MGIC INVESTMENT CORP
Form 424B5
March 08, 2013

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-166175

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Senior Debt Securities Common Stock, $1.00 par value(3) Common Stock Purchase Rights(4)	$500,000,000	$68,200

(1) Includes $50,000,000 aggregate principal amount of senior debt securities to be sold upon exercise of the underwriters' over-allotment option.

(2) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

(3) No additional consideration will be received for the common stock, and therefore no registration fee is required pursuant to Rule 457(i).

(4) The common share purchase rights are attached to and traded with the shares of common stock being registered. The value attributable to the common share purchase rights, if any, is reflected in the value attributable to the common stock.

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Prospectus Supplement to Prospectus dated April 20, 2010

$450,000,000

MGIC INVESTMENT CORPORATION

2.00% Convertible Senior Notes Due 2020

We are offering $450,000,000 aggregate principal amount of our 2.00% convertible senior notes due 2020 (the "notes"). We will pay interest on the notes semi-annually, in arrears, on April 1 and October 1 of each year, beginning October 1, 2013, to holders of record at the close of business on the preceding March 15 and September 15, respectively. The notes will mature on April 1, 2020.

Holders will be able to convert their notes, subject to the terms and conditions described here, at their option before the close of business on the business day immediately preceding January 1, 2020 only under the following circumstances: (1) during any calendar quarter commencing after March 31, 2014 (and only during such calendar quarter), if the last reported sale price of our common stock for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (we refer to this five consecutive trading day period as the "measurement period") in which the trading price per $1,000 principal amount of notes, as determined following a request by a holder of notes in accordance with the indenture, for each trading day during that measurement period was less than 98% of the product of the last reported sale price of the common stock and the applicable conversion rate on such trading day; (3) any time prior to the close of business on the business day prior to the redemption date if we call the notes for redemption; or (4) upon the occurrence of specified corporate events. However, on or after January 1, 2020, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their notes at any time, regardless of the conditions specified above.

The notes will initially be convertible at a conversion rate of 143.8332 shares of common stock per $1,000 principal amount of the notes (which is equivalent to a conversion price of approximately $6.95 per share), subject to adjustment upon the occurrence of certain events.

At any time on or after April 10, 2017, we may redeem all or part of the notes, but only if the last reported sale price of our common stock for 20 or more trading days (whether consecutive or not), including the trading day immediately preceding the date on which we provide notice of redemption, in a period of 30 consecutive trading days ending on the trading day prior to the date we provide notice of redemption exceeds 130% of the conversion price in effect on each such trading day. The redemption price will be equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date (unless the redemption date falls after a regular record date but on or prior to the immediately succeeding interest payment date, in which case we will pay the full amount of accrued and unpaid interest to the holder of record as of the close of business on such regular record date, and the redemption price will be equal to 100% of the principal amount of the notes to be redeemed).

Upon the occurrence of a fundamental change, holders may require us to repurchase some or all of their notes for cash at a price equal to 100% of the principal amount of the notes being repurchased, plus accrued and unpaid interest, if any. In addition, if a make-whole adjustment event occurs, we may be required in certain circumstances to increase the conversion rate for any notes converted in connection with such make-whole adjustment event by a specified number of shares of our common stock.

The notes are our senior unsecured obligations and will be equal in right of payment to all our existing and future senior debt and will be senior in right of payment to our existing and future subordinated debt. The notes will effectively rank junior to any future secured indebtedness of ours to the extent of the value of the assets securing such indebtedness and to all existing and future liabilities, including claims with respect to insured policies and trade payables, of our subsidiaries.

We do not intend to apply for listing of the notes on any securities exchange. Our common stock is traded on the New York Stock Exchange under the symbol "MTG". On March 6, 2013, the last sale price of our common stock as reported on the New York Stock Exchange was $5.61 per share.

Before making any investment in the notes, you should carefully consider the risks that are described in the "Risk Factors" section beginning on page S-12 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial price to public(1)	100.00%	$450,000,000
Underwriting discount	3.00%	$ 13,500,000
Proceeds, before expenses, to us	97.00%	$436,500,000

(1) Plus accrued interest from March 12, 2013, if settlement occurs after that date.

To the extent that the underwriters sell more than $450,000,000 principal amount of the notes, the underwriters have the option to purchase up to an additional $50,000,000 principal amount of the notes from us at the initial price to public less the underwriting discount.

