FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended SEPTEMBER 30, 1996

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
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.)
250 E. KILBOURN AVENUE MILWAUKEE, WISCONSIN	53202
(Address of principal executive offices)	(Zip Code)

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS OF STOCK	PAR VALUE	DATE	NUMBER OF SHARES
Common stock	$1.00	9/30/96	58,947,927

MGIC INVESTMENT CORPORATION
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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
September 30, 1996 (Unaudited) and December 31, 1995

	September 30, 1996	December 31, 1995
ASSETS	(In thousands of dollars)	
Investment portfolio:		
Securities, available-for-sale, at market value:		
Fixed maturities	$1,813,866	$1,602,806
Equity securities	3,836	3,836
Short-term investments	117,033	80,579
Total investment portfolio	1,934,735	1,687,221
Cash	7,949	9,685
Accrued investment income	26,921	29,213
Reinsurance recoverable on loss reserves	29,482	33,856
Reinsurance recoverable on unearned premiums	11,635	15,485
Home office and equipment, net	35,655	38,782
Deferred insurance policy acquisition costs	33,456	37,956
Other assets	25,731	22,521
Total assets	$2,105,564	$1,874,719
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Loss reserves	$ 486,204	$ 371,032
Unearned premiums	220,721	251,163
Mortgages payable	35,516	35,799
Income taxes payable	16,174	33,686
Checks payable	11,697	9,771
Other liabilities	52,803	51,876
Total liabilities	823,115	753,327
Contingencies (note 2)		
Shareholders' equity:		
Common stock, $1 par value, shares authorized 150,000,000; shares issued 60,555,400; shares outstanding, 9/30/96 - 58,947,927; 1995 - 58,629,420	60,555	60,555
Paid-in surplus	268,415	259,430
Treasury stock (shares at cost, 9/30/96 - 1,607,473; 1995 - 1,925,980)	(7,084)	(8,172)
Unrealized appreciation in investments, net of tax	25,896	54,737
Retained earnings	934,667	754,842
Total shareholders' equity	1,282,449	1,121,392
Total liabilities and shareholders' equity	$2,105,564	$1,874,719

See accompanying notes to consolidated financial statements.

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
Three and Nine Month Periods Ended September 30, 1996 and 1995
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1996	1995	1996	1995
	(In thousands of dollars, except per share data)			
Revenues:				
Premiums written:				
Direct	$152,544	$130,896	$421,203	$352,074
Assumed	10,131	2,045	13,393	6,081
Ceded	(4,143)	(5,231)	(10,952)	(14,388)
Net premiums written	158,532	127,710	423,644	343,767
(Increase) decrease in unearned premiums	(1,753)	2,901	28,502	23,617
Net premiums earned	156,779	130,611	452,146	367,384
Investment income, net of expenses	26,926	22,339	76,378	63,839
Realized investment gains, net	566	86	979	43
Other revenue	5,405	6,308	17,081	16,840
Total revenues	189,676	159,344	546,584	448,106
Losses and expenses:				
Losses incurred, net	60,247	49,687	173,973	137,034
Underwriting and other expenses	36,401	33,892	109,731	103,314
Interest expense	952	962	2,843	2,861
Ceding commission	(958)	(1,111)	(3,100)	(3,584)
Total losses and expenses	96,642	83,430	283,447	239,625
Income before tax	93,034	75,914	263,137	208,481
Provision for income tax	27,249	22,250	76,242	59,654
Net income	$ 65,785	$ 53,664	$186,895	$148,827
Net income per share	$ 1.11	$ 0.90	$ 3.14	$ 2.51
Weighted average common shares outstanding (shares in thousands)	59,497	59,343	59,464	59,249
Dividends per share	$ 0.04	$ 0.04	$ 0.12	$ 0.12

See accompanying notes to consolidated financial statements.

