

JUN 22 2007

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY 

In the Matter of the
Acquisition of Control of
Radian Mortgage Insurance Inc.
(NAIC No. 33944),
Insurer,
By
MGIC Investment Corporation
Petitioner.

) Docket No. 07A-118-INS

ORDER APPROVING
ACQUISITION

On March 16, 2007, MGIC Investment Corporation ("Petitioner") submitted an application for the acquisition of control of Radian Mortgage Insurance Inc. ("Insurer") with the Arizona Department of Insurance (the "Department") for approval of Petitioner as the controlling person of the Insurer pursuant to the provisions of A.R.S. §§20-481 through 20-481.30 and A.A.C. R20-6-1402.

Based upon reliable evidence provided to the Director of Insurance ("Director") by the Assistant Director of the Financial Affairs Division of the Department, the Director makes the following Findings of Fact, Conclusions of Law and enters the following Order:

FINDINGS OF FACT

1. The Insurer is a domestic insurer as referred to in A.R.S. §20-481.

1 2. The Petitioner filed a statement as referred to in A.R.S. §§20-481.02 and
2 20-481.03, in the form required by A.A.C. R20-6-1402.

3 3. The Insurer and its security holders waived the ten (10) day advance filing
4 notice to be given as required by A.R.S. §20-481.07.

5 4. No evidence has been produced that would indicate or form the basis for a
6 finding that the Petitioner's acquisition of control of the Insurer:

- 7 a. Is contrary to law;
- 8 b. Is inequitable to the shareholders of any domestic insurer involved;
- 9 c. Would substantially reduce the security of and service to be rendered to
10 the policyholders of the domestic insurer in this State or elsewhere;
- 11 d. After the change of control the domestic insurer, would not be able to
12 satisfy the requirements for the reissuance of a Certificate of Authority to write the line
13 or lines of insurance for which it is presently licensed;
- 14 e. Would have the effect of substantially lessening competition in insurance
15 in this state, or tend to create a monopoly;
- 16 f. Might jeopardize the financial stability of the Insurer or prejudice the
17 interest of its policyholders, based upon the financial condition of any acquiring party;
- 18 g. Is unfair and unreasonable to policyholders of the Insurer and is not in the
19 public interest, based upon the plans or proposals that the acquiring party has to
20 liquidate the insurer, sell its assets or consolidate or merge it with any person, or to
21 make any other material change in its business or corporate structure or management;
- 22 h. Would not be in the public interest of policyholders of the Insurer and of
23 the public to permit the merger or other acquisition of control based upon the
24 competence, experience and integrity of those persons who would control the operation
25 of the Insurer; or

1 i. Would likely be hazardous or prejudicial to the insurance-buying public.

2 5. The Petitioner furnished completed fingerprint cards to the Department to
3 enable the Department to determine if Petitioner's officers or directors have been
4 charged with or convicted of a felony or misdemeanor other than minor traffic violations.
5 The results of the analysis of the fingerprint cards submitted by the Petitioner's officers
6 and directors have not been received by the Department. The Petitioner's officers and
7 directors made representations material to the issuance of the Order in this matter that
8 none of its officers or directors have been charged with or convicted of a felony or
9 misdemeanor other than minor traffic violations.

10 CONCLUSIONS OF LAW

11 1. The application established that none of the enumerated grounds set forth
12 in A.R.S. §20-481.07(A) exist so as to provide a basis for disapproval or rejection of
13 Petitioner's acquisition of control of the Insurer.

14 2. Petitioner presented credible evidence for approval of its acquisition of
15 control of the Insurer and the Petitioner to be a controlling person pursuant to the
16 provisions of A.R.S. §§20-481 through 20-481.30, and A.A.C. R20-6-1402.

17 ORDER

18 THEREFORE, I, CHRISTINA URIAS, Director of Insurance of the State of
19 Arizona, for the purpose of protecting and preserving the public health, safety and
20 welfare, and by virtue of the authority vested in me by A.R.S. §§20-142, 20-481 through
21 20-481.30, and A.A.C. R20-6-1402 hereby order that :

22 1. The acquisition of control of the Insurer by the Petitioner is approved,
23 subject to the following express condition:

24 If the completed fingerprint cards furnished to the Department of Insurance
25 reveal that Petitioner's officers or directors have been charged with or convicted of a

1 felony or misdemeanor other than minor traffic violations, the individual(s) shall be
2 removed as an officer and/or director of the Petitioner within 30 days after notice to
3 Petitioner by the Department of Insurance and shall be replaced with an officer or
4 director acceptable to the Director. If Petitioner fails to take the prescribed action within
5 30 days, this failure will constitute an immediate danger to the public and the Director
6 may immediately suspend or revoke Insurer's certificate of authority without further
7 proceedings.

8 2. Subject to A.R.S. §20-481.21, all documents, materials and other
9 information that is in the possession or control of the Department and that was obtained
10 by or disclosed to the Director or any other person in the course of filing the application
11 is confidential and privileged, is not subject to Title 39, Chapter 1, Article 2 and is not
12 subject to subpoena.

13 3. The Petitioner shall advise the Director in writing of the effective date of
14 the change of control.

15 4. Upon consummation of this acquisition, the Insurer shall file its registration
16 statement in the form prescribed by A.R.S. §20-481.10 and within the time period
17 prescribed by A.R.S. §20-481.09 or §20-481.13. If the registration statement would
18 duplicate the information previously submitted by the Petitioner in the statement filed
19 with the Department pursuant to A.R.S. §20-481.03 and there have been no material
20 changes since the filing of that statement, then the Insurer shall submit a statement to
21 that effect incorporating by reference the statement previously filed with the Department
22 in lieu of the registration statement;

1
2 5. The failure to adhere to one or more of the above terms and conditions
3 shall result without further proceedings in the suspension or revocation of the Insurer's
4 Certificate of Authority.

5 DATED this 22nd day of June, 2007.

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9 CHRISTINA URIAS
Director Of Insurance

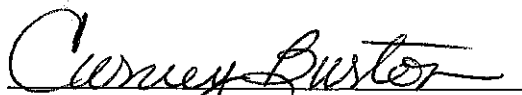
10 COPY of the foregoing mailed
11 this 22nd day of June, 2007,

12 Gerrie Marks, Deputy Director
13 Mary Butterfield, Assistant Director
14 Catherine O'Neil, Consumer Legal Affairs Officer
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