Stock Incentive Plan.(16)
10.15	Executive Bonus Plan
10.16	Supplemental Executive Retirement Plan.
10.17	MGIC Investment Corporation Deferred Compensation Plan for Non-Employee Directors.(17)
10.18	MGIC Investment Corporation 1993 Restricted Stock Plan for Non-Employee Directors.(18)
10.19	Two forms of Award Agreement under MGIC Investment Corporation 1993 Restricted Stock Plan for Non-Employee Directors.(19)
10.20	Form of MGIC Mortgage Guaranty Master Policy, in effect generally for insurance commitments issued

beginning March 1, 1995, including the Master Policy Program Endorsement relating to delegated underwriting.(20)

11	Statement re: computation of per share earnings
13	Information from the 1996 Annual Report of the Company to Shareholders which is incorporated by reference in this Annual Report on Form 10-K.
21	List of Subsidiaries
23	Consent of Price Waterhouse LLP
27	Financial Data Schedule

Supplementary List of the above Exhibits which relate to management contracts or compensatory plans or arrangements.

10.10	MGIC Investment Corporation Amended and Restated 1989 Stock Option Plan (including forms of option agreement).(12)
10.11	MGIC Investment Corporation 1991 Stock Incentive Plan (formerly known as the 1991 Stock Option Plan).(13)
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The following documents, identified in the footnote references above, are incorporated by reference, as indicated, to the Company's Form S-1 Registration Statement (No. 33-41289), which became effective in August 1991 (the "1991 S-1"), or to the Company's Form S-1 Registration Statement (No. 33,47272) which became effective in June 1992 (the "1992 S-1"); or to the Company's Annual Reports on Form 10-K for the years ended December 31, 1991, 1992, 1993, 1994 or 1995 (the "1991 10-K," "1992 10-K," "1993 10-K," "1994 10-K," and "1995 10-K," respectively; or to the Quarterly Report on Form 10-Q for the Quarter ended June 30, 1994 (the "10-Q as of June 30, 1994"). The documents are further identified by cross-reference to the Exhibits in the respective documents where they were originally filed:

(1) Exhibit 3.3 to the 10-Q as of June 30, 1994.

(2) Exhibit 3.2 to the 1991 S-1 and the amendment thereto is Exhibit 3.3 to the 1992 10-K.

(3) Exhibit 10.1 to the 1991 S-1.

(4) Exhibit 10.6 to the 1991 S-1.

(5) Exhibit 10.7 to the 1991 S-1.

(6) The Tax Agreement is Exhibit 10.8 to the 1991 S-1 and the amendment thereto is Exhibit 10.21 to the 1991 S-1.

(7) Exhibit 10.9 to the 1991 S-1.

(8) Exhibit 10.10 to the 1991 10-K.

(9) Exhibit 10.12 to the 1991 S-1 and the amendment thereto is Exhibit 10.15 to the 1992 10-K.

(10) Exhibit 10.11 to the 1994 10-K.

(11) Exhibit 10.11 to the 1995 10-K

(12) Exhibit 10.16 to the 1991 S-1.

(13) Exhibit 10.29 to the 10-Q as of June 30, 1994. (The 1991 Stock

Option Plan was contained in Exhibit 10.17 to the 1991 S-1.)

(14) Exhibit 10.19 to the 1991 10-K.

(15) Exhibits 10.30 and 10.31 to the 10-Q as of June 30, 1994.

(16) Exhibit 10.32 to the 10-Q as of June 30, 1994.

(17) Exhibit 10.23 to the 1993 10-K.

(18) Exhibit 10.24 to the 1993 10-K.

(19) Exhibits 10.27 and 10.28 to the 10-Q as of June 30, 1994.

(20) Exhibit 10.26 to the 1994 10-K.

Exhibit 10.15

EXECUTIVE BONUS PLAN OF
MGIC INVESTMENT CORPORATION
(the "Company")

The Executive Bonus Plan of the Company in effect for 1997 (which is not contained in a formal plan document), applies to certain officers of the Company, including the executive officers of the Company identified in the Form 10-K for the year ended December 31, 1996. Under the Executive Bonus Plan, if the Company achieves a minimum level of net income for 1997, an executive officer will be eligible for a bonus, depending upon the executive officer's performance with regard to the achievement of individual goals, within various ranges of up to 80% or 100% of such executive officer's base salary, depending on the range applicable to the executive officer.

Exhibit 10.16

MGIC INVESTMENT CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

1. Purpose

The purposes of this MGIC Investment Corporation Supplemental Executive Retirement Plan (hereinafter referred to as the "Plan") are to restore retirement benefits to certain participants in the Company's pension plan whose benefits under said Plan are or will be limited by reason of Sections 401(a)(17) or 415 of the Internal Revenue Code of 1986, as amended ("Code") and to provide certain other retirement benefits.

This Plan is completely separate from the tax-qualified Pension Plan maintained by the Company and is not funded or qualified for special tax treatment under the Code.

2. Effective Date

The Plan is effective as of July 31, 1990.

3. Definitions

The following terms as used herein shall have the meanings set forth below:

"Company" means MGIC Investment Corporation, a Wisconsin corporation.

"Employer" or "Employers" means the Company and any subsidiary or affiliate thereof which is a "Participating Employer" under the Pension Plan.

"Group Annuity Contract" means Group Annuity Contract 8474-0 issued by Metropolitan Life Insurance Company to provide for the payment of benefits accrued under a terminated pension plan previously maintained by the Company's predecessor.

"Participant" means an employee of the Employers who is a participant in the Pension Plan and who is (or whose position is) designated for participation herein by the board of directors of the Company. As of the Effective Date, the following officers of Mortgage Guaranty Insurance Corporation are designated as Participants:

Chief Executive Officer
Chief Operating Officer
All Executive Vice Presidents
All Senior Vice Presidents

"Pension Plan" means the defined benefit pension plan maintained by the Company known as the MGIC Investment Corporation Pension Plan and any successor to such plan maintained by the Company or any successor or affiliate of the Company.

"Pension Plan Benefits" means the monthly benefits payable under the terms of the Pension Plan and/or under the Group Annuity Contract.

4. Administration

The Plan shall be administered by the Administrator of the Pension Plan ("Administrator"). Decisions and determinations by the Administrator shall be final and binding on all parties, except when manifestly contrary to the provisions of this Plan and except that no presumption of validity shall be given to any such decision or determination with respect to Section 5(d). The Administrator shall have the authority to interpret the Plan, to promulgate and revise rules and regulations relating to the Plan and to make any other determinations which it deems necessary or advisable for the administration thereof.

5. Pension Plan Supplement

(a) Any Participant who, upon termination of employment with the Employers after the Effective Date has a vested and nonforfeitable right to a pension under the Pension Plan, or such Participant's spouse or other beneficiary, shall be entitled to a benefit payable hereunder in accordance with this Section 5, equal to the excess, if any, of

(i) the amount of such Participant's, surviving spouse's or other beneficiary's Pension Plan Benefits computed under the provisions of the Pension Plan and Group Annuity Contract, but without regard to the limitations on benefits imposed by reason of Section 415 of the Code or the limit on considered compensation under Section 401(a)(17) of the Code; over

(ii) the amount of Pension Plan Benefits actually payable to such Participant, surviving spouse or other beneficiary for each month under the Pension Plan and Group Annuity Contract, as computed under the provisions of such Plan and Contract.

The amount of Pension Plan Benefits in the computation under clauses (i) and (ii) above shall exclude any Pension Plan Benefits earned after a Participant no longer occupies any position designated for participation in the Plan.

(b) Benefits under this Section 5 shall become payable when the Participant or the Participant's spouse or other beneficiary begins to receive Pension Plan benefits and shall be payable in the same manner, at the same time and in the same form as the benefits actually paid to the Participant, spouse or other beneficiary under the Pension Plan.

(c) Notwithstanding the foregoing, no benefits shall be payable under this Plan to or on behalf of any Participant whose employment with the Employers is terminated "for cause" or who engages in "prohibited competition." For purposes of this Plan, the term "for cause" shall mean fraud, dishonesty, theft, gross negligence, willful misconduct in the performance of duties or other similar causes. The term "prohibited competition" shall mean the rendering of services to any competitor of the Employers (i) during the term of his employment by the Employers and (ii) for a period of one year after any termination of the Participant'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, during the three years prior to the termination of his employment. For purposes of this Plan, the term "competitor" means any corporation, partnership, proprietorship or firm (i) engaged in the business of mortgage guaranty in any geographic area in which the Company or a present or future parent, subsidiary or affiliate of the Company is so engaged 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 Participant's employment terminated.

(d) In the case of a Participant who first becomes a Participant in 1996, the foregoing provisions of Section 5 shall be modified to the extent provided below:

(i) For purposes of Section 5(a), such Participant shall be deemed to have a vested and nonforfeitable right to a pension under the Pension Plan.

(ii) For purposes of clause (i) of Section 5(a), such Participant (A) shall be deemed to have a Past Service Benefit under Section 5.01(a) of the Pension Plan equal to $2,833.33 per month, and (B) shall be deemed to have a number of years of Vesting Service under the Pension Plan sufficient to be eligible for each benefit under the Pension Plan and a vested percentage under the Pension Plan sufficient to avoid any reduction in the amount of any such benefit.