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
Nine Months Ended September 30, 1996 and 1995
(Unaudited)

	Nine Months Ended September 30, 1996	1995
	(In thousands of dollars)	
Cash flows from operating activities:		
Net income	$186,895	$148,827
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred insurance policy acquisition costs	23,332	25,978
Increase in deferred insurance policy acquisition costs	(18,832)	(21,660)
Depreciation and amortization	6,884	6,443
Decrease in accrued investment income	2,292	393
Decrease (increase) in reinsurance recoverable on loss reserves	4,374	(695)
Decrease in reinsurance recoverable on unearned premiums	3,850	3,710
Increase in loss reserves	115,172	69,739
Decrease in unearned premiums	(30,442)	(27,328)
Other	(3,508)	(2,636)
Net cash provided by operating activities	290,017	202,771
Cash flows from investing activities:		
Purchase of fixed maturities:		
Available-for-sale securities	(859,864)	(348,216)
Held-to-maturity securities	-	(26,987)
Proceeds from sale or maturity of fixed maturities:		
Available-for-sale securities	601,845	90,214
Held-to-maturity securities	-	19,653
Net cash used in investing activities	(258,019)	(265,336)
Cash flows from financing activities:		
Dividends paid to shareholders	(7,070)	(7,023)
Principal repayments on mortgages payable	(283)	(265)
Reissuance of treasury stock	10,073	5,503
Net cash provided by (used in) financing activities	2,720	(1,785)
Net increase (decrease) in cash and short-term investments	34,718	(64,350)
Cash and short-term investments at beginning of year	90,264	167,289
Cash and short-term investments at end of period	$124,982	$102,939

See accompanying notes to consolidated financial statements.

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 1996
(Unaudited)

Note 1 - Basis of presentation

The accompanying unaudited consolidated financial statements of MGIC Investment Corporation (the "Company") and its wholly-owned subsidiaries have been prepared in accordance with the instructions to Form 10-Q and do not include all of the other information and disclosures required by generally accepted accounting principles. These statements should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 1995 included in the Company's Annual Report on Form 10-K for that year.

The accompanying consolidated financial statements have not been audited by independent accountants in accordance with generally accepted auditing standards, but in the opinion of management such financial statements include all adjustments, consisting only of normal recurring accruals, necessary to summarize fairly the Company's financial position and results of operations. The results of operations for the nine months ended September 30, 1996 may not be indicative of the results that may be expected for the year ending December 31, 1996.

Note 2 - Contingencies

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.

The Company is also 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.

In addition to the litigation referred to above, Mortgage Guaranty Insurance Corporation ("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 cancelled in these circumstances. The relief sought is equitable relief as well as the return of premiums paid after the insurance was cancellable 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 cancelled. 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.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Consolidated Operations

Three Months Ended September 30, 1996 Compared With Three Months Ended September 30, 1995

Net income for the three months ended September 30, 1996 was $65.8 million, compared to $53.7 million for the same period of 1995, an increase of 23%. Net income per share for the three months ended September 30, 1996 was $1.11 compared to $0.90 in the same period last year, an increase of 23%.

The amount of new primary insurance written by Mortgage Guaranty Insurance Corporation ("MGIC") during the three months ended September 30, 1996 was $8.6 billion, compared to $9.0 billion in the same period of 1995. Refinancing activity accounted for 10% of new primary insurance written in the third quarter of 1996, compared to 13% in the third quarter of 1995.

New insurance written for the third quarter of 1996 reflected an increase in the usage of the monthly premium product to 90% of new insurance written from 86% of new insurance written in the third quarter of 1995. New insurance written for adjustable-rate mortgages ("ARMS") increased to 31% of new insurance written in the third quarter of 1996 from 25% of new insurance written in the same period of 1995.

The $8.6 billion of new primary insurance written during the third quarter of 1996 was partially offset by the cancellation of $5.0 billion of insurance in force, and resulted in a net increase of $3.6 billion in primary insurance in force, compared to new primary insurance written of $9.0 billion, the cancellation of $4.4 billion, and a net increase of $4.6 billion during the third quarter of 1995. Direct primary insurance in force was $128.6 billion at September 30, 1996 compared to $116.7 billion at September 30, 1995.

Net premiums written were $158.5 million during the third quarter of 1996, compared to $127.7 million during the third quarter of 1995, an increase of $30.8 million or 24%. The increase includes premiums received from the WMAC transaction (as described under Liquidity and Capital Resources) as well as the growth in insurance in force.

Net premiums earned were $156.8 million for the third quarter of 1996, compared to $130.6 million for the third quarter of 1995, an increase of $26.2 million, or 20%, primarily reflecting the growth of insurance in force.