The underwriters expect to deliver the notes to purchasers in book-entry form only, through The Depository Trust Company, on or about March 12, 2013 in New York, New York, against payment therefor in immediately available funds.

Sole Book-Running Manager

Goldman, Sachs & Co.

Dowling & Partners Securities, LLC	**FBR**	**Barclays**	**Keefe, Bruyette & Woods** *A Stifel Company*

Prospectus Supplement dated March 6, 2013.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the "prospectus", we are referring to both parts combined.

If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement. This prospectus supplement, the accompanying prospectus, any other offering material and the documents incorporated into each by reference include important information about us, the notes being offered and other information you should know before investing. You should read this prospectus supplement and the accompanying prospectus as well as additional information described under "Where You Can Find More Information" in the accompanying prospectus before investing in the notes.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any other offering material we or the underwriters provide. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date of this prospectus supplement or the accompanying prospectus, as the case maybe, or in the case of the documents incorporated by reference, the date of such documents, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sales the notes. Our business, financial condition, results of operations and prospects may have changed since those dates.

Unless the context otherwise requires, the terms "Company", "we", "our" and "us" and other similar terms mean MGIC Investment Corporation and its consolidated subsidiaries. References to "MGIC" means Mortgage Guaranty Insurance Corporation, and references to "MIC" mean MGIC Indemnity Corporation. MGIC and MIC are our primary insurance subsidiaries. The description of our business in this prospectus generally does not apply to our Australian operations which have historically been immaterial.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and any other offering material, and the documents incorporated by reference in this prospectus supplement, the accompanying prospectus and any other offering material, contain statements that we believe to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than historical facts, including, without limitation, statements regarding our future financial position, business strategy, projected revenues, claims, earnings, costs, debt and equity levels, and plans and objectives of management for future operations, are forward-looking statements. When used in this prospectus supplement, the accompanying prospectus, any other offering material and the documents incorporated by reference, words such as we "expect", "intend", "plan", "estimate", "anticipate", "believe" or "should" or the negative thereof or variations thereon or similar terminology are generally intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such statements. Some, but not all, of the risks and uncertainties include the factors described under "Risk Factors".

We urge you to consider these factors before investing in the notes. The forward-looking statements included in this prospectus supplement, the accompanying prospectus and any other offering material, or in the documents incorporated by reference into this prospectus supplement, the accompanying prospectus and any other offering material, are made only as of the date of the prospectus supplement, the accompanying prospectus, any other offering material or the incorporated document, and we undertake no obligation to publicly update these statements to reflect subsequent events or circumstances.

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SUMMARY

The information below is only a summary of more detailed information included elsewhere in, or incorporated by reference in, this prospectus supplement and the accompanying prospectus. This summary may not contain all the information that is important to you or that you should consider before making a decision to invest in the notes. For a more complete understanding of us and this offering, please read this entire prospectus supplement and the accompanying prospectus, especially the risks of investing in the notes discussed under "Risk Factors", as well as the information incorporated by reference in this prospectus supplement and the accompanying prospectus, carefully.

MGIC Investment Corporation

We are a holding company and through wholly-owned subsidiaries we are the largest private mortgage insurer in the United States, as measured by $162.1 billion of domestic primary insurance in force at December 31, 2012. In 2012, our net premiums written were $1.0 billion and our primary new insurance written was $24.1 billion. As of December 31, 2012, our direct primary risk in force was $41.7 billion. For further information about our results of operations, see our consolidated financial statements in Item 8 of our annual report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference in this prospectus supplement and the accompanying prospectus. As of December 31, 2012, our principal mortgage insurance subsidiaries, MGIC and MIC, were each licensed in all 50 states of the United States, the District of Columbia and Puerto Rico. During 2012, we wrote new insurance in each of those jurisdictions in MGIC and/or MIC. We capitalized MIC to write new insurance in certain jurisdictions where MGIC no longer meets, and is unable to obtain a waiver of, those jurisdictions' minimum capital requirements. For more information about the formation of MIC and our plans to utilize it to continue writing new insurance, see "Risk Factors   Risks Related to Our Business   Capital requirements may prevent us from continuing to write new insurance on an uninterrupted basis". In addition to mortgage insurance on first mortgage loans, we, through subsidiaries other than MGIC and MIC, provide lenders with various underwriting and other services and products related to home mortgage lending.