(iii) Section 5(b) shall not apply and benefits under this Section 5 shall become payable when such Participant or such Participant's spouse or other beneficiary would have received Pension Plan benefits assuming that such Participant's deemed Vesting Service under clause (ii) of this Section 5(d) was such Participant's actual Vesting Service under the Pension Plan and giving effect to any election to commence receiving benefits filed with the Administrator as contemplated below, except that if such an election is made under this Plan and such Participant is also eligible to elect to commence receiving benefits under the Pension Plan, such Participant shall also make such an election under the Pension Plan. Benefits under this Plan shall be payable in the same manner and in the same form as benefits would have been payable to the Participant, spouse or other beneficiary under the Pension Plan in accordance with the immediately preceding sentence if such benefits were actually payable thereunder. Any election by such Participant to commence receiving benefits or of the form of benefits under this Plan shall be filed with the Administrator in accordance with the same procedures as established under the Pension Plan, and in the case of an election of the form of benefits, shall be the same as any such election under the Pension Plan and shall be subject to the same restrictions as under the Pension Plan.

(iv) Section 5(c) shall apply only to benefits under this Plan which are attributable to the Annual Pension Credits of such Participant. No benefits under this Plan which are attributable to the Past Service Benefit referred to in clause (ii) of this Section 5(d) shall be payable to or on behalf of such Participant if (A) prior to the third anniversary of such Participant's first day as an employee of an Employer, such Participant quits (as such term is used in Section 2.01 (a)(i) of the Pension Plan) as an employee of the Employers other than as a result of a meaningful reduction in such Participant's job status, responsibilities or compensation, or (B) such Participant engages in "prohibited competition," as such term is used in Section 5(c).

(v) Capitalized definitional terms used in this Section 5(d) which are defined in the Pension Plan are used as so defined."

6. Plan Reserve

(a) The Company shall establish a bookkeeping reserve with respect to the benefits provided under this Plan. Such reserve shall serve solely as a device for determining the amount of the Company's accrued deferred liability for the benefits provided herein, and shall not constitute or be treated as a trust fund of any kind, it being expressly provided that the amounts credited to the reserve shall be and remain the sole property of the Company, and that no Participant shall have any proprietary rights of any nature whatsoever with respect thereto or with respect to any investments the Company may make to aid it in meeting its obligations hereunder.

(b) No funds or other assets of the Company shall be segregated and attributable to the amounts that may from time to time be credited to the reserve. Benefit payments under the Plan shall be made from the general assets of the Company at the time any such payments becomes due and payable. To the extent that any person acquires a right to receive payments from the Company hereunder, such right shall be no greater than the right of an unsecured creditor.

7. Inter-Employer Reimbursements

Although all benefit payments hereunder shall be made by the Company, the Administrator shall determine whether any portion thereof is allocable to any other Employer on account of its employment of one or more Participants. In any such case, the Company shall be reimbursed by such other Employer in the amount and manner determined by the Administrator.

8. Non-Alienation of Payments

Benefits payable under the Plan shall not be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, garnishment or encumbrance of any kind, by will, or by inter vivos instrument. Any attempt to alienate, sell, transfer, assign, pledge or otherwise encumber any such benefit payment, whether currently or thereafter payable, shall be void and shall not be recognized by the Administrator or the Company.

9. Limitation of Rights Against the Employers

Participation in this Plan, or any modifications thereof, or the payments of any benefits hereunder, shall not be construed as giving to any person any right to be retained in the service of the Employers, limiting in any way the right of the Employers to terminate such person's employment at any time, or evidencing any agreement or understanding that the Employers will employ such person in any particular position or at any particular rate of compensation.

10. Applicable Laws

The Plan shall be construed, administered and governed in all respects under and by the laws of the State of Wisconsin.

11. Liability

Neither the Company nor any shareholder, director, officer or other employee of any Employer or any other person shall be liable for any act or failure to act hereunder except for gross negligence or fraud.

12. Amendment or Termination

(a) The Company, by action of its board of directors, reserves the right to amend or terminate this Plan at any time, provided that no such amendment or modification shall adversely affect the rights of any Participant, spouse or other beneficiary with respect to any benefits under this Plan which have accrued to the effective date of such amendment, termination or modification.

(b) It is understood that an individual's entitlement to benefits under Section 5 of this Plan may be automatically reduced as the result of an increase in his Pension Plan Benefits. Nothing herein shall be construed in any way to limit the right of the Company to amend or modify the Pension Plan.

EXHIBIT 11

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES
STATEMENT RE COMPUTATION OF PER SHARE EARNINGS
For The Years Ended December 31, 1996, 1995 and 1994

	1996	1995	1994
	(In thousands, except per share data)		
PRIMARY EARNINGS PER SHARE			
Adjusted shares outstanding:			
Average common shares outstanding	58,894	58,542	58,355
Net shares to be issued upon exercise of dilutive stock options after applying treasury stock method	629	742	622
Adjusted shares outstanding	59,523	59,284	58,977
Net income	$257,991	$207,565	$159,518
Net income per share	$4.33	$3.50	$2.70
FULLY DILUTED EARNINGS PER SHARE			
Adjusted shares outstanding:			
Average common shares outstanding	58,894	58,542	58,355
Net shares to be issued upon exercise of dilutive stock options after applying treasury stock method	676	792	661
Adjusted shares outstanding	59,570	59,334	59,016
Net income	$257,991	$207,565	$159,518
Net income per share	$4.33	$3.50	$2.70

MGIC Investment Corporation and Subsidiaries - Years Ended December 31, 1996, 1995, 1994, 1993 and 1992

Five-Year Summary of Financial Information

	1996	1995	1994	1993	1992
	(In thousands of dollars, except per share data)				
Summary of Operations					
Premiums:					
Net premiums written	$ 588,927	$ 480,312	$ 410,296	$ 342,727	$ 266,699
Net premiums earned	$ 617,043	$ 506,500	$ 403,990	$ 299,342	$ 226,065
Investment income	105,355	87,543	75,233	64,689	58,261
Realized investment gains, net	1,220	1,496	336	5,139	5,995
Other revenue	22,013	22,347	22,667	34,347	31,390
Total revenues	745,631	617,886	502,226	403,517	321,711
Losses and expenses:					
Losses incurred, net	234,350	189,982	153,081	107,132	86,836
Underwriting and other expenses	146,483	137,559	136,027	132,057	119,293
Interest expense	3,793	3,821	3,856	3,888	3,927
Ceding commission	(4,023)	(4,885)	(7,821)	(14,375)	(29,993)
Total losses and expenses	380,603	326,477	285,143	228,702	180,063
Income before income tax	365,028	291,409	217,083	174,815	141,648
Provision for income tax	107,037	83,844	57,565	47,546	39,386
Net income	$ 257,991	$ 207,565	$ 159,518	$ 127,269	$ 102,262
Weighted average common shares outstanding (in thousands)	59,523	59,284	58,977	58,926	58,725
Net income per share	$ 4.33	$ 3.50	$ 2.70	$ 2.16	$ 1.74
Dividends per share	$ 0.16	$ 0.16	$ 0.16	$ 0.145	$ 0.14
Balance sheet data					
Total investments	$ 2,036,234	$1,687,221	$1,292,960	$1,099,643	$ 896,120
Total assets	2,222,315	1,874,719	1,476,266	1,343,205	1,133,537
Loss reserves	514,042	371,032	274,469	213,600	167,094
Shareholders' equity	1,366,115	1,121,392	838,074	712,070	592,199
Book value per share	23.17	19.13	14.35	12.22	10.17
New primary insurance written ($ millions)	$ 32,756	$ 30,277	$ 34,419	$ 37,041	$ 27,421
Insurance in force (at year-end) ($ millions)					
Direct primary insurance					
New book*	$ 131,397	$ 120,341	$ 104,416	$ 85,848	$ 71,246
Old book*	6,505	8,196	9,932	12,737	16,676
Direct primary risk					
New book	29,308	25,502	20,756	16,810	14,097
Old book	1,637	2,055	2,481	3,180	4,193
Net primary risk					
New book	28,565	24,593	19,664	13,971	10,638
Old book	1,006	390	471	604	791
Direct pool insurance					
New book	1,001	1,074	1,235	1,710	2,431
Old book	1,446	1,731	2,041	2,983	4,394
Direct pool risk					
New book	232	254	295	348	355
Old book	533	638	721	962	1,226
Net pool risk					
New book	181	186	195	188	209
Old book	349	134	157	211	261
Primary loans in default ratios					
Policies in force					
New book	1,299,038	1,219,304	1,080,882	921,259	806,958
Old book	223,986	270,800	315,313	386,103	482,007
Loans in default					
New book	25,034	19,980	15,439	13,658	13,082
Old book	10,072	12,354	14,516	16,757	20,247
Percentage of loans in default					

New book	1.93%	1.64%	1.43%	1.48%	1.62%
Old book	4.50%	4.56%	4.60%	4.34%	4.20%
Insurance operating ratios (GAAP)					
Loss ratio	38.0%	37.5%	37.9%	35.8%	38.4%
Expense ratio	21.6%	24.6%	28.1%	25.7%	24.6%
Combined ratio	59.6%	62.1%	66.0%	61.5%	63.0%
Risk-to-capital ratios (statutory)					
Combined insurance subsidiaries	18.8:1	19.9:1	20.6:1	18.9:1	18.7:1
MGIC	18.1:1	19.1:1	19.6:1	17.1:1	16.1:1

*The New book consists of insurance written by Mortgage Guaranty Insurance Corporation ("MGIC"), a subsidiary of MGIC Investment Corporation, since March 1, 1985. The Old book consists of insurance written or committed to by Wisconsin Mortgage Assurance Corporation ("WMAC") prior to March 1, 1985. MGIC and another subsidiary of MGIC Investment Corporation are reinsurers of 64.8% of the Old book for 1996 and 20% of the Old book in prior years, and MGIC is the manager of the Old book for WMAC. The Direct information shown above for the Old book represents 100% of the Old book.