Investment income for the third quarter of 1996 was $26.9 million, an increase of 21% over the $22.3 million in the third quarter of 1995. This increase was primarily the result of an increase in the amortized cost of average invested assets to $1,828.3 million for the third quarter of 1996 from $1,485.0 million for the third quarter of 1995, an increase of 23%. The portfolio's average pre-tax investment yield was 5.9% for the third quarter of 1996 compared to 6.0% in the same period of 1995. The portfolio's average after-tax investment yield was 5.0% for the third quarter of 1996 compared to 5.2% for the third quarter of 1995.

Other revenue, primarily contracts with government agencies for premium reconciliation and claim administration and fee-based services for underwriting, was $5.4 million in the third quarter of 1996, compared to $6.3 million in the same period of 1995. The decrease is primarily due to a decrease in fees from contracts with government agencies.

Net losses incurred increased to $60.2 million during the third quarter of 1996 from $49.7 million during the third quarter of 1995, an increase of 21%. Such increase was primarily a result of higher reserve levels necessitated by increased notice of default activity on loans insured in 1994 and 1995, the continued growth and maturation of the insurance in force and higher coverages for business written during 1995 and 1996. 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 of loans insured in 1994 and 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 September 30, 1996, 58% of MGIC's insurance in force was written during the preceding eleven quarters, compared to 70% at September 30, 1995. The highest claim frequency years have typically been the third through fifth year 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. (See Safe Harbor Statement at the end of this document.)

Underwriting and other expenses increased 7% to $36.4 million in the third quarter of 1996 from $33.9 million in the third quarter of 1995. This increase 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 premiums written.

The consolidated insurance operations loss ratio was 38.4% for the third quarter of 1996 compared to 38.0% for the third quarter of 1995. The consolidated insurance operations expense and combined ratios were 19.8% and 58.2%, respectively, for the third quarter of 1996 compared to 22.3% and 60.3% for the third quarter of 1995.

The effective tax rate was 29.3% in the third quarter of 1996 and 1995. During both periods, the effective tax rate was below the statutory rate of 35%, reflecting the benefits of tax-preferenced investment income.

Nine Months Ended September 30, 1996 Compared With Nine Months Ended September 30, 1995

Net income for the nine months ended September 30, 1996 was $186.9 million, compared to $148.8 million for the same period of 1995, an increase of 26%. Net income per share for the nine months ended September 30, 1996 was $3.14 compared to $2.51 in the same period last year, an increase of 25%.

The amount of new primary insurance written by MGIC during the nine months ended September 30, 1996 was $25.1 billion, compared to $22.1 billion in the same period of 1995. Refinancing activity accounted for 19% of new primary insurance written in the first nine months of 1996, compared to 9% in the first nine months of 1995.

New insurance written for 1996 reflected an increase in the usage of the monthly premium product to 90% of new insurance written from 82% of new insurance written in the first nine months of 1995. New insurance written for ARMS decreased to 24% of new insurance written in the first three quarters of 1996 from 36% of new insurance written in the same period of 1995. Also, mortgages with loan-to-value ("LTV") ratios in excess of 90% but not more than 95% ("95%") decreased to 41% of new insurance written in the first nine months of 1996 from 44% of new insurance written in the same period of 1995.

Principally as a result of changes in the coverage requirements by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, new insurance written for mortgages with LTV ratios in excess of 80% but not more than 90% and coverage of 25% was 39% of new insurance written in the first nine months of 1996 compared to 31% in the same period of 1995. New insurance written for mortgages with LTV ratios of 95% and coverage of 30% was 38% of new insurance written in the first nine months of 1996 compared to 33% in the first nine months of 1995.

The $25.1 billion of new primary insurance written during the first three quarters of 1996 was partially offset by the cancellation of $16.8 billion of insurance in force, and resulted in a net increase of $8.3 billion in primary insurance in force, compared to new primary insurance written of $22.1 billion, the cancellation of $9.8 billion, and a net increase of $12.3 billion during the first three quarters of 1995. Direct primary insurance in force was $128.6 billion at September 30, 1996 compared to $116.7 billion at September 30, 1995.

Cancellation activity increased in the first nine months of 1996 from the first nine months of 1995 due to the increased refinancing activity which resulted in a decrease in the MGIC persistency rate (percentage of insurance remaining in force from one year prior) to 81.7% at September 30, 1996 from 87.1% at September 30, 1995.

Net premiums written were $423.6 million during the first nine months of 1996, compared to $343.8 million during the first nine months of 1995, an increase of $79.8 million or 23%. The increase includes premiums received from the WMAC transaction (as described under Liquidity and Capital Resources) as well as the growth in insurance in force.

