UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For transition period from to

Commission File Number 001-40399

Enact Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**46-1579166**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

8325 Six Forks Road
Raleigh, North Carolina 27615
(919) 846-4100
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.01 per share	ACT	The Nasdaq Stock Market

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 ☐ No ☒

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

As of May 2, 2022, there were 162,842,219 shares of Common Stock, par value $0.01 per share, outstanding.

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q, including Management's Discussion and Analysis of Financial Condition and Results of Operations, contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act. These forward-looking statements may address, among other things, our expected financial and operational results, the related assumptions underlying our expected results and the quotations of management. These forward-looking statements are distinguished by use of words such as "will," "would," "anticipate," "expect," "believe," "designed," "plan," or "intend," the negative of these terms and similar references to future periods. These views involve risks and uncertainties that are difficult to predict and, accordingly, our actual results may differ materially from the results discussed in our forward-looking statements. Our forward-looking statements contained herein speak only as of the date of this quarterly report.

Although Enact Holdings, Inc. (the "Company") believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its expectations will be achieved and it undertakes no obligation to update publicly any forward-looking statements as a result of new information, future events, or otherwise, except as required by applicable law. Factors or events that we cannot predict, including the following, may cause our actual results to differ from those expressed in forward-looking statements:

- uncertainty around COVID-19 and its variants or the effects of government and other measures seeking to contain its spread, including risks related to an economic downturn or recession in the United States and in other countries around the world;
- inability to continue to maintain the private mortgage insurer eligibility requirements ("PMIERs") or any other restrictions imposed on us by the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"), government-sponsored enterprises collectively referred to as the "GSEs";
- a deterioration in economic conditions or a decline in home prices;
- uncertainty of our loss reserve estimates or inaccuracies in our models;
- competition for our customers or the loss of a significant customer;
- changes to the charters or practices of the GSEs, including actions or decisions to decrease or discontinue the use of mortgage insurance;
- lenders or investors seeking alternatives to private mortgage insurance;
- failure of our risk management or loss mitigation strategies;
- fluctuations in interest rates;
- limited availability of capital or reinsurance;
- adverse actions by rating agencies;
- competition with government-owned enterprises and GSEs;
- failure to manage the risk in our investment portfolio;
- disruption in the servicing of mortgages covered by our insurance policies or poor servicer performance;
- unanticipated claims arising under and risks associated with our delegated underwriting program or contract underwriting program;

- inadequacy of the premiums we charge to compensate for the losses we incur;
- decrease in the volume of Low-Down Payment Loan originations;
- failure to protect our confidential customer information;
- adverse changes in regulatory requirements;
- inability to maintain sufficient regulatory capital;
- risks relating to our continuing relationship with our parent;
- changes in tax laws;
- litigation, regulatory investigations, or other actions;
- changes in accounting principles or policies or in our application of such accounting principles or policies;
- our ability to attract and retain key employees;
- failure or any compromise of the security of our computer systems, disaster recovery systems, business continuity plans and failures to safeguard or breaches of confidential information; and
- occurrence of natural or man-made disasters or public health emergencies, including pandemics and disasters caused or exacerbated by climate change

We provide additional information regarding these and other risks and uncertainties in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, as filed with the U.S. Securities and Exchange Commission (“SEC”) on February 28, 2022. In addition, unlisted factors may present significant additional obstacles to the realization of forward-looking statements. We therefore caution you against relying on any forward-looking statements. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required under applicable law.

Part I. Financial Information

Item 1. Financial Statements

ENACT HOLDINGS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands, except par value amount)	March 31, 2022 (Unaudited)	December 31, 2021
Assets		
Fixed maturity securities available-for-sale, at fair value (amortized cost of $5,271,808 and $5,160,174 as of March 31, 2022 and December 31, 2021, respectively)	$ 5,093,084	$ 5,266,339
Cash and cash equivalents	440,160	425,828
Accrued investment income	32,565	31,061
Deferred acquisition costs	27,000	27,220
Premiums receivable (allowance for credit losses of $867 and $948 as of March 31, 2022 and December 31, 2021, respectively)	40,381	42,266
Deferred tax asset	56,060	—
Other assets	103,157	73,059
Total assets	**5,792,407**	**5,865,773**
Liabilities and equity		
Liabilities:		
Loss reserves	625,279	641,325
Unearned premiums	236,410	246,319
Other liabilities	141,125	130,604
Long-term borrowings	741,004	740,416
Deferred tax liability	—	1,586
Total liabilities	**1,743,818**	**1,760,250**
Equity:		
Common stock ($0.01 par value, 600,000 shares authorized, 162,841 shares issued and outstanding)	1,628	1,628
Additional paid-in capital	2,374,568	2,371,861
Accumulated other comprehensive income	(140,690)	83,581
Retained earnings	1,813,083	1,648,453
Total equity	**4,048,589**	**4,105,523**
Total liabilities and equity	**$ 5,792,407**	**$ 5,865,773**

See Notes to Condensed Consolidated Financial Statements

ENACT HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Amounts in thousands, except per share amounts)	Three months ended March 31, 2022	Three months ended March 31, 2021
Revenues:		
Premiums	$ 234,279	$ 252,542
Net investment income	35,146	35,259
Net investment losses	(339)	(956)
Other income	502	1,738
Total revenues	**269,588**	**288,583**
Losses and expenses:		
Losses incurred	(10,446)	55,374
Acquisition and operating expenses, net of deferrals	54,262	57,622
Amortization of deferred acquisition costs and intangibles	3,090	3,838
Interest expense	12,776	12,737
Total losses and expenses	**59,682**	**129,571**
Income before income taxes	**209,906**	**159,012**
Provision for income taxes	45,276	33,881
Net income	**$ 164,630**	**$ 125,131**
Net income per common share:		
Basic	$ 1.01	$ 0.77
Diluted	$ 1.01	$ 0.77
Weighted average common shares outstanding:		
Basic	162,841	162,840
Diluted	163,054	162,840

See Notes to Condensed Consolidated Financial Statements

ENACT HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three months ended March 31,	
(Amounts in thousands)	**2022**	**2021**
Net income	$ 164,630	$ 125,131
Other comprehensive income (loss), net of taxes:		
Net unrealized gains (losses) on securities without an allowance for credit losses	(224,300)	(70,192)
Net unrealized gains (losses) on securities with an allowance for credit losses	—	(1,507)
Foreign currency translation	29	—
Other comprehensive income (loss)	(224,271)	(71,699)
Total comprehensive income	**$ (59,641)**	**$ 53,432**

See Notes to Condensed Consolidated Financial Statements

ENACT HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	Three months ended March 31, 2022				
(Amounts in thousands)	**Common stock**	**Additional paid-in capital**	**Accumulated other comprehensive income (loss)**	**Retained earnings**	**Total equity**
Balances as of December 31, 2021	**$ 1,628**	**$ 2,371,861**	**$ 83,581**	**$ 1,648,453**	**$ 4,105,523**
Comprehensive income (loss):					
Net income	—	—	—	164,630	164,630
Other comprehensive loss, net of taxes	—	—	(224,271)	—	(224,271)
Stock-based compensation expense and exercises and other	—	2,707	—	—	2,707
Balance as of March 31, 2022	**$ 1,628**	**$ 2,374,568**	**$ (140,690)**	**$ 1,813,083**	**$ 4,048,589**

	Three Months Ended March 31, 2021				
(Amounts in thousands)	**Common stock**	**Additional paid-in capital**	**Accumulated other comprehensive income (loss)**	**Retained earnings**	**Total equity**
Balances as of December 31, 2020	**$ 1,628**	**$ 2,368,699**	**$ 208,378**	**$ 1,303,106**	**$ 3,881,811**
Cumulative effect of change in accounting, net of taxes	—	—	281	(281)	—
Comprehensive income (loss):					
Net income	—	—	—	125,131	125,131
Other comprehensive loss, net of taxes	—	—	(71,699)	—	(71,699)
Capital contributions from Genworth Financial, Inc.	—	83	—	—	83
Balance as of March 31, 2021	**$ 1,628**	**$ 2,368,782**	**$ 136,960**	**$ 1,427,956**	**$ 3,935,326**

See Notes to Condensed Consolidated Financial Statements

ENACT HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended March 31,	
(Amounts in thousands)	**2022**	**2021**
Cash flows from operating activities:		
Net income	$ 164,630	$ 125,131
Adjustments to reconcile net income to net cash provided by operating activities:		
Net losses on investments	339	956
Amortization of fixed maturity securities discounts and premiums	(961)	(2,845)
Amortization of deferred acquisition costs and intangibles	3,090	3,838
Acquisition costs deferred	(1,629)	(1,777)
Deferred income taxes	2,943	2,349
Stock-based compensation expense	2,715	—
Amortization of debt issuance costs	588	549
Other	(8)	83
Change in certain assets and liabilities:		
Accrued investment income	(1,504)	389
Premiums receivable	1,885	4,010
Other assets	2,845	(2,129)
Loss reserves	(16,046)	47,849
Unearned premiums	(9,909)	(26,203)
Other liabilities	11,822	(25,172)
Net cash provided by operating activities	**160,800**	**127,028**
Cash flows from investing activities:		
Purchases of fixed maturity securities available-for-sale	(351,130)	(527,722)
Purchases of short-term investments	—	(12,500)
Proceeds from sales of fixed maturity securities available-for-sale	90,422	230,398
Proceeds from maturities of fixed maturity securities available-for-sale	114,211	161,337
Net cash used in investing activities	**(146,497)**	**(148,487)**
Cash flows from financing activities:		
Net cash provided by (used in) financing activities	**—**	**—**
Effect of exchange rate changes on cash and cash equivalents	29	—
Net decrease in cash and cash equivalents	14,332	(21,459)
Cash and cash equivalents at beginning of period	425,828	452,794
Cash and cash equivalents at end of period	**$ 440,160**	**$ 431,335**

See Notes to Condensed Consolidated Financial Statements

(1) Nature of Business, Organization Structure and Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include, on a consolidated basis, the accounts of Enact Holdings, Inc. ("EHI," together with its subsidiaries, the "Company," "we," "us" or "our") (formerly known as Genworth Mortgage Holdings, Inc.). EHI is a subsidiary of Genworth Financial, Inc. ("Genworth" or "Parent") and has been since EHI's incorporation in Delaware in 2012.

We are engaged in the business of writing and assuming residential mortgage guaranty insurance. The insurance protects lenders and investors against certain losses resulting from nonpayment of loans secured by mortgages, deeds of trust, or other instruments constituting a lien on residential real estate.

On May 3, 2021, EHI amended its certificate of incorporation to change its name from Genworth Mortgage Holdings, Inc. This amendment also authorized EHI to issue 600,000,000 shares of common stock, each having a par value of $0.01 per share. Concurrently, we entered into a share exchange agreement with Genworth Holdings, Inc. ("Genworth Holdings"), pursuant to which Genworth Holdings exchanged its 100 shares of common stock, representing all of the previously issued and outstanding capital stock, for 162,840,000 newly-issued shares of common stock, par value $0.01, of EHI. All of the share and per share information presented in the condensed consolidated financial statements and notes to the condensed consolidated financial statements have been adjusted to reflect the share exchange on a retroactive basis for all periods and as of all dates presented.

On September 15, 2021, we priced our initial public offering ("IPO") of common stock, which resulted in the issuance and sale of 13,310,400 shares of common stock at the IPO price of $19.00 per common share. All shares were offered by the selling stockholder, our parent company, Genworth Holdings. In addition to the shares sold in the IPO, 14,655,600 common shares were sold in a concurrent private sale ("Private Sale") at a price per share of $17.86, which is equal to the IPO price less the underwriting discount share. Genworth Holdings also granted the underwriters a 30-day option to purchase up to an additional 1,996,560 common shares ("Over-Allotment Option") at the IPO price less the underwriting discount. On September 16, 2021, the underwriters exercised their option to purchase all 1,996,560 common shares permitted under the terms of the underwriting agreement. The IPO, Private Sale and Over-Allotment Option (collectively the "Offering") closed on September 20, 2021, and Genworth Holdings retained all net proceeds from the Offering. The gross proceeds of the Offering, before payment of underwriter fees and other expenses, were approximately $553 million. Costs directly related to the Offering, including underwriting fees and other expenses, were approximately $24 million.

We offer private mortgage insurance products predominantly insuring prime-based, individually underwritten residential mortgage loans ("primary mortgage insurance"). Our primary mortgage insurance enables borrowers to buy homes with a down payment of less than 20% of the home's value. Primary mortgage insurance also facilitates the sale of these low down payment mortgage loans in the secondary mortgage market, most of which are sold to government sponsored enterprises. We also selectively enter into insurance transactions with lenders and investors, under which we insure a portfolio of loans at or after origination.

We operate our business through our primary insurance subsidiary, Enact Mortgage Insurance Corporation, ("EMICO"), formerly known as Genworth Mortgage Insurance Corporation, with operations in all 50 states and the District of Columbia. We completed name changes to some of our subsidiary legal entities during the first quarter of 2022. EMICO is an approved insurer by the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"). Fannie Mae and Freddie Mac are government-sponsored enterprises and we refer to them collectively as the "GSEs."

We also perform fee-based contract underwriting services for mortgage lenders. The provision of underwriting services by mortgage insurers eliminates the duplicative lender and mortgage insurer underwriting activities and expedites the approval process.

We operate our business in a single segment, which is how our chief operating decision maker (who is our Chief Executive Officer) reviews our financial performance and allocates resources. Our segment includes a run-off insurance block with reference properties in Mexico ("run-off business"), which is immaterial to our condensed consolidated financial statements.

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Preparing financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those estimates. These unaudited condensed consolidated financial statements include all adjustments (including normal recurring adjustments) considered necessary by management to present a fair statement of the financial position, results of operations and cash flows for the periods presented. The results reported in these unaudited condensed consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year. The unaudited condensed consolidated financial statements included herein should be read in conjunction with the audited consolidated financial statements and related notes for the years ended December 31, 2021 and 2020.

(2) Accounting Changes

Accounting Pronouncements Recently Adopted

We have not adopted new accounting pronouncements in 2022.

Accounting Pronouncements Not Yet Adopted

There are no significant new accounting pronouncements impacting our financial statements.

(3) Investments

Net Investment Income

Sources of net investment income were as follows for the periods indicated:

	Three months ended March 31,	
(Amounts in thousands)	**2022**	**2021**
Fixed maturity securities available-for-sale	$ 36,534	$ 36,651
Cash, cash equivalents and short-term investments	10	36
Gross investment income before expenses and fees	36,544	36,687
Investment expenses and fees	(1,398)	(1,428)
Net investment income	**$ 35,146**	**$ 35,259**

Net Investment Losses

The following table sets forth net investment gains (losses) for the periods indicated:

(Amounts in thousands)	Three months ended March 31, 2022	Three months ended March 31, 2021
Fixed maturity securities available-for-sale:		
Gross realized gains	$ 350	$ 494
Gross realized (losses)	(862)	(592)
Net realized gains (losses)	(512)	(98)
Net change in allowance for credit losses on fixed maturity securities available-for-sale	173	(853)
Other	—	(5)
Net investment losses	**$ (339)**	**$ (956)**

There was no recorded allowance for credit losses for fixed maturity available-for-sale securities as of and for the three months ended March 31, 2022.

The following table represents the allowance for credit losses aggregated by security type for fixed maturity available-for-sale securities as of and for the three months ended March 31, 2021:

(Amounts in thousands)	Beginning balance	Cumulative effect of change in accounting	Increase from securities without allowance in previous periods	Securities sold	Ending balance
Fixed maturity securities:					
Non-U.S. corporate	$ —	$ 357	$ 853	$ —	$ 1,210
Total fixed maturity securities available-for-sale	**$ —**	**$ 357**	**$ 853**	**$ —**	**$ 1,210**

Unrealized Investment Gains (Losses)

Net unrealized gains and losses on available-for-sale securities reflected as a separate component of accumulated other comprehensive income ("AOCI") were as follows as of the dates indicated:

(Amounts in thousands)	March 31, 2022	December 31, 2021
Net unrealized gains (losses) on investment securities:		
Fixed maturity securities	$ (178,724)	$ 106,165
Income taxes	38,012	(22,577)
Net unrealized investment gains (losses)	**$ (140,712)**	**$ 83,588**

The change in net unrealized gains (losses) on available-for-sale securities reported in accumulated other comprehensive income was as follows as of and for the periods indicated:

	Three months ended March 31,	
(Amounts in thousands)	2022	2021
Beginning balance	$ 83,588	$ 208,378
Cumulative effect of change in accounting, net of taxes	—	281
Unrealized gains (losses) arising during the period:		
Unrealized gains (losses) on investment securities	(285,401)	(91,170)
Provision for income taxes	60,697	19,394
Change in unrealized gains (losses) on investment securities	(224,704)	(71,776)
Reclassification adjustments to net investment (gains) losses, net of taxes of $(108) and $(21), respectively	404	77
Change in net unrealized investment gains (losses)	(224,300)	(71,699)
Ending balance	**$ (140,712)**	**$ 136,960**

Amounts reclassified out of accumulated other comprehensive income to net investment gains (losses) include realized gains (losses) on sales of securities, which are determined on a specific identification basis.

Fixed Maturity Securities Available-For-Sale

As of March 31, 2022, the amortized cost, gross unrealized gains (losses) and fair value of our fixed maturity securities classified as available-for-sale were as follows:

(Amounts in thousands)	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. government, agencies and GSEs	$ 56,696	$ 322	$ (267)	$ 56,751
State and political subdivisions	548,075	4,703	(44,387)	508,391
Non-U.S. government	22,293	—	(764)	21,529
U.S. corporate	2,958,915	22,709	(99,127)	2,882,497
Non-U.S. corporate	654,365	3,232	(27,802)	629,795
Other asset-backed	1,031,464	966	(38,309)	994,121
Total fixed maturity securities available-for-sale	**$ 5,271,808**	**$ 31,932**	**$ (210,656)**	**$ 5,093,084**

As of December 31, 2021, the amortized cost, gross unrealized gains (losses) and fair value of our fixed maturity securities classified as available-for-sale were as follows:

(Amounts in thousands)	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. government, agencies and GSEs	$ 56,547	$ 1,863	$ (2)	$ 58,408
State and political subdivisions	531,927	10,982	(4,456)	538,453
Non-U.S. government	22,358	248	(190)	22,416
U.S. corporate	2,863,100	98,293	(16,090)	2,945,303
Non-U.S. corporate	652,503	17,556	(3,465)	666,594
Other asset-backed	1,033,739	6,989	(5,563)	1,035,165
Total fixed maturity securities available-for-sale	**$ 5,160,174**	**$ 135,931**	**$ (29,766)**	**$ 5,266,339**

There was no allowance for credit losses recorded fixed maturity securities classified as available-for-sale as of March 31, 2022 or December 31, 2021.

Gross Unrealized Losses and Fair Values of Fixed Maturity Securities Available-For-Sale

The following table presents the gross unrealized losses and fair values of our fixed maturity securities for which an allowance for credit losses has not been recorded, aggregated by investment type and length of time that individual fixed maturity securities have been in a continuous unrealized loss position, as of March 31, 2022:

	Less than 12 months			12 months or more			Total		
(Amounts in thousands)	Fair value	Gross unrealized losses	Number of securities	Fair value	Gross unrealized losses	Number of securities	Fair value	Gross unrealized losses	Number of securities
Fixed maturity securities:									
U.S. government, agencies and GSEs	$ 32,790	$ (260)	10	$ 98	$ (7)	1	$ 32,888	$ (267)	11
State and political subdivisions	420,551	(42,684)	80	14,755	(1,703)	4	435,306	(44,387)	84
Non-U.S. government	21,529	(764)	2	—	—	—	21,529	(764)	2
U.S. corporate	1,397,388	(77,705)	235	176,407	(21,422)	21	1,573,795	(99,127)	256
Non-U.S. corporate	356,324	(22,716)	65	52,058	(5,086)	6	408,382	(27,802)	71
Other asset-backed	784,348	(35,864)	150	35,196	(2,445)	8	819,544	(38,309)	158
Total for fixed maturity securities in an unrealized loss position	**$ 3,012,930**	**$ (179,993)**	**542**	**$ 278,514**	**$ (30,663)**	**40**	**$ 3,291,444**	**$ (210,656)**	**582**

We did not recognize an allowance for credit losses on securities in an unrealized loss position included in the table above. Based on a qualitative and quantitative review of the issuers of the securities, we believe the decline in fair value is largely due to rising interest rates and recent market volatility, and is not indicative of credit losses. The issuers continue to make timely principal and interest payments.

For all securities in an unrealized loss position without an allowance for credit losses, we expect to recover the amortized cost based on our estimate of the amount and timing of cash flows to be collected. We do not intend to sell nor do we expect that we will be required to sell these securities prior to recovering our amortized cost.

The following table presents the gross unrealized losses and fair values of our fixed maturity securities, aggregated by investment type and length of time that individual fixed maturity securities have been in a continuous unrealized loss position, as of December 31, 2021:

	Less than 12 months			12 months or more			Total		
(Amounts in thousands)	Fair value	Gross unrealized losses	Number of securities	Fair value	Gross unrealized losses	Number of securities	Fair value	Gross unrealized losses	Number of securities
Fixed maturity securities:									
U.S. government, agencies and GSEs	$ 103	$ (2)	1	$ —	$ —	—	$ 103	$ (2)	1
State and political subdivisions	255,202	(4,456)	47	—	—	—	255,202	(4,456)	47
Non-U.S. government	10,560	(190)	1	—	—	—	10,560	(190)	1
U.S. corporate	649,927	(14,300)	94	26,181	(1,790)	4	676,108	(16,090)	98
Non-U.S. corporate	183,485	(3,465)	28	—	—	—	183,485	(3,465)	28
Other asset-backed	456,565	(5,549)	76	3,736	(14)	1	460,301	(5,563)	77
Total for fixed maturity securities in an unrealized loss position	**$ 1,555,842**	**$ (27,962)**	**247**	**$ 29,917**	**$ (1,804)**	**5**	**$ 1,585,759**	**$ (29,766)**	**252**

Contractual Maturities of Fixed Maturity Securities Available-For-Sale

The scheduled maturity distribution of fixed maturity securities as of March 31, 2022, is set forth below. Actual maturities may differ from contractual maturities because issuers of securities may have the right to call or prepay obligations with or without call or prepayment penalties.

(Amounts in thousands)	Amortized cost	Fair value
Due one year or less	$ 307,077	$ 308,785
Due after one year through five years	2,101,730	2,093,613
Due after five years through ten years	1,511,589	1,409,678
Due after ten years	319,948	286,887
Subtotal	4,240,344	4,098,963
Other asset-backed	1,031,464	994,121
Total fixed maturity securities available-for-sale	**$ 5,271,808**	**$ 5,093,084**

As of March 31, 2022, securities issued by finance and insurance, consumer—non-cyclical, technology and communications, and utilities industry groups represented approximately 29%, 15%, 13%, and 10%, respectively, of our domestic and foreign corporate fixed maturity securities portfolio. No other industry group comprised more than 9% of our investment portfolio.

As of March 31, 2022, we did not hold any fixed maturity securities in any single issuer, other than securities issued or guaranteed by the U.S. government, which exceeded 10% of equity.

As of March 31, 2022 and December 31, 2021, $25.9 million and $22.9 million, respectively, of securities in our portfolio were on deposit with various state insurance commissioners in order to comply with relevant insurance regulations.

(4) Fair Value

Recurring Fair Value Measurements

We have fixed maturity securities, which are carried at fair value. The fair value of fixed maturity securities and are estimated primarily based on information derived from third-party pricing services ("pricing services"), internal models and/or broker quotes, which use a market approach, income approach or a combination of the market and income approach depending on the type of instrument and availability of information. In general, a market approach is utilized if there is readily available and relevant market activity for an individual security. In certain cases where market information is not available for a specific security but is available for similar securities, that security is valued using market information for similar securities, which is also a market approach. When market information is not available for a specific security (or similar securities) or is available but such information is less relevant or reliable, an income approach or a combination of a market and income approach is utilized. For securities with optionality, such as call or prepayment features (including asset-backed securities), an income approach may be used. In addition, a combination of the results from market and income approaches may be used to estimate fair value. These valuation techniques may change from period to period, based on the relevance and availability of market data.