1996

Management's Discussion and Analysis

Results of Consolidated Operations

1996 Compared with 1995

Net income for 1996 was $258.0 million, compared with $207.6 million in 1995, an increase of 24%. Net income per share for 1996 was $4.33, compared with $3.50 in 1995, an increase of 24%.

The amount of new primary insurance written by Mortgage Guaranty Insurance Corporation ("MGIC") during 1996 was $32.8 billion ($7.6 billion, $8.9 billion, $8.6 billion and $7.7 billion during the first through fourth quarters, respectively), compared with $30.3 billion in 1995 ($6.1 billion, $7.0 billion, $9.0 billion and $8.2 billion during the first through fourth quarters, respectively). Refinancing activity accounted for 19% of new primary insurance written in 1996 (29%, 19%, 10% and 18% of new primary insurance written for the first through fourth quarters, respectively), compared to 11% in 1995 (7%, 6%, 13% and 17% of new primary insurance written for the first through fourth quarters, respectively).

The $32.8 billion of new primary insurance written during 1996 was offset by the cancellation of $21.7 billion of insurance in force ($5.7 billion, $6.1 billion, $5.0 billion and $4.9 billion during the first through fourth quarters, respectively), and resulted in a net increase of $11.1 billion in primary insurance in force, compared to new primary insurance written of $30.3 billion, cancellation of $14.4 billion, and a net increase of $15.9 billion in insurance in force during 1995. Direct primary insurance in force was $131.4 billion at December 31, 1996, compared to $120.3 billion at December 31, 1995.

Cancellation activity increased during 1996 due to increased refinancing activity which resulted in a decrease in the MGIC persistency rate (percentage of insurance remaining in force from one year prior) to 82.0% at December 31, 1996, from 86.3% at December 31, 1995. Cancellation activity could increase in 1997 if proposed legislation regarding cancellation of mortgage insurance is enacted.

New insurance written for 1996 reflected an increase in the usage of the monthly premium product to 90% of new insurance written from 83% of new insurance written in 1995. New insurance written for adjustable-rate mortgages decreased to 26% of new insurance written in 1996 from 33% of new insurance written in 1995.

Principally as a result of changes in coverage requirements by the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association which were effective in the first quarter of 1995, new insurance written for mortgages with loan-to-value ("LTV") ratios in excess of 85% but not more than 90% ("90%") and coverage of 25% was 39% of new insurance written in 1996 compared to 33% in 1995. New insurance written for mortgages with LTV ratios in excess of 90% but not more than 95% ("95%") and coverage of 30% was 38% of new insurance written in 1996 compared to 34% in 1995.

Net premiums written were $588.9 million in 1996, compared with $480.3 million in 1995, an increase of $108.6 million, or 23%. The increase was primarily a result of the growth in insurance in force.

Net premiums earned were $617.0 million for 1996, compared to $506.5 million for 1995, an increase of $110.5 million, or 22%, primarily reflecting the growth of insurance in force.

Investment income for 1996 was $105.4 million, an increase of 20% over the $87.5 million in 1995. This increase was primarily the result of an increase in the amortized cost of average investment assets to $1,788.3 million for 1996, from $1,466.7 million for 1995, an increase of 22%. The increase was partially offset by a decrease in the portfolio's average pre-tax investment yield to 5.9% in 1996 from 6.0% in 1995. The portfolio's average after-tax investment yield was 5.1% for 1996 compared to 5.2% for 1995.

Other revenue was $22.0 million in 1996, compared with $22.3 million in 1995. Other revenue represents activity of the Company's mortgage services operations, primarily contracts with government agencies for premium reconciliation and claim administration and fee-based services for underwriting.

Ceding commission for 1996 was $4.0 million, compared to $4.9 million in 1995, a decrease of 18%. The decrease was primarily attributable to reductions in premiums ceded under quota share reinsurance agreements.

Net losses incurred increased to $234.4 million in 1996, from $190.0 million in 1995, an increase of 23%. Such increase was primarily due to an increase in the notice inventory from 19,980 at December 31, 1995 to 25,034 at December 31, 1996 resulting from an increasing percentage of the Company's insurance in force reaching its peak claim paying years, concern with early loss developments on insurance written in late 1994 and the first half of 1995, the continued high level of loss activity in certain high cost geographic regions and an increase in claim amounts on defaults with deeper coverages. The increase was partially offset by a redundancy in prior-year loss reserves resulting from actual claim rates and actual claim amounts being lower than those estimated by the Company when originally establishing the reserve at December 31, 1995. The Company expects that, in general, incurred losses will continue to rise as a result of increased delinquency activity primarily related to the higher risk profile on loans insured in late 1994 and the first half of 1995, and the continued growth and maturing of its insurance in force as well as anticipated higher severity resulting from higher coverages for business written beginning in 1995. At December 31, 1996, 42% of the insurance in force was written during the last two years, compared to 48% at December 31, 1995. The highest claim frequency years have typically been the third through fifth years after the year of loan origination. However, the pattern of claims frequency for refinance loans may be different from the historical pattern of other loans. A substantial portion of the insurance written in 1992 and 1993 represented insurance on the refinance of mortgage loans originated in earlier years.

Underwriting and other expenses increased 6% in 1996 to $146.5 million from $137.6 million in 1995. This increase in expenses was primarily due to an increase in expenses associated with the fee-based services for underwriting and an increase in premium tax due to higher premium written.

The consolidated insurance operations loss ratio was 38.0% for 1996 compared to 37.5% for 1995. The consolidated insurance operations expense and combined ratios were 21.6% and 59.6%, respectively, for 1996 compared to 24.6% and 62.1%, respectively, for 1995.

The effective tax rate was 29.3% in 1996, compared with 28.8% in 1995. During both years, the effective tax rate was below the statutory rate of 35%, reflecting the benefits of tax-preferenced investment income. The higher effective tax rate in 1996 resulted from a lower percentage of total income before tax being generated from tax-preferenced investments in 1996.

1995 Compared with 1994

Net income for 1995 was $207.6 million, compared with $159.5 million in 1994, an increase of 30%. Net income per share for 1995 was $3.50, compared with $2.70 in 1994, an increase of 30%.

The amount of new primary insurance written by MGIC during 1995 was $30.3 billion compared with $34.4 billion in 1994 ($8.7 billion, $9.1 billion, $8.9 billion and $7.7 billion during the first through fourth quarters, respectively). Refinancing activity accounted for 11% of new primary insurance written in 1995 compared to 17% in 1994 (37%, 17%, 7% and 7% of new primary insurance written for the first through fourth quarters, respectively).

The $30.3 billion of new primary insurance written during 1995 was offset by the cancellation of $14.4 billion of insurance in force and resulted in a net increase of $15.9 billion in primary insurance in force, compared to new primary insurance written of $34.4 billion, cancellation of $15.8 billion, and a net increase of $18.6 billion in insurance in force during 1994. Direct primary insurance in force was $120.3 billion at December 31, 1995, compared to $104.4 billion at December 31, 1994.

Cancellation activity decreased during 1995 due to the drop in refinancing activity which resulted in an increase in the MGIC persistency rate (percentage of insurance remaining in force from one year prior) to 86.3% at December 31, 1995, from 81.5% at December 31, 1994.

Net premiums written were $480.3 million in 1995, compared with $410.3 million in 1994, an increase of $70.0 million, or 17%. The increase was primarily a result of the growth in insurance in force and premiums received on products for which the Company charges higher premium rates. Net premiums written in 1994 included the receipt of $23.1 million of unearned premium reserves in conjunction with the reassumption of business previously ceded under certain reinsurance treaties.

Net new premiums written decreased 55% in 1995 to $52.8 million, from $116.7 million during 1994, offset by a 46% increase in net renewal premiums written to $427.5 million in 1995 from $293.6 million in 1994.

The decrease in net new premiums written during 1995 resulted primarily from the increase in the usage of the monthly premium product to 83% of new insurance written from 51% of new insurance written in 1994, and the continued decline in single premium business from 2% of new insurance written in 1994 to 1% of new insurance written in 1995.

These decreases in net new premiums written were partially offset by an increase in new insurance written on products for which the Company charges higher premium rates, principally mortgages with LTV ratios of 95% and mortgages with coverages of 25% and 30%. New insurance written for mortgages with LTV ratios of 95% increased to 43% of new insurance written from 36% in 1994.

Principally as a result of changes in coverage requirements by the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association, new insurance written for mortgages with LTV ratios of 90% and coverage of 25% was 33% of new insurance written in 1995 compared to 4% in 1994. New insurance written for mortgages with LTV ratios of 95% and coverage of 30% was 34% of new insurance written in 1995 compared to 2% in 1994.

Net renewal premiums increased as a result of the growth of insurance in force and the increased usage of monthly premiums. Monthly premiums received after the initial payment are classified as renewal premiums. Renewal premiums were reduced by cancellation activity resulting in $15.1 million of net premiums being refunded in 1995, compared to $20.5 million in 1994 when there was higher cancellation activity. The net renewal premiums for 1994 included the receipt of $23.1 million of unearned premium reserves in conjunction with the reassumption of business previously ceded under certain reinsurance treaties.