The insurance laws of 16 jurisdictions, including Wisconsin, our domiciliary state, require a mortgage insurer to maintain a minimum amount of statutory capital relative to the risk in force (or a similar measure) in order for the mortgage insurer to continue to write new business. We refer to these requirements as the "Capital Requirements." At December 31, 2012, MGIC did not meet those Capital Requirements. The Office of the Commissioner of Insurance of the State of Wisconsin (the "OCI") waived its Capital Requirements for MGIC until December 31, 2013. For information concerning the conditions and limitations to the OCI's waiver of Capital Requirements, see "Risk Factors   Risks Related to Our Business   Capital requirements may prevent us from continuing to write new insurance on an uninterrupted basis". MGIC applied for waivers in the other jurisdictions with Capital Requirements and, at this time, has active waivers from seven of them.

We funded MIC, a direct subsidiary of MGIC, to write new business in jurisdictions where MGIC no longer meets, and is not able to obtain a waiver of, the Capital Requirements. In the third quarter of 2012, we began writing new mortgage insurance in MIC in those jurisdictions. MIC is licensed to write business in all jurisdictions and has received the necessary approvals from Fannie Mae and Freddie Mac (collectively the "GSEs") and the OCI to write business through December 31, 2013 in all of the jurisdictions that have not waived their Capital Requirements for MGIC. For information concerning the conditions and limitations of those approvals, see "Risk Factors   Risks Related to Our Business   Capital requirements may prevent us from continuing to write new insurance on an uninterrupted basis". It is possible that regulatory action by a jurisdiction without specific Capital Requirements may prevent MGIC from continuing to write new insurance in that jurisdiction due to MGIC's financial condition. Freddie Mac has approved MIC to

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write business through December 31, 2013 in those jurisdictions. Fannie Mae has approved MIC to write business in those jurisdictions for 60 days after MGIC receives notice that it may no longer write business. Under an agreement with Fannie Mae, Fannie Mae may in its discretion extend such approval to no later than December 31, 2013.

The OCI, in its sole discretion, may modify, terminate or extend its waiver of Capital Requirements. If the OCI modifies or terminates its waiver, MGIC could be prevented from writing new business in all jurisdictions. In such a case, our insurance operations in MGIC would be in run-off (meaning no new loans would be insured, but loans previously insured would continue to be covered, with premiums continuing to be received and losses continuing to be paid on those loans) until MGIC either met the Capital Requirements or obtained a necessary waiver to allow it to once again write new business. Furthermore, if the OCI revokes or fails to renew MGIC's waiver, MIC's ability to write new business would be severely limited because the GSEs' approval of MIC is conditioned upon the continued effectiveness of the OCI's waiver of Capital Requirements for MGIC.

Please review our risk factors for more information about factors that could negatively impact MGIC's compliance with Capital Requirements, which depending on the severity of adverse outcomes could exacerbate materially the current non-compliance with Capital Requirements.

Principal Mortgage Insurance Products

In general, there are two principal types of private mortgage insurance: "primary" and "pool". We are currently not issuing new commitments for pool insurance and expect that the volume of any future pool business will be insignificant to us. We refer to the insurance that has been written by MGIC or MIC (since it started writing business in August 2012) as the "MGIC Book."

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 or sale approved by us (collectively, the "claim amount"). In addition to the loan principal, the claim amount is affected by the mortgage note rate and the time necessary to complete the foreclosure or sale process, which can be lengthened due to foreclosure moratoriums and suspensions. For the effect of foreclosure moratoriums and suspensions on the claim amount, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Overview Loan Modification and Other Similar Programs" in Item 7 of our annual report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference in this prospectus supplement and the accompanying prospectus. 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. Primary insurance is generally written on first mortgage loans secured by owner occupied single-family homes, which are one-to-four family homes and condominiums. Primary insurance is also written on first liens secured by non-owner occupied single-family homes, which are referred to in the home mortgage lending industry as investor loans, and on vacation or second homes. 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 our insurance refer only to direct (before giving effect to reinsurance) primary insurance, unless otherwise indicated. References in this document to "primary insurance" include insurance written in bulk transactions that was supplemental to mortgage insurance written in connection with the origination of the loan or that reduces a lender's credit risk to less than 51% of the value of the property. For more than the past five years, reports by private mortgage insurers to the trade association for the private mortgage insurance industry have classified mortgage insurance that is supplemental to other mortgage insurance or that reduces a lender's credit risk to less than 51% of the value of the property as pool insurance. The

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trade association classification is used by members of the private mortgage insurance industry in reports to *Inside Mortgage Finance*.