Further, while we consider the valuations provided by pricing services and broker quotes to be of high quality, management determines the fair value of our investment securities after considering all relevant and available information.

In general, we first obtain valuations from pricing services. If prices are unavailable for public securities, we obtain broker quotes. For all securities, excluding certain private fixed maturity securities, if neither a pricing service nor broker quotes valuation is available, we determine fair value using internal models. For certain private fixed maturity securities where we do not obtain valuations from pricing services, we utilize an internal model to determine fair value since transactions for similar securities are not readily observable and these securities are not typically valued by pricing services.

Given our understanding of the pricing methodologies and procedures of pricing services, the securities valued by pricing services are typically classified as Level 2 unless we determine the valuation process for a security or group of securities utilizes significant unobservable inputs, which would result in the valuation being classified as Level 3.

Broker quotes are typically based on an income approach given the lack of available market data. As the valuation typically includes significant unobservable inputs, we classify the securities where fair value is based on our consideration of broker quotes as Level 3 measurements.

For private fixed maturity securities, we utilize an income approach where we obtain public bond spreads and utilize those in an internal model to determine fair value. Other inputs to the model include rating and weighted-average life, as well as sector which is used to assign the spread. We then add an additional premium, which represents an unobservable input, to the public bond spread to adjust for the liquidity and other features of our private placements. We utilize the estimated market yield to discount the expected cash flows of the security to determine fair value. We utilize price caps for securities where the estimated market yield results in a valuation that may exceed the amount that would be received in a market transaction. When a security does not have an external rating, we assign the security an internal rating to determine the appropriate public bond spread that should be utilized in the valuation. While we generally consider the public bond spreads by sector and maturity to be observable inputs, we evaluate the similarities of our private placement with the public bonds, any price caps utilized, liquidity premiums applied, and whether external ratings are available for our private placements to determine whether the spreads utilized would be considered observable inputs. We classify private securities without an external rating or public bond spread as Level 3. In general, a significant increase (decrease) in credit spreads would have resulted in a significant decrease (increase) in the fair value for our fixed maturity securities as of March 31, 2022.

For remaining securities priced using internal models, we determine fair value using an income approach. We maximize the use of observable inputs but typically utilize significant unobservable inputs to determine fair value. Accordingly, the valuations are typically classified as Level 3.

Our assessment of whether or not there were significant unobservable inputs related to fixed maturity securities was based on our observations obtained through the course of managing our investment portfolio, including interaction with other market participants, observations related to the availability and consistency of pricing and/or rating, and understanding of general market activity such as new issuance and the level of secondary market trading for a class of securities. Additionally, we considered data obtained from pricing services to determine whether our estimated values incorporate significant unobservable inputs that would result in the valuation being classified as Level 3.

A summary of the inputs used for our fixed maturity securities based on the level in which instruments are classified is included below. We have combined certain classes of instruments together as the nature of the inputs is similar.

Level 1 measurements

There were no fixed maturity securities classified as Level 1 as of March 31, 2022, and December 31, 2021.

Level 2 measurements

Fixed maturity securities:

Third-party pricing services

In estimating the fair value of fixed maturity securities, approximately 88% of our portfolio was priced using third-party pricing services as of March 31, 2022. These pricing services utilize industry-standard valuation techniques that include market-based approaches, income-based approaches, a combination of market-based and income-based approaches or other proprietary, internally generated models as part of the valuation processes. These third-party pricing vendors maximize the use of publicly available data inputs to generate valuations for each asset class. Priority and type of inputs used may change frequently as certain inputs may be more direct drivers of valuation at the time of pricing. Examples of significant inputs incorporated by pricing services may include sector and issuer spreads, seasoning, capital structure, security optionality, collateral data, prepayment assumptions, default assumptions, delinquencies, debt covenants, benchmark yields, trade data, dealer quotes, credit ratings, maturity and weighted-average life. We conduct regular meetings with our pricing services for the purpose of understanding the methodologies, techniques and inputs used by the third-party pricing providers.

The following table presents a summary of the significant inputs used by our pricing services for certain fair value measurements of fixed maturity securities that are classified as Level 2 as of March 31, 2022:

(Amounts in thousands)	Fair value	Primary methodologies	Significant inputs
U.S. government, agencies and GSEs	$ 56,751	Price quotes from trading desk, broker feeds	Bid side prices, trade prices, Option Adjusted Spread ("OAS") to swap curve, Bond Market Association OAS, Treasury Curve, Agency Bullet Curve, maturity to issuer spread
State and political subdivisions	$ 508,391	Multi-dimensional attribute-based modeling systems, third-party pricing vendors	Trade prices, material event notices, Municipal Market Data benchmark yields, broker quotes
Non-U.S. government	$ 21,529	Matrix pricing, spread priced to benchmark curves, price quotes from market makers	Benchmark yields, trade prices, broker quotes, comparative transactions, issuer spreads, bid-offer spread, market research publications, third-party pricing sources
U.S. corporate	$ 2,451,938	Multi-dimensional attribute-based modeling systems, broker quotes, price quotes from market makers, internal models, OAS-based models	Bid side prices to Treasury Curve, Issuer Curve, which includes sector, quality, duration, OAS percentage and change for spread matrix, trade prices, comparative transactions, Trade Reporting and Compliance Engine ("TRACE") reports
Non-U.S. corporate	$ 445,763	Multi-dimensional attribute-based modeling systems, OAS-based models, price quotes from market makers	Benchmark yields, trade prices, broker quotes, comparative transactions, issuer spreads, bid-offer spread, market research publications, third-party pricing sources
Other asset-backed	$ 994,121	Multi-dimensional attribute-based modeling systems, spread matrix priced to swap curves, price quotes from market makers	Spreads to daily updated swap curves, spreads derived from trade prices and broker quotes, bid side prices, new issue data, collateral performance, analysis of prepayment speeds, cash flows, collateral loss analytics, historical issue analysis, trade data from market makers, TRACE reports

Internal models

A portion of our U.S. corporate and non-U.S. corporate securities are valued using internal models. The fair value of these fixed maturity securities was $187.1 million and $99.6 million, respectively, as of March 31, 2022. Internally modeled securities are primarily private fixed maturity securities where we use market observable inputs such as an interest rate yield curve, published credit spreads for similar securities based on the external ratings of the instrument and related industry sector of the issuer. Additionally, we may apply certain price caps and liquidity premiums in the valuation of private fixed maturity securities. Price caps and liquidity premiums are established using inputs from market participants.

Level 3 measurements

Broker quotes

A portion of our U.S. corporate, non-U.S. corporate and other asset-backed securities are valued using broker quotes. Broker quotes are obtained from third-party providers that have current market knowledge to provide a reasonable price for securities not routinely priced by pricing services. Brokers utilized for valuation of assets are reviewed annually. The fair value of our Level 3 fixed maturity securities priced by broker quotes was $3.5 million as of March 31, 2022.

Internal models

A portion of our U.S. corporate, non-U.S. corporate and other asset-backed securities are valued using internal models. The primary inputs to the valuation of the bond population include quoted prices for identical assets, or similar assets in markets that are not active, contractual cash flows, duration, call provisions, issuer rating, benchmark yields and credit spreads. Certain private fixed maturity securities are valued using an internal model using market observable inputs such as the interest rate yield curve, as well as published credit spreads for similar securities, which includes significant unobservable inputs. Additionally, we may apply certain price caps and liquidity premiums in the valuation of private fixed maturity securities. Price caps are established using inputs from market participants. For structured securities, the primary inputs to the valuation include quoted prices for identical assets, or similar assets in markets that are not active, contractual cash flows, weighted-average coupon, weighted-average maturity, issuer rating, structure of the security, expected prepayment speeds and volumes, collateral type, current and forecasted loss severity, average delinquency rates, vintage of the loans, geographic region, debt service coverage ratios, payment priority with the tranche, benchmark yields and credit spreads. The fair value of our Level 3 fixed maturity securities priced using internal models was $324.4 million as of March 31, 2022.

The following tables set forth our assets by class of instrument that are measured at fair value on a recurring basis as of the dates indicated:

	March 31, 2022			
(Amounts in thousands)	**Total**	**Level 1**	**Level 2**	**Level 3**
Fixed maturity securities:				
U.S. government, agencies and GSEs	$ 56,751	$ —	$ 56,751	$ —
State and political subdivisions	508,391	—	508,391	—
Non-U.S. government	21,529	—	21,529	—
U.S. corporate	2,882,497	—	2,639,034	243,463
Non-U.S. corporate	629,795	—	545,377	84,418
Other asset-backed	994,121	—	994,121	
Total	**$ 5,093,084**	**$ —**	**$ 4,765,203**	**$ 327,881**

	December 31, 2021			
(Amounts in thousands)	**Total**	**Level 1**	**Level 2**	**Level 3**
Fixed maturity securities:				
U.S. government, agencies and GSEs	$ 58,408	$ —	$ 58,408	$ —
State and political subdivisions	538,453	—	538,453	—
Non-U.S. government	22,416	—	22,416	—
U.S. corporate	2,945,303	—	2,724,570	220,733
Non-U.S. corporate	666,594	—	582,930	83,664
Other asset-backed	1,035,165	—	1,010,942	24,223
Total	**$ 5,266,339**	**$ —**	**$ 4,937,719**	**$ 328,620**

We did not have any liabilities recorded at fair value as of March 31, 2022, and December 31, 2021.

The following tables present additional information about assets measured at fair value on a recurring basis and for which we have utilized significant unobservable (Level 3) inputs to determine fair value as of or for the dates indicated:

		Total realized and unrealized gains (losses)							Total gains (losses) attributable to assets still held	
(Amounts in thousands)	**Beginning balance as of January 1, 2022**	**Included in net income**	**Included in OCI**	**Purchases**	**Settlements**	**Transfer into Level 3 (1)**	**Transfer out of Level 3 (1)**	**Ending balance as of March 31, 2022**	**Included in net income**	**Included in OCI**
Fixed maturity securities:										
U.S. corporate	$ 220,733	$ (15)	$ (16,784)	$ 39,969	$ (440)	$ —	$ —	$ 243,463	$ (15)	$ (16,784)
Non-U.S. corporate	83,664	(84)	(5,337)	10,000	(106)	—	(3,719)	84,418	(84)	(5,044)
Other asset-backed	24,223	—	(1,624)	—	—	—	(22,599)	—	—	—
Total	**$ 328,620**	**$ (99)**	**$ (23,745)**	**$ 49,969**	**$ (546)**	**$ —**	**$ (26,318)**	**$ 327,881**	**$ (99)**	**$ (21,828)**

(1) The transfers into and out of Level 3 for fixed maturity securities were related to changes in the primary pricing source and changes in the observability of external information used in determining the fair value, such as external ratings or credit spreads.

(Amounts in thousands)	Beginning balance as of January 1, 2021	Total realized and unrealized gains (losses)		Purchases	Settlements	Transfer into Level 3 (1)	Transfer out of Level 3 (1)	Ending balance as of March 31, 2021	Total gains (losses) attributable to assets still held	
		Included in net income	Included in OCI						Included in net income	Included in OCI
Fixed maturity securities:										
U.S. corporate	$ 119,373	$ (30)	$ (3,145)	$ —	$ (5,487)	$ —	$ —	$ 110,711	$ (30)	$ (3,145)
Non-U.S. corporate	95,751	(16)	(1,743)	29,426	(105)	—	(4,392)	118,921	(11)	(1,826)
Other asset-backed	13,781	—	56	—	(911)	—	(2,568)	10,358	—	6
Total	**$ 228,905**	**$ (46)**	**$ (4,832)**	**$ 29,426**	**$ (6,503)**	**$ —**	**$ (6,960)**	**$ 239,990**	**$ (41)**	**$ (4,965)**

(1) The transfers into and out of Level 3 for fixed maturity securities were related to changes in the primary pricing source and changes in the observability of external information used in determining the fair value, such as external ratings or credit spreads.

Purchases, sales, issuances and settlements represent the activity that occurred during the period that results in a change of the asset but does not represent changes in fair value for the instruments held at the beginning of the period. Such activity consists of purchases, sales and settlements of fixed maturity securities.

The amount presented for realized and unrealized gains (losses) included in net income for fixed maturity securities primarily represents amortization and accretion of premiums and discounts on certain fixed maturity securities recorded within net investment income.

The following table presents a summary of the significant unobservable inputs used for certain asset fair value measurements that are based on internal models and classified as Level 3 as of March 31, 2022:

(Amounts in thousands)	Valuation technique	Fair value (1)	Unobservable input	Range (bps)	Weighted-average (2) (bps)
Fixed maturity securities:					
U.S. corporate	Internal models	$ 239,952	Credit spreads	42 - 166	113
Non-U.S. corporate	Internal models	$ 84,418	Credit spreads	85 - 165	119

(1) Certain classes of instruments classified as Level 3 are excluded as a result of not being material or due to limitations in being able to obtain the underlying inputs used by certain third-party sources, such as broker quotes, used as an input in determining fair value.

(2) Unobservable inputs weighted by the relative fair value of the associated instrument.

Liabilities Not Required to Be Carried at Fair Value

The following table provides fair value information for financial instruments that are reflected in the accompanying unaudited condensed consolidated financial statements at amounts other than fair value. We have certain financial instruments that are not recorded at fair value, including cash and cash equivalents and accrued investment income, the carrying value of which approximate fair value due to the short-term nature of these instruments and are not included in this disclosure.

The following represents our estimated fair value of financial liabilities that are not required to be carried at fair value, classified as Level 2, as of the dates indicated:

	March 31, 2022		December 31, 2021	
(Amounts in thousands)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Long-term borrowings	$ 741,004	$ 775,110	$ 740,416	$ 821,033

(5) Loss Reserves

Activity for the liability for loss reserves for the three months ended March 31, is summarized as follows:

(Amounts in thousands)	**2022**	**2021**
Loss reserves, beginning balance	$ 641,325	$ 555,679
Run-off reserves	(681)	(654)
Net loss reserves, beginning balance	640,644	555,025
Losses and LAE incurred related to current accident year	41,274	45,064
Losses and LAE incurred related to prior accident years	(51,707)	10,321
Total incurred [(1)]	(10,433)	55,385
Losses and LAE paid related to current accident year	(4)	(305)
Losses and LAE paid related to prior accident years	(5,613)	(7,193)
Total paid [(1)]	(5,617)	(7,498)
Net loss reserves, ending balance	624,594	602,912
Run-off reserves	685	616
Loss reserves, ending balance	**$ 625,279**	**$ 603,528**

(1) Losses and loss adjustment expenses (“LAE”) incurred and paid exclude losses related to our run-off business.

The liability for loss reserves represents our current best estimate; however, there may be future adjustments to this estimate and related assumptions. Such adjustments, reflecting any variety of new and adverse trends, could possibly be significant, and result in future increases to reserves by amounts that could be material to our results of operations, financial condition and liquidity.

Losses incurred related to insured events of the current accident year relate to defaults that occurred in that year and represent the estimated ultimate amount of losses to be paid on such defaults. Losses incurred related to insured events of prior accident years represent the (favorable) or unfavorable development of reserves as a result of the actual rates at which delinquencies go to claim (“claim rates”) and claim amounts being different than those we estimated when originally establishing the reserves. Such estimates are based on our historical experience, which we believe is representative of expected future losses at the time of estimation. As a result of the extended period of time that may exist between the reporting of a delinquency and the claim payment, as well as changes in economic conditions and the real estate market, significant uncertainty and variability exist on amounts ultimately paid.

For the three months ended March 31, 2022, losses and LAE incurred of $41.3 million related to insured events of the current accident year was primarily attributable to new delinquencies, a portion of which was from borrowers participating in deferred or reduced payments ("forbearance") as a result of COVID-19. When establishing loss reserves for borrowers in forbearance, we assume a lower rate of delinquencies becoming active claims, which has the effect of producing a lower reserve compared to delinquencies that are not in forbearance. Historical experience with localized natural disasters, such as hurricanes, indicates a higher cure rate for borrowers in forbearance. Unlike a hurricane where the natural disaster occurs at a point in time and the rebuild starts soon after, COVID-19 brought ongoing displacement to the mortgage insurance market, making it more difficult to determine the effectiveness of forbearance and the resulting claim rates for new delinquencies in forbearance plans. Given this difference, we initially leveraged our prior hurricane experience and have recently layered in cure activity from COVID-19 related delinquencies as considerations in the establishment of an appropriate claim rate estimate for new delinquencies in forbearance plans that have emerged as a result of COVID-19. Loss reserves recorded on these new delinquencies have a high degree of estimation due to the level of uncertainty regarding whether delinquencies in forbearance will ultimately cure or result in claim payments.

We also recorded a reserve release on prior accident year reserves of $50.0 million, which was primarily driven by performance of delinquencies from 2020 related to the emergence of COVID-19.

(6) Reinsurance

We reinsure a portion of our policy risks to other companies in order to reduce our ultimate losses, diversify our exposures and comply with regulatory requirements. We also assume certain policy risks written by other companies.

Reinsurance does not relieve us from our obligations to policyholders. In the event that the reinsurers are unable to meet their obligations, we remain liable for the reinsured claims. We monitor both the financial condition of individual reinsurers and risk concentrations arising from similar geographic regions, activities and economic characteristics of reinsurers to lessen the risk of default by such reinsurers.

The following table sets forth the effects of reinsurance on premiums written and earned for the periods indicated:

	Three months ended March 31,	
(Amounts in thousands)	**2022**	**2021**
Net premiums written:		
Direct	$ 242,605	$ 242,596
Assumed	68	89
Ceded	(18,302)	(16,346)
Net premiums written	**$ 224,371**	**$ 226,339**
Net premiums earned:		
Direct	$ 252,513	$ 268,799
Assumed	68	89
Ceded	(18,302)	(16,346)
Net premiums earned	**$ 234,279**	**$ 252,542**

The difference between written premiums of $224.4 million and earned premiums of $234.3 million represents the decrease in unearned premiums for the three months ended March 31, 2022. The decrease in unearned premiums was primarily the result of policy cancellations in our single premium mortgage insurance product.

Insurance-linked note excess of loss reinsurance treaties

On September 2, 2021, we obtained $371.5 million of excess of loss reinsurance coverage from Triangle Re 2021-3 Ltd. (“Triangle Re 2021-3”) on a portfolio of existing mortgage insurance policies written from January 2021 through June 2021. In connection with entering into the reinsurance agreement with Triangle Re 2021-3, we believe that the risk transfer requirements for reinsurance accounting were met as Triangle Re 2021-3 is assuming significant insurance risk and a reasonable possibility of significant loss. At closing, we retain the first layer of aggregate losses up to $303.5 million. Triangle Re 2021-3 provides 72% reinsurance coverage for losses above our retained layer up to $371.5 million.

On April 16, 2021, we obtained $302.7 million of excess of loss reinsurance coverage from Triangle Re 2021-2 Ltd. (“Triangle Re 2021-2”) on a portfolio of existing mortgage insurance policies written from September 2020 through December 2020. In connection with entering into the reinsurance agreement with Triangle Re 2021-2, we believe that the risk transfer requirements for reinsurance accounting were met as Triangle Re 2021-2 is assuming significant insurance risk and a reasonable possibility of significant loss. For the reinsurance coverage, we retain the first layer of aggregate losses up to $188.6 million. Triangle Re 2021-2 provides 76% reinsurance coverage for losses above our retained first layer up to $302.7 million.

On March 2, 2021, we obtained $495.0 million of excess of loss reinsurance coverage from Triangle Re 2021-1 Ltd. (“Triangle Re 2021-1”) on a portfolio of existing seasoned mortgage insurance policies written from January 2014 through December 2018 and from October 2019 through December 2019. In connection with entering into the reinsurance agreement with Triangle Re 2021-1, we believe that the risk transfer requirements for reinsurance accounting were met as Triangle Re 2021-1 is assuming significant insurance risk and a reasonable possibility of significant loss. Triangle Re 2021-1 reinsurance coverage is derived by applying a reinsurance cession percentage to the mortgage insurance coverage for each loan to get to an Aggregate Exposed Principal Balance (“AEPB”). This AEPB accounts for any existing reinsurance and ensures we retain a minimum 5% vertical risk retention on each loan. For the reinsurance coverage, we retain the first layer of aggregate losses up to $212.1 million. Triangle Re 2021-1 provides 100% reinsurance coverage for losses above our retained first layer up to $495.0 million.

Other excess of loss reinsurance treaties

On March 24, 2022, we executed an excess of loss reinsurance transaction with a panel of reinsurers, which provides up to $325 million of reinsurance coverage on a portfolio of existing mortgage insurance policies written from July 1, 2021 through December 31, 2021, and became effective March 1, 2022.

On January 27, 2022, we executed an excess of loss reinsurance transaction with a panel of reinsurers, which provides up to $294 million of reinsurance coverage on a portion of current and expected new insurance written for the 2022 book year, effective January 1, 2022.

On February 4, 2021, we executed an excess of loss reinsurance transaction with a panel of reinsurers, which provides up to $205.8 million of reinsurance coverage on a portion of current and expected new insurance written (“NIW”) for the 2021 book year, effective January 1, 2021.

(7) Borrowings

In 2021, we issued $750 million aggregate principal amount of 6.5% senior notes due in 2025 (the "2025 Senior Notes"). Interest on the 2025 Senior Notes is payable semi-annually in arrears on February 15 and August 15 of each year. The 2025 Senior Notes mature on August 15, 2025.

The following table sets forth long-term borrowings as of the dates indicated:

(Amounts in thousands)	March 31, 2022	December 31, 2021
6.5% Senior Notes, due 2025	$ 750,000	$ 750,000
Deferred borrowing charges	(8,996)	(9,584)
Total	**$ 741,004**	**$ 740,416**

(8) Income Taxes

We compute the provision for income taxes on a separate return with benefits-for-loss method. If during the three months ended March 31, 2022 and 2021, we had computed taxes using the separate return method, the provision for income taxes would have been unchanged.

(9) Related Party Transactions

We have various agreements with Genworth that provide for reimbursement to and from Genworth of certain administrative and operating expenses that include, but are not limited to, information technology services and administrative services (such as finance, human resources, employee benefit administration and legal). These agreements provide for an allocation of corporate expenses to all Genworth businesses or subsidiaries. We incurred costs for these services of $7.8 million and $14.2 million for the three months ended March 31, 2022 and 2021, respectively.

Our investment portfolio is managed by Genworth. Under the terms of the investment management agreement we are charged a fee by Genworth. All fees paid to Genworth are charged to investment expense and are included in net investment income in the condensed consolidated statements of income. The total investment expenses paid to Genworth were $1.4 million and $1.3 million for the three months ended March 31, 2022 and 2021, respectively.

Our employees participate in certain benefit plans sponsored by Genworth and certain share-based compensation plans that utilize shares of Genworth common stock and other incentive plans.

We provide certain information technology and administrative services (such as facilities and maintenance) to Genworth. We charged Genworth $0.2 million and $0.1 million for these services for the three months ended March 31, 2022 and 2021, respectively.

We have a tax sharing agreement in place with Genworth, such that we participate in a single U.S. consolidated income tax return filing. All intercompany balances related to this agreement are settled at least annually.

The condensed consolidated financial statements include the following amounts due to and from Genworth relating to recurring service and expense agreements as of:

(Amounts in thousands)	March 31, 2022	December 31, 2021
Amounts payable to Genworth	$ 8,417	$ 8,316
Amounts receivable from Genworth	$ 359	$ 133

(10) Net Income Per Common Share

The basic earnings per share computation is based on the weighted average number of shares of common stock outstanding. For the three months ended March 31, 2022, the calculation of dilutive weighted average shares considers the impact of restricted stock units issued to employees as well deferred stock units issued to our directors. For the three months ended March 31, 2021, we had no instruments outstanding that would be dilutive to earnings per share.