Net premiums earned were $452.1 million for the first nine months of 1996, compared to $367.4 million for the first nine months of 1995, an increase of $84.7 million, or 23%, primarily reflecting the growth of insurance in force.

Investment income for 1996 was $76.4 million, an increase of 20% over the $63.8 million in the first nine months of 1995. This increase was primarily the result of an increase in the amortized cost of average invested assets to $1,749.0 million for the first nine months of 1996 from $1,428.0 million for the first nine months of 1995, an increase of 22%. The portfolio's average pre-tax investment yield was 5.8% for the first nine months of 1996 compared to 6.0% in the first nine months of 1995. The portfolio's average after-tax investment yield was 5.1% for 1996 compared to 5.2% for the first nine months of 1995.

Other revenue, primarily contracts with government agencies for premium reconciliation and claim administration, and fee-based services for underwriting, was $17.1 million in the first nine months of 1996, compared to $16.8 million in the same period of 1995. Fees from underwriting services increased $2.4 million, offset by a decrease in fees from contracts with government agencies of $2.2 million.

Ceding commission for 1996 was $3.1 million, compared to $3.6 million for the first nine months of 1995, a decrease of 14%. The decrease was primarily attributable to reductions in premiums ceded under quota share reinsurance agreements.

Net losses incurred increased to $174.0 million during the first nine months of 1996 from $137.0 million during the first nine months of 1995, an increase of 27%. Such increase was primarily a result of higher reserve levels necessitated by increased notice of default activity on loans insured in 1994 and 1995, the continued growth and maturation of the insurance in force and higher coverages for business written during 1995 and 1996. 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 1994 and 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 September 30, 1996, 58% of MGIC's insurance in force was written during the preceding eleven quarters, compared to 70% at September 30, 1995. The highest claim frequency years have typically been the third through fifth year 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. (See Safe Harbor Statement at the end of this document.)

Underwriting and other expenses increased 6% to $109.7 million in the first nine months of 1996 from $103.3 million in the same period of 1995. This increase 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 premiums written.

The consolidated insurance operations loss ratio was 38.5% for the first nine months of 1996 compared to 37.3% for the same period of 1995. The consolidated insurance operations expense and combined ratios were 22.4% and 60.9%, respectively, for the first nine months of 1996 compared to 26.0% and 63.3% for the first nine months of 1995.

The effective tax rate was 29.0% in the first nine months of 1996, compared to 28.6% in the same period of 1995. During both periods, 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.

Liquidity and Capital Resources

The Company's consolidated sources of funds consist primarily of premiums written and investment income. The Company generated positive cash flows from operating activities for the nine months ended September 30, 1996, as shown on the Consolidated Statement of Cash Flows. Funds are applied primarily to the payment of claims and expenses. The Company's business does not require significant capital expenditures on an ongoing basis. 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 are secured by the home office and substantially all of the furniture and fixtures of the Company.

In September 1996, MGIC 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 transaction"). WMAC wrote mortgage insurance on first mortgages collateralized by one-to-four-family residences until February 28, 1985.

Under the agreement, MGIC 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 MGIC increased to approximately $6.2 billion (representing approximately $1.6 billion of risk in force), with the portion of WMAC's insurance in force reinsured by MGIC increasing from approximately 21% to approximately 65%. MGIC 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 total investments were $1,934.7 million at September 30, 1996, compared to $1,687.2 million at December 31, 1995, an increase of 15%. This increase is due primarily to positive cash flow from operations and approximately $40 million received in conjunction with the WMAC transaction offset by a decrease of $44.4 million in unrealized gains. The investment portfolio includes unrealized gains on securities marked to market at September 30, 1996 and December 31, 1995 of $39.8 million and $84.2 million, respectively. As of September 30, 1996, the Company had $117.0 million of short-term investments with maturities of 90 days or less. In addition, at September 30, 1996, based on amortized cost, the Company's total investments, which were virtually all comprised of fixed maturities, were approximately 98% invested in "A" rated and above, readily marketable securities, concentrated in maturities of less than 15 years.