Net premiums earned were $506.5 million for 1995, compared to $404.0 million for 1994, an increase of $102.5 million, or 25%, primarily reflecting the growth of insurance in force, the increase in persistency and premiums earned on products for which the Company charges higher premium rates.

Investment income for 1995 was $87.5 million, an increase of 16% over the $75.2 million in 1994. This increase was primarily the result of an increase in the amortized cost of average investment assets to $1,466.7 million for 1995, from $1,215.0 million for 1994, an increase of 21%. The increase was partially offset by a decrease in the portfolio's average pre-tax investment yield to 6.0% in 1995 from 6.2% in 1994. The portfolio's average after-tax investment yield was 5.2% for 1995 compared to 5.6% for 1994.

Other revenue was $22.3 million in 1995, compared with $22.7 million in 1994. Other revenue represents activity of the Company's mortgage services operations, primarily contracts with government agencies for premium reconciliation and claim administration and fee-based services for underwriting.

Ceding commission for 1995 was $4.9 million, compared to $7.8 million in 1994, a decrease of 37%. The decrease was primarily attributable to reductions in premiums ceded under quota share reinsurance agreements.

Net losses incurred increased to $190.0 million in 1995, from $153.1 million in 1994, an increase of 24%. Such increase was primarily a result of higher reserve levels necessitated by increased notice of default activity on loans insured in late 1994 and the first half of 1995 which had a higher risk profile than the insurance in force as a whole, and the continued growth and maturation of the insurance in force. The increase was partially offset by a redundancy in prior-year loss reserves resulting from actual claim rates and actual claim amounts being lower than those estimated by the Company when originally establishing the reserve at December 31, 1994. At December 31, 1995, 48% of the insurance in force was written during the last two years, compared to 62% at December 31, 1994. The highest claim frequency years have typically been the third through fifth years after the year of loan origination. However, a substantial portion of the insurance written in 1992 and 1993 represented insurance on the refinance of mortgage loans originated in earlier years. Because of the earlier originations, the pattern of claims frequency for these refinance loans may be different from the historical pattern of other loans.

Underwriting and other expenses increased slightly in 1995 to $137.6 million from $136.0 million in 1994. Contributing to the increase in expenses was a reduction in the amount of deferred insurance policy acquisition costs due to the growth of the monthly premium product.

The consolidated insurance operations loss ratio was 37.5% for 1995 compared to 37.9% for 1994. The consolidated insurance operations expense and combined ratios were 24.6% and 62.1%, respectively, for 1995 compared to 28.1% and 66.0%, respectively, for 1994. The expense ratio for 1994 excludes the $23.1 million received as a result of the reassumption of certain reinsurance treaties.

The effective tax rate was 28.8% in 1995, compared with 26.5% in 1994. During both years, the effective tax rate was below the statutory rate of 35%, reflecting the benefits of tax-preferenced investment income. The higher effective tax rate in 1995 resulted from a lower percentage of total income before tax being generated from tax-preferenced investments in 1995.

Financial Condition

Consolidated total investments were $2,036.2 million at December 31, 1996, compared with $1,687.2 million at December 31, 1995, an increase of 21%. Offsetting the increase was a decrease of $21.6 million in unrealized gains on securities marked to market. The Company generated consolidated cash flows from operating activities of $367.8 million during 1996, compared to $286.5 million generated during 1995. The increase in operating cash flows during 1996 is due primarily to an increase in renewal premiums and the receipt of $40 million in connection with the WMAC Transaction described below. As of December 31, 1996, the Company had $140.1 million of short-term investments with maturities of 90 days or less, and 70% of the portfolio was invested in tax-preferenced securities. In addition, at December 31, 1996, based on book value, the Company's total investments, which were virtually all comprised of fixed-income securities, were approximately 99% invested in "A" rated and above, readily marketable securities, concentrated in maturities of less than 15 years.

In September 1996, the Company signed an agreement with Wisconsin Mortgage Assurance Corporation ("WMAC") and a WMAC reinsurer to assume all of the reinsurer's interest in WMAC mortgage insurance writings, which had previously been ceded to that reinsurer ("WMAC Transaction"). WMAC wrote mortgage insurance on first mortgages collateralized by one-to-four-family residences until February 28, 1985. Under the agreement, the Company assumed reinsurance on approximately $4.2 billion of WMAC's insurance in force (representing approximately $1.1 billion of risk in force) committed to, or written, through February 28, 1985. As a result, the amount of WMAC's insurance in force ceded to the Company increased to approximately $6.2 billion (representing $1.6 billion of risk in force), with the portion of WMAC's insurance in force reinsured by the Company increasing from approximately 21 percent to approximately 65 percent. The Company received approximately $40 million as payment for its assumption of existing loss and unearned premium reserves related to the insurance in force being assumed from WMAC.

Consolidated loss reserves increased 39% to $514.0 million at December 31, 1996 from $371.0 million at December 31, 1995, reflecting the higher level of defaults as described in the Results of Consolidated Operations (1996 Compared with 1995) and the increase in loss reserves assumed from the WMAC Transaction. Consistent with industry practices, the Company does not establish loss reserves for future claims on insured loans which are not currently in default.

Consolidated unearned premiums decreased $31.9 million from $251.2 million at December 31, 1995, to $219.3 million at December 31, 1996, reflecting the high level of monthly premium policies written in 1996, for which there is no unearned premium. Reinsurance recoverable on unearned premiums decreased $3.8 million to $11.7 million at December 31, 1996 from $15.5 million at December 31, 1995, primarily reflecting the reduction in unearned premiums.

Consolidated shareholders' equity increased to $1,366.1 million at December 31, 1996, from $1,121.4 million at December 31, 1995, an increase of 22%. This increase consisted of $258.0 million of net income during 1996 and $10.2 million from the reissuance of treasury stock, offset by a decrease in net unrealized gains on investments, net of tax, of $14.1 million and dividends declared of $9.4 million.

Liquidity and Capital Resources

The Company's consolidated sources of funds consist primarily of premiums written and investment income. Funds are applied primarily to the payment of claims and expenses. Approximately 70% of underwriting expenses are personnel-related costs, most of which are considered by the Company to be fixed costs over the short term. Approximately 8% of operating expenses relate to occupancy costs, which are fixed costs. Substantially all of the remaining operating expenses are considered by the Company to be variable in nature, with data processing costs and taxes, licenses and fees representing approximately 4% and 9%, respectively, of total operating expenses. The Company generated positive cash flows of approximately $367.8 million, $286.5 million and $239.5 million in 1996, 1995 and 1994, respectively, as shown on the Consolidated Statement of Cash Flows. Positive cash flows are invested pending future payments of claims and other expenses. Cash-flow shortfalls, if any, could be funded through sales of short-term investments and other investment portfolio securities.

In January 1997, the Company is obligated to repay mortgages payable of $35.4 million, which is secured by the home office and substantially all of the furniture and fixtures of the Company. The Company expects that it will use internally generated funds to repay this debt. The Company does not anticipate any significant capital expenditures during 1997.

MGIC is the principal insurance subsidiary of the Company. MGIC's risk-to-capital ratio was 18.1:1 at December 31, 1996 compared to 19.1:1 at December 31, 1995. The decrease was due to MGIC's increased policyholders' reserves, partially offset by the additional risk in force of $4.3 billion resulting from the $13.5 billion net addition to insurance in force during 1996. Part of the increase in risk in force and insurance in force was due to the reinsurance assumed from the WMAC Transaction described above.

The Company's combined insurance risk-to-capital ratio was 18.8:1 at

December 31, 1996, compared to 19.9:1 at December 31, 1995. The decrease was due to the same reasons as described above.

MGIC Investment Corporation and Subsidiaries - Years Ended December 31, 1996, 1995 and 1994

Consolidated Statement of Operations

	1996	1995	1994
	(In thousands of dollars, except per share data)		
REVENUES			
Premiums written:			
Direct	$ 587,626	$ 492,238	$ 400,043
Assumed	16,912	8,043	9,737
Ceded (note 7)	(15,611)	(19,969)	516
Net premiums written	588,927	480,312	410,296
Decrease (increase) in unearned premiums	28,116	26,188	(6,306)
Net premiums earned (note 7)	617,043	506,500	403,990
Investment income, net of expenses (note 4)	105,355	87,543	75,233
Realized investment gains, net (note 4)	1,220	1,496	336
Other revenue	22,013	22,347	22,667
Total revenues	745,631	617,886	502,226
LOSSES AND EXPENSES			
Losses incurred, net (note 7)	234,350	189,982	153,081
Underwriting and other expenses	146,483	137,559	136,027
Interest expense	3,793	3,821	3,856
Ceding commission (note 7)	(4,023)	(4,885)	(7,821)
Total losses and expenses	380,603	326,477	285,143
Income before tax	365,028	291,409	217,083
Provision for income tax (note 9)	107,037	83,844	57,565
Net income	$ 257,991	$ 207,565	$ 159,518
Net income per share (note 10)	$ 4.33	$ 3.50	$ 2.70

See accompanying notes to consolidated financial statements.