The calculation of basic and diluted net income per share is as follows.

	Three months ended March 31,	
(Amounts in thousands, except per share amounts)	**2022**	**2021**
Net Income available to EHI common stockholders	$ 164,630	$ 125,131
Net income per common share:		
Basic	$ 1.01	$ 0.77
Diluted	$ 1.01	$ 0.77
Weighted average common shares outstanding:		
Basic	162,841	162,840
Diluted	163,054	162,840

(11) Changes in Accumulated Other Comprehensive Income

The following tables present a roll forward of accumulated other comprehensive income for the periods indicated:

(Amounts in thousands)	Net unrealized investment gains (losses)	Foreign currency translation	Total
Balance as of January 1, 2022, net of tax	**$ 83,588**	**$ (7)**	**$ 83,581**
Other comprehensive income (loss) before reclassifications	(223,896)	29	(223,867)
Amounts reclassified (from) to other comprehensive income (loss)	(404)	—	(404)
Total other comprehensive income (loss)	(224,300)	29	(224,271)
Balance as of March 31, 2022, net of tax	**$ (140,712)**	**$ 22**	**$ (140,690)**

(Amounts in thousands)	Net unrealized investment gains (losses)	Foreign currency translation	Total
Balance as of January 1, 2021, net of tax	**$ 208,378**	**$ —**	**$ 208,378**
Cumulative effective of change in accounting, net of taxes	281	—	281
Other comprehensive income (loss) before reclassifications	(71,776)	—	(71,776)
Amounts reclassified (from) to other comprehensive income (loss)	77	—	77
Total other comprehensive income (loss)	(71,699)	—	(71,699)
Balance as of March 31, 2021, net of tax	**$ 136,960**	**$ —**	**$ 136,960**

The following table presents the effect of the reclassifications of significant items out of accumulated other comprehensive income on the respective line items of the consolidated statements of income, for the periods indicated:

	Amount reclassified from accumulated other comprehensive income		
	Three months ended March 31,		
(Amounts in thousands)	2022	2021	Affected line item in the condensed consolidated statements of income
Net unrealized gains (losses) on investments	$ (512)	$ (98)	Net investment gains (losses)
Benefit (expense) from income taxes	108	21	Provision for income taxes

(12) Subsequent Events

In April 2022, we announced that our Board of Directors has approved the initiation of a dividend program under which the Company intends to pay a quarterly cash dividend. The inaugural quarterly dividend for the second quarter of 2022 will be $0.14 per share, payable on May 26, 2022, to common shareholders of record on May 9, 2022. Future dividend payments are subject to quarterly review and approval by our Board of Directors and will be targeted to be paid in the third month of each subsequent quarter.

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

The following discussion and analysis of our consolidated financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes for the three months ended March 31, 2022 and 2021, and our audited consolidated financial statements and related notes for the years ended December 31, 2021 and 2020 within our Annual Report on Form 10-K for the fiscal year ending December 31, 2021 (the "Annual Report").

In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences are discussed in the sections entitled "Cautionary Note Regarding Forward-Looking Statements" above and Part I, Item 1A "Risk Factors" in our Annual Report and Part II, Item 1A "Risk Factors" in this Quarterly Report. Future results could differ significantly from the historical results presented in this section. References to EHI, Enact, Enact Holdings, the "Company," "we" or "our" herein are, unless the context otherwise requires, to EHI on a consolidated basis.

Key Factors Affecting Our Results

There have been no material changes to the factors affecting our results, as compared to those disclosed in the Annual Report, other than the impact of items as discussed below in "—Trends and Conditions".

Trends and Conditions

During the first quarter of 2022, the United States and global economies experienced new headwinds due to geopolitical uncertainty that increased global shortfalls in supplies of energy, food and raw materials. Combined with a renewed COVID-19 outbreak in China and subsequent shutdowns across the country, inflationary pressures rose in the first quarter of 2022 with the Bureau of Labor Statistics reporting in March that the Consumer Price Index increased by over a percentage point to 8.5% year-over-year. As a result, the Federal Reserve has indicated a more aggressive approach towards addressing inflation through rate increases and a reduction of its balance sheet and approved an interest rate increase of 0.25% in March of 2022. Financial markets have reacted with increased volatility and rates have increased across the Treasury yield curve.

Mortgage origination activity declined during the first quarter of 2022 due to typical seasonal trends and in response to rising mortgage rates that specifically impacted the refinance market. This trend is likely to continue as the Federal Reserve has signaled that it expects to make additional interest rate increases throughout the remainder of 2022. Housing affordability declined nationally as of February 2022 compared to one year ago due to rising home prices and increasing interest rates modestly offset by rising median family income according to the National Association of Realtors Housing Affordability Index.

The unemployment rate has continued to decrease since the beginning of COVID-19 and was 3.6% in March 2022. Unemployment is relatively in line with the pre-pandemic level of 3.5% in February 2020, and has steadily decreased from a peak of 14.8% in April 2020. After the continued recovery in the first quarter of 2022, the number of unemployed Americans stands at approximately 6 million, which is 0.3 million higher than in February 2020. Among the unemployed, those on temporary layoff continued to decrease to 0.8 million from a peak of 18 million in April 2020, and the number of permanent job losses decreased to approximately 1.4 million. In addition, the number of long term unemployed over 26 weeks has continued to decrease since March 2021, falling to approximately 1.4 million in March 2022.

The Federal Housing Finance Agency ("FHFA") and the GSEs are focused on increasing the accessibility and affordability of homeownership, in particular for low- and moderate-income borrowers and underserved minority communities. Among other things, FHFA directed the GSEs to submit Equitable Housing Plans by the end of 2021 to identify and address barriers to sustainable housing opportunities to advance equity in housing finance. Any new practices or programs subsequently implemented under the GSEs’ Equitable Housing Plans or other affordability initiatives may impact the fees, underwriting and servicing standards on mortgage loans purchased by the GSEs.

In January 2022, the FHFA introduced new upfront fees for some high-balance and second-home loans sold to Fannie Mae and Freddie Mac. Upfront fees for high balance loans increased between 0.25% and 0.75%, tiered by loan-to-value ratio. For second home loans, the upfront fees increased between 1.125% and 3.875%, also tiered by loan-to-value ratio. The new pricing framework became effective April 1, 2022. We do not anticipate this will significantly impact the mortgage insurance market or our growth projections.

For mortgages insured by the federal government (including those purchased by Fannie Mae and Freddie Mac), forbearance allows borrowers impacted by COVID-19 to temporarily suspend mortgage payments up to 18 months subject to certain limits. An initial forbearance period is typically up to six months and can be extended up to another six months if requested by the borrower to its mortgage servicer. For GSE loans in a COVID-19 forbearance plan as of February 28, 2021, the maximum forbearance can be up to 18 months. Currently, the GSEs do not have a deadline for requesting an initial forbearance. Even though most foreclosure moratoriums expired at the end of 2021, federal laws and regulations continue to require servicers to discuss loss mitigation options with borrowers before proceeding with foreclosures. These requirements could further extend the foreclosure timeline, which could negatively impact the severity of loss on loans that go to claim.

Although it is difficult to predict the future level of reported forbearance and how many of the policies in a forbearance plan that remain current on their monthly mortgage payment will go delinquent, servicer-reported forbearances have generally declined. At the end of the first quarter of 2022 approximately 2.0%, or 18,588, of our active primary policies were reported in a forbearance plan, of which approximately 41% were reported as delinquent.

Total delinquencies decreased during the first quarter of 2022 as a result of cures outpacing new delinquencies, which increased modestly during the quarter. The first quarter 2022 new delinquency rate of 0.9% was in line with pre-pandemic levels.

Despite continued economic recovery, the full impact of COVID-19 and its ancillary economic effects on our future business results are difficult to predict. Given the maximum length of forbearance plans, the resolution of a delinquency in a plan may not be known for several quarters. We continue to monitor regulatory and government actions and the resolution of forbearance delinquencies. While the associated risks have moderated, it is possible that COVID-19 could have a significantly adverse impact on our future results of operations and financial condition.

Private mortgage insurance market penetration and eventual market size are affected in part by actions that impact housing or housing finance policy taken by the GSEs and the U.S. government, including but not limited to, the Federal Housing Administration (“FHA”) and the FHFA. In the past, these actions have included announced changes, or potential changes, to underwriting standards, including changes to the GSEs’ automated underwriting systems, FHA pricing, GSE guaranty fees, loan limits and alternative products. On February 25, 2022, the FHFA finalized the rule for the Enterprise Capital Framework, which included technical corrections to their December 17, 2020 rule. Higher GSE capital requirements could ultimately lead to increased costs to borrowers of GSE loans, which in turn could shift the market away from the GSEs to the FHA or lender portfolios. Such a shift could result in a smaller market for private mortgage insurance.

In conjunction with preparing to release the GSEs from conservatorship, on January 14, 2021, the FHFA and the Treasury Department agreed to amend the Preferred Stock Purchase Agreements (“PSPAs”) between the Treasury Department and each of the GSEs to increase the amount of capital each GSE may retain. Among other things, the amendments to the PSPAs limit the number of certain mortgages the GSEs may acquire with two or more prescribed risk factors, including certain mortgages with combined loan-to-value (“LTV”) ratios above 90%. However, on September 14, 2021, the FHFA and Treasury Department suspended certain provisions of the amendments to the PSPAs, including the limit on the number of mortgages with two or more risk factors that the GSEs may acquire. Such suspensions terminate on the later of one year after September 14, 2021, or six months after the Treasury Department notifies the GSEs of termination. The limit on the number of mortgages with two or more risk factors was based on the market size at the time, and we do not expect any material impact to the private mortgage market in the near term.

New insurance written of $18.8 billion in the first quarter of 2022 decreased 25% compared to the first quarter of 2021 primarily due to a smaller estimated private mortgage insurance market which was primarily driven by a decline in refinance originations due to rising mortgage rates.

Our primary persistency increased to 76% during the first quarter of 2022 compared to 56% during the first quarter of 2021 and is approaching historic levels of approximately 80%. The increase in persistency was primarily driven by a decline in the percentage of our in-force policies with mortgage rates above current mortgage rates. The increase in persistency has offset the decline in new insurance written in the first quarter of 2022, leading to an increase in insurance in-force (“IIF”) of $5.3 billion since December 31, 2021. Low persistency impacted business performance trends in 2021 in several ways including, but not limited to, accelerating the recognition of earned premiums due to single premium policy cancellations, accelerating the amortization of our existing reinsurance transactions, and shifting the concentration of our primary IIF to more recent years of policy origination. As of March 31, 2022, our primary IIF has approximately 4% concentration in 2014 and prior book years. In contrast, our 2021 book year represents 38% of our primary IIF concentration while our 2022 book year is 8% as of March 31, 2022.

The U.S. private mortgage insurance industry is highly competitive. Our market share is influenced by the execution of our go to market strategy, including but not limited to, pricing competitiveness relative to our peers and our selective participation in forward commitment transactions. We continue to manage the quality of new business through pricing and our underwriting guidelines, which are modified from time to time when circumstances warrant. We see the market and underwriting conditions, including the pricing environment, as being well within our risk-adjusted return appetite enabling us to write new business at attractive returns. Ultimately, we expect our new insurance written with its strong credit profile and attractive pricing to positively contribute to our future profitability and return on equity.

Net earned premiums declined in the first quarter of 2022 compared to the first quarter of 2021 as a result of the continued lapse of older, higher priced policies, a decrease in single premium cancellations and higher ceded premiums as the use of credit risk transfer increased. This was partially offset by insurance in-force growth. The total number of delinquent loans has declined from the COVID-19 peak in the second quarter of 2020 as forbearance exits continue and new forbearances declined. During this time and consistent with prior years, servicers continued the practice of remitting premiums during the early stages of default. Additionally, we have a business practice of refunding the post-delinquent premiums to the insured party if the delinquent loan goes to claim. We record a liability and a reduction to net earned premiums for the post-delinquent premiums we expect to refund. The post-delinquent premium liability recorded since the beginning of COVID-19 in the second quarter of 2020 through the first quarter of 2022 was not significant to the change in earned premiums for those periods as a result of the high concentration of new delinquencies being subject to a servicer reported forbearance plan and the lower estimated rate at which delinquencies go to claim for these loans.

Our loss ratio for the three months ended March 31, 2022, was (4)% as compared to 22% for the three months ended March 31, 2021. The decrease was largely from a $50 million reserve release during the quarter, primarily related to COVID-19 delinquencies from 2020 compared to $10 million of reserve strengthening on pre-COVID-19 delinquencies during the first quarter of 2021. During the peak of COVID-19, we experienced elevated new delinquencies subject to forbearance plans. Those delinquencies have been curing at levels above our reserve expectations, which led to the release of reserves in the first quarter of 2022.

Our loss reserves continue to be impacted by COVID-19 and remain subject to uncertainty. Borrowers who have experienced a financial hardship including, but not limited to, the loss of income due to the closing of a business or the loss of a job, continue to take advantage of available forbearance programs and payment deferral options. Loss reserves recorded on these new delinquencies have a high degree of estimation due to the level of uncertainty regarding whether delinquencies in forbearance will ultimately cure or result in claim payments.

The severity of loss on loans that do go to claim may be negatively impacted by the extended forbearance and foreclosure timelines, the associated elevated expenses and the higher loan amount of the recent new delinquencies. These negative influences on loss severity could be mitigated, in part, by further home price appreciation. For loans insured on or after October 1, 2014, our mortgage insurance policies limit the number of months of unpaid interest and associated expenses that are included in the mortgage insurance claim amount to a maximum of 36 months.

New delinquencies in the first quarter of 2022 declined compared to the first quarter of 2021. Current period primary delinquencies of 8,724 contributed $39 million of loss expense in the first quarter of 2022. We incurred $44 million of losses from 10,053 current period delinquencies in the first quarter of 2021 driven primarily by an increase in borrower forbearance as a result of COVID-19. In determining the loss expense estimate, considerations were given to forbearance and non-forbearance delinquencies, recent cure and claim experience, and the prevailing economic conditions. Approximately 27% of our primary new delinquencies in the first quarter of 2022 were subject to a forbearance plan as compared to 54% in the first quarter of 2021.

As of March 31, 2022, EMICO's risk-to-capital ratio under the current regulatory framework as established under North Carolina law and enforced by the North Carolina Department of Insurance ("NCDOI"), EMICO's domestic insurance regulator, was approximately 12.2:1, compared with a risk-to-capital ratio of 12.3:1 and 11.9:1 as of December 31, 2021 and March 31, 2021, respectively. EMICO's risk-to-capital ratio remains below the NCDOI's maximum risk-to-capital ratio of 25:1. North Carolina's calculation of risk-to-capital excludes the risk-in-force for delinquent loans given the established loss reserves against all delinquencies. EMICO's ongoing risk-to-capital ratio will depend on the magnitude of future losses incurred by EMICO, the effectiveness of ongoing loss mitigation activities, new business volume and profitability, the amount of policy lapses and the amount of additional capital that is generated or distributed by the business or capital support provided.

Under PMIERs, we are subject to operational and financial requirements that private mortgage insurers must meet in order to remain eligible to insure loans that are purchased by the GSEs. Since 2020, the GSEs have issued several amendments to PMIERs, which implemented both permanent and temporary revisions.

For loans that became non-performing due to a COVID-19 hardship, PMIERs was temporarily amended with respect to each non-performing loan that (i) had an initial missed monthly payment occurring on or after March 1, 2020, and prior to April 1, 2021, or (ii) is subject to a forbearance plan granted in response to a financial hardship related to COVID-19, the terms of which are materially consistent with terms of forbearance plans offered by the GSEs. The risk-based required asset amount factor for the non-performing loan is the greater of (a) the applicable risk-based required asset amount factor for a performing loan were it not delinquent, and (b) the product of a 0.30 multiplier and the applicable risk-based required asset amount factor for a non-performing loan. In the case of (i) above, absent the loan being subject to a forbearance plan described in (ii) above, the 0.30 multiplier was applicable for no longer than three calendar months beginning with the month in which the loan became a non-performing loan due to having missed two monthly payments. Loans subject to a forbearance plan described in (ii) above include those that are either in a repayment plan or loan modification trial period following the forbearance plan unless reported to the approved insurer that the loan is no longer in such forbearance plan, repayment plan, or loan modification trial period. The PMIERs amendment dated June 30, 2021 further allows loans that enter a forbearance plan due to a COVID-19 hardship on or after April 1, 2021 to remain eligible for extended application of the reduced PMIERs capital factor for as long as the loan remains in forbearance. In addition, the PMIERs amendment imposed permanent revisions to the risk-based required asset amount factor for non-performing loans for properties located in future Federal Emergency Management Agency Declared Major Disaster Areas eligible for individual assistance.

In September 2020, subsequent to the issuance of Enact Holdings' senior notes due in 2025, the GSEs imposed certain restrictions (the "GSE Restrictions") with respect to capital on our business. In May 2021, in connection with their conditional approval of the then potential partial sale of Enact Holdings, the GSEs confirmed the GSE Restrictions will remain in effect until the following collective conditions ("GSE Conditions") are met: (a) EMICO obtains "BBB+"/"Baa1" (or higher) rating from S&P, Moody's or Fitch Ratings, Inc. for two consecutive quarters and (b) Genworth achieves certain financial metrics. Prior to the satisfaction of the GSE Conditions, the GSE Restrictions require:

- EMICO to maintain 115% of PMIERs minimum required assets through 2021, 120% during 2022 and 125% thereafter;
- Enact Holdings to retain $300 million of net proceeds from the 2025 Senior Notes offering that can be drawn down exclusively for debt service of those notes or to contribute to EMICO to meet its regulatory capital needs including PMIERs; and
- written approval must be received from the GSEs prior to any additional debt issuance by either EMICO or Enact Holdings.

Until the GSE Conditions imposed in connection with the GSE Restrictions are met, Enact Holdings' liquidity must not fall below 13.5% of its outstanding debt. In addition, Fannie Mae agreed to reconsider the GSE Restrictions if Genworth were to own 50% or less of Enact Holdings at any point prior to their expiration. We understand that Genworth's current plans do not include a potential sale in which Genworth owns less than 80% of Enact Holdings. The current balance of the 2025 Senior Notes proceeds required to be held by our holding company is approximately $228 million.

As of March 31, 2022, we had estimated available assets of $5,222 million against $2,961 million net required assets under PMIERs compared to available assets of $5,077 million against $3,074 million net required assets as of December 31, 2021. The sufficiency ratio as of March 31, 2022, was 176%, or $2,261 million, above the published PMIERs requirements, compared to 165%, or $2,003 million, above the published PMIERs requirements as of December 31, 2021. PMIERs sufficiency is based on the published requirements applicable to private mortgage insurers and does not give effect to the GSE Restrictions imposed on our business. The increase in the PMIERs sufficiency was driven by the completion of two excess of loss ("XOL") reinsurance transactions in the first quarter of 2022, which added approximately $370 million of additional PMIERs capital credit as of March 31, 2022, as well as lapse, business cash flows and lower delinquencies, partially offset by NIW and amortization of existing reinsurance transactions. Our PMIERs required assets as of March 31, 2022, and December 31, 2021, benefited from the application of a 0.30 multiplier applied to the risk-based required asset amount factor for certain non-performing loans. The application of the 0.30 multiplier to all eligible delinquencies provided $272 million of benefit to our March 31, 2022 PMIERs required assets compared to $390 million of benefit as of December 31, 2021. These amounts are gross of any incremental reinsurance benefit from the elimination of the 0.30 multiplier.

On January 27, 2022, we executed an excess of loss reinsurance transaction with a panel of reinsurers, which provides up to $294 million of reinsurance coverage on a portion of current and expected new insurance written for the 2022 book year, effective January 1, 2022.

On March 24, 2022 we executed an excess of loss reinsurance transaction with a panel of reinsurers, which provides up to approximately $325 million of reinsurance coverage on a portfolio of existing mortgage insurance policies written from July 1, 2021 through December 31, 2021, effective March 1, 2022.

On April 26, 2022, Enact's Board of Directors approved the initiation of a dividend program under which the Company intends to pay a quarterly cash dividend. The inaugural quarterly dividend for the second quarter of 2022 will be $0.14 per share, payable on May 26, 2022, to common shareholders of record on May 9, 2022. Future dividend payments are subject to quarterly review and approval by our Board of Directors and Genworth, and will be targeted to be paid in the third month of each subsequent quarter. In April 2022, our primary mortgage insurance operating company, EMICO, completed a distribution to EHI that will support our ability to pay a quarterly dividend. We intend to use these proceeds and future EMICO distributions to fund the quarterly dividend as well as to bolster our financial flexibility at EHI and return additional capital to shareholders.

Returning capital to shareholders, balanced with our growth and risk management priorities, remains a key commitment for Enact as we look to drive shareholder value through time. We believe the initiation of a quarterly dividend reflects meaningful progress towards that goal, and we continue to evaluate the most appropriate amount of total capital to return to shareholders for the remainder of 2022. We believe we have several options available to us to return capital to shareholders and will continue to evaluate our capital allocation options. Our ultimate view will be shaped by our capital prioritization framework: supporting our existing policyholders, growing our mortgage insurance business, funding attractive new business opportunities and returning capital to shareholders. Our total return of capital will also be based on our view of the prevailing and prospective macro-economic conditions, regulatory landscape and business performance.

Results of Operations and Key Metrics

Results of Operations

Three months ended March 31, 2022, compared to three months ended March 31, 2021

The following table sets forth our consolidated results for the periods indicated:

(Amounts in thousands)	Three months ended March 31, 2022	Three months ended March 31, 2021	Increase (decrease) and percentage change 2022 vs. 2021	
Revenues:				
Premiums	$ 234,279	$ 252,542	$ (18,263)	(7)%
Net investment income	35,146	35,259	(113)	— %
Net investment gains (losses)	(339)	(956)	617	(65)%
Other income	502	1,738	(1,236)	(71)%
Total revenues	**269,588**	**288,583**	**(18,995)**	(7)%
Losses and expenses:				
Losses incurred	(10,446)	55,374	(65,820)	(119)%
Acquisition and operating expenses, net of deferrals	54,262	57,622	(3,360)	(6)%
Amortization of deferred acquisition costs and intangibles	3,090	3,838	(748)	(19)%
Interest expense	12,776	12,737	39	— %
Total losses and expenses	**59,682**	**129,571**	**(69,889)**	(54)%
Income before income taxes	209,906	159,012	50,894	32 %
Provision for income taxes	45,276	33,881	11,395	34 %
Net income	**$ 164,630**	**$ 125,131**	**$ 39,499**	32 %
Loss ratio [1]	(4)%	22 %		
Expense ratio [2]	24 %	24 %		

(1) Loss ratio is calculated by dividing losses incurred by net earned premiums.
(2) Expense ratio is calculated by dividing acquisition and operating expenses, net of deferrals, plus amortization of deferred acquisition costs and intangibles by net earned premiums.

Revenues

Premiums decreased mainly attributable to continued lapse of our in-force portfolio as older, higher priced policies continued to lapse, lower single premium cancellations, and higher ceded premiums as the use of credit risk transfer increased. This was partially offset by higher IIF.

Net investment income remained flat with an increase from higher average invested assets in the current year offset by lower income from bond calls. Portfolio investment yields remained flat.

Net investment losses in the first quarter of 2022 were primarily driven by realized losses from the sale of fixed maturity securities, while net investment losses from the first quarter of 2021 were driven by credit losses related to United States corporate fixed maturity securities and realized losses from sales.

Other income primarily includes underwriting fee revenue charged on a per-unit or per-diem basis, as defined in the underwriting agreement. Other income decreased primarily due to lower contract underwriting revenue.

Losses and expenses

Losses incurred during the first quarter of 2022 decreased largely due to development related to performance of delinquencies from 2020, as we experienced better than expected cures on loans impacted by COVID-19, resulting in a $50 million reserve release. Current period primary delinquencies of 8,724 contributed $39 million of loss expense in the three months ended March 31, 2022. This compares to $44 million of loss expense from 10,053 current period primary delinquencies in the first quarter of 2021. In the period year, we strengthened reserves on pre-COVID-19 delinquencies.