Primary insurance may be written on a flow basis, in which loans are insured in individual, loan-by-loan transactions, or may be written on a bulk basis, in which each loan in a portfolio of loans is individually insured in a single, bulk transaction. New insurance written on a flow basis was $24.1 billion in 2012, compared to $14.2 billion in 2011 and $12.3 billion in 2010. No new insurance for bulk transactions was written in 2012, 2011 or 2010. We expect the volume of any future business written through the bulk channel will be insignificant to us. In the fourth quarter of 2007, we stopped writing bulk insurance for mortgage loans included in home equity (or "private label") securitizations, which are the terms the market uses to refer to securitizations sponsored by firms other than the GSEs or the Government National Mortgage Association ("Ginnie Mae"), such as Wall Street investment banks. We refer to portfolios of loans we insured through the bulk channel that we knew would serve as collateral in a home equity securitization as "Wall Street bulk transactions."

The following table shows, on a direct basis, primary insurance in force (the unpaid principal balance of insured loans as reflected in our records) and primary risk in force (the coverage percentage applied to the unpaid principal balance) for the MGIC Book as of the dates indicated:

	December 31,				
	2012	**2011**	**2010**	**2009**	**2008**
			(In billions)		
Direct Primary Insurance In Force	$ 162.1	$ 172.9	$ 191.3	$ 212.2	$ 227.0
Direct Primary Risk In Force	$ 41.7	$ 44.5	$ 49.0	$ 54.3	$ 59.0

Pool Insurance. Pool insurance is generally used as an additional "credit enhancement" for certain secondary market mortgage transactions. Pool insurance generally covers the excess of 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. Pool insurance may have a stated aggregate loss limit for a pool of loans and may also have a deductible under which no losses are paid by the insurer until losses on the pool of loans exceed the deductible.

We have written no new pool risk since 2009 and expect that the volume of any future pool business will be insignificant to us. Our direct pool risk in force was $1.3 billion ($0.4 billion on pool policies with aggregate loss limits and $0.9 billion on pool policies without aggregate loss limits) at December 31, 2012, compared to $1.9 billion ($0.7 billion on pool policies with aggregate loss limits and $1.2 billion on pool policies without aggregate loss limits) at December 31, 2011 and $2.7 billion ($1.2 billion on pool policies with aggregate loss limits and $1.5 billion on pool policies without aggregate loss limits) at December 31, 2010.

Concurrent Common Stock Offering

Concurrently with this offering of notes, we are publicly offering 135,000,000 shares of common stock (or 155,250,000 shares of common stock if the underwriters exercise their option to purchase additional shares in full).

We estimate that the proceeds from the common stock offering will be approximately $663.6 million (or $763.2 million if the underwriters exercise their option to purchase additional shares in full), after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering and the common stock offering for our general corporate purposes, which may include increasing the capital of

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MGIC and other subsidiaries and improving liquidity by providing funds for debt service. See "Use of Proceeds".

The common stock offering will be effected pursuant to a separate prospectus supplement. This prospectus supplement shall not be deemed an offer to sell or a solicitation of an offer to buy any shares of common stock. There is no assurance that the common stock offering will be completed or, if completed, on what terms it may be completed. The common stock offering and this offering are not contingent upon each other.

Unless we specifically state otherwise, the information in this prospectus supplement assumes the completion of the common stock offering and that the underwriters for the common stock offering do not exercise their option to purchase additional shares and that the underwriters for this offering do not exercise their option to purchase additional notes.

Risk Factors

Please read "Risk Factors" and the other information in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference for a discussion of factors you should carefully consider before deciding to invest in the notes.

Corporate Information

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

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The Offering

The following is a brief summary of certain terms of this offering and is not a complete description of the offering or the notes. You should read the full text and more specific details contained elsewhere in this prospectus supplement and the accompanying prospectus. For a more detailed description of the notes, see the section entitled "Description of Notes". Unless otherwise specified, the following discussion assumes no exercise of the underwriters' option to purchase additional notes. With respect to the discussion of the terms of the notes on the cover page, in this section and in the section entitled "Description of Notes", references to "MGIC Investment Corporation", "we", "our" or "us" refer solely to MGIC Investment Corporation and not its subsidiaries.