MGIC Investment Corporation and Subsidiaries - December 31, 1996 and 1995

Consolidated Balance Sheet

ASSETS	1996	1995
	(In thousands of dollars)	
Investment portfolio (note 4):		
Securities, available-for-sale, at market value:		
Fixed maturities	$ 1,892,081	$1,602,806
Equity securities	4,039	3,836
Short-term investments	140,114	80,579
Total investment portfolio	2,036,234	1,687,221
Cash	3,861	9,685
Accrued investment income	33,363	29,213
Reinsurance recoverable on loss reserves (note 7)	29,827	33,856
Reinsurance recoverable on unearned premiums (note 7)	11,745	15,485
Home office and equipment, net (note 5)	35,050	38,782
Deferred insurance policy acquisition costs	31,956	37,956
Other assets	40,279	22,521
Total assets	$ 2,222,315	$1,874,719
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Loss reserves (notes 6 and 7)	$ 514,042	$ 371,032
Unearned premiums (note 7)	219,307	251,163
Mortgages payable (note 5)	35,424	35,799
Income taxes payable (note 9)	23,111	33,686
Other liabilities	64,316	61,647
Total liabilities	856,200	753,327
Contingencies (note 12)		
Shareholders' equity (note 10):		
Common stock, $1 par value, shares authorized 150,000,000; shares issued 60,555,400; outstanding 1996 - 58,950,434; 1995 - 58,629,420	60,555	60,555
Paid-in surplus	268,540	259,430
Treasury stock (shares at cost 1996 - 1,604,966; 1995 - 1,925,980)	(7,073)	(8,172)
Unrealized appreciation in investments, net of tax	40,685	54,737
Retained earnings (note 10)	1,003,408	754,842
Total shareholders' equity	1,366,115	1,121,392
Total liabilities and shareholders' equity	$2,222,315	$1,874,719

See accompanying notes to consolidated financial statements.

MGIC Investment Corporation and Subsidiaries - Years Ended December 31, 1996 1995 and 1994

Consolidated Statement of Shareholders' Equity

	Common stock	Paid-in surplus	Treasury stock	Unrealized appreciation (depreciation) in investments	Retained earnings
	(In thousands of dollars)				
Balance, December 31, 1993	$ 60,555	$ 252,710	$ (9,682)	$ 2,022	$ 406,465
Net income	-	-	-	-	159,518
Unrealized investment losses, net	-	-	-	(26,330)	-
Dividends declared	-	-	-	-	(9,335)
Reissuance of treasury stock	-	1,635	516	-	-
Balance, December 31, 1994	60,555	254,345	(9,166)	(24,308)	556,648
Net income	-	-	-	-	207,565
Unrealized investment gains, net	-	-	-	79,045	-
Dividends declared	-	-	-	-	(9,371)
Reissuance of treasury stock	-	5,085	994	-	-
Balance, December 31, 1995	60,555	259,430	(8,172)	54,737	754,842
Net income	-	-	-	-	257,991
Unrealized investment losses, net	-	-	-	(14,052)	-
Dividends declared	-	-	-	-	(9,425)
Reissuance of treasury stock	-	9,110	1,099	-	-
Balance, December 31, 1996	$ 60,555	$ 268,540	$ (7,073)	$ 40,685	$1,003,408

See accompanying notes to consolidated financial statements.

MGIC Investment Corporation and Subsidiaries - Years Ended December 31, 1996, 1995 and 1994

Consolidated Statement of Cash Flows

	1996	1995	1994
	(In thousands of dollars)		
Cash flows from operating activities:			
Net income	$ 257,991	$ 207,565	$ 159,518
Adjustment to reconcile net income to net cash provided by operating activities:			
Amortization of deferred insurance policy acquisition costs	26,772	29,693	30,849
Increase in deferred insurance policy acquisition costs	(20,772)	(24,748)	(27,965)
Depreciation and other amortization	8,969	8,613	2,644
Increase in accrued investment income	(4,150)	(4,876)	(1,701)
Decrease (increase) in reinsurance recoverable on loss reserves	4,029	(194)	22,644
Decrease in reinsurance recoverable on unearned premiums	3,740	3,791	32,010
Increase in loss reserves	143,010	96,563	60,869
Decrease in unearned premiums	(31,856)	(29,980)	(25,703)
Other	(19,971)	110	(13,712)
Net cash provided by operating activities	367,762	286,537	239,453
Cash flows from investing activities:			
Purchase of fixed maturities:			
Available-for-sale securities	(1,095,559)	(514,458)	(188,762)
Held-to-maturity securities	-	(34,521)	(53,885)
Proceeds from sale or maturity of fixed maturities:			
Available-for-sale securities	781,099	166,442	79,853
Held-to-maturity securities	-	22,615	7,690
Net cash used in investing activities	(314,460)	(359,922)	(155,104)
Cash flows from financing activities:			
Dividends paid to shareholders	(9,425)	(9,371)	(9,335)
Principal repayments on mortgages payable	(375)	(348)	(312)
Reissuance of treasury stock	10,209	6,079	2,151
Net cash provided by (used in) financing activities	409	(3,640)	(7,496)
Net increase (decrease) in cash and cash equivalents	53,711	(77,025)	76,853
Cash and cash equivalents at beginning of year	90,264	167,289	90,436
Cash and cash equivalents at end of year	$ 143,975	$ 90,264	$ 167,289

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. Nature of business

MGIC Investment Corporation ("Company") is a holding company which, through Mortgage Guaranty Insurance Corporation ("MGIC") and several other subsidiaries, is principally engaged in the mortgage insurance business. The Company provides mortgage insurance to lenders throughout the United States to protect against loss from defaults on low down payment residential mortgage loans. Through certain other non-insurance subsidiaries, the Company also provides various services for the mortgage finance industry, such as contract underwriting, premium reconciliation, claim administration and portfolio analysis.

At December 31, 1996, the Company's direct primary insurance in force (representing the current principal balance of all mortgage loans that are currently insured) and direct primary risk in force was approximately $131.4 billion and $29.3 billion, respectively.

The Company's largest shareholder, The Northwestern Mutual Life Insurance Company ("NML"), held approximately 18% of the common stock of the Company at December 31, 1996.

2. Basis of presentation and summary of significant accounting policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of consolidation -- The consolidated financial statements include the accounts of MGIC Investment Corporation and its wholly-owned subsidiaries. All intercompany transactions have been eliminated. The Company's 48% investment in Credit-Based Asset Servicing and Securitization, LLC ("C-BASS") is accounted for on the equity method.

Investments -- The Company categorizes its investment portfolio according to its ability and intent to hold the investments to maturity. Fixed maturities which are classified as held to maturity are stated at amortized cost. Investments which the Company does not have the ability and intent to hold to maturity are considered to be available for sale and must be recorded at market and the unrealized gains or losses recognized as an increase or decrease to shareholders' equity. Realized investment gains and losses are reported in income based upon specific identification of securities sold. (See note 4.)

Home office and equipment -- Home office and equipment is carried at cost net of depreciation. For financial statement reporting purposes, depreciation is determined on a straight-line basis for the home office and equipment over estimated lives of 45 years and 5 years, respectively. For income tax purposes, the Company uses accelerated depreciation methods. (See note 5.)

Deferred insurance policy acquisition costs -- The cost of acquiring insurance policies, including compensation, premium taxes and other underwriting expenses, is deferred, to the extent recoverable, and amortized as the related premiums are earned. No expenses are deferred on monthly premium policies.

Loss reserves -- Reserves are established for reported insurance losses and loss adjustment expenses based on when notices of default on insured mortgage loans are received. Reserves are also established for estimated losses incurred on notices of default not yet reported by the lender. Consistent with industry practices, the Company does not establish loss reserves for future claims on insured loans which are not currently in default. Reserves are established by management using estimated claims rates and claims amounts in estimating the ultimate loss. Amounts for salvage recoverable are considered in the determination of the reserve estimates. Adjustments to reserve estimates are reflected in the financial statements in the years in which the adjustments are made. The liability for reinsurance assumed is based on information provided by the ceding companies. (See note 6.)

Income recognition -- The insurance subsidiaries write policies which are guaranteed renewable contracts at the insured's option on a single, annual or monthly premium basis. The insurance subsidiaries have no ability to reunderwrite or reprice these contracts. Premiums written on a single premium basis and an annual premium basis are initially deferred as unearned premium reserve and earned over the policy term. Premiums written on policies covering more than one year are amortized over the policy life in accordance with the expiration of risk. Premiums written on annual policies are earned on a monthly pro rata basis. Premiums written on monthly policies are earned as the premiums are due.

Fee income of the non-insurance subsidiaries is earned as the services are provided.

Income taxes -- The Company and its subsidiaries file a consolidated federal income tax return. Prior to August 1991, the Company and its subsidiaries filed a consolidated federal income tax return with NML and its subsidiaries. (See note 9.)

A formal tax sharing agreement exists between the Company and its subsidiaries. Each subsidiary determines income taxes based upon the utilization of all tax deferral elections available. This assumes Tax and Loss Bonds are purchased and held to the extent they would have been purchased and held on a separate company basis since the tax sharing agreement provides that the redemption or non-purchase of such bonds shall not increase such member's separate taxable income and tax liability on a separate company basis.

Federal tax law permits mortgage guaranty insurance companies to deduct from taxable income, subject to certain limitations, the amounts added to contingency loss reserves. Generally, the amounts so deducted must be included in taxable income in the tenth subsequent year. The deduction is allowed only to the extent that U.S. government non-interest bearing Tax and Loss Bonds are purchased and held in an amount equal to the tax benefit attributable to such deduction. The Company accounts for these purchases as a payment of current federal income taxes.

Deferred income taxes are provided under the liability method which recognizes the future tax effects of temporary differences between amounts reported in the financial statements and the tax bases of these items. The expected tax effects are computed at the current federal tax rate.