The following table shows incurred losses related to current and prior accident years for the three months ended March 31,:

(Amounts in thousands)

	2022	2021
Losses and LAE incurred related to current accident year	$ 41,274	$ 45,064
Losses and LAE incurred related to prior accident years	(51,707)	10,321
Total incurred [(1)]	**$ (10,433)**	**$ 55,385**

(1) Excludes run-off business.

Acquisition and operating expenses, net of deferrals, decreased modestly in the three months ended March 31, 2022, as a result of lower costs allocated by our Parent, partially offset by higher general and administrative expenses.

The expense ratio remained flat as premiums and expenses both declined slightly in the current quarter.

Interest expense relates to our 2025 Senior Notes. For additional details see Note 7 to our unaudited condensed consolidated financial statements for the three months ended March 31, 2022 and 2021.

Provision for income taxes

The effective tax rate was 21.6% and 21.3% for the three months ended March 31, 2022 and 2021, respectively, consistent with the United States corporate federal income tax rate.

Use of Non-GAAP Measures

We use a non-U.S. GAAP ("non-GAAP") financial measure entitled "adjusted operating income." This non-GAAP financial measure aligns with the way our business performance is evaluated by both management and by our Board of Directors. This measure has been established in order to increase transparency for the purposes of evaluating our core operating trends and enabling more meaningful comparisons with our peers. Although "adjusted operating income" is a non-GAAP financial measure, for the reasons discussed above we believe this measure aids in understanding the underlying performance of our operations. Our senior management, including our chief operating decision maker (who is our Chief Executive Officer), uses "adjusted operating income" as the primary measure to evaluate the fundamental financial performance of our business and to allocate resources.

"Adjusted operating income" is defined as U.S. GAAP net income excluding the effects of (i) net investment gains (losses), (ii) change in fair value of unconsolidated affiliate and (iii) restructuring costs and infrequent or unusual non-operating items.

(i) Net investment gains (losses)—The recognition of realized investment gains or losses can vary significantly across periods as the activity is highly discretionary based on the timing of individual securities sales due to such factors as market opportunities or exposure management. Trends in the profitability of our fundamental operating activities can be more clearly identified without the fluctuations of these realized gains and losses. We do not view them to be indicative of our fundamental operating activities. Therefore, these items are excluded from our calculation of adjusted operating income.

(ii) Restructuring costs and infrequent or unusual non-operating items are also excluded from adjusted operating income if, in our opinion, they are not indicative of overall operating trends.

In reporting non-GAAP measures in the future, we may make other adjustments for expenses and gains we do not consider reflective of core operating performance in a particular period. We may disclose other non-GAAP operating measures if we believe that such a presentation would be helpful for investors to evaluate our operating condition by including additional information.

Adjusted operating income is not a measure of total profitability, and therefore should not be considered in isolation or viewed as a substitute for U.S. GAAP net income. Our definition of adjusted operating income may not be comparable to similarly named measures reported by other companies, including our peers.

Adjustments to reconcile net income to adjusted operating income assume a 21% tax rate (unless otherwise indicated).

The following table includes a reconciliation of net income to adjusted operating income for the periods indicated:

	Three months ended March 31,	
(Amounts in thousands)	**2022**	**2021**
Net income	$ 164,630	$ 125,131
Adjustments to net income:		
Net investment (gains) losses	339	956
Costs associated with reorganization	222	—
Taxes on adjustments	(118)	(201)
Adjusted operating income	**$ 165,073**	**$ 125,886**

Adjusted operating income increased for the three months ended March 31, 2022, as compared to March 31, 2021, primarily from decreased losses, partially offset by lower premiums.

Key Metrics

Management reviews the key metrics included within this section when analyzing the performance of our business. The metrics provided in this section exclude activity related to our run-off business, which is immaterial to our consolidated results.

The following table sets forth selected operating performance measures on a primary basis as of or for the three months ended March 31,:

(Dollar amounts in millions)	2022	2021
New insurance written	$18,823	$24,934
Primary insurance in-force[1]	$231,853	$210,187
Primary risk in-force	$58,295	$52,866
Persistency rate	76 %	56 %
Policies in-force (count)	941,689	922,186
Delinquent loans (count)	22,571	41,332
Delinquency rate	2.40 %	4.48 %

(1) Represents the aggregate unpaid principal balance for loans we insure. Original loan balances are primarily used to determine premiums.

New insurance written ("NIW")

NIW for the three months ended March 31, 2022 decreased 25% compared to the three months ended March 31, 2021, primarily due to lower mortgage refinancing originations in the current period. We manage the quality of new business through pricing and our underwriting guidelines, which we modify from time to time as circumstances warrant.

The following table presents NIW by product for the periods indicated:

	Three months ended March 31,			
(Amounts in millions)	2022		2021	
Primary	$ 18,823	100 %	$ 24,934	100 %
Pool	—	—	—	—
Total	**$ 18,823**	**100 %**	**$ 24,934**	**100 %**

The following table presents primary NIW by underlying type of mortgage for the periods indicated:

	Three months ended March 31,			
(Amounts in millions)	2022		2021	
Purchases	$ 17,326	92 %	$ 15,500	62 %
Refinances	1,497	8	9,434	38
Total	**$ 18,823**	**100 %**	**$ 24,934**	**100 %**

The following table presents primary NIW by policy payment type for the periods indicated:

(Amounts in millions)	Three months ended March 31, 2022		Three months ended March 31, 2021	
Monthly	$ 17,071	91 %	$ 23,358	94 %
Single	1,690	9	1,446	6
Other	62	—	130	—
Total	**$ 18,823**	**100 %**	**$ 24,934**	**100 %**

The following table presents primary NIW by FICO score for the periods indicated:

(Amounts in millions)	Three months ended March 31, 2022		Three months ended March 31, 2021	
Over 760	$ 8,359	45 %	$ 10,520	42 %
740-759	3,085	16	3,836	15
720-739	2,515	13	3,423	14
700-719	1,952	10	2,979	12
680-699	1,316	7	2,480	10
660-679 [(1)]	931	5	983	4
640-659	486	3	511	2
620-639	173	1	202	1
<620	6	—	—	—
Total	**$ 18,823**	**100 %**	**$ 24,934**	**100 %**

(1) Loans with unknown FICO scores are included in the 660-679 category.

LTV ratio is calculated by dividing the original loan amount, excluding financed premium, by the property's acquisition value or fair market value at the time of origination. The following table presents primary NIW by LTV ratio for the periods indicated:

(Amounts in millions)	Three months ended March 31, 2022		Three months ended March 31, 2021	
95.01% and above	$ 3,146	17 %	$ 2,241	9 %
90.01% to 95.00%	6,682	35	9,453	38
85.01% to 90.00%	5,620	30	8,392	34
85.00% and below	3,375	18	4,848	19
Total	**$ 18,823**	**100 %**	**$ 24,934**	**100 %**

DTI ratio is calculated by dividing the borrower's total monthly debt obligations by total monthly gross income. The following table presents primary NIW by DTI ratio for the periods indicated:

	Three months ended March 31,			
(Amounts in millions)	2022		2021	
45.01% and above	$ 4,452	24 %	$ 2,566	10 %
38.01% to 45.00%	6,361	34	8,746	35
38.00% and below	8,010	42	13,622	55
Total	**$ 18,823**	**100 %**	**$ 24,934**	**100 %**

Insurance in-force ("IIF") and Risk in-force ("RIF")

IIF increased as a result of NIW. Higher interest rates and the declining refinance market led to lower lapse and cancellations during the first quarter of 2022 driving increased persistency. Primary persistency was 76% and 56% for the three months ended March 31, 2022 and 2021, respectively. RIF increased primarily as a result of higher IIF.

The following table sets forth IIF and RIF as of the dates indicated:

(Amounts in millions)	March 31, 2022		December 31, 2021		March 31, 2021	
Primary IIF	$ 231,853	100 %	$ 226,514	100 %	$ 210,187	100 %
Pool IIF	600	—	641	—	841	—
Total IIF	**$ 232,453**	**100 %**	**$ 227,155**	**100 %**	**$ 211,028**	**100 %**
Primary RIF	$ 58,295	100 %	$ 56,881	100 %	$ 52,866	100 %
Pool RIF	97	—	105	—	134	—
Total RIF	**$ 58,392**	**100 %**	**$ 56,986**	**100 %**	**$ 53,000**	**100 %**

The following table sets forth primary IIF and primary RIF by origination as of the dates indicated:

(Amounts in millions)	March 31, 2022		December 31, 2021		March 31, 2021	
Purchases IIF	$ 184,080	79 %	$ 176,550	78 %	$ 156,298	74 %
Refinances IIF	47,773	21	49,964	22	53,889	26
Total IIF	**$ 231,853**	**100 %**	**$ 226,514**	**100 %**	**$ 210,187**	**100 %**
Purchases RIF	$ 48,326	83 %	$ 46,470	82 %	$ 41,396	78 %
Refinances RIF	9,969	17	10,411	18	11,470	22
Total RIF	**$ 58,295**	**100 %**	**$ 56,881**	**100 %**	**$ 52,866**	**100 %**

The following table sets forth primary IIF and primary RIF by product as of the dates indicated:

(Amounts in millions)	March 31, 2022		December 31, 2021		March 31, 2021	
Monthly IIF	$ 200,304	86 %	$ 194,826	86 %	$ 177,126	84 %
Single IIF	29,198	13	29,205	13	29,653	14
Other IIF	2,351	1	2,483	1	3,408	2
Total IIF	**$ 231,853**	**100 %**	**$ 226,514**	**100 %**	**$ 210,187**	**100 %**
Monthly RIF	$ 51,153	88 %	$ 49,614	87 %	$ 45,009	85 %
Single RIF	6,561	11	6,658	12	7,049	13
Other RIF	581	1	609	1	808	2
Total RIF	**$ 58,295**	**100 %**	**$ 56,881**	**100 %**	**$ 52,866**	**100 %**

The following table sets forth primary IIF by policy year as of the dates indicated:

(Amounts in millions)	March 31, 2022		December 31, 2021		March 31, 2021	
2008 and prior	$ 7,723	3 %	$ 8,196	3 %	$ 10,500	5 %
2009 to 2014	2,946	1	3,369	2	5,570	2
2015	3,960	2	4,488	2	6,729	3
2016	8,076	4	8,997	4	13,213	6
2017	8,023	4	8,962	4	13,817	7
2018	8,306	4	9,263	4	14,618	7
2019	19,609	8	21,730	10	33,430	16
2020	65,807	28	69,963	31	87,599	42
2021	88,757	38	91,546	40	24,711	12
2022	18,646	8	—	0	—	—
Total	**$ 231,853**	**100 %**	**$ 226,514**	**100 %**	**$ 210,187**	**100 %**

The following table sets forth primary RIF by policy year as of the dates indicated:

(Amounts in millions)	March 31, 2022		December 31, 2021		March 31, 2021	
2008 and prior	$ 1,991	3 %	$ 2,112	3 %	$ 2,705	5 %
2009 to 2014	788	1	904	2	1,510	3
2015	1,058	2	1,197	2	1,795	3
2016	2,147	4	2,388	4	3,503	7
2017	2,094	4	2,324	4	3,556	7
2018	2,092	4	2,330	4	3,671	7
2019	4,935	8	5,454	10	8,361	16
2020	16,606	28	17,574	31	21,787	41
2021	21,959	38	22,598	40	5,978	11
2022	4,625	8	—	0	—	—
Total	**$ 58,295**	**100 %**	**$ 56,881**	**100 %**	**$ 52,866**	**100 %**

The following table presents the development of primary IIF for the periods indicated:

(Amounts in millions)	Three months ended March 31, 2022	2021
Beginning balance	$ 226,514	$ 207,947
NIW	18,823	24,934
Cancellations, principal repayments and other reductions [1]	(13,484)	(22,694)
Ending balance	**$ 231,853**	**$ 210,187**

[1] Includes the estimated amortization of unpaid principal balance of covered loans

The following table sets forth primary IIF by LTV ratio at origination as of the dates indicated:

(Amounts in millions)	March 31, 2022		December 31, 2021		March 31, 2021	
95.01% and above	$ 36,867	16 %	$ 35,455	16 %	$ 33,757	16 %
90.01% to 95.00%	96,419	42	95,149	42	92,124	44
85.01% to 90.00%	66,226	28	64,549	28	58,098	28
85.00% and below	32,341	14	31,361	14	26,208	12
Total	**$ 231,853**	**100 %**	**$ 226,514**	**100 %**	**$ 210,187**	**100 %**

The following table sets forth primary RIF by LTV ratio at origination as of the dates indicated:

(Amounts in millions)	March 31, 2022		December 31, 2021		March 31, 2021	
95.01% and above	$ 10,379	18 %	$ 9,907	17 %	$ 9,151	17 %
90.01% to 95.00%	27,987	48	27,608	49	26,637	51
85.01% to 90.00%	16,082	27	15,644	27	13,997	26
85.00% and below	3,847	7	3,722	7	3,081	6
Total	**$ 58,295**	**100 %**	**$ 56,881**	**100 %**	**$ 52,866**	**100 %**

The following table sets forth primary IIF by FICO score at origination as of the dates indicated:

(Amounts in millions)	March 31, 2022		December 31, 2021		March 31, 2021	
Over 760	$ 93,222	40 %	$ 89,982	40 %	$ 79,285	38 %
740-759	36,821	16	35,874	16	33,607	16
720-739	32,363	14	31,730	14	30,295	14
700-719	27,620	12	27,359	12	26,309	13
680-699	21,259	9	21,270	9	20,777	10
660-679 [(1)]	10,805	5	10,549	5	10,001	5
640-659	6,188	3	6,124	3	5,981	3
620-639	2,774	1	2,783	1	2,893	1
<620	801	—	843	—	1,039	—
Total	**$ 231,853**	**100 %**	**$ 226,514**	**100 %**	**$ 210,187**	**100 %**

(1) Loans with unknown FICO scores are included in the 660-679 category.

The following table sets forth primary RIF by FICO score at origination as of the dates indicated:

(Amounts in millions)	March 31, 2022		December 31, 2021		March 31, 2021	
Over 760	$ 23,326	40 %	$ 22,489	40 %	$ 19,829	37 %
740-759	9,267	16	9,009	16	8,442	16
720-739	8,224	14	8,055	14	7,715	15
700-719	6,974	12	6,907	12	6,678	13
680-699	5,334	9	5,334	9	5,231	10
660-679 [(1)]	2,715	5	2,638	5	2,484	5
640-659	1,550	3	1,530	3	1,485	3
620-639	699	1	702	1	734	1
<620	206	—	217	—	268	—
Total	**$ 58,295**	**100 %**	**$ 56,881**	**100 %**	**$ 52,866**	**100 %**

(1) Loans with unknown FICO scores are included in the 660-679 category.

The following table sets forth primary IIF by DTI score at origination as of the dates indicated:

(Amounts in millions)	March 31, 2022		December 31, 2021		March 31, 2021	
45.01% and above	$ 36,428	16 %	$ 34,076	15 %	$ 30,225	14 %
38.01% to 45.00%	80,741	35	79,147	35	74,674	36
38.00% and below	114,684	49	113,291	50	105,288	50
Total	**$ 231,853**	**100 %**	**$ 226,514**	**100 %**	**$ 210,187**	**100 %**

The following table sets forth primary RIF by DTI score at origination as of the dates indicated:

(Amounts in millions)	March 31, 2022		December 31, 2021		March 31, 2021	
45.01% and above	$ 9,227	16 %	$ 8,631	15 %	$ 7,643	14 %
38.01% to 45.00%	20,392	35	19,974	35	18,888	36
38.00% and below	28,676	49	28,276	50	26,335	50
Total	**$ 58,295**	**100 %**	**$ 56,881**	**100 %**	**$ 52,866**	**100 %**

Delinquent loans and claims

Our delinquency management process begins with notification by the loan servicer of a delinquency on an insured loan. “Delinquency” is defined in our master policies as the borrower’s failure to pay when due an amount equal to the scheduled monthly mortgage payment under the terms of the mortgage. Generally, the master policies require an insured to notify us of a delinquency if the borrower fails to make two consecutive monthly mortgage payments prior to the due date of the next mortgage payment. We generally consider a loan to be delinquent and establish required reserves after the insured notifies us that the borrower has failed to make two scheduled mortgage payments. Borrowers may cure delinquencies by making all of the delinquent loan payments, agreeing to a loan modification, or by selling the property in full satisfaction of all amounts due under the mortgage. In most cases, delinquencies that are not cured result in a claim under our policy.

The following table shows a roll forward of the number of primary loans in default for the periods indicated:

(Loan count)	Three months ended March 31, 2022	2021
Number of delinquencies, beginning of period	24,820	44,904
New defaults	8,724	10,053
Cures	(10,860)	(13,478)
Claims paid	(107)	(134)
Rescissions and claim denials	(6)	(13)
Number of delinquencies, end of period	**22,571**	**41,332**

The following table sets forth changes in our direct primary case loss reserves for the periods indicated:

(Amounts in thousands) [1]	Three months ended March 31, 2022	2021
Loss reserves, beginning of period	$ 606,102	$ 516,863
Claims paid	(5,617)	(5,933)
Change in reserve	(9,977)	53,278
Loss reserves, end of period	**$ 590,508**	**$ 564,208**

(1) Direct primary case reserves exclude LAE, IBNR and reinsurance reserves.

The following tables set forth primary delinquencies, direct case reserves and RIF by aged missed payment status as of the dates indicated:

	March 31, 2022			
(Dollar amounts in millions)	Delinquencies	Direct case reserves [1]	Risk in-force	Reserves as % of risk in-force
Payments in default:				
3 payments or less	6,837	$ 38	$ 359	11 %
4 - 11 payments	6,875	115	392	29 %
12 payments or more	8,859	438	515	85 %
Total	**22,571**	**$ 591**	**$ 1,266**	47 %

(Dollar amounts in millions)	December 31, 2021 Delinquencies	Direct case reserves (1)	Risk in-force	Reserves as % of risk in-force
Payments in default:				
3 payments or less	6,586	$ 35	$ 340	10 %
4 - 11 payments	7,360	111	426	26 %
12 payments or more	10,874	460	643	72 %
Total	**24,820**	**$ 606**	**$ 1,409**	43 %

(Dollar amounts in millions)	March 31, 2021 Delinquencies	Direct case reserves (1)	Risk in-force	Reserves as % of risk in-force
Payments in default:				
3 payments or less	8,296	$ 40	$ 436	9 %
4 - 11 payments	21,011	227	1,232	18 %
12 payments or more	12,025	297	724	41 %
Total	**41,332**	**$ 564**	**$ 2,392**	24 %

(1) Direct primary case reserves exclude loss adjustment expenses, incurred but not reported and reinsurance reserves.

The total increase in reserves as a percentage of RIF as of March 31, 2022 compared to December 31, 2021 was primarily driven by the decrease in delinquent RIF. Delinquent RIF decreased mainly due to lower total delinquencies as cures outpaced new delinquencies in the first three months of 2022, while reserves decreased due to our reserve release. While the number of loans that are delinquent for 12 months or more has decreased since December 31, 2021, it remains elevated compared to pre-COVID-19 levels due, in large part, to borrowers entering a forbearance plan over a year ago driven by COVID-19.

Resolution of a delinquency in a forbearance plan, whether it ultimately results in a cure or a claim, remains difficult to estimate and may not be known for several quarters, if not longer. In addition, due to foreclosure moratoriums and the uncertainty around the lack of progression through the foreclosure process there is still uncertainty around the likelihood and timing of delinquencies going to claim.

Primary insurance delinquency rates differ from region to region in the United States at any one time depending upon economic conditions and cyclical growth patterns. Delinquency rates are shown by region based upon the location of the underlying property, rather than the location of the lender.

The table below sets forth our primary delinquency rates for the ten largest states by our primary RIF as of March 31, 2022:

	Percent of RIF	Percent of direct primary case reserves	Delinquency rate
By State:			
California	11 %	11 %	2.75 %
Texas	8	8	2.51 %
Florida [1]	8	9	2.51 %
New York	5	12	3.51 %
Illinois	5	6	2.85 %
Michigan	4	2	1.87 %
Arizona	4	2	1.92 %
North Carolina	3	2	1.96 %
Pennsylvania	3	3	2.30 %
Washington	3	4	2.68 %
All other states [2]	46	41	2.25 %
Total	**100 %**	**100 %**	**2.40 %**

(1) Jurisdiction predominantly uses a judicial foreclosure process, which generally increases the amount of time it takes for a foreclosure to be completed.
(2) Includes the District of Columbia.

The table below sets forth our primary delinquency rates for the ten largest states by our primary RIF as of December 31, 2021:

	Percent of RIF	Percent of direct primary case reserves	Delinquency rate
By State:			
California	11 %	12 %	3.17 %
Texas	8	8	2.89 %
Florida [1]	7	9	2.97 %
New York [1]	5	12	3.80 %
Illinois [1]	5	6	3.09 %
Michigan	4	2	1.87 %
Arizona	4	2	2.31 %
North Carolina [1]	3	2	2.18 %
Pennsylvania	3	3	2.38 %
Washington	3	3	2.98 %
All other states [2]	47	41	2.46 %
Total	**100 %**	**100 %**	**2.65 %**

(1) Jurisdiction predominantly uses a judicial foreclosure process, which generally increases the amount of time it takes for a foreclosure to be completed.
(2) Includes the District of Columbia.

The table below sets forth our primary delinquency rates for the ten largest Metropolitan Statistical Areas ("MSA") or Metro Divisions ("MD") by our primary RIF as of March 31, 2022:

	Percent of RIF	Percent of direct primary case reserves	Delinquency rate
By MSA or MD:			
Chicago-Naperville, IL MD	3 %	5 %	3.39 %
Phoenix, AZ MSA	3	2	1.92 %
New York, NY MD	3	8	4.68 %
Atlanta, GA MSA	2	3	2.92 %
Washington-Arlington, DC MD	2	2	2.50 %
Houston, TX MSA	2	3	3.20 %
Riverside-San Bernardino CA MSA	2	2	3.05 %
Los Angeles-Long Beach, CA MD	2	3	3.22 %
Dallas, TX MD	2	1	2.04 %
Nassau County, NY MD	2	4	5.02 %
All Other MSAs/MDs	77	67	2.23 %
Total	**100 %**	**100 %**	**2.40 %**

The table below sets forth our primary delinquency rates for the ten largest MSAs or MDs by our primary RIF as of December 31, 2021:

	Percent of RIF	Percent of direct primary case reserves	Delinquency rate
By MSA or MD:			
Chicago-Naperville, IL MD	3 %	4 %	3.68 %
Phoenix, AZ MSA	3	2	2.36 %
New York, NY MD	3	8	5.32 %
Atlanta, GA MSA	2	3	3.28 %
Washington-Arlington, DC MD	2	2	2.96 %
Houston, TX MSA	2	3	3.61 %
Riverside-San Bernardino CA MSA	2	2	3.42 %
Los Angeles-Long Beach, CA MD	2	3	3.95 %
Dallas, TX MD	2	2	2.31 %
Nassau County, NY MD	2	4	5.55 %
All Other MSAs/MDs	77	67	2.44 %
Total	**100 %**	**100 %**	**2.65 %**

The frequency of delinquencies may not correlate directly with the number of claims received because delinquencies may cure. The rate at which delinquencies cure is influenced by borrowers' financial resources and circumstances and regional economic differences. Whether a delinquency leads to a claim correlates highly with the borrower's equity at the time of delinquency, as it influences the borrower's willingness to continue to make payments, the borrower's or the insured's ability to sell the home for an amount sufficient to satisfy all amounts due under the mortgage loan and the borrower's financial ability to continue making payments. When we receive notice of a delinquency, we use our proprietary model to determine whether a delinquent loan is a candidate for a modification. When our model identifies such a candidate, our loan workout specialists prioritize cases for loss mitigation based upon the likelihood that the loan will result in a claim. Loss mitigation actions include loan modification, extension of credit to bring a loan current, foreclosure forbearance, pre-foreclosure sale and deed-in-lieu. These loss mitigation efforts often are an effective way to reduce our claim exposure and ultimate payouts.