Issuer	MGIC Investment Corporation.
Notes Offered	$450,000,000 aggregate principal amount of 2.00% convertible senior notes due 2020. We have granted the underwriters an option to purchase up to an additional $50,000,000 aggregate principal amount of notes within 30 days after the date of this prospectus supplement.
Maturity Date	April 1, 2020.
Interest	2.00% per year, payable semi-annually in arrears in cash on April 1 and October 1 of each year, beginning October 1, 2013, to holders of record at the close of business on the preceding March 15 and September 15, respectively. There is no right to defer interest payments on the notes.
Optional Redemption	At any time on or after April 10, 2017, we may redeem all or part of the notes, but only if the last reported sale price of our common stock for 20 or more trading days (whether consecutive or not), including the trading day immediately preceding the date on which we provide notice of redemption, in a period of 30 consecutive trading days ending on, and including, the trading day prior to the date we provide notice of redemption exceeds 130% of the conversion price in effect on each such trading day. The redemption price will be equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date (unless the redemption date falls after a regular record date but on or prior to the immediately succeeding interest payment date, in which case we will pay the full amount of accrued and unpaid interest to the holder of record as of the close of business on such regular record date, and the redemption price will be equal to 100% of the principal amount of the notes to be redeemed). See "Description of the Notes Optional Redemption."

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Ranking	The notes are our senior unsecured obligations and will be equal in right of payment to all our existing and future senior debt, including our 5.375% Senior Notes due 2015 and 5% Convertible Senior Notes due 2017, and will be senior in right of payment to any existing and future subordinated indebtedness, including our 9% convertible junior subordinated debentures due 2063. The notes will effectively rank junior to any future secured indebtedness of ours to the extent of the value of the assets securing such indebtedness and all existing and future liabilities, including claims with respect to insured policies and trade payables, of our subsidiaries. As of December 31, 2012, we had no secured indebtedness. As of December 31, 2012, we had approximately $445 million of senior indebtedness that would rank equally with the notes. As of December 31, 2012, our subsidiaries had no indebtedness outstanding (exclusive of trade payables and insurance liabilities).
Conversion Rights	Subject to the conversion restrictions described below, holders may surrender their notes, in integral multiples of $1,000 principal amount, for conversion into shares of our common stock at the then-applicable conversion rate until the close of business on the business day immediately preceding January 1, 2020 only under the following circumstances:
	during any calendar quarter commencing after March 31, 2014 (and only during such calendar quarter), if the last reported sale price of our common stock for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day;
	during the five business day period after any five consecutive trading day period (we refer to this five consecutive trading day period as the "measurement period") in which the trading price (as defined under "Description of the Notes Conversion Rights Conversion Upon Satisfaction of Trading Price Condition") per $1,000 principal amount of notes, as determined following a request by a holder of notes in accordance with the indenture, for each trading day during that measurement period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate on such trading day;
	any time prior to the close of business on the business day prior to the redemption date if we call the notes for redemption; or

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	upon the occurrence of specified corporate events described under "Description of the Notes Conversion Rights Conversion Upon Specified Corporate Events." However, on or after January 1, 2020, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their notes in integral multiples of $1,000 principal amount at any time, regardless of the conditions specified above.
Conversion Restrictions	No beneficial owner of notes will be entitled to receive shares of our common stock upon conversion of the notes and any delivery of shares of our common stock upon conversion of the notes will be void and of no effect (i) if the beneficial owner of such notes or certain persons with which such beneficial owner is affiliated or associated is an Acquiring Person, or (ii) to the extent (but only to the extent) that such receipt or delivery would cause the beneficial owner of such notes or such persons to become an Acquiring Person. An "Acquiring Person" generally means any person, entity or group that is or has become, by itself or together with its affiliates and associates, a beneficial owner of 5.0% or more of the shares of common stock then outstanding, unless such person is excluded from the definition of Acquiring Person pursuant to our shareholder rights plan. See "Description of Notes Conversion Restrictions" in this prospectus supplement. A copy of our shareholder rights plan is attached as an exhibit to our registration statement on Form 8-A/A filed on July 31, 2012 and a copy of a subsequent amendment is attached as an exhibit to our registration statement on Form 8-A/A filed on March 5, 2013.
Settlement upon Conversion	Upon conversion of the notes, we will deliver on the third trading day following the relevant conversion date, a number of shares of our common stock equal to (i) (A) the aggregate principal amount of notes to be converted divided by (B) $1,000, multiplied by (ii) the then-applicable conversion rate for each $1,000 principal amount of notes; *provided, however*, that for any conversion that occurs on or after the record date for the payment of interest on the notes at maturity, we will deliver such shares on the maturity date. Notwithstanding the foregoing, we will deliver cash in lieu of fractional shares based on the last reported sale price of our common stock on the applicable conversion date (or, if the relevant conversion date is not a trading day, the next following trading day).