Benefit plans -- The Company has a non-contributory defined benefit pension plan covering substantially all employees. Retirement benefits are based on compensation and years of service. The Company's policy is to fund pension cost as required under the Employee Retirement Income Security Act of 1974. (See note 8.)

The Company accrues the estimated costs of retiree medical and life benefits over the period during which employees render the service that qualifies them for benefits. The Company offers both medical and dental benefits for retired employees and their spouses. Benefits are generally funded on a pay-as-you-go basis. (See note 8.)

Reinsurance -- Loss reserves and unearned premiums are reported before taking credit for amounts ceded under reinsurance treaties. Ceded loss reserves are reflected as "Reinsurance recoverable on loss reserves." Ceded unearned premiums are reflected as "Reinsurance recoverable on unearned premiums." The Company remains contingently liable for all reinsurance ceded. (See note 7.)

Net income per share -- Net income per share is based on the weighted average number of common shares and common stock equivalents which would arise from the exercise of stock options.

The weighted average number of shares used in the net income per share computations were as follows (shares in thousands) (see note 10):

Year ended December 31, 1996	59,523
Year ended December 31, 1995	59,284
Year ended December 31, 1994	58,977

Statement of cash flows -- For purposes of the consolidated statement of cash flows, the Company considers short-term investments to be cash equivalents, as short-term investments have original maturities of three months or less. Interest paid during 1996, 1995 and 1994 approximates interest expense.

Reclassifications -- Certain reclassifications have been made in the accompanying financial statements to 1995 and 1994 amounts to allow for consistent financial reporting.

3. Related party transactions

The Company contracts with Northwestern Mutual Investment Services, Inc., a subsidiary of NML, for investment portfolio management and accounting services. The Company incurred expense of $0.9 million, $0.9 million and $1.0 million for these services in 1996, 1995 and 1994, respectively.

4. Investments

The following table summarizes the Company's investments at December 31, 1996 and 1995:

	Amortized Cost	Market Value	Financial Statement Value
	(In thousands of dollars)		
At December 31, 1996:			

	Amortized Cost	Market Value	Financial Statement Value
	(In thousands of dollars)		
At December 31, 1995:			

Securities, available for sale:			
Fixed maturities....	$1,832,193	$1,892,081	$1,892,081
Equity securities...	1,333	4,039	4,039
Short-term investments.......	140,114	140,114	140,114
Total investment portfolio...........	$1,973,640	$2,036,234	$2,036,234

Securities, available for sale:			
Fixed maturities....	$1,520,854	$1,602,806	$1,602,806
Equity securities...	1,363	3,836	3,836
Short-term investments.......	80,579	80,579	80,579
Total investment portfolio...........	$1,602,796	$1,687,221	$1,687,221

The amortized cost and market value of investments at December 31, 1996 and 1995 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
	(In thousands of dollars)			
December 31, 1996:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies......................	$ 77,498	$ 1,483	$ (345)	$ 78,636
Obligations of states and political subdivisions......................	1,364,790	57,374	(1,437)	1,420,727
Corporate securities................	515,482	3,659	(1,304)	517,837
Mortgage-backed securities...........	571	33	-	604
Debt securities issued by foreign sovereign governments.............	13,966	425	-	14,391
Total debt securities..........	1,972,307	62,974	(3,086)	2,032,195
Equity securities...................	1,333	2,706	-	4,039
Total investment portfolio.....	$1,973,640	$ 65,680	$ (3,086)	$2,036,234
December 31, 1995:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies......................	$ 29,790	$ 1,744	$ -	$ 31,534
Obligations of states and political subdivisions......................	1,251,284	72,615	(1,202)	1,322,697
Corporate securities................	316,668	8,712	(1)	325,379
Mortgage-backed securities...........	3,491	84	-	3,575
Debt securities issued by foreign sovereign governments.............	200	-	-	200
Total debt securities..........	1,601,433	83,155	(1,203)	1,683,385
Equity securities...................	1,363	2,473	-	3,836
Total investment portfolio............	$1,602,796	$ 85,628	$ (1,203)	$1,687,221

The amortized cost and market values of debt securities at December 31, 1996, by contractual maturity, are shown below. Debt securities consist of fixed maturities and short-term investments. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Market Value
	(In thousands of dollars)	
Due in one year or less	$ 178,014	$ 178,367
Due after one year through five years	202,686	206,779
Due after five years through ten years	836,337	869,736
Due after ten years	754,699	776,709
	1,971,736	2,031,591
Mortgage-backed securities	571	604
Total at December 31, 1996	$ 1,972,307	$2,032,195

Net investment income is comprised of the following:

	1996	1995	1994
	(In thousands of dollars)		
Fixed maturities	$ 99,832	$ 79,328	$ 70,501
Equity securities	240	240	240
Short-term investments	6,223	8,498	5,114
Other	82	409	445
Investment income	106,377	88,475	76,300
Investment expenses	(1,022)	(932)	(1,067)
Net investment income	$ 105,355	$ 87,543	$ 75,233

The net realized investment gains (losses) and change in net unrealized (depreciation) appreciation of investments are as follows:

	1996	1995	1994
	(In thousands of dollars)		
Net realized investment gains (losses), on sale of investments:			
Fixed maturities	$ 1,222	$ 1,502	$ 353
Short-term investments	(2)	(6)	(17)
	1,220	1,496	336
Change in net unrealized (depreciation) appreciation:			
Fixed maturities	(22,064)	111,359	(109,720)
Equity securities	233	191	260
Short-term investments	-	898	(419)
	(21,831)	112,448	(109,879)
Net realized investment gains (losses) and change in net unrealized (depreciation) appreciation	$ (20,611)	$ 113,944	$ (109,543)

At November 30, 1995, the Company transferred its entire held-to-maturity portfolio with a book value of $557.1 million to the available-for-sale portfolio. This transfer resulted in an increase to shareholders' equity of $30.3 million, net of tax.

The gross realized gains and the gross realized losses on sales of available-for-sale securities were $8.6 million and $7.4 million, respectively in 1996 and $3.3 million and $1.8 million, respectively in 1995. There were no sales or transfers of held-to-maturity securities during 1996 or 1995 other than the transfer on November 30, 1995 of the entire held-to-maturity portfolio to available-for-sale.

5. Home office and equipment and mortgages payable

In 1989, a subsidiary of the Company borrowed $37.6 million secured by the home office and substantially all the furniture and fixtures of the Company. The loan bears interest at approximately 10.5% and is due in January 1997. The outstanding balance of the loan at December 31, 1996 approximates market value.

Home office and equipment is shown net of accumulated depreciation of $36.1 million and $30.4 million at December 31, 1996 and 1995, respectively.

Under the terms of the loan agreement, MGIC must maintain a statutory policyholders' surplus of at least $150 million and a claims paying ability rating of AA or better with Moody's Investors Service, Inc. and Standard & Poor's Corporation. At December 31, 1996, MGIC had statutory policyholders' surplus of $252 million and a claims paying ability rating of Aa2 and AA+ from the rating agencies, respectively.

6. Loss reserves

Loss reserve activity was as follows:

	1996	1995	1994
	(In thousands of dollars)		
Reserve at beginning of year	$ 371,032	$ 274,469	$ 213,600
Less reinsurance recoverable	33,856	33,662	56,306
Net reserve at beginning of year	337,176	240,807	157,294
Reserve transfer (1)	35,657	-	25,075
Adjusted reserve at beginning of year	372,833	240,807	182,369
Losses incurred:			
Losses and LAE incurred in respect of default notices received in:			
Current year	312,630	226,439	168,554
Prior years (2)	(78,280)	(36,457)	(15,473)
Subtotal	234,350	189,982	153,081
Losses paid:			
Losses and LAE paid in respect of default notices received in:			
Current year	16,872	14,115	12,293
Prior years	106,096	79,498	82,350
Subtotal	122,968	93,613	94,643
Net reserve at end of year	484,215	337,176	240,807
Plus reinsurance recoverables	29,827	33,856	33,662
Reserve at end of year	$ 514,042	$ 371,032	$ 274,469

(1) Received in conjunction with the cancellation of certain reinsurance treaties. (See note 7.)

(2) A negative number for a prior year indicates a redundancy of loss reserves, and a positive number for a prior year indicates a deficiency of loss reserves.

The top half of the table above shows losses incurred on default notices received in the current year and in prior years, respectively. The amount of losses incurred relating to default notices received in the current year represents the estimated amount to be ultimately paid on such default notices. The amount of losses incurred relating to default notices received in prior years represents an adjustment made in the current year for defaults which were included in the loss reserve at the end of the prior year.

Current year losses incurred increased from 1995 to 1996 primarily due to an increase in the notice inventory from 19,980 at December 31, 1995 to 25,034 at December 31, 1996 resulting from an increasing percentage of the Company's insurance in force reaching its peak claim paying years, concern with early loss developments on insurance written in 1994 through 1996, the continued high level of loss activity in certain high cost geographic regions and an increase in claim amounts on defaults with deeper coverages. Offsetting this increase were favorable developments in prior years loss reserves, with the net effect of total losses incurred increasing from $190.0 million in 1995 to $234.4 million in 1996.

The favorable development of the reserves in 1996, 1995 and 1994 is reflected in the prior year line, and results from the actual claim rates and actual claim amounts being lower than those estimated by the Company when originally establishing the reserve at December 31, 1995, 1994 and 1993, respectively.