The following table sets forth the dispersion of primary RIF and direct primary case reserves by policy year and delinquency rates as of March 31, 2022:

	Percent of RIF	Percent of direct primary case reserves	Delinquency rate	Cumulative delinquency rate (1)
Policy Year:				
2008 and prior	3 %	25 %	10.41 %	5.59 %
2009-2014	1	5	5.34 %	0.77 %
2015	2	5	4.06 %	0.92 %
2016	4	7	3.48 %	1.02 %
2017	4	10	4.43 %	1.34 %
2018	4	12	5.48 %	1.60 %
2019	8	17	3.44 %	1.37 %
2020	28	15	1.49 %	1.08 %
2021	38	4	0.58 %	0.55 %
2022	8	0	0.04 %	0.04 %
Total portfolio	**100 %**	**100 %**	**2.40 %**	**4.36 %**

(1) Calculated as the sum of the number of policies where claims were ever paid to date and number of policies for loans currently in default divided by policies ever in-force.

The following table sets forth the dispersion of primary RIF and loss reserves by policy year and delinquency rates as of December 31, 2021:

	Percent of RIF	Percent of direct primary case reserves	Delinquency rate	Cumulative delinquency rate (1)
Policy Year:				
2008 and prior	3 %	24 %	10.54 %	5.59 %
2009 to 2013	1	2	5.54 %	0.74 %
2014	1	3	5.51 %	0.99 %
2015	2	5	4.24 %	1.04 %
2016	4	8	3.69 %	1.16 %
2017	4	10	4.78 %	1.56 %
2018	4	13	5.93 %	1.88 %
2019	10	19	3.89 %	1.68 %
2020	31	14	1.50 %	1.14 %
2021	40	2	0.37 %	0.36 %
Total portfolio	**100 %**	**100 %**	**2.65 %**	**4.42 %**

(1) Calculated as the sum of the number of policies where claims were ever paid to date and number of policies for loans currently in default divided by policies ever in-force.

Loss reserves in policy years in 2008 and prior are outsized compared to their representation of RIF. The size of these policy years at origination combined with the significant decline in home prices led to significant losses in these policy years. Although uncertainty remains with respect to the ultimate losses we will experience on these policy years, they have become a smaller percentage of our total mortgage insurance portfolio. The largest portion of loss reserves has shifted to newer book years as a result of COVID-19 given their significant representation of RIF. As of March 31, 2022, our 2015 and newer policy years represented approximately 96% of our primary RIF and 70% of our total direct primary case reserves.

Investment Portfolio

Our investment portfolio is affected by factors described below, each of which in turn may be affected by COVID-19 as noted above in "—Trends and Conditions." Management of our investment portfolio has been delegated to our Parent's investment committee and chief investment officer. Our Parent's investment team, with oversight from our Board of Directors and our senior management team, is responsible for the execution of our investment strategy. Our investment portfolio is an important component of our consolidated financial results and represents our primary source of claims paying resources. Our investment portfolio primarily consists of a diverse mix of highly rated fixed income securities and is designed to achieve the following objectives:

- Meet policyholder obligations through maintenance of sufficient liquidity;
- Preserve capital;
- Generate investment income;
- Maximize statutory capital; and
- Increase shareholder value, among other objectives.

To achieve our portfolio objectives, our investment strategy focuses primarily on:

- Our business outlook, current and expected future investment conditions;
- Investments selection based on fundamental, research-driven strategies;
- Diversification across a mix of fixed income, low-volatility investments while actively pursuing strategies to enhance yield;
- Regular evaluation and optimization of our asset class mix;
- Continuous monitoring of investment quality, duration, and liquidity;
- Regulatory capital requirements; and
- Restriction of investments correlated to the residential mortgage market.

Fixed Maturity Securities Available-for-Sale

The following table presents the fair value of our fixed maturity securities available-for-sale as of the dates indicated:

	March 31, 2022		December 31, 2021	
(Amounts in thousands)	**Fair value**	**% of total**	**Fair value**	**% of total**
U.S. government, agencies and government-sponsored enterprises	$ 56,751	1 %	$ 58,408	1 %
State and political subdivisions	508,391	10	538,453	10
Non-U.S. government	21,529	—	22,416	0
U.S. corporate	2,882,497	57	2,945,303	56
Non-U.S. corporate	629,795	12	666,594	13
Other asset-backed	994,121	20	1,035,165	20
Total available-for-sale fixed maturity securities	**$ 5,093,084**	**100 %**	**$ 5,266,339**	**100 %**

Our investment portfolio did not include any direct residential real estate or whole mortgage loans as of March 31, 2022 or December 31, 2021. We have no derivative financial instruments in our investment portfolio.

As of March 31, 2022, and December 31, 2021, 97% of our investment portfolio was rated investment grade, respectively. The following table presents the security ratings of our fixed maturity securities as of the dates indicated:

	March 31, 2022	December 31, 2021
AAA	9 %	9 %
AA	16	17
A	34	34
BBB	38	37
BB & below	3	3
Total	**100 %**	**100 %**

The table below presents the effective duration and investment yield on our investments available-for-sale, excluding cash and cash equivalents as of the dates indicated:

	March 31, 2022	December 31, 2021
Duration (in years)	3.8	3.9
Pre-tax yield (% of average investment portfolio assets)	2.7 %	2.7 %

We manage credit risk by analyzing issuers, transaction structures and any associated collateral. We also manage credit risk through country, industry, sector and issuer diversification and prudent asset allocation practices.

We primarily mitigate interest rate risk by employing a buy and hold investment philosophy that seeks to match fixed income maturities with expected liability cash flows in modestly adverse economic scenarios.

Liquidity and Capital Resources

Cash Flows

The following table summarizes our consolidated cash flows for the periods indicated:

(Amounts in thousands)	Three months ended March 31, 2022	Three months ended March 31, 2021
Net cash provided by (used in):		
Operating activities	$ 160,800	$ 127,028
Investing activities	(146,497)	(148,487)
Financing activities	—	—
Effect of exchange rate changes on cash and cash equivalents	29	—
Net increase (decrease) in cash and cash equivalents	**$ 14,332**	**$ (21,459)**

Our most significant source of operating cash flows is from premiums received from our insurance policies, while our most significant uses of operating cash flows are generally for claims paid on our insured policies and our operating expenses. Net cash from operating activities increased due to timing of tax payments made to our Parent and lower unearned premium declines from cancelled single premium policies.

Investing activities are primarily related to purchases, sales, and maturities of our investment portfolio. Net cash used by investing activities decreased slightly as a result of lower net purchases of fixed maturity securities in the current year.

There were no dividends paid or other financing activity during the three months ended March 31, 2022. The amount and timing of future dividends is discussed within “—Trends and Conditions” as well as below.

Capital Resources and Financing Activities

We issued our 2025 Senior Notes in 2020 with interest payable semi-annually in arrears on February 15 and August 15 of each year. The 2025 Senior Notes mature on August 15, 2025. We may redeem the 2025 Senior Notes, in whole or in part, at any time prior to February 15, 2025, at our option, by paying a make-whole premium, plus accrued and unpaid interest, if any. At any time on or after February 15, 2025, we may redeem the 2025 Senior Notes, in whole or in part, at our option, at 100% of the principal amount, plus accrued and unpaid interest. The 2025 Senior Notes contain customary events of default, which subject to certain notice and cure conditions, can result in the acceleration of the principal and accrued interest on the outstanding 2025 Senior Notes if we breach the terms of the indenture.

Pursuant to the GSE Restrictions, we were required to retain $300 million of the net proceeds from the 2025 Senior Notes offering that can be drawn down exclusively for our debt service or to contribute to EMICO to meet its regulatory capital needs including PMIERs. The current balance of the 2025 Senior Notes proceeds required to be held by our holding company is approximately $228 million. See “—Trends and Conditions” for additional information regarding the GSE Restrictions.

Restrictions on the Payment of Dividends

The ability of our regulated insurance operating subsidiaries to pay dividends and distributions to us is restricted by certain provisions of North Carolina insurance laws. Our insurance subsidiaries may pay dividends only from unassigned surplus; payments made from sources other than unassigned surplus, such as paid-in and contributed surplus, are categorized as distributions. Notice of all dividends must be submitted to the Commissioner of the NCDOI (the “Commissioner”) within 5 business days after declaration of the dividend or distribution, and at least 30 days before payment thereof. No dividend may be paid until 30 days after the Commissioner has received notice of the declaration thereof and (i) has not within that period disapproved the payment or (ii) has approved the payment within the 30-day period. Any distribution, regardless of amount, requires that same 30-day notice to the Commissioner, but also requires the Commissioner's affirmative approval before being paid. Based on our estimated statutory results and in accordance with applicable dividend restrictions, EMICO has the capacity to pay dividends from unassigned surplus of $110 million as of March 31, 2022, with 30 day advance notice to the Commissioner of the intent to pay. In addition to dividends and distributions, alternative mechanisms, such as share repurchases, subject to any requisite regulatory approvals, may be utilized from time to time to upstream surplus.

In addition, we review multiple other considerations in parallel to determine a prospective dividend strategy for our regulated insurance operating subsidiaries. Given the regulatory focus on the reasonableness of an insurer's surplus in relation to its outstanding liabilities and the adequacy of its surplus relative to its financial needs for any dividend, our insurance subsidiaries consider the minimum amount of policyholder surplus after giving effect to any contemplated future dividends. Regulatory minimum policyholder surplus is not codified in North Carolina law and limitations may vary based on prevailing business conditions including, but not limited to, the prevailing and future macroeconomic conditions. We estimate regulators would require a minimum policyholder surplus of approximately $300 million to meet their threshold standard. Given (i) we are subject to statutory accounting requirements that establish a contingency reserve of at least 50% of net earned premiums annually for ten years, after which time it is released into policyholder surplus and (ii) that no material 10-year contingency reserve releases are scheduled before 2024, we expect modest growth in policyholder surplus through 2024. As a result, minimum policyholder surplus could be a limitation on the future dividends of our regulated operating subsidiaries.

Another consideration in the development of the dividend strategies for our regulated insurance operating subsidiaries is our expected level of compliance with PMIERs. Prior to the satisfaction of the GSE Conditions, the GSE Restrictions also require EMICO to maintain 120% of PMIERs Minimum Required Assets through 2022, and 125% thereafter. In addition, under PMIERs, EMICO is subject to other operational and financial requirements that approved insurers must meet in order to remain eligible to insure loans purchased by the GSEs. Refer to "—Trends and Conditions" for recent updates related to these requirements.

Our regulated insurance operating subsidiaries are also subject to statutory "risk-to-capital" ("RTC") requirements that affect the dividend strategies of our regulated operating subsidiaries. EMICO's domiciliary regulator, the NCDOI, requires the maintenance of a statutory RTC ratio not to exceed 25:1. See "—Risk-to-Capital Ratio" for additional RTC trend analysis.

We consider potential future dividends compared to the prior year statutory net income in the evaluation of dividend strategies for our regulated operating subsidiaries. We also consider the dividend payout ratio, or the ratio of potential future dividends compared to the estimated U.S. GAAP net income, in the evaluation of our dividend strategies. In either case, we do not have prescribed target or maximum thresholds, but we do evaluate the reasonableness of a potential dividend relative to the actual or estimated income generated in the proceeding or preceding calendar year after giving consideration to prevailing business conditions including, but not limited to the prevailing and future macroeconomic conditions. In addition, the dividend strategies of our regulated operating subsidiaries are made in consultation with our Parent.

In April 2022, EMICO completed a distribution of approximately $242 million to EHI that will support our ability to pay a quarterly dividend. We intend to use these proceeds and future EMICO distributions to fund a quarterly dividend as well as to bolster our financial flexibility at EHI and return additional capital to shareholders. All future dividends from EHI will be subject to Parent consent and EHI Board of Directors approval.

Risk-to-Capital Ratio

We compute our RTC ratio on a separate company statutory basis, as well as for our combined insurance operations. The RTC ratio is net RIF divided by policyholders' surplus plus statutory contingency reserve. Our net RIF represents RIF, net of reinsurance ceded, and excludes risk on policies that are currently delinquent and for which loss reserves have been established. Statutory capital consists primarily of statutory policyholders' surplus (which increases as a result of statutory net income and decreases as a result of statutory net loss and dividends paid), plus the statutory contingency reserve. The statutory contingency reserve is reported as a liability on the statutory balance sheet.

Certain states have insurance laws or regulations that require a mortgage insurer to maintain a minimum amount of statutory capital (including the statutory contingency reserve) relative to its level of RIF in order for the mortgage insurer to continue to write new business. While formulations of minimum capital vary in certain states, the most common measure applied allows for a maximum permitted RTC ratio of 25:1.

The following table presents the calculation of our RTC ratio for our combined insurance subsidiaries as of the dates indicated:

(Dollar amounts in millions)	**March 31, 2022**	**December 31, 2021**
Statutory policyholders' surplus	$ 1,438	$ 1,397
Contingency reserves	3,168	3,042
Combined statutory capital	$ 4,606	$ 4,439
Adjusted RIF[1]	$ 55,512	$ 54,201
Combined risk-to-capital ratio	12.1	12.2

[1] Adjusted RIF for purposes of calculating combined statutory RTC differs from RIF presented elsewhere in this periodic report. In accordance with NCDOI requirements, adjusted RIF excludes delinquent policies.

The following table presents the calculation of our RTC ratio for our principal insurance company, EMICO, as of the dates indicated:

(Dollar amounts in millions)	**March 31, 2022**	**December 31, 2021**
Statutory policyholders' surplus	$ 1,386	$ 1,346
Contingency reserves	3,167	3,041
EMICO statutory capital	$ 4,553	$ 4,387
Adjusted RIF[1]	$ 55,321	$ 54,033
EMICO risk-to-capital ratio	12.2	12.3

[1] Adjusted RIF for purposes of calculating EMICO statutory RTC differs from RIF presented elsewhere herein. In accordance with NCDOI requirements, adjusted RIF excludes delinquent policies.

Liquidity

As of March 31, 2022, we maintained liquidity in the form of cash and cash equivalents of $440 million compared to $426 million as of December 31, 2021, and we also held significant levels of investment-grade fixed maturity securities that can be monetized should our cash and cash equivalents be insufficient to meet our obligations. On August 21, 2020, we issued the 2025 Senior Notes. The GSE Restrictions required us to retain $300 million of the net 2025 Senior Notes proceeds that can be drawn down exclusively for our debt service or to contribute to EMICO to meet its regulatory capital needs including PMIERs, until the GSE Conditions are satisfied. See "—Trends and Conditions" for additional details. We distributed $437 million of the net proceeds to Genworth Holdings at the closing of the offering of our 2025 Senior Notes. The 2025 Senior Notes were issued to persons reasonably believed to be qualified institutional buyers in a private offering exempt from registration pursuant to Rule 144A under the Securities Act and to non-U.S. persons outside of the United States in compliance with Regulation S under the Securities Act. The current balance of the 2025 Senior Notes proceeds required to be held by our holding company is approximately $228 million.

The principal sources of liquidity in our business currently include insurance premiums, net investment income and cash flows from investment sales and maturities. We believe that the operating cash flows generated by our mortgage insurance subsidiary will provide the funds necessary to satisfy our claim payments, operating expenses and taxes. However, our subsidiaries are subject to regulatory and other capital restrictions with respect to the payment of dividends. As of March 31, 2022, the $300 million of the net proceeds of the 2025 Senior Notes offering retained by EHI comprises substantially all of the cash and cash equivalents held directly by EHI and initially available to pay interest on the 2025 Senior Notes. To the extent the remaining balance of the $300 million of net proceeds retained from the 2025 Senior Notes offering is used to provide capital support to EMICO, the GSEs and the NCDOI may seek to prevent EMICO from returning that capital to EHI in the form of a dividend, distribution or an intercompany loan. We currently have no material financing commitments, such as lines of credit or guarantees, that are expected to affect our liquidity over the next five years, other than the 2025 Senior Notes.

Financial Strength Ratings

The following EMICO financial strength ratings have been independently assigned by third-party rating organizations and represent our current ratings, which are subject to change.

Name of Agency	Rating	Outlook	Action	Date of Rating
Moody's Investor Service, Inc.	Baa2	Stable	Upgrade	September 24, 2021
Fitch Ratings, Inc.	BBB+	Stable	Affirmed	April 27, 2022
S&P Global Ratings	BBB	Positive	Affirmed	March 11, 2022

Contractual Obligations and Commitments

Our loss reserves are driven largely by delinquencies from borrower forbearance programs due to COVID-19. We expect a large portion of these delinquencies to cure before becoming an active claim; however, reserves recorded related to borrower forbearance have a high degree of estimation. Therefore, it is possible we could have higher contractual obligations related to these loss reserves if they do not cure as we expect. Other than the aforementioned loss reserves, there have been no material additions or changes to our contractual obligations or other off-balance sheet arrangements as compared to the amounts disclosed within our audited consolidated financial statements for the years ended December 31, 2021 and 2020.

Critical Accounting Estimates

As of the filing date of this report, there were no significant changes in our critical accounting estimates from those discussed in our Annual Report.

New Accounting Standards

Refer to Note 2 in our unaudited condensed consolidated financial statements for the three months ended March 31, 2022 and 2021, and in our audited consolidated financial statements for the years ended December 31, 2021 and 2020, for a discussion of recently adopted and not yet adopted accounting standards.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We own and manage a large investment portfolio of various holdings, types and maturities. Investment income is one of our material sources of revenues and the investment portfolio represents the primary source of cash flows supporting operations and claim payments. The assets within the investment portfolio are exposed to the same factors that affect overall financial market performance. While our investment portfolio is exposed to factors affecting markets worldwide, it is most sensitive to fluctuations in the drivers of United States markets.

We manage market risk via our defined investment policy guidelines implemented by our Parent’s investment team with oversight from our Board of Directors and our senior management. Important drivers of our market risk exposure that we monitor and manage include but are not limited to:

- *Changes to the level of interest rates*. Increasing interest rates may reduce the value of certain fixed-rate bonds held in the investment portfolio. Higher rates may cause variable-rate assets to generate additional income. Decreasing rates will have the reverse impact. Significant changes in interest rates can also affect persistency and claim rates that may require that the investment portfolio be restructured to better align it with future liabilities and claim payments. Such restructuring may cause investments to be liquidated when market conditions are adverse.

- *Changes to the term structure of interest rates*. Rising or falling rates typically change by different amounts along the yield curve. These changes may have unforeseen impacts on the value of certain assets.

- *Market volatility/changes in the real or perceived credit quality of investments*. Deterioration in the quality of investments, identified through changes to our own or third-party (e.g., rating agency) assessments, will reduce the value and potentially the liquidity of investments.

- *Concentration risk*. If the investment portfolio is highly concentrated in one asset, or in multiple assets whose values are highly correlated, the value of the total portfolio may be greatly affected by the change in value of just one asset or a group of highly correlated assets.

- *Prepayment risk*. Bonds may have call provisions that permit debtors to repay prior to maturity when it is to their advantage. This typically occurs when rates fall below the interest rate of the debt.

Market risk is measured for all investment assets at the individual security level. Market risks that are not fully captured by the quantitative analysis and material market risk changes that occur from the last reporting period to the current are discussed within “—Trends and conditions” and “—Investment Portfolio” in “Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

At March 31, 2022, the effective duration of our investments available-for-sale was 3.8 years, which means that an instantaneous parallel shift (movement up or down) in the yield curve of 100 basis points would result in a change of 3.8% in fair value of our investments available-for-sale.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of March 31, 2022, an evaluation was conducted under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)). Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2022.

Changes in Internal Control Over Financial Reporting During the Quarter Ended March 31, 2022

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

We are not subject to any pending material legal proceedings.

Item 1A. Risk Factors

We have disclosed within Item 1A in our Annual Report, the risk factors that could have a material adverse effect on our business, results of operations and/or financial condition. There have been no material changes from the risk factors previously disclosed. You should carefully consider the risk factors set forth in the Annual Report and the other information set forth elsewhere in this Form 10-Q. These risk factors and other information may not describe every risk that we face. The occurrence of any additional risks and uncertainties that are currently immaterial or unknown could have a material adverse effect on our business, results of operations and/or financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities during the three months ended March 31, 2022.

Item 5. Other Information

On May 3, 2022, EMICO entered into an Investment Management and Services Agreement (the “Agreement”) with Genworth North America Corporation (“Genworth North America”), a subsidiary of Genworth. Pursuant to the Agreement, EMICO has retained Genworth North America to provide investment management and other services for EMICO’s investment portfolio. The Agreement has an initial term of three years, with renewing successive terms of one year unless terminated in writing by either party. The monthly management fee shall be equal to Genworth North America’s costs to provide the services under the Agreement. Historically those costs have amounted to approximately 0.10% to 0.11% of the account assets’ book value. The foregoing description of the Agreement is only a summary and is qualified in its entirety by reference to the full text of the Agreement, which is filed as Exhibit 10.4 to this quarterly filing on Form 10-Q and incorporated by reference herein. The Agreement is filed with this quarterly report on Form 10-Q to provide security holders with information regarding its terms. It is not intended to provide any other factual information about EMICO, Enact, or Genworth. The representations, warranties, and covenants contained in the Agreement were made solely for purposes of such agreement and as of specific dates, are solely for the benefit of the parties to the Agreement, and may be subject to limitations agreed upon by the parties. Security holders should not rely on the representations, warranties, and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of EMICO, Enact, or Genworth. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Agreement, which subsequent information may or may not be fully reflected in Enact’s public disclosures, except to the extent required by law.

Item 6. Exhibits and Financial Statement Schedules

Exhibit Number	Description of Exhibit
10.1+	Enact Holdings, Inc. Senior Executive Severance Plan
10.2+	Enact Holdings, Inc. Change of Control Severance Plan
10.3	Performance Stock Unit and Restricted Stock Unit Agreements
10.4	Investment Management and Services Agreement between Enact Mortgage Insurance Corporation and Genworth North America Corporation
31.1	Certification of Principal Executive Officer (filed herewith)
31.2	Certification of Principal Financial Officer (filed herewith)
32.1	Certification Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code — Principal Executive Officer (filed herewith)
32.2	Certification Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code — Principal Financial Officer (filed herewith)
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\+ Indicates management contract and compensatory plan

SIGNATURES

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

ENACT HOLDINGS, INC.

(Registrant)

Dated: May 5, 2022

By:	/s/ Hardin Dean Mitchell
	Hardin Dean Mitchell
	Executive Vice President, Chief Financial Officer and Treasurer
	(Principal Financial Officer)
By:	/s/ James McMullen
	James McMullen
	Vice President, Controller and Principal Accounting Officer

Enact Holdings, Inc. 2021 Omnibus Incentive Plan
2022-2024 Performance Stock Unit Award Agreement

Dear #ParticipantName#:

This Award Agreement and the Enact Holdings, Inc. 2021 Omnibus Incentive Plan (as the same may be amended, the "Plan") together govern your rights under this Award Agreement and set forth all of the conditions and limitations affecting such rights. Unless the context otherwise requires, capitalized terms used in this Award Agreement shall have the meanings ascribed to them in the Plan. If there is any inconsistency between the terms of this Award Agreement and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this Award Agreement.

1. **Grant.** You are hereby granted Performance Stock Units ("PSUs"), which vest (become non-forfeitable) based on your continued employment or service with the Company and/or certain other events, as set forth in Section 3 below. Each vested PSU entitles you to receive from Enact Holdings, Inc. (together with its Affiliates, the "Company") one Share of the Company's common stock, $0.01 par value per share ("Share"), or an equivalent value in cash as determined in the sole discretion of the Committee, as set forth in Section 4 below, all in accordance with the terms and conditions of this Award Agreement, the Plan, and any rules and procedures adopted by the Committee. The PSUs represent the right to earn from 0% to 200% of the Target Award, based on (i) your continued service with the Company, and (ii) the Company's level of achievement of the Performance Goals during the Performance Period, in accordance with the terms of this Award Agreement.

   a. **Grant Date: #GrantDate#** (the "Grant Date")

   b. **Target Award**. The "Target Award" of PSUs subject to this Award is #QuantityGranted#.

   c. **Performance Goals:** The "Performance Goals" are as set forth on Exhibit A.

   d. **Performance Period**. The "Performance Period" is set forth in Exhibit A with respect to each Performance Goal.