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	The initial conversion rate for the notes is 143.8332 shares of our common stock per $1,000 principal amount of notes. This is equivalent to an initial conversion price of approximately $6.95 per share of common stock. The conversion rate is subject to adjustment as described under "Description of Notes Conversion Rate Adjustments". In addition, upon the occurrence of make-whole adjustment events (as defined herein), a holder that converts its notes in connection with such a fundamental change may be entitled to receive a make-whole premium in the form of an increase in the conversion rate. See "Description of Notes Make Whole upon Certain Transactions".
Fundamental Change Repurchase Right of Holders	If a fundamental change occurs at any time, you will have the right, at your option, to require us to repurchase all or a portion of your notes. The fundamental change repurchase price for such a repurchase will be 100% of the principal amount of the notes to be repurchased plus accrued and unpaid interest to, but not including, the fundamental change repurchase date. Any notes repurchased by us will be paid for in cash. In addition, upon the occurrence of make-whole adjustment events, we may be required to increase the conversion rate. See "Description of Notes Fundamental Change" and "Description of Notes Make Whole upon Certain Transactions".
Book-Entry Form	The notes will be issued in book-entry form and represented by permanent global certificates deposited with, or on behalf of, The Depository Trust Company ("DTC") and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.
No Prior Market	The notes will be new securities for which there is currently no market. Although certain of the underwriters have informed us that they intend to make a market in the notes, they are not obligated to do so and may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the notes will develop or be maintained.
Listing	We do not intend to apply for listing of the notes on any securities exchange. Our common stock is listed on the New York Stock Exchange ("NYSE") under the symbol "MTG".

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Use of Proceeds	We intend to use the net proceeds from this offering and the concurrent common stock offering to provide funds for our general corporate purposes, which may include increasing the capital of MGIC and other subsidiaries and improving liquidity by providing funds for debt service.
Trustee, Registrar, Paying Agent and Conversion Agent	U.S. Bank National Association.
U.S. Federal Income Tax Consequences	For a discussion of material United States federal income tax consequences relating to the acquisition, ownership, conversion and disposition of the notes, and the ownership and disposition of the shares of common stock received upon conversion of the notes, see the discussion under the heading "Material U.S. Federal Tax Consequences". You should consult your tax advisor with respect to the United States federal income tax consequences of acquiring, owning, converting and disposing of the notes and owning and disposing of the common stock into which the notes may be converted in light of your own particular situation and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction. See "Material U.S. Federal Tax Consequences".
Risk Factors	Investment in the notes involves risk. See "Risk Factors" and all other information included in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference for a discussion of factors that should be considered before investing in the notes.

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Summary Consolidated Financial Information

The following financial information as of and for each of the years in the three-year period ended December 31, 2012 is derived from our audited consolidated financial statements and related notes incorporated by reference herein. You should read the financial information presented below in conjunction with our consolidated financial statements and accompanying notes as well as the management's discussion and analysis of financial condition and results of operations, all of which are incorporated by reference into this prospectus supplement and the accompanying prospectus. See "Where You Can Find More Information" in the accompanying prospectus.

	Year Ended December 31,		
	2012	**2011**	**2010**
Summary of Operations (in thousands, except per share information)			
Revenues:			
Net premiums written	$1,017,832	$1,064,380	$1,101,795
Net premiums earned	$1,033,170	$1,123,835	$1,168,747
Investment income, net	121,640	201,270	247,253
Realized investment gains (losses), net, including net impairment losses	195,409	142,715	92,937
Other revenue	28,145	36,459	11,588
Total revenues	1,378,364	1,504,279	1,520,525
Losses and expenses:			
Losses incurred, net	2,067,253	1,714,707	1,607,541
Change in premium deficiency reserve	(61,036)	(44,150)	(51,347)
Underwriting and other expenses	201,447		