The lower half of the table above shows the breakdown between claims paid on default notices received in the current year and default notices received in prior years. Since it takes, on average, about twelve months for a default which is not cured to develop into a paid claim, most losses paid relate to default notices received in prior years.

7. Reinsurance

The Company cedes a portion of its business to reinsurers and records assets for reinsurance recoverable on estimated reserves for unpaid losses and unearned premiums. Business written between 1985 and 1993 is ceded under various quota share reinsurance agreements with several reinsurers. The Company receives a ceding commission in connection with this reinsurance. There is no quota share reinsurance on business written subsequent to December 31, 1993.

In September 1996, the Company signed an agreement with Wisconsin Mortgage Assurance Corporation ("WMAC") and a WMAC reinsurer to assume all of the reinsurer's interest in WMAC mortgage insurance writings, which had been previously ceded to that reinsurer. WMAC wrote mortgage insurance on first mortgages collateralized by one-to-four-family residences until February 28, 1985. Under the agreement, the Company assumed reinsurance on approximately $4.2 billion of WMAC's insurance in force (representing approximately $1.1 billion of risk in force) committed to, or written, through February 28, 1985. As a result, the amount of WMAC's insurance in force ceded to the Company increased to approximately $6.2 billion (representing $1.6 billion of risk in force), with the portion of WMAC's insurance in force reinsured by the Company increasing from approximately 21 percent to approximately 65 percent. The Company received approximately $40 million as payment for its assumption of existing loss and unearned premium reserves related to the insurance in force being assumed from WMAC.

Effective January 1, 1994, the Company agreed with its lead reinsurer to reassume its mortgage insurance writings for policy years 1985 through 1993 which had previously been ceded to the lead reinsurer.

The effect of reinsurance on premiums earned and losses incurred is as follows:

	1996	1995	1994
	(In thousands of dollars)		
Premiums earned:			
Direct................	$ 623,148	$ 522,069	$ 425,277
Assumed..............	13,245	8,191	10,205
Ceded................	(19,350)	(23,760)	(31,492)
Net premiums earned...	$ 617,043	$ 506,500	$ 403,990
Losses incurred:			
Direct................	$ 226,702	$ 197,490	$ 155,766
Assumed..............	17,073	7,108	14,898
Ceded................	(9,425)	(14,616)	(17,583)
Net losses incurred...	$ 234,350	$ 189,982	$ 153,081

8. Benefit plans

The components of the net periodic pension cost of the Company's defined benefit pension plan are as follows:

	1996	1995	1994
	(In thousands of dollars)		
Service cost........................	$ 3,378	$ 3,118	$ 3,475
Interest on projected benefit obligation...............	2,777	2,255	2,042
Actual return on plan assets.........	(5,235)	(7,532)	403
Net amortization and deferral........	2,179	5,375	(2,211)
Net periodic pension cost...........	$ 3,099	$ 3,216	$ 3,709

The following lists the funded status of the pension plan as of December 31, 1996 and 1995:

	1996	1995
	(In thousands of dollars)	
Actuarial present value of benefit obligations:		
Vested........................	$ 31,654	$ 25,553
Non-vested...................	1,266	1,515
Accumulated benefit obligation....	$ 32,920	$ 27,068
Projected benefit obligation......	$ 42,845	$ 35,159
Net assets available for benefits.	46,256	37,632

Projected benefit obligation less than plan assets	3,411	2,473
Unrecognized net obligation	1,583	1,576
Pension asset	$ 1,828	$ 897

The discount rate used in determining the actuarial present value of the projected benefit obligation was 7.5% for 1996 and 1995. The discount rate used in determining the pension expense was 7.5% for 1996 and 1995 and 7% for 1994. The expected long-term rate of return on plan assets was 7.5% for 1996, 1995 and 1994, and the assumed rate of compensation increase was 6% for 1996, 1995 and 1994. Plan assets consist of fixed maturities and equity securities.

The components of the net periodic postretirement benefit cost of the Company's non-pension postretirement benefit plans are as follows:

	1996	1995	1994
	(In thousands of dollars)		
Service cost	$ 1,208	$ 1,220	$ 1,252
Interest cost on projected benefit obligation	1,171	1,019	1,014
Actual return on plan assets	(791)	(806)	(1)
Net amortization and deferral	933	1,131	441
Net periodic postretirement benefit cost	$ 2,521	$ 2,564	$ 2,706

The Company's liability for the unfunded accumulated postretirement benefit obligation as of December 31, 1996 and 1995, is as follows:

	1996	1995
	(In thousands of dollars)	
Actuarial present value of accumulated postretirement benefit obligation:		
Retirees	$ 3,869	$ 2,347
Active employees eligible to retire	1,936	2,230
Active employees ineligible to retire	12,010	11,121
Total accumulated postretirement benefit obligation	17,815	15,698
Fair value of assets	(6,248)	(4,488)
Unrecognized transition obligation	(8,479)	(9,009)
Unrecognized net obligation relating to plan and discount rate changes	2,185	1,653
Accrued postretirement liability	$ 5,273	$ 3,854

The Company is amortizing the unrecognized transition obligation over 20 years. The discount rate used in determining the accumulated postretirement benefit obligation was 7.5% for 1996 and 1995. The expected long-term rate of return on plan assets was 7.5% for 1996, 1995 and 1994. The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation is 9.5% reduced over a period of 6 years to 6%. The effect of a 1% increase in the health care trend rate assumption would result in an increase of 22% in the accumulated postretirement benefit obligation from $17.8 million to approximately $21.7 million.

9. Income taxes

The components of the net deferred tax liability as of December 31, 1996 and 1995 are as follows:

	1996	1995
	(In thousands of dollars)	
Unearned premium reserves	$ (19,571)	$ (20,780)
Deferred policy acquisition costs	11,184	13,284
Loss reserves	1,559	9,289
Unrealized appreciation in investments	21,908	29,474
Other	(3,901)	(2,197)
Net deferred tax liability	$ 11,179	$ 29,070

At December 31, 1996, gross deferred tax assets and liabilities amounted to $29.9 million and $41.1 million, respectively. Management believes that all gross deferred tax assets at December 31, 1996 are fully realizable and no valuation reserve has been established.

The following summarizes the components of the provision for income tax:

1996	1995	1994

(In thousands of dollars)

Federal:			
Current	$ 116,160	$ 87,627	$ 62,081
Deferred	(10,325)	(5,117)	(4,700)
State	1,202	1,334	184
Total provision	$ 107,037	$ 83,844	$ 57,565

The Company purchased $93.6 million, $72.0 million and $53.0 million of non-interest bearing U.S. Government Tax and Loss Bonds as a payment of current taxes in 1996, 1995 and 1994, respectively. The Company also paid $10.3 million, $8.5 million and $9.3 million in estimated federal income taxes in 1996, 1995 and 1994, respectively.

The reconciliation of the provisions for income taxes computed at the federal tax rate of 35% to the reported provision for income taxes is as follows:

	1996	1995	1994
	(In thousands of dollars)		
Tax provision computed at federal tax rate	$ 127,760	$ 101,993	$ 75,979
(Decrease) increase in tax provision resulting from:			
Tax exempt municipal bond interest	(22,114)	(18,955)	(19,066)
Other, net	1,391	806	652
Total income tax provision	$ 107,037	$ 83,844	$ 57,565

The Company and its subsidiaries have a continuing obligation to reimburse NML for the tax effect of any changes in taxable income of the Company relating to periods during which the Company and its subsidiaries were members with NML and its subsidiaries of a consolidated return for federal income tax purposes. At December 31, 1996, no amount was owed to NML.

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

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

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

10. Shareholders' equity and dividend restrictions

The Company's insurance subsidiaries are subject to statutory regulations as to maintenance of policyholders' surplus and payment of dividends. The maximum amount of dividends that the insurance subsidiaries may pay in any twelve-month period without regulatory approval by the Office of the Commissioner of Insurance of the State of Wisconsin ("OCI") is the lesser of adjusted statutory net income or 10% of statutory policyholders' surplus as of the preceding calendar year end. Adjusted statutory net income is defined for this purpose to be the greater of statutory net income, net of realized investment gains, for the calendar year preceding the date of the dividend or statutory net income, net of realized investment gains, for the three calendar years preceding the date of the dividend less dividends paid within the first two of the preceding three calendar years. In 1997, MGIC can pay $25.2 million of dividends and the other insurance subsidiaries of the Company can pay $3.0 million of dividends without such regulatory approval.

Certain of the Company's non-insurance subsidiaries also have requirements as to maintenance of net worth. These restrictions could also affect the Company's ability to pay dividends. In 1996, 1995 and 1994, the Company paid dividends of $9.4 million, $9.4 million and $9.3 million, respectively or $0.16 per share. In 1997, the Company can pay dividends of $35.5 million from its own funds and funds available from the non-insurance subsidiaries.

The principles used in determining statutory financial amounts differ from generally accepted accounting principles ("GAAP"), primarily for the following reasons:

Under statutory accounting practices, mortgage guaranty insurance companies are required to maintain contingency loss reserves equal to 50% of premiums earned. Such amounts cannot be withdrawn for a period of ten years except as permitted by insurance regulations. Contingency loss reserves are not reflected as liabilities under GAAP.

Under statutory accounting practices, insurance policy acquisition costs are charged against operations in the year incurred. Under GAAP, these costs are deferred and amortized as the related premiums are earned commensurate with the expiration of risk.