2. **Agreement to Participate.** By accepting this Award, you acknowledge that you have reviewed the Plan and this Award Agreement, and you fully understand all of your rights under the Plan and this Award Agreement, the Company's remedies if you violate the terms of this Award Agreement, and all of the terms and conditions which may limit your eligibility to retain and receive the PSUs and/or Shares or cash payments issued pursuant to the Plan and this Award Agreement. The Plan and the accompanying prospectus are available for your reference on the stock plan administrator's website. You may also request a copy of the Plan or the prospectus at any time by contacting Human Resources at the address or telephone number set forth below in Section 14(a).

   If you do not wish to accept the PSUs and participate in the Plan and be subject to the provisions of the Plan and this Award Agreement, please contact the Human

Resources Department, Enact Holdings, Inc., 8325 Six Forks Road, Raleigh, North Carolina 27615, or at (919) 846-4100, within thirty (30) days of receipt of this Award Agreement. You may accept this Award Agreement by accessing and following the procedures set forth on the stock plan administrator's website, or if you do not respond within thirty (30) days of receipt of this Award Agreement, the Award Agreement is deemed accepted. If you choose to participate in the Plan, you agree to abide by all of the governing terms and provisions of the Plan and this Award Agreement.

3. **Earning and Vesting of PSUs.** The PSUs shall not provide you with any rights or interests until the PSUs have been earned and vested. Not later than March 15 following the end of the Performance Period (such certification date, the "Vesting Date"), the Committee shall determine and certify the level of achievement of the Performance Goals and determine the number of PSUs earned and vested ("Confirmed Units"). Any PSUs that fail to vest in accordance with the terms of this Award Agreement will be forfeited and reconveyed to the Company without further consideration or any act or action by you.

4. **Settlement of PSUs.** Subject to Section 6 below and this Section 4, the Confirmed Units shall automatically convert to Shares as soon as practicable following and in all events within 60 days following the Vesting Date (the "Conversion Date"). These Shares will be registered on the books of the Company in your name as of the Conversion Date and delivered to you as soon as practical thereafter, in certificated or uncertificated form, as determined by the Committee. Notwithstanding the foregoing, the Committee may, in its sole discretion, direct that payment be made to you in the form of cash (in lieu of Shares) for each vested PSU with the value of such cash payment based on the Fair Market Value of the Shares otherwise subject to such PSU on the Conversion Date. In such event, the cash payment will be made to you within 30 days following the Conversion Date.

   If for any reason the Committee is unable to certify the level of achievement of the Performance Goals by March 15 following the end of the Performance Period, then the Vesting Date shall be March 15 following the end of the Performance Period, but the determination of the number of Confirmed Units and the Conversion Date shall be delayed, in the discretion of the Committee, for such period as may be required for the Committee to certify the level of achievement of the Performance Goals, but in no event shall the Conversion Date extend beyond December 31 following the end of the Performance Period.

5. **Dividend Equivalents**. Until such time as the PSUs are settled, or the PSUs are cancelled, whichever occurs first, the Company will credit "Dividend Equivalents" with respect to the PSUs equal to the number of outstanding PSUs under this Award Agreement times the per share dividend payments made to shareholders of the Company's Common Stock for which the record date occurs while such PSUs are outstanding. Such Dividend Equivalents will be reinvested in additional PSUs, rounded up to the nearest whole PSU, based on the Fair Market Value of the Shares as of the date the dividend payment and will be settled as set forth in Section 4 above based on and the same extent to which the underlying PSUs are earned.

6. **Treatment of PSUs Upon Termination of Employment.**
   a. Subject to Section 7 below, the PSUs shall be immediately and automatically cancelled upon termination of your service with the Company prior to the Vesting Date, for any reason other than (i) a "Layoff," as such term is defined or described in the Genworth Layoff Payment Plan or any successor plan or

program adopted by the Company and applicable to you (a "Layoff"), (ii) your death or Disability, or (iii) your Retirement.

(i) If your service with the Company terminates prior to the Vesting Date as a result of (i) a Layoff, or (ii) your Retirement, then a pro rata portion of the Award shall remain outstanding as of your termination date, and you shall receive such pro rata payout on the regular Conversion Date following completion of the Performance Period. Such pro-rata portion shall be calculated based on the number of days elapsed from the start of the Performance Period through the date of such termination of service.

(ii) If your service with the Company terminates prior to the Vesting Date as a result of your death or Disability, then a pro rata portion of the Award shall vest as of your termination date based on the target level of performance and shall be settled in cash in accordance with the first paragraph of Section 4 with such date of termination deemed the "Vesting Date" hereunder. Such pro-rata portion shall be calculated based on the number of days elapsed from the start of the Performance Period through the date of such termination of service.

b. For purposes of this Award Agreement, the following terms shall have the following meanings:

(i) "Retirement" shall mean your resignation other than for Cause on or after the date on which you have attained age sixty (60) and accumulated five (5) or more years of "Continuous Service" as defined under the Company's or Genworth Financial, Inc.'s applicable service policy.

(ii) "Disability" shall mean a permanent disability that would make you eligible for benefits under the long-term disability program maintained by Genworth Financial, Inc. or the Company, as applicable, (without regard to any time period during which the disabling condition must exist) or in the absence of any such program, such meaning as the Committee shall determine.

7. **Change in Control**. In the event of a Change in Control, the PSUs shall be treated as follows:

a. **Change in Control and Awards are Not Assumed.** Upon the occurrence of a Change in Control in which the successor entity fails to assume and maintain this Award or substitute a substantially similar award for this Award, (i) the target number of PSUs granted hereunder shall immediately vest in full as of the effective date of such Change of Control (without regard to actual performance), and ; (ii) such PSUs shall be distributed or paid to you within thirty (30) days following the date of the Change of Control in cash, Shares (based on the value of the Shares as of the effective date of the Change of Control), other securities, or any combination, as determined by the Committee; and (iii) this Award shall thereafter terminate.

b. **Employment Termination without Cause or for Good Reason within 12 Months of a Change in Control**. If a Change in Control occurs and the successor entity assumes and maintains this Award or substitutes a substantially similar award for this Award, and if your service with the successor entity and its Affiliates is terminated by the successor entity or one of its Affiliates without Cause (other than such termination resulting from your death or Disability) or by you for Good Reason, in either case within twelve (12) months following the effective date of the Change in Control, then (i) a pro rata portion of the PSUs shall immediately vest as of the date of termination of your service with the successor entity and its Affiliates based on the number of days elapsed from the start of the Performance Period through the date of such termination of service; (ii) such pro-rata portion of the PSUs shall be deemed earned based on actual performance as of the date of termination of your service with the Company, to the extent such performance can be reasonably established in the sole discretion of the Committee, or otherwise based on an assumed achievement of all relevant Performance Goals at "target" levels, if actual pro rata performance cannot be reasonably established in the sole discretion of the Committee; (iii) such PSUs shall be distributed or paid to you, subject to Section 7(c), within thirty (30) days following the date of termination of your service with the Successor Entity and its Affiliates; and (iv) this Award shall thereafter terminate.

c. **Delay in Payment in Certain Circumstances.** If the PSUs become vested upon your separation from service pursuant to Section 7(b) during a period in which you are a "Specified Employee" (as defined below), then, to the extent delivery of Shares would constitute non-exempt "deferred compensation" under Section 409A of the Code, your right to receive the Shares will be delayed until the earlier of your death or the first day of the seventh month following your separation from service.

d. For purposes of this Award Agreement:

(i) "Cause" shall mean (i) your willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from your Disability); (ii) your commission, conviction or pleading guilty or nolo contendere (or any similar plea or admission) to any felony or any act of fraud, misappropriation or embezzlement; (iii) your willful engagement in conduct (other than conduct covered under clause (i) above) which, in the good faith judgment of the Committee, is injurious to the Company, monetarily or otherwise; or (iv) your material violation or breach of any Company policy, or any noncompetition, confidentiality, or other restrictive covenant with respect to the Company, that applies to you; *provided*, *however*, that for purposes of clauses (i) and (ii) of this definition, no act, or failure to act, on your part shall be deemed "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that the act, or failure to act, was in the best interests of the Company.

(ii) "Good Reason" shall mean any material reduction in the aggregate value of your cash compensation (i.e., base salary and target cash bonus), or a substantial reduction in the aggregate value of other benefits provided to you; *provided*, *however*, that Company-initiated across-the-board reductions in compensation or benefits affecting all similarly situated service providers shall alone not be considered Good Reason.

(iii) "Specified Employee" has the meaning given such term in Internal Revenue Code Section 409A and the final regulations thereunder ("Final

409A Regulations”), provided, however, that, as permitted in the Final 409A Regulations, the Company’s Specified Employees and its application of the six-month delay rule of Section 409A(a)(2)(B)(i) shall be determined in accordance with rules adopted by the Board or a committee thereof, which shall be applied consistently with respect to all nonqualified deferred compensation arrangements of the Company, including this Award Agreement.

8. **Restrictive Covenants.** As a condition to the grant of and receiving payment of the Award, you agree to the following:

a. **Non-Disparagement.** Subject to any obligations you may have under applicable law, you will not make or cause to be made any statements that disparage, are inimical to, or damage the reputation of the Company or any of its agents, officers, directors or employees. Nothing in this section shall limit your ability to provide truthful testimony or information in response to a subpoena, court order, or investigation by a government agency or from engaging in “whistle-blowing” or similar activities expressly protected by applicable law, to the extent so protected.

b. **Non-Solicitation of Customers or Clients.** Unless waived in writing by the most senior Human Resources officer of Enact Holdings, Inc. (or his or her successor), you will not, during and for a period of 12 months following the cessation of your service with the Company for any reason, directly or through another person, solicit or contact any of the customers or clients of the Company with whom you had material contact during your employment, regardless of the location of such customers or clients, for the purpose of engaging in, providing, marketing, or selling any services or products that are competitive with the services and products being offered by the Company or discouraging or diverting such customer’s or client’s business away from the Company.

c. **Non-Solicitation of Company Employees.** Unless waived in writing by the most senior Human Resources officer of Enact Holdings, Inc. (or his or her successor), you will not, during and for a period of 12 months following the cessation of your employment with the Company, directly or through another person, solicit or encourage any director, agent, contractor or employee of the Company to terminate his or her employment or other engagement with the Company.

9. **Tax Withholding.** The Company shall have the power and the right to deduct or withhold, or require you or your beneficiary to remit to the Company, an amount in cash or Shares sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Award Agreement (including “sell to cover” arrangements whereby the Company has the right to sell shares on your behalf to cover the taxes). With respect to such withholding, the Company may satisfy the tax withholding requirement by withholding Shares (or cash in the event the Award is cash settled) having a Fair Market Value as of the date that the amount of tax to be withheld is to be determined equal to the amount required to be withheld in accordance with applicable tax requirements, all in accordance with such procedures as the Committee establishes. The obligations of the Company under this Award Agreement will be conditional on such payment or arrangements, and the Company will, to the extent permitted by law, have the right to deduct in cash or Shares any such taxes from any payment of any kind otherwise due to you.

10. **Nontransferability.** The PSUs awarded pursuant to this Award Agreement may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated ("Transfer"), other than by will or by the laws of descent and distribution, except as provided in the Plan. If any prohibited Transfer, whether voluntary or involuntary, of the PSUs is attempted to be made, or if any attachment, execution, garnishment, or lien shall be attempted to be issued against or placed upon the PSUs, your right to such PSUs shall be immediately forfeited to the Company, and this Award Agreement shall be null and void.

11. **Requirements of Law.** The granting of the PSUs and the settlement of this Award shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. The PSUs shall be null and void to the extent the grant, vesting or conversion of PSUs is prohibited under the laws of the country of your residence.

12. **Administration.** This Award Agreement and your rights hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Award Agreement, all of which shall be binding upon you, the Participant. The Committee's interpretation of the Plan and this Award Agreement, and all decisions and determinations by the Committee with respect to the Plan and this Award Agreement, shall be final, binding, and conclusive on all parties.

13. **Limitation of Rights.** The PSUs do not confer to you or your beneficiary, executors or administrators any rights of a stockholder of the Company unless and until Shares are in fact issued to such person in connection with the PSUs. This Award Agreement shall not confer upon you any right to continuation of employment or engagement by the Company, nor shall this Award Agreement interfere in any way with the Company's right to terminate your employment or engagement at any time, for any lawful reason.

14. **Plan; Prospectus and Related Documents; Electronic Delivery.**

a. A copy of the Plan is available for your reference on the stock plan administrator's website, and will be furnished upon written or oral request made to the Human Resources Department, Enact Holdings, Inc., 8325 Six Forks Road, Raleigh, North Carolina 27615, or by telephone to (919) 846-4100.

b. As required by applicable securities laws, the Company is delivering to you a prospectus in connection with this Award, which delivery is being made electronically. A paper copy of the prospectus may also be obtained without charge by contacting the Human Resources Department at the address or telephone number listed above. By accepting this Award Agreement, you shall be deemed to have consented to receive the prospectus electronically.

c. The Company will deliver to you electronically a copy of the Company's Annual Report to Stockholders for each fiscal year, as well as copies of all other reports, proxy statements and other communications distributed to the Company's stockholders. You will be provided notice regarding the availability of each of these documents, and such documents may be accessed by going to the Company's website at www.IR.enactmi.com (or, if the Company changes its web site, by accessing such other web site address(es) containing investor information to which the Company may direct you in the future) and will be deemed delivered to you upon posting or filing by the Company. Upon written or oral request, paper copies of these documents (other than certain exhibits) may also be obtained by contacting the Company's Human Resources Department at the address or telephone number listed above or by contacting the Investor Relations Department, Enact Holdings, Inc., 8325 Six Forks Road, Raleigh, North Carolina 27615, or by telephone at (919) 846-4100.

d. By accepting this Award, you agree and consent, to the fullest extent permitted by law, in lieu of receiving documents in paper format to accept electronic delivery of any documents that the Company may be required to deliver in connection with this Award and any other Awards granted to you under the Plan. Electronic delivery of a document may be via a Company e-mail or by reference to a location on a Company intranet or another third-party internet site to which you have access.

15. **Amendment, Modification, Suspension, and Termination.** The Administrator shall have the right at any time in its sole discretion, subject to certain restrictions, to alter, amend, modify, suspend, or terminate the Plan in whole or in part, and the Committee shall have the right at any time in its sole discretion to alter, amend, modify, suspend or terminate the terms and conditions of any Award; *provided*, *however*, that no such action shall impair your rights under this Award without your consent.

16. **Entire Agreement.** Except as set forth in Section 17 below, this Award Agreement, the Plan, and the rules and procedures adopted by the Committee contain all of the provisions applicable to the PSUs and no other statements, documents or practices may modify, waive or alter such provisions unless expressly set forth in writing, signed by an authorized officer of the Company and delivered to you.

17. **Compensation Recoupment Policy.** Notwithstanding Section 16 above, this Award shall be subject to Section 28 of the Plan and any compensation recoupment policy adopted by the Company that is applicable by its terms to you and to Awards of this type.

18. **Severability.** The provisions of this Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Please refer any questions you may have regarding your Performance Stock Unit Award to the most senior Human Resources officer of the Company.

Acceptance Date: #AcceptanceDate#

Exhibit A

2022-2024 Performance Stock Unit Award Performance Goals

- Payout for performance between points is interpolated on a straight-line basis.
- No payout shall be earned for performance below threshold level for the Performance Period.
- Notwithstanding the level of achievement of the Performance Goals set forth below, the Committee may exercise negative discretion to pay out a lesser amount, or no amount at all, under the Performance Stock Unit Award, based on such considerations as the Committee deems appropriate.

($ in Millions)	**Book Value per Share Growth (1)(2)**		
Performance Period	**Threshold (50% Payout)**	**Target (100% Payout)**	**Maximum (200% Payout)**
January 1, 2022 – December 31, 2024	13%	41%	47%

(1) Subject to adjustment as set forth in note (2) below, to be calculated as (A) the increase in Book Value/divided by the number of Shares outstanding from the first date of the Performance Period to the last day of the Performance Period.

(2) In evaluating performance, the Committee shall exclude the impact, if any, on reported financial results of any of the following events or items that occur during the Performance Period: a) accumulated other comprehensive income (loss), b) any dividends declared on Shares, c) repurchases of Shares, d) repurchases of convertible debt, e) certain litigation settlements and judgements, f) changes in foreign exchange rates, g) changes in accounting principles or other laws or provisions.

Acceptance Date: #AcceptanceDate#

Enact Holdings, Inc. 2021 Omnibus Incentive Plan

2022-2024 Restricted Stock Unit Award Agreement

Dear #ParticipantName#:

This Award Agreement and the Enact Holdings, Inc. 2021 Omnibus Incentive Plan (as the same may be amended, the "Plan") together govern your rights under this Award Agreement and set forth all of the conditions and limitations affecting such rights. Unless the context otherwise requires, capitalized terms used in this Award Agreement shall have the meanings ascribed to them in the Plan. If there is any inconsistency between the terms of this Award Agreement and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this Award Agreement.

1. **Grant.** You are hereby granted Restricted Stock Units ("RSUs"), which vest (become non-forfeitable) based on your continued employment or service with the Company and/or certain other events, as set forth in Section 3 below. Each vested RSU entitles you to receive from Enact Holdings, Inc. (together with its Affiliates, the "Company") one Share of the Company's common stock, $0.01 par value per share ("Share"), or an equivalent value in cash as determined in the sole discretion of the Committee, as set forth in Section 5 below, all in accordance with the terms and conditions of this Award Agreement, the Plan, and any rules and procedures adopted by the Committee.

a. **Grant Date: #GrantDate#** (the "Grant Date")

b. **Number of RSUs: #QuantityGranted#**

c. **Vesting:** The RSUs shall not provide you with any rights or interests until the RSUs vest. Unless vesting is accelerated as provided in Section 3 or otherwise in the discretion of the Committee as permitted under the Plan, one-third of the RSUs (rounded down to the nearest whole Share) shall vest on each of the first and second anniversaries of the Grant Date and the remaining RSUs shall vest on the third anniversary of the Grant Date (each such date, a "Designated Vesting Date"), provided that you have been continuously in the service of the Company through such dates.

2. **Agreement to Participate.** By accepting this Award, you acknowledge that you have reviewed the Plan and this Award Agreement, and you fully understand all of your rights under the Plan and this Award Agreement, the Company's remedies if you violate the terms of this Award Agreement, and all of the terms and conditions which may limit your eligibility to retain and receive the RSUs and/or Shares or cash payments issued pursuant to the Plan and this Award Agreement. The Plan and the accompanying prospectus are available for your reference on the stock plan administrator's website. You may also request a copy of the Plan or the prospectus at any time by contacting Human Resources at the address or telephone number set forth below in Section 13(a).

If you do not wish to accept the RSUs and participate in the Plan and be subject to the provisions of the Plan and this Award Agreement, please contact the Human Resources Department, Enact Holdings, Inc., 8325 Six Forks Road, Raleigh, North

Carolina 27615, or at (919) 846-4100, within thirty (30) days of receipt of this Award Agreement. You may accept this Award Agreement by accessing and following the procedures set forth on the stock plan administrator's website, or if you do not respond within thirty (30) days of receipt of this Award Agreement, the Award Agreement is deemed accepted. If you choose to participate in the Plan, you agree to abide by all of the governing terms and provisions of the Plan and this Award Agreement.

3. **Vesting of RSUs.** The RSUs have been credited to a bookkeeping account on your behalf. The RSUs will vest and become non-forfeitable as follows:

a. **Designated Vesting Dates.** The RSUs will vest on the Designated Vesting Dates provided in Section 1(c), provided that you have been continuously in the service of the Company through such dates. Unvested RSUs shall be immediately cancelled upon termination of your service with the Company, except as provided in Sections 3(b), (c), (d), (e) and (f) below.

b. **Employment Termination Due to Death or Disability.** If your service with the Company terminates as a result of your death or Disability, then all of your unvested RSUs shall immediately vest on the date of such termination of service, and such RSUs shall be payable in cash based upon the Fair Market Value of the Shares subject to the RSUs on the date of your termination of service. For purposes of this Award Agreement, "Disability" shall mean a permanent disability that would make you eligible for benefits under the long-term disability program maintained by Genworth Financial, Inc. or the Company, as applicable, (without regard to any time period during which the disabling condition must exist) or in the absence of any such program, such meaning as the Committee shall determine.

c. **Employment Termination for Retirement**. If your service with the Company terminates for any reason other than Cause on or after you have attained age sixty (60) and accumulated five (5) or more years of "Continuous Service," as such term is defined under the Company's or Genworth Financial, Inc.'s applicable service policy, then all of your unvested RSUs shall immediately vest as of the date of such termination of service.

d. **Employment Termination Due to Layoff.** If your service with the Company terminates as a result of a "Layoff," as such term is defined or described in the Genworth Layoff Payment Plan or any successor plan or program adopted by the Company and applicable to you (a "Layoff"), you shall continue to vest in any RSUs that are scheduled to vest after the Notice Date but before the Layoff Date ("Notice Date" and "Layoff Date," each as defined in the Genworth Layoff Payment Plan). Additionally, the RSUs, if any, that are scheduled to vest on the next Designated Vesting Date after the Layoff Date shall immediately vest on the Layoff Date; all remaining unvested RSUs, if any, shall be forfeited as provided in Section 4 on the Layoff Date.

e. **Change in Control and Awards are Not Assumed.** Upon the occurrence of a Change in Control in which the successor entity fails to assume and maintain this Award or substitute a substantially similar award for this Award, all of your unvested RSUs shall immediately vest as of the effective date of the Change in Control.

f. **Employment Termination without Cause or for Good Reason within 12 Months of a Change in Control**. If a Change in Control occurs and the successor entity assumes and maintains this Award or substitutes a substantially similar award for this Award, and if your service with the successor entity and its Affiliates is terminated by the successor entity or one of its Affiliates without Cause (other than such termination resulting from your death or Disability) or by you for Good Reason, in either case within twelve (12) months following the effective date of the Change in Control, then all of your unvested RSUs shall immediately vest as of the date of such termination of service.

4. **Forfeiture of RSUs Upon Termination of Employment.** If your service with the Company terminates prior to a Designated Vesting Date provided in Section 1(c) for any reason other than as described in Section 3 above or, notwithstanding the foregoing, in the event of your termination of service by the Company for Cause at any time prior to the settlement of this Award, you shall forfeit all right, title and interest in and to the unvested RSUs (or in the case of a termination for Cause, all outstanding RSUs whether then vested or unvested) as of the date of such termination and the RSUs will be reconveyed to the Company without further consideration or any act or action by you.

For purposes of this Award Agreement:

a. "Cause" shall mean (i) your willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from your Disability); (ii) your commission, conviction or pleading guilty or nolo contendere (or any similar plea or admission) to any felony or any act of fraud, misappropriation or embezzlement; (iii) your willful engagement in conduct (other than conduct covered under clause (i) above) which, in the good faith judgment of the Committee, is injurious to the Company, monetarily or otherwise; or (iv) your material violation or breach of any Company policy, or any noncompetition, confidentiality, or other restrictive covenant with respect to the Company, that applies to you; *provided*, *however*, that for purposes of clauses (i) and (ii) of this definition, no act, or failure to act, on your part shall be deemed "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that the act, or failure to act, was in the best interests of the Company.

b. "Good Reason" shall mean any material reduction in the aggregate value of your cash compensation (i.e., base salary and target cash bonus), or a substantial reduction in the aggregate value of other benefits provided to you; *provided*, *however*, that Company-initiated across-the-board reductions in compensation or benefits affecting all similarly situated service providers shall alone not be considered Good Reason.

5. **Settlement of RSUs**. Unless the RSUs are forfeited as provided in Section 4 above and subject to this Section 5, vested RSUs will be converted to Shares on or as soon as practicable following (and in all events within 30 days following) each Designated Vesting Date provided in Section 1(c), or earlier upon the occurrence of any of the events provided in Sections 3(b) – 3(f); provided, however, that if the RSUs become vested upon your separation from service during a period in which you are a “Specified Employee” (as defined below), then, to the extent delivery of Shares would constitute non-exempt “deferred compensation” under Section 409A of the Code, your

right to receive the Shares will be delayed until the earlier of your death or the first day of the seventh month following your separation from service (as applicable, the "Conversion Date"). Shares will be registered on the books of the Company in your name as of the Conversion Date and delivered to you as soon as practical thereafter, in certificated or uncertificated form, as determined by the Committee. Notwithstanding the foregoing, the Committee may, in its sole discretion, direct that payment be made to you in the form of cash (in lieu of Shares) for each vested RSU, with the value of such cash payment based on the Fair Market Value of the Shares otherwise subject to such RSU on the Conversion Date. In such event, the cash payment will be made to you within 30 days following the Conversion Date.

For purposes of this Award Agreement, the term "Specified Employee" has the meaning given such term in Internal Revenue Code Section 409A and the final regulations thereunder ("Final 409A Regulations"), provided, however, that, as permitted in the Final 409A Regulations, the Company's Specified Employees and its application of the six-month delay rule of Section 409A(a)(2)(B)(i) shall be determined in accordance with rules adopted by the Board or a committee thereof, which shall be applied consistently with respect to all nonqualified deferred compensation arrangements of the Company.

6. **Dividend Equivalents.** Until such time as the RSUs are settled, or the RSUs are cancelled, whichever occurs first, the Company will credit "Dividend Equivalents" with respect to the RSUs equal to the number of outstanding RSUs under this Award Agreement times the per share dividend payments made to shareholders of the Company's Common Stock for which the record date occurs while such RSUs are outstanding. Such Dividend Equivalents will be reinvested in additional RSUs, rounded up to the nearest whole RSU, based on the Fair Market Value of the Shares as of the date the dividend payment and will be settled as set forth in Section 5 above.

7. **Restrictive Covenants.** As a condition to the grant of and receiving payment of the Award, you agree to the following:

   a. **Non-Disparagement.** Subject to any obligations you may have under applicable law, you will not make or cause to be made any statements that disparage, are inimical to, or damage the reputation of the Company or any of its agents, officers, directors or employees. Nothing in this section shall limit your ability to provide truthful testimony or information in response to a subpoena, court order, or investigation by a government agency or from engaging in "whistle-blowing" or similar activities expressly protected by applicable law, to the extent so protected.

   b. **Non-Solicitation of Customers or Clients.** Unless waived in writing by the most senior Human Resources officer of Enact Holdings, Inc. (or his or her successor), you will not, during and for a period of 12 months following the cessation of your service with the Company for any reason, directly or through another person, solicit or contact any of the customers or clients of the Company with whom you had material contact during your employment, regardless of the location of such customers or clients, for the purpose of engaging in, providing, marketing, or selling any services or products that are competitive with the services and products being offered by the Company or discouraging or diverting such customer's or client's business away from the Company.

c. **Non-Solicitation of Company Employees.** Unless waived in writing by the most senior Human Resources officer of Enact Holdings, Inc. (or his or her successor), you will not, during and for a period of 12 months following the cessation of your employment with the Company, directly or through another person, solicit or encourage any director, agent, contractor or employee of the Company to terminate his or her employment or other engagement with the Company.

8. **Tax Withholding.** The Company shall have the power and the right to deduct or withhold, or require you or your beneficiary to remit to the Company, an amount in cash or Shares sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Award Agreement (including “sell to cover” arrangements whereby the Company has the right to sell shares on your behalf to cover the taxes). With respect to such withholding, the Company may satisfy the tax withholding requirement by withholding Shares (or cash in the event the Award is cash settled) having a Fair Market Value as of the date that the amount of tax to be withheld is to be determined equal to the amount required to be withheld in accordance with applicable tax requirements, all in accordance with such procedures as the Committee establishes. The obligations of the Company under this Award Agreement will be conditional on such payment or arrangements, and the Company will, to the extent permitted by law, have the right to deduct in cash or Shares any such taxes from any payment of any kind otherwise due to you.

9. **Nontransferability.** The RSUs awarded pursuant to this Award Agreement may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated ("Transfer"), other than by will or by the laws of descent and distribution, except as provided in the Plan. If any prohibited Transfer, whether voluntary or involuntary, of the RSUs is attempted to be made, or if any attachment, execution, garnishment, or lien shall be attempted to be issued against or placed upon the RSUs, your right to such RSUs shall be immediately forfeited to the Company, and this Award Agreement shall be null and void.

10. **Requirements of Law.** The granting of the RSUs and the settlement of this Award shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. The RSUs shall be null and void to the extent the grant, vesting or conversion of RSUs is prohibited under the laws of the country of your residence.

11. **Administration.** This Award Agreement and your rights hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Award Agreement, all of which shall be binding upon you, the Participant. The Committee’s interpretation of the Plan and this Award Agreement, and all decisions and determinations by the Committee with respect to the Plan and this Award Agreement, shall be final, binding, and conclusive on all parties.

12. **Limitation of Rights.** The RSUs do not confer to you or your beneficiary, executors or administrators any rights of a stockholder of the Company unless and until Shares are in fact issued to such person in connection with the RSUs. This Award Agreement

shall not confer upon you any right to continuation of employment or engagement by the Company, nor shall this Award Agreement interfere in any way with the Company's right to terminate your employment or engagement at any time, for any lawful reason.

13. **Plan; Prospectus and Related Documents; Electronic Delivery.**

a. A copy of the Plan is available for your reference on the stock plan administrator's website, and will be furnished upon written or oral request made to the Human Resources Department, Enact Holdings, Inc., 8325 Six Forks Road, Raleigh, North Carolina 27615, or by telephone to (919) 846-4100.

b. As required by applicable securities laws, the Company is delivering to you a prospectus in connection with this Award, which delivery is being made electronically. A paper copy of the prospectus may also be obtained without charge by contacting the Human Resources Department at the address or telephone number listed above. By accepting this Award Agreement, you shall be deemed to have consented to receive the prospectus electronically.

c. The Company will deliver to you electronically a copy of the Company's Annual Report to Stockholders for each fiscal year, as well as copies of all other reports, proxy statements and other communications distributed to the Company's stockholders. You will be provided notice regarding the availability of each of these documents, and such documents may be accessed by going to the Company's website at www.IR.enactmi.com (or, if the Company changes its web site, by accessing such other web site address(es) containing investor information to which the Company may direct you in the future) and will be deemed delivered to you upon posting or filing by the Company. Upon written or oral request, paper copies of these documents (other than certain exhibits) may also be obtained by contacting the Company's Human Resources Department at the address or telephone number listed above or by contacting the Investor Relations Department, Enact Holdings, Inc., 8325 Six Forks Road, Raleigh, North Carolina 27615, or by telephone at (919) 846-4100.

d. By accepting this Award, you agree and consent, to the fullest extent permitted by law, in lieu of receiving documents in paper format to accept electronic delivery of any documents that the Company may be required to deliver in connection with this Award and any other Awards granted to you under the Plan. Electronic delivery of a document may be via a Company e-mail or by reference to a location on a Company intranet or another third-party internet site to which you have access.

14. **Amendment, Modification, Suspension, and Termination.** The Administrator shall have the right at any time in its sole discretion, subject to certain restrictions, to alter, amend, modify, suspend, or terminate the Plan in whole or in part, and the Committee shall have the right at any time in its sole discretion to alter, amend, modify, suspend or terminate the terms and conditions of any Award; *provided*, *however*, that no such action shall impair your rights under this Award without your consent.

15. **Entire Agreement.** Except as set forth in Section 16 below, this Award Agreement, the Plan, and the rules and procedures adopted by the Committee contain all of the provisions applicable to the RSUs and no other statements, documents or practices may modify, waive or alter such provisions unless expressly set forth in writing, signed by an authorized officer of the Company and delivered to you.

16. **Compensation Recoupment Policy.** Notwithstanding Section 15 above, this Award shall be subject to Section 28 of the Plan and any compensation recoupment policy adopted by the Company that is applicable by its terms to you and to Awards of this type.

17. **Severability.** The provisions of this Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Please refer any questions you may have regarding your Restricted Stock Unit Award to the most senior Human Resources officer of the Company.

Acceptance Date: #AcceptanceDate#

Exhibit 10.4

INVESTMENT MANAGEMENT AND SERVICES AGREEMENT

BETWEEN

ENACT MORTGAGE INSURANCE CORPORATION

AND

GENWORTH NORTH AMERICA CORPORATION

THIS INVESTMENT MANAGEMENT AND SERVICES AGREEMENT (this "**Agreement**") is made and entered into as of the 3rd day of May, 2022 (the "**Effective Date**"), by and between Enact Mortgage Insurance Corporation, a North Carolina corporation ("**Client**"), and Genworth North America Corporation, a Washington corporation ("**Manager**").

RECITALS

WHEREAS, Client desires to retain Manager to provide investment management and other services for Client's investment portfolio and Manager desires to provide those services on the terms and conditions contained in this Agreement; and

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, and intending to be legally bound, Client and Manager agree as follows:

ARTICLE I
DEFINITIONS AND USAGE

1.1 Definitions. The following capitalized terms, as used in this Agreement, have the following meanings:

"**Account**" shall have the meaning set forth in Section 2.1.

"**Account Assets**" means the assets and any unrealized income, profit or gain (or loss) from, those assets in the Account from time to time. All funds and invested assets of the Client are the exclusive property of the Client, held for the benefit of the Client, and are subject to exclusive control of the Client.

"**Affiliate**" of a Person means a Person who, directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such Person.

"**Applicable Law**" means any domestic or foreign federal, state or local statute, law, ordinance or code or any rules, regulations, administrative interpretations or orders issued by any Governmental Authority, including without limitation the Insurance Authority, pursuant to any of the foregoing, and any order, writ, injunction, directive, judgment or decree of a court of competent jurisdiction applicable to the parties hereto.

"**Board**" means the Board of Directors of Client as the same may be elected from time to time by the shareholders of Client.

"**Custody Agreement**" shall have the meaning set forth in Section 2.5.

"**Custodian**" shall have the meaning set forth in Section 2.5.

"**Directed Brokers**" shall have the meaning set forth in Section 2.6(b)

"**Directed Trades**" shall have the meaning set forth in Section 2.6(b).

"**Effective Date**" shall have the meaning set forth in the introductory paragraph.

"**GAAP**" means generally accepted accounting principles in effect, from time to time, in the United States.

"**Governmental Authority**" means the Insurance Authority or any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States or any federal, national, state, municipal, county, city or other political subdivision.

“**Insurance Authority**” means the North Carolina Commissioner of Insurance (the “Commissioner”). “Insurance Authority” and “Commissioner” are used interchangeably throughout this Agreement.

“**Investment Account**” means the account identified as such in Exhibit B.

“**Investment Committee**” means a Client committee, Client’s ultimate or penultimate controlling person or a committee thereof, or Client’s senior managers, as may be designated by the Board from time to time to oversee the investment activities. If the Board does not designate an Investment Committee then the Client’s entire Board shall constitute the Investment Committee.

“**Investment Guidelines**” means the investment guidelines attached hereto as Exhibit A, and such other guidelines and procedures concerning the investment and management of the Account Assets as may be adopted from time to time by Client and communicated to Manager.

“**Investment Objectives**” shall mean any investment objectives set forth in the Investment Guidelines or otherwise communicated in writing from time to time by Client to Manager.

“**Investment Reports**” means statements, reports, analyses, data, summaries, calculations, formulas and the like concerning Account Assets, investment strategy, security selection and performance results, whether in written, oral or electronic form.

“**Person**” means an individual, corporation, partnership, limited liability company, association, trust or any other entity or organization, including governmental or political subdivision or an agency or instrumentality thereof.

“**Records**” shall have the meaning set forth in Section 2.8.

“**Representatives**” means, as applicable, Client’s or Manager’s directors, officers, employees, accountants and legal and financial advisors.

“**SAP**” means statutory accounting procedures and principles prescribed or permitted by Applicable Law.

“**Trigger Date**” means the first date on which Manager ceases to beneficially own more than fifty percent (50%) of the common stock of Enact Holdings, Inc.

1.2 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

ARTICLE II
SERVICES

2.1 Investment Management. With respect to accounts, sub-accounts and/or investment portfolios identified in Exhibit B hereto and as may be designated by Client from time to time in writing (collectively, the “**Account**”), Manager will provide continuous, discretionary investment management services to Client, which services may include (but not be limited to) the following:

(a) Research and identify investment opportunities;

(b) Open and maintain brokerage accounts for securities and other property for and in the name of Client and execute for Client, as its agent and attorney-in-fact, standard customer agreements;

(c) Invest and reinvest Account Assets in income earning investments, such as bonds and cash equivalents, and such other investments as are permitted by Applicable Law, subject to any restrictions or limitations imposed by the Investment Guidelines, Board or Investment Committee, in each case, as communicated to Manager in writing;

(d) Exercise, on behalf of Client or direct the exercise by the Custodian where appropriate, all rights and remedies conferred by any investment including, without limitation, voting rights (as discussed more fully in Section 2.7 below) with respect to the Account Assets;

(e) Sell, dispose or transfer investments as appropriate, subject to any restrictions or limitations imposed by the Investment Guidelines, Board or Investment Committee; provided, however, that the proceeds from any such sales will be deposited in the relevant Account on the date of receipt;

(f) Assist in developing an overall investment strategy for the Account Assets;

(g) Conduct inspections, valuations, projections or other due diligence activities with respect to investments;

(h) Negotiate the terms and conditions of investments and review and participate in the preparation of any documentation relating to such investments and execute for Client, as its agent and attorney-in-fact, such documentation;

(i) Keep the Account under review and confer at regular intervals with Client regarding the investment and management of the Account;

(j) Prepare a summary of all purchases and sales of investments with respect to the Account in accordance with the Investment Guidelines;

(k) Participate in meetings of the Board, the Investment Committee and such other meetings with Client Representatives as Client may request from time to time;

(1) Provide Client, in a timely manner, with such reports, documentation and information as Client may reasonably request in connection with monthly, quarterly and annual closing activities;

(m) Provide Client with such additional investment management services relating to the Account as may be mutually agreed upon by the parties from time to time;

(n) Execute on behalf of the Client certain agreements, instruments and documents in connection with the services performed by it under this Agreement; provided, however, Manager’s authorization to execute such documentation shall be limited by this Agreement, the Investment Guidelines and Applicable Law; and

(o) Without limiting the generality of the foregoing and without duplication, Manager shall perform the duties set forth on Exhibit C.

2.2 Appointment of Manager. Client appoints Manager and Manager accepts appointment by Client as investment adviser for the Account with full discretion subject to the terms of this Agreement; provided that, and without limitation to any right or remedy of Client under this Agreement, the ultimate control of Client’s accounts and/or investment portfolios shall remain with Client’s Board, and nothing contained in this Agreement shall be deemed to transfer or delegate such control to Manager. Client shall maintain at all times oversight for services and functions provided to Client by Manager, and Client shall monitor services not less than annually for quality assurance. Manager agrees that Client may, at any time, instruct Manager or vary any decision of Manager in Manager’s investment of the Account Assets, in which event Client shall have the sole responsibility for the consequences of such instruction or variance. However, Manager may complete any transaction(s) already commenced prior to its receipt of Client's instruction or variance.

2.3 Non-Exclusivity; Limitation on Engagement of Other Managers. Manager shall perform its services described in this Agreement on a nonexclusive basis. Client agrees that it shall not, and it shall cause its Affiliates not to, retain additional investment advisers to perform similar services in connection with more than 10% of its assets, measured on a book value basis. Client acknowledges that such restriction is fair and reasonable because Manager has and will continue to expend substantial fixed costs in providing services to Client. Manager may give advice and take action with respect to other clients that differs from advice given or action taken with respect to the Account, so long as Manager attempts in good faith to allocate investment opportunities to Client and the Account over a period of time on a fair and equitable basis compared to investment opportunities extended to other clients. Manager is not obligated to initiate the purchase or sale of any security for Client or the Account that Manager, or its Affiliates or the respective principals or employees of any of them, may purchase or sell for its or their own accounts or for the account of any other client if, in the reasonable opinion of Manager, such transaction or investment appears unsuitable or undesirable for Client or the Account.

2.4 Covenants of Manager.

(a) Manager shall discharge its duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters should use in the conduct of an enterprise of a like character and with like aims. Further, Manager shall use the same skill and care in the management of Client's investments and other duties hereunder as it uses in the administration of other similar accounts for which it has investment responsibility.

(b) Manager shall use its commercially reasonable efforts to achieve the Investment Objectives. Notwithstanding the foregoing, Client understands that Manager makes no representation regarding its ability to achieve any Investment Objective and Manager shall have no liability hereunder for such failure provided it has otherwise complied with the terms of this Agreement.

(c) When applicable, Manager shall as soon as reasonably practicable, notify Client in writing of: (i) any change in Manager's condition, financial or otherwise or in its business or any other change which is reasonably likely to be materially adverse to Manager, Client, the Account or the Account Assets; (ii) the occurrence of any happening or event which is reasonably likely to cause or has caused any breach of any representation or warranty made by Manager herein and the nature and scope of the breach; (iii) any actual material adverse change in the Account or nature of the Account Assets of which it is aware; and (iv) any threatened event of which Manager is actually aware which has a substantial likelihood of causing a material adverse change in the Account or the nature of the Account Assets; and further Manager shall within five (5) business days notify Client of: (v) any change in Manager's senior officers who exercise investment discretion in respect of the Account; (vi) if it is unable to comply with the Investment Guidelines or any instruction or direction given by Client pursuant to this Agreement; or (vii) if an instruction, direction or guideline given by Client is: (A) in Manager's opinion, inconsistent with the Investment Guidelines; or (B) in Manager's opinion, ambiguous or unclear in any respect, and the instruction, direction or guideline must be clarified by Client.

(d) In the performance of its duties and obligations under this Agreement to Client, Manager shall act in conformity with the Articles of Incorporation and Bylaws of Client, the Investment Guidelines or other written instructions of the Board, the Investment Committee or Representatives of Client, in each case as supplied to Manager by Client, and all Applicable Laws. At Client's request, Manager shall provide to Client certificates or other evidence of compliance relating to any Applicable Laws or other legal requirements, in each case in form and substance satisfactory to Client.

(e) Manager shall at all times maintain sufficient knowledgeable personnel to perform the services under this Agreement.

(f) Manager shall credit the Account for any monetary benefits, fees or commissions received by Manager or any Affiliate of Manager in relation to the investment of the Account other than benefits permitted to be received in accordance with Section 2.6 and Article IV.

(g) Manager shall exercise reasonable care in selecting, appointing and reviewing the performance of any agent of Manager in connection with the Account or any broker engaged by Manager.

(h) Except as otherwise disclosed in this Agreement, Manager does not have any interest, direct or indirect, which would materially conflict with its obligations under this Agreement. Client acknowledges that conflicts of interest arise from time to time in the investment management industry and that Manager has procedures in place to reduce and eliminate such conflicts whenever possible. Manager will promptly notify Client of any material conflict of interest affecting Manager's obligations or performance of this Agreement, the Account or the Account Assets.

(i) Manager shall take all reasonable steps and precautions to safeguard all Client information and to prevent its unauthorized use, access by or disclosure to any person or entity. In doing so Manager shall exercise a reasonable standard of care and in any event shall exercise the same or greater safeguards and precautions for Client's information as Manager does for its own information. Manager shall maintain Client's information and all reports or materials derived therefrom in electronic format using the secure systems and software Manager employs for such purposes, and Client shall have the right to obtain reasonable information from Manager regarding such systems and software as well as all other security protocols employed by Manager.

2.5 Custodial Matters. All transactions authorized by this Agreement with respect to the Account will be consummated through a custodian designated in writing by Client (the "**Custodian**") with which Client has established an agreement or agreements (each such agreement, a "**Custody Agreement**"). Manager may issue such instructions to the Custodian as may be appropriate in connection with the settlement of transactions initiated by Manager under this Agreement, either in writing or sent electronically or orally and confirmed in writing or electronically as soon as practical thereafter. Manager shall instruct all brokers, dealers or other persons executing orders on behalf of the Account to forward to the Custodian for Client copies of all brokerage or dealer confirmations promptly after execution of all transactions. Manager shall not be authorized to take custody or possession of the Account Assets. Manager shall not be responsible for the fees of any Custodian or for any loss incurred by reason of any act or omission of any Custodian. Client may, at any time in its sole discretion, appoint one or more additional or substitute custodians to hold the Account Assets. Manager will be advised of the appointment of any substitute custodians in writing by Client.

2.6 Brokerage Matters.

(a) Manager may place orders directly with brokers or dealers for executing transactions for the Account. In selecting brokers or dealers, Manager is authorized to use its discretion and may take into account such relevant factors as (i) total transaction price (including commissions, as a component of price); (ii) the broker's facilities, reliability, financial responsibility and knowledge or expertise with regard to a particular transaction; and (iii) the ability of the broker to effect the securities transaction, particularly with regard to such aspects as timing, size and execution of orders. Client shall be responsible for the total transaction costs, including all reasonable broker's commissions with respect to transactions of the Account and all taxes or government fees, domestic or foreign, attributable to such transactions. Manager may execute any and all transactions for the Account with or through brokers or dealers that are Affiliates of Manager so long as such transactions are executed on terms no less favorable than those available from an unaffiliated broker or dealer.

(b) Client may direct Manager to effect securities transactions for the Account ("**Directed Trades**") through broker-dealer(s) identified by Client in writing ("**Directed Brokers**") in a separate agreement acceptable to Manager. Client acknowledges that: (i) Directed Trades may not enable Client to obtain the cost and execution benefits, if any, of participating in aggregated trades with Manager's other clients; and (ii) Directed Trades may be executed before or after Manager effects the execution of transactions for other accounts with the result that Client may pay or receive, as the case may be, a different price for securities which were also the subject of trades by Manager for its other clients. Client represents that Directed Trades are not prohibited by Applicable Law or Client's governing documents.

2.7 Exercise of Rights. Subject to the Investment Guidelines and any other written instructions of the Board, the Investment Committee or Representatives of Client provided to Manager, Manager shall use its best judgment to exercise or instruct the Custodian to exercise, in a manner that Manager deems to be in the best interests of Client, all voting rights, consent rights, subscription rights, conversion rights or any other rights arising in connection with any investment in the Account. Manager shall determine whether to consent to modifications of any documents governing securities held in the Account. Unless provided herein or requested in writing by Client, Manager need not forward any proxy material, consent solicitations or similar material to Client.

2.8 Recordkeeping and Reports; Review and Inspection.

(a) Manager shall maintain all records and data of Client developed or maintained under or relating to this Agreement that are otherwise the property of Client, in whatever form maintained, including but not limited to, memoranda, instructions, authorizations, financial records, or similar records within the possession or control of Manager (collectively, "**Records**") relating to the acquisition, disposition or transfer of securities or other investments in the Account as required by Applicable Laws, GAAP or SAP. Such Records shall be and shall remain the property of Client and are subject to the control of the Client. At mutually agreeable times, subject to Manager's reasonable policies and procedures, Manager shall make available to Client, at mutually acceptable locations, including either the offices of Client or Manager, copies or originals of such Records upon reasonable request and, as necessary, to comply with Applicable Law.

(b) All Records, both internal and external with third parties, to the extent within the control of Manager, will clearly specify the ownership interest of Client in the Account Assets. All Records shall be identifiable, segregated from all other persons' records and data, and if not segregated shall be readily capable of segregation at no additional cost to Client.

(c) Records concerning the Account and/or Account Assets that are not maintained physically on Client's premises or in Client's care, custody and control shall be subject to review and audit at any time by Client, its Representatives, the Insurance Authority and any other Governmental Authority, or any other entity designated by Client, and Manager shall cooperate with and provide reasonable assistance to any such person, including any auditor appointed by Client to conduct an audit of the Account. Such Records shall be maintained for the time periods and in a format required by Applicable Laws. Manager shall notify Client prior to destruction of such the Records (in order that Client may request transfer of such Records to Client as an alternative to destruction). For the avoidance of doubt, all of Manager's books and records pertaining to this Agreement and the functions and services provided for in the Agreement are subject to and available for inspection, review, and audit by the Commissioner.

(d) Manager shall provide to Client such other documents and information pertaining to this Agreement, the Account and/or Account Assets at such times as Client may reasonably request including, but not limited to, information required to prepare reports to the Insurance Authority or any other entity designated by Client or as may be required to comply with GAAP, SAP or Applicable Law.

(e) Manager will fully cooperate with Client with respect to unsettled or unreconciled transactions and daily transmission of trading activity.

2.9 Information Furnished to Manager. Client shall furnish to Manager in a timely manner any information that Manager may reasonably request with respect to the services performed under this Agreement. In determining the requirements of Applicable Laws, Manager may rely on an interpretation of law by legal counsel to Client.

ARTICLE III
TERM AND TERMINATION

3.1 Term. This Agreement shall continue in effect for an initial term beginning on the Effective Date and ending on the third anniversary of the Effective Dates. Thereafter, the Agreement shall automatically renew for successive terms of one (1) year unless written notice of non-renewal is delivered by either party to the other at or prior to the end of the then-current term. Notice of non-renewal may be for either cause or no cause. Notwithstanding the foregoing, this Agreement shall automatically terminate twelve (12) months after the Trigger Date.

3.2 Termination. As soon as reasonably practicable, each party (the "Breaching Party") shall notify the other party of the Breaching Party's failure or inability to comply with any material term or provision of this Agreement applicable to the Breaching Party. In the event that the Breaching Party fails to cure such failure or inability within ten (10) business days after delivery of such notice, the other party may terminate this Agreement by providing written notice to Breaching Party.

3.3. Records. Upon termination of this Agreement for any reason other than a breach of Client's payment obligations, Manager shall cooperate reasonably in the transfer of Records to Client or its designee. All costs related to such transfer shall be paid by the Client, provided that any such costs imposed by Client shall be reasonable.

ARTICLE IV
COMPENSATION

(a) Client agrees to pay Manager a management fee on a monthly basis in arrears for services provided by Manager to Client pursuant to this Agreement. The management fee shall be calculated in accordance with Exhibit D.

(b) Manager shall submit to Client within thirty (30) days following each calendar month, a written statement of the amount owed by Client for the previous month. Client shall pay Manager such amount within forty-five (45) days following receipt of such statement.

Settlement for all amounts hereunder shall occur no less frequently than quarterly and shall comply with the requirements in the NAIC Accounting Practices and Procedures Manual.

ARTICLE V
CONFIDENTIALITY

Subject to the duty of Manager or Client to comply with Applicable Laws, each party hereto shall treat as confidential all information with respect to the other party received pursuant to this Agreement. Neither party shall use or disclose the other party's confidential information except as contemplated by this Agreement except as may be required by Applicable Law or a Governmental Authority.

Manager shall establish and maintain reasonable procedures to keep Investment Reports, the information supplied by Client to Manager for the Investment Reports and other non-public information provided hereunder confidential and to prevent disclosure or distribution other than to Client or its Representatives. Manager will be responsible for compliance with the terms of this Article V by its Representatives.

Investment Reports provided by Manager to Client are privileged and may include proprietary information. Investment Reports will be used solely for the purpose of monitoring and evaluating the performance of the Account and for use by Client in testing the Account Assets for regulatory compliance and similar purposes. Client shall establish and maintain reasonable procedures to keep Investment Reports confidential and to prevent disclosure or distribution other than to its Representatives. Client will be responsible for compliance with the terms of this Article V by its Representatives.

Each party hereto will obtain the other party's approval before sending or making available any Investment Report to third parties other than Governmental Authorities. If a party is required by Applicable Law or requested (by legal process, civil investigative demand or similar process) to disclose any confidential information of the other party, the party being required or requested to make such disclosure will promptly notify the other party unless prohibited from doing so by Applicable Law of Governmental Authority so that the other party may seek an appropriate protective order or waive compliance with this confidentiality covenant.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES

6.1 By Client. Client represents and warrants that:

(a) It is a stock company duly organized, validly existing and in good standing under the laws of North Carolina and has the power and authority (including approval from the Insurance Authority, if required) to execute, deliver and perform this Agreement;

(b) This Agreement is the valid and binding obligation of Client enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally or by the principles governing the availability of equitable remedies;

(c) None of the Account Assets are "plan assets" within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and if any Account Assets ever become "plan assets" within the meaning of ERISA, Client will immediately so notify Manager; and

(d) This Agreement does require the approval of any Governmental Authority and all such approvals have been obtained; and

(e) The Investment Guidelines shall at all times be consistent with Applicable Law.

6.2 By Manager. Manager represents and warrants that:

(a) It is a corporation duly organized, validly existing and in good standing under the laws of Delaware, has the power and authority to carry on the business of an investment adviser, and has the power and authority to execute, deliver and perform this Agreement;

(b) This Agreement is the legal, valid and binding obligation of Manager enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally or by the principles governing the availability of equitable remedies;

(c) Other than approval from aa Governmental Authority, if any, it has made, obtained and performed all other registrations, filings, approvals, authorizations, consents, licenses or examinations required by any government or governmental or quasi-governmental authority, domestic or foreign, or required by any other person, corporation or other entity which are material to (i) the conduct of its business, (ii) the ownership, use, operation or maintenance of its properties, (iii) the execution, delivery and performance by it of this Agreement and (iv) its being an investment adviser and all such other registrations, filings, approvals, authorizations, consents, licenses or examinations are in full force and effect; and

(d) Neither the execution and delivery nor the performance of this Agreement by Manager will (i) violate any law, statute, order, rule or regulation or judgment, order or decree by any federal, state, local or foreign court or governmental authority, domestic or foreign, to which Manager is subject, or (ii) constitute a breach of, or default under, provisions of any agreement or contract to which it is a party or by which it is bound.

ARTICLE VII
MISCELLANEOUS

7.1 Limitation of Liability and Indemnification. In furnishing Client with services as provided herein, neither Manager nor any officer, director or agent thereof shall be held liable to Client, its creditors or the holders of its securities for good faith errors of judgment or for anything except willful misfeasance, bad faith or gross negligence in the performance of its duties, or reckless disregard of its obligations and duties under the terms of this Agreement. In the event of Manager's willful malfeasance/misfeasance, bad faith, or gross negligence, Manager shall indemnify and hold harmless Client as a result of such conduct by Manager. Additionally, Manager shall also indemnify and hold harmless Client, the Commissioner, and Client's supervisor, conservator, or receiver (as the case may be) for any breach by Manager of Section 7.17 of this Agreement. It is further understood and agreed that Manager may rely upon information furnished to it by Client that Manager reasonably believes to be accurate and reliable. Certain federal laws, including federal securities laws, impose liabilities under certain circumstances on persons who act in good faith and therefore nothing contained herein shall in any way constitute a waiver or limitation of any rights that Client may have under any such federal laws.

7.2 Assignment. No assignment (by operation of law or otherwise) of this Agreement, in whole or in part, nor any of the rights, interests or obligations under this Agreement by either party shall be effective without the prior written consent of the other party and each Governmental Authority, the consent of which is required at the time of the contemplated assignment. For purposes of this section, the term "assignment" shall have the same meaning as defined in Section 202 of the Investment Advisers Act of 1940, as amended. Subject to the provisions of this Section 7.2, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and permitted assigns.

7.3 Independent Contractor. Manager shall be deemed to be an independent contractor and, except as expressly provided or authorized in this Agreement, shall have no authority to act for or represent Client. Client shall always retain the ultimate authority to make investment decisions on its own behalf.

7.5 Specimen Signatures. From time to time, Client shall provide Manager with a certificate setting forth the names and specimen signatures of the Representatives who are authorized to act on behalf of Client. From time to time, Manager will provide Client with a certificate setting forth the names and specimen signatures of the Representatives who are authorized to act on behalf of Manager. The parties hereto shall be fully protected in relying upon any written notice, instruction, direction or other communication (based upon the most recent certificate that has been received by the party) that is executed by an individual who is authorized to act on behalf of other party.

7.7 Equitable Relief. Each party acknowledges and agrees that there may be no adequate remedy at law for any damage caused by a breach by a party of its obligations under Article V and therefore, that upon any such breach or any threat thereof, the non-breaching affected party shall be entitled to seek equitable relief from a court of competent jurisdiction in addition to whatever remedies any of them might have at law.

7.8 Advertising and Promotion. A party shall not engage in any advertising or promotional activity that refers to another party without receiving the written consent of the other party prior to publication or announcement. Manager shall however be entitled to disclose Client's name and the size of the Account Assets in client listings and other similar materials.

7.9 Governing Law. This Agreement shall be governed by the laws of the State of North Carolina.

7.10 Notices. Any notice under this Agreement shall be in writing and shall be delivered personally, sent by e-mail, or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, e-mailed or, if mailed, on the date shown on the receipt therefor, as follows:

Manager:
GENWORTH NORTH AMERICA CORPORATION
3001 Summer Street, 4th Floor
Stamford, CT 06905
Attention: Kelly Saltzgaber
email: kelly.saltzgaber@genworth.com
Telephone: (203) 708-3556

with a copy to:

GENWORTH NORTH AMERICA CORPORATION
6620 West Broad Street
Richmond, VA 23230
Attention: General Counsel
email: GNWGeneralCounsel@genworth.com
Telephone: (804) 662-2574

Client:
ENACT MORTGAGE INSURANCE CORPORATION
8325 Six Forks Rd
Raleigh, NC 27615
Attention: H. Dean Mitchell
email: dean.mitchell@enactmi.com
Telephone: (919) 870-2377

with a copy to:

ENACT MORTGAGE INSURANCE CORPORATION
8325 Six Forks Rd
Raleigh, NC 27615
Attention: General Counsel
email: USMIGeneralCounsel@Genworth.com
Telephone: (919) 757-6246

or to such other address as either party may designate in the manner provided for notices above.

7.11 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.12 Amendments. No term or provision of this Agreement may be amended, waived, discharged or terminated orally, but only by an instrument in writing signed by both parties. Prior written notice of any amendment to this Agreement shall be provided to the Commissioner and this Agreement may only be amended with the Commissioner's written approval.

7.13 Electronic Notices, Waivers and Amendments. For purposes of providing notices required or permitted by this Agreement, waiving any right under this Agreement, or amending any term of this Agreement and notwithstanding any law recognizing electronic signatures or records, "a writing signed," "in writing" and words of similar meaning, shall mean only a writing in a tangible form bearing an actual "wet" signature in ink manually applied by the person authorized by the respective party, unless both parties agree otherwise by making a specific reference to this section.

7.14 Entire Agreement. This Agreement supersedes any and all oral or written agreements or understandings heretofore made, and contains the entire agreement of the parties, with respect to the subject matter hereof.

7.15 Counterparts. This Agreement may be executed in one or more counterparts, and such counterparts together shall constitute one and the same agreement.

7.16 Taxes.

(a) Each party shall be responsible for any personal property taxes on property it owns or leases, for franchise and privilege taxes on its business, and for taxes based on its net income or gross receipts.

(b) Client may report and (as appropriate) pay any sales, use, excise, value added, services, consumption, and other taxes and duties ("**Taxes**") directly if Client provides the Manager with a direct pay or exemption certificate.

(c) The parties agree to cooperate with each other to enable each to more accurately determine its own tax liability and to minimize such liability to the extent legally permissible. Manager's invoices shall separately state the amounts of any Taxes that Manager is proposing to collect from Client.

(d) Manager shall promptly notify Client of any claim for Taxes asserted by applicable taxing authorities for which Client is alleged to be financially responsible hereunder. Manager shall coordinate with Client the response to and settlement of, any such claim. Notwithstanding the above, Client's liability for such Taxes is conditioned upon Manager providing Client notification within twenty (20) business days of receiving any proposed assessment of any additional Taxes, interest or penalty due by Manager.

(e) Client shall be entitled to receive and to retain any refund of Taxes paid to Manager pursuant to this Agreement. If Manager shall be entitled to receive a refund of any Taxes paid by Client to Manager, Manager shall promptly pay, or cause the payment of, such refund to Client.

7.17 Delinquency Proceedings. If Client is placed in supervision, seizure, conservatorship, or receivership under Article 30 of Chapter 58 of the North Carolina General Statutes:

(a) All of the rights of Client under this Agreement shall extend to the supervisor, conservator, receiver, or Commissioner to the extent permitted by Article 30 of Chapter 58 of the North Carolina General Statutes.

(b) All Records of the Client shall be identifiable and segregated from all other persons' Records and data or readily capable of segregation at no additional cost to the Client, supervisor, conservator, receiver, or the Commissioner.

(c) A complete set of Records and data will immediately be made available to the supervisor, conservator, receiver, or Commissioner, shall be made available in a usable format, and shall be turned over to the supervisor, conservator, receiver, or Commissioner immediately upon their request with all such costs of transferring such records being fair and reasonable.

(d) Manager shall make available all Representatives essential to the services and functions provided for under this Agreement for the immediate continued performance of the essential services under this Agreement ordered or directed by the supervisor, conservator, receiver, or Commissioner. Manager shall continue to provide such services and functions for a minimum of 90 days after termination or non-renewal of this Agreement if Client is placed in supervision, seizure, conservatorship, or receivership pursuant to Article 30 of Chapter 58 of the North Carolina General Statutes as ordered or directed by the supervisor, conservator, receiver, or the Commissioner. Performance of the essential services and functions shall continue without regard to pre-supervision, pre-seizure, pre-conservatorship, or pre-receivership unpaid fees, so long as Manager continues to receive timely payment for any fees incurred after Client is placed in supervision, seizure, conservatorship or receivership unless released by the supervisor, conservator, receiver, Commissioner, or supervising court.

(e) Manager has no automatic right to terminate or non-renew this Agreement if Client is placed into supervision, seizure, conservatorship, or receivership pursuant to Article 30 of Chapter 58 of the North Carolina General Statutes.

(f) Manager will continue to maintain any systems, programs, or other infrastructure used in performing the services and functions under this Agreement notwithstanding supervision, seizure, conservatorship, or receivership pursuant to Article 30 of Chapter 58 of the North Carolina General Statutes, and shall make them available to the supervisor, conservator, receiver, or Commissioner as ordered or directed for so long as Manager continues to receive timely payment for any fees incurred after Client is placed in supervision, seizure, conservatorship or receivership unless released by the supervisor, conservator, receiver, Commissioner, or supervising court.

(g) If Client is placed in supervision, seizure, conservatorship, or receivership pursuant to Article 30 of Chapter 58 of the North Carolina General Statutes and portions of Client’s policies or contracts are eligible for coverage by one or more guaranty associations, then Manager’s commitments and obligations under this Section 7.17 shall extend to such guaranty association(s).

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IN WITNESS WHEREOF, the parties hereto have caused this Investment Management and Services Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first written above.

ENACT MORTGAGE INSURANCE CORPORATION

By: /s/ H. Dean Mitchell

H. Dean Mitchell
Executive Vice President & Chief Financial Officer

GENWORTH NORTH AMERICA CORPORATION

By: /s/ Daniel J. Sheehan, IV

Daniel J. Sheehan, IV
SVP, CFO & Chief Investment Officer

EXHIBIT A

to

INVESTMENT MANAGEMENT AND SERVICES AGREEMENT

between

ENACT MORTGAGE INSURANCE CORPORATION

and

GENWORTH NORTH AMERICA CORPORATION

INVESTMENT GUIDELINES

INVESTMENT OBJECTIVES

Subject to the considerations outlined below, these Investment Guidelines shall seek to:

- Protect and preserve capital
- Maintain adequate liquidity to meet business needs
- Maximize long-term returns in the context of guideline and portfolio constraints

REQUIRED AUTHORITY

Any approval granted on behalf of Client shall be delivered by an Authorized Approver contained in Schedule A. Client may update Schedule A by written notice to Manager.

ELIGIBLE INVESTMENTS

The Account Assets in aggregate shall be subject to the following asset class, country, issuer, credit quality and duration limitations set forth in this section. Eligibility is determined at the time that the investment is made or acquired.

Asset Class Limitations

Asset Class	Maximum Holding
Corporate Credit Instruments – Taxable obligations of U.S. and non-U.S. institutions not directly guaranteed or insured by a Sovereign	80% in the aggregate (see sub-limits below)

<u>U.S. GSEs</u> – Obligations of entities sponsored by, but not directly guaranteed or insured by, the U.S. Government	80%	
<u>U.S. Public Corporate Credit Instruments</u> – Publicly traded obligations (including without limitation, 144As) assumed, or guaranteed by legal entities organized under the laws of the U.S. or any state or territory	80%	
<u>Private Placement Credit Instruments</u> – Section 4(a)(2) private placements, including without limitation, Reg D Private Placements	15%	
<u>Non-US Treasury Money Markets</u> – Money market mutual funds other than those included on the U.S. Direct Obligations/Full Faith and Credit Exempt List as referenced in the "Purposes and Procedures Manual of the NAIC Investment Analysis Office" and which: • Meet all criteria required for SEC rule 2a-7 eligible obligations • Maintain a rating of at least AAA mf or its equivalent from a Nationally Recognized Statistical Rating Organization ("NRSRO")	80%	
<u>U.S. Government Instruments</u> – U.S. Government obligations and other obligations which are directly guaranteed or insured by the U.S. Government		No Limit
<u>US Treasury Money Markets</u> – Money market mutual funds included on the U.S. Direct Obligations/Full Faith and Credit Exempt List as referenced in the "Purposes and Procedures Manual of the NAIC Investment Analysis Office"		No Limit

<u>Municipals</u> – Tax-exempt and Taxable obligations of U.S. state and local governments and agencies of U.S. state and local governments	80%
<u>ABS</u> – Asset-backed securities (excluding Subprime Auto Asset Backed Securities which are prohibited)	30%
<u>CLOs</u> – Collateralized Loan Obligations	5%
<u>Real Estate related investment</u> including but not limited to CMBS, CML, Real Estate Equity, RMBS, and CMO	0%
<u>Equity Investments</u> (excluding Real Estate Equity Investments which are prohibited) – Preferred Equity – Public and private common stock – Mandatory convertible securities – Warrants attached to otherwise eligible financial instruments or received as a dividend, a lawful distribution of assets, or in a restructuring associated with bankruptcy or similar proceedings	5%
<u>Partnership and LLC member interests</u> – Investments in general partnerships, limited partnerships, or limited liability corporations	As Approved
<u>Other investments</u> – Determined by the Investment Committee to have risk and return characteristics appropriate for the portfolio and which are not prohibited under relevant laws and regulations or by these Guidelines	As Approved

Country Limitations (Issuer Domicile)

United States	No Limit
Canada	10%
Cayman Islands	5%
Countries other than United States, Canada, Cayman Islands	3% individually and 20% in the aggregate
Emerging Market Countries In Aggregate	10% (Max 1% Below Investment Grade)

For purposes of these guidelines, “Emerging Market Country” means any and all of the countries included in the MSCI Emerging Markets Index.

Credit Quality Limitations

All investments held in the Portfolio should be rated by at least one Nationally Recognized Statistical Rating Organization (“NRSRO”). A security’s “rating” is defined as the second lowest rating if a rating is issued by three or more NRSROs. If only rated by two it is the lower of the two ratings. For investments that do not have a rating, an internal rating provided by the manager will be utilized until such time that a rating is available.

The portfolio shall have a minimum weighted average book value rating of A (or equivalent).

Duration Limitations

The portfolio shall have a maximum average duration of 7 years.

Restricted Transactions

Transactions in securities on the internal restricted list. Transactions in an asset class not included in the table entitled “Asset Class Limitations” above. Derivatives transactions.

Issuer Limitations (applicable at time of purchase)

Instrument Type	Rating	Maximum Holding Per Issuer
U.S. Government Instruments	N/A	No limit
U.S. GSEs, Money Market Instruments, Credit Instruments, Municipals and ABS	NAIC 1 / A- through AAA or equivalent	3.00%
	NAIC 2 / BBB- through BBB+ or equivalent	1.50%
	NAIC 3 / BB- through BB+ or equivalent	0.50%
	NAIC 4 / B- through B+ or equivalent	0.20%
	NAIC 5 / CCC through C or equivalent	0.04%

For Credit Instruments and Money Market Investments, restrictions shall be applied to the ultimate source of creditworthiness for each issuer or group of affiliated issuers.

Notwithstanding the Eligible Investment limitations provided above, Aggregate single issuer exposure for all Enact entities shall be subject to Genworth Financial Single Issuer Risk Limits.

REPORTS

Manager shall provide the following reports:

Monthly Reporting

Portfolio Concentration Report

- Manager will provide a report showing portfolio rating, duration, yield, credit quality and asset class holdings exposure, and ratings dispersion within the portfolio as of the end of each month.

Portfolio Activity Report

- Manager shall provide a report showing monthly transaction activity, including aggregate purchases, sales, calls and maturities.

Credit Surveillance List

- On a monthly basis, Manager will provide a report containing all Account Assets included on the credit surveillance list maintained by Manager:

- Manager will identify Account Assets that were added or deleted from the credit surveillance list during the month.

Quarterly Reporting

Portfolio Concentration Report

- Manager will provide a report showing portfolio rating, duration, yield, credit quality and asset class holdings exposure, and ratings dispersion within the portfolio as of the end of each quarter.

Portfolio Activity Report

- Manager shall provide a report showing quarterly transaction activity, including aggregate purchases, sales, calls and maturities.

Compliance Report

- Manager will provide a report showing all breaches of these Investment Guidelines as of quarter end. For any breach Manager will provide description of the breach, a recommended course of action and bring the account into compliance as agreed to by both parties.

NAIC Ratings Migration

- NAIC Migration– Manager will provide a report containing all ratings downgrades of Client holdings other than downgrades to a rating higher than NAIC 3.A.

Monthly and quarterly reporting is to be provided to Client no later than 20 business days following the end of each calendar month. All reports will be as of the last business day of the calendar month or calendar quarter, as appropriate.

Other
- Ad hoc reports as required by client
- Ad hoc calls as necessary
- Annual in-person meeting

GUIDELINE CHANGES

Any amendments to these Investment Guidelines shall become effective only upon mutual agreement of Client and Manager. Client will deliver proposed amendments to Manager in writing no less than 10 business days prior to the effective date.

PERIODIC GUIDELINE REVIEW

These Investment Guidelines will be reviewed at least annually and revised or confirmed as appropriate.

SCHEDULE A

AUTHORIZED APPROVERS

H. Dean Mitchell

EXHIBIT B

ACCOUNTS

Enact Mortgage Insurance Corporation 8325 Six Forks Road Raleigh, NC 27615	31-0985858

EXHIBIT C

ADDITIONAL INVESTMENT MANAGEMENT SERVICES

Service Category	Description of Services
Compliance	IPS Monitoring and certification. Monitoring of IMA guidelines and reporting. Assist in Restricted List maintenance.
Credit	Provide support for FAS91 process for structured assets.
Portfolio Management	Provide quantitative services for Strategic Allocation and Portfolio Optimization.
Risk	Provide exposure limits monitoring and stress testing of the Company portfolios.
Trade Operations	Process external trades in trading system for downstream reporting.
Reporting	Provide various reports from reporting universes. Supply analytical & descriptive data from trade system to reporting universes.
Data Governance	Pricing of assets on a daily & monthly basis. Daily maintenance of Fixed Income bond data and analytics in Trade system for downstream consumption.
Accounting – FI	Provide Fixed Income accounting services: GL entries, schedules and financial reports from accounting system.
Systems	Provide access to various software systems within Investment framework. Execution of controls for system connectivity and job loads.

EXHIBIT D