Consolidated loss reserves increased 31% to $486.2 million at September 30, 1996 from $371.0 million at December 31, 1995, reflecting the higher level of defaults for the reasons described above 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 $30.5 million from $251.2 million at December 31, 1995 to $220.7 million at September 30, 1996, primarily reflecting the continued high level of monthly premium policies written, for which there is no unearned premium. Reinsurance recoverable on unearned premiums decreased $3.9 million to $11.6 million at September 30, 1996 from $15.5 million at December 31, 1995, primarily reflecting the reduction in unearned premiums.

Consolidated shareholder's equity increased to $1,282.4 million at September 30, 1996, from $1,121.4 million at December 31, 1995, an increase of 14%. This increase consisted of $186.9 million of net income during the first nine months of 1996 and $10.0 million from the reissuance of treasury stock, offset by a decrease in net unrealized gains on investments of $28.8 million, net of tax, and dividends declared of $7.1 million.

MGIC is the principal insurance subsidiary of the Company. MGIC's risk-to-capital was 18.6:1 at September 30, 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 $3.5 billion resulting from the $11.2 billion addition to insurance in force, net of reinsurance, during the first nine months of 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 19.3:1 at September 30, 1996, compared to 19.9:1 at December 31, 1995. The decrease was due to the same reasons as described above.

SAFE HARBOR STATEMENT

The following is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995, which applies as follows to all statements relating to incurred losses, delinquency activity and claims frequency in this Form 10-Q that are not historical facts:

> Such statements that are not historical facts are forward looking statements. Actual future incurred losses, increased delinquency activity and claims frequency may differ materially from those expected or projected in the forward looking statements. These forward looking statements involve risks and uncertainties that the incidence and severity of losses, delinquencies and claims may increase beyond expectations or projections for various reasons, including but not limited to, the following: a reduction in the growth of borrower income, a reduced level of borrower creditworthiness, and increased unemployment; higher interest rates and adverse economic conditions; and a reduced level of housing price appreciation and a reduced ability of homeowners to sell homes to satisfy their mortgage obligations.

PART II. OTHER INFORMATION

ITEM 5. OTHER INFORMATION

For a discussion of certain litigation brought by borrowers challenging the necessity of maintaining mortgage insurance in certain circumstances, see the last paragraph of Note 2 to the Consolidated Financial Statements (Unaudited) of the Company contained in Part I above.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits - The exhibits listed in the accompanying Index to Exhibits are filed as part of this Form 10-Q.

(b) Reports on Form 8-K

No reports were filed on Form 8-K during the quarter ended September 30, 1996.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, on November 11, 1996.

MGIC INVESTMENT CORPORATION

/s/ J. Michael Lauer

J. Michael Lauer
Executive Vice President and
Chief Financial Officer

/s/ Patrick Sinks

Patrick Sinks
Vice President, Controller and
Chief Accounting Officer

INDEX TO EXHIBITS
(Item 6)

Exhibit Number	Description of Exhibit
11.1	Statement Re Computation of Net Income Per Share
27	Financial Data Schedule

EXHIBIT 11.1

MGIC INVESTMENT CORPORATION AND SUBSIDIARIES
STATEMENT RE COMPUTATION OF NET INCOME PER SHARE
Three and Nine Month Periods Ended September 30, 1996 and 1995

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1996	1995	1996	1995
	(In thousands of dollars, except per share data)			
PRIMARY NET INCOME PER SHARE				
Adjusted shares outstanding:				
Average common shares outstanding	58,933	58,589	58,875	58,515
Net shares to be issued upon exercise of dilutive stock options after applying treasury stock method	564	754	589	734
Adjusted shares outstanding	59,497	59,343	59,464	59,249
Net income	$ 65,785	$ 53,664	$186,895	$148,827
Primary net income per share	$ 1.11	$ 0.90	$ 3.14	$ 2.51
FULLY DILUTED NET INCOME PER SHARE				
Adjusted shares outstanding:				
Average common shares outstanding	58,933	58,589	58,875	58,515
Net shares to be issued upon exercise of dilutive stock options after applying treasury stock method	589	782	628	824
Adjusted shares outstanding	59,522	59,371	59,503	59,339
Net income	$ 65,785	$ 53,664	$186,895	$148,827
Fully diluted net income per share	$ 1.11	$ 0.90	$ 3.14	$ 2.51

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This schedule contains summary information extracted from Form 10-Q for the nine months ended September 30, 1996 and is qualified in its entirety by reference to such financial statements.

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DEC-31-1996
SEP-30-1996
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1934735
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