Statutory financial statements only include a provision for current income taxes due, and purchases of Tax and Loss Bonds are accounted for as investments. GAAP financial statements provide for deferred income taxes, and purchases of Tax and Loss Bonds are recorded as payments of current income taxes.

Under statutory accounting practices, fixed maturity investments are valued at amortized cost. Under GAAP, those investments which the Company does not have the ability and intent to hold to maturity are considered to be available for sale and are recorded at market, with the unrealized gain or loss recognized, net of tax, as an increase or decrease to shareholders' equity.

The statutory net income, equity and the contingency reserve liability of the insurance subsidiaries (excluding the non-insurance companies) are as follows:

Year Ended December 31,	Net Income	Equity	Contingency Reserve
	(In thousands of dollars)		
1996	$ 67,094	$ 274,118	$1,317,438
1995	38,975	229,305	1,030,232
1994	11,462	202,516	781,438

The differences between the statutory net income and equity presented above for the insurance subsidiaries and the consolidated net income and equity presented on a GAAP basis primarily represent the differences between GAAP and statutory accounting practices.

The Company has two stock option plans which permit certain officers and employees to purchase common stock at specified prices, not less than the market price at the date the options were granted. A summary of activity in the stock option plans during 1994, 1995 and 1996 is as follows:

	Average Exercise Price	Shares Subject to Option
Outstanding, December 31, 1993.........$	8.36	1,275,800
Granted..............................	31.25	703,000
Exercised............................	5.59	(84,200)
Canceled.............................	15.44	(25,000)
Outstanding, December 31, 1994.........	17.00	1,869,600
Granted..............................	36.15	33,333
Exercised............................	8.98	(225,390)
Canceled.............................	30.62	(21,260)
Outstanding, December 31, 1995.........	18.30	1,656,283
Granted..............................	61.14	30,667
Exercised............................	9.60	(318,327)
Canceled.............................	30.81	(66,310)
Outstanding, December 31, 1996......... $	20.80	1,302,313

The exercise price of the options granted in 1995 and 1996 was equal to the market value of the stock on the date of grant. The options are exercisable between one and ten years after the date of grant. At December 31, 1996, 1,146,042 shares were available for future grant under the stock option plans.

The Company adopted the disclosure only option under Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation. If the accounting provisions of the new Statement had been adopted as of the beginning of 1995, the effect on 1995 and 1996 net income would have been immaterial.

The following is a summary of stock options outstanding at December 31, 1996:

	Options Outstanding			Options Exercisable	
Exercise Price Range	Shares	Remaining Average Life (yrs.)	Average Exercise Price	Shares	Average Exercise Price
$5.00 - $6.89	551,100	3.8	$ 6.58	551,100	$ 6.58

$19.25 - $41.75	720,546	6.8	29.95	290,750	28.74
$53.375 - $64.375	30,667	9.2	61.14	-	-
Total	1,302,313	5.6	$ 20.80	841,850	$ 14.24

At December 31, 1995 and 1994, option shares of 837,372 and 772,560 were exercisable at an average exercise price of $10.41 and $7.10, respectively. The Company also granted an immaterial amount of equity instruments other than options during 1995 and 1996.

11. Leases

The Company leases certain office space as well as data processing equipment and autos under operating leases that expire during the next six years. Generally, all rental payments are fixed.

Total rental expense under operating leases was $5.1 million, $4.5 million and $5.8 million in 1996, 1995 and 1994, respectively.

At December 31, 1996, minimum future operating lease payments are as follows (in thousands of dollars):

1997.............	$ 4,223
1998.............	1,884
1999.............	941
2000.............	497
2001.............	309
2002.............	40
Total	$ 7,894

12. Contingencies

The Company is involved in litigation in the normal course of business. In the opinion of management, the ultimate disposition of the pending litigation will not have a material adverse effect on the financial position of the Company.

MGIC is a defendant in a lawsuit commenced by a borrower challenging the necessity of maintaining mortgage insurance in certain circumstances, primarily when the loan-to-value ratio is below 80%. The lawsuit purports to be brought on behalf of a class of borrowers. This case appears to be based to some degree upon guidelines issued by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association to their respective mortgage servicers under which the mortgage servicers may be required in certain circumstances to cancel borrower-purchased insurance upon the borrower's request. The plaintiff alleges that MGIC has a common law duty to inform a borrower that the insurance may be canceled in these circumstances. The relief sought is equitable relief as well as the return of premiums paid after the insurance was cancelable under the applicable guidelines. The Company believes that MGIC has a meritorious defense to this action in that, in the absence of a specific statute (no statutory duty other than under a general consumer fraud statute is alleged), there appears to be no legal authority requiring a mortgage insurer to inform a borrower that insurance may be canceled. Summary judgment was granted to MGIC in another case involving similar issues. Similar cases are pending against other mortgage insurers, mortgage lenders and mortgage loan servicers.

See note 9 for a description of federal income tax contingencies.

1996

Report of Independent Accountants

To the Board of Directors & Shareholders of MGIC Investment Corporation

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of operations, of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of MGIC Investment Corporation and Subsidiaries (the "Company") at December 31, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP

Milwaukee, Wisconsin
January 8, 1997

1996

Unaudited Quarterly Financial Data

1996	Quarter First	Second	Third	Fourth	1996 Year
	(In thousands of dollars, except per share data)				
Net premiums written.....	$ 123,528	$ 141,584	$ 158,532	$ 165,283	$ 588,927
Net premiums earned	144,640	150,727	156,779	164,897	617,043
Investment income, net of expenses	24,261	25,191	26,926	28,977	105,355
Losses incurred, net.....	56,837	56,889	60,247	60,377	234,350
Underwriting and other expenses	35,704	37,626	36,401	36,752	146,483
Net income	58,460	62,650	65,785	71,096	257,991
Net income per share (a)	0.98	1.05	1.11	1.19	4.33

1995	Quarter First	Second	Third	Fourth	1995 Year
	(In thousands of dollars, except per share data)				
Net premiums written.....	$ 97,914	$ 118,143	$ 127,710	$ 136,545	$ 480,312
Net premiums earned......	114,415	122,358	130,611	139,116	506,500
Investment income, net of expenses........	20,295	21,205	22,339	23,704	87,543
Losses incurred, net.....	43,338	44,009	49,687	52,948	189,982
Underwriting and other expenses	34,317	35,105	33,892	34,245	137,559
Net income	45,218	49,945	53,664	58,738	207,565
Net income per share (a)....................	0.76	0.84	0.90	0.99	3.50

(a) Due to the use of weighted average shares outstanding when calculating earnings per share, the sum of the quarterly per share data may not equal the per share data for the year.

MGIC Stock

MGIC Investment Corporation Common Stock is listed on the New York Stock Exchange under the symbol MTG. At December 31, 1996, 58,950,434 shares were outstanding. The following table sets forth for 1995 and 1996 by quarter the high and low sales prices of the Company's common stock on the New York Stock Exchange Composite Tape.

	1995		1996	
Quarters	High	Low	High	Low
1st	$42.375	$32.75	$65.25	$50.50
2nd	52.25	40.375	61.50	51.625
3rd	58.375	46.125	69.50	53.50
4th	62.00	49.50	77.75	66.125

In 1995 and 1996 the Company declared and paid the following cash dividends.

Quarters	1995	1996
1st	$.04	$.04
2nd	.04	.04
3rd	.04	.04
4th	.04	.04
	$.16	$.16

See Note 10 to the Consolidated Financial Statements for information relating to restrictions on the payment of cash dividends.

As of February 25, 1997, the number of shareholders of record was 366. In addition, there were an estimated 33,000 beneficial owners of shares held by brokers and fiduciaries.

EXHIBIT 21

MGIC INVESTMENT CORPORATION

DIRECT AND INDIRECT SUBSIDIARIES OF MGIC INVESTMENT CORPORATION

1. MGIC Assurance Corporation
2. MGIC Insurance Services Corporation
3. MGIC Investor Services Corporation
4. MGIC Mortgage Insurance Corporation
5. MGIC Mortgage Marketing Corporation
6. MGIC Mortgage Reinsurance Corporation
7. MGIC Mortgage Securities Corporation
8. MGIC Real Estate Servicing Corporation
9. MGIC Reinsurance Corporation
10. MGIC Reinsurance Corporation of Wisconsin
11. MGIC Residential Reinsurance Corporation
12. Mortgage Guaranty Insurance Corporation
13. Mortgage Guaranty Reinsurance Corporation

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1 As of March 1, 1997. All subsidiaries listed are 100% directly or indirectly owned by the registrant and all are incorporated in Wisconsin.

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements listed below of MGIC Investment Corporation of our report dated January 8, 1997 appearing on page 27 of the 1996 Annual Report to Shareholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the financial Statement Schedules, which appears on page 32 of this Form 10-K.

1. Registration Statement on Form S-8 (Registration No. 33-42120)

2. Registration Statement on Form S-8 (Registration No. 33-43543)

PRICE WATERHOUSE LLP

Milwaukee, Wisconsin
March 12, 1997

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

YEAR
DEC-31-1996
DEC-31-1996
1,892,081
0
0
4,039
0
0
2,036,234
143,975
0
31,956
2,222,315
514,042
219,307
0
0
35,424
0
0
60,555
1,305,560
2,222,315
617,043
105,355
1,220
22,013
234,350
6,000
140,483
365,028
107,037
257,991
0
0
0
257,991
4.33
4.33
372,833
312,630
(78,280)
16,872
106,096
484,215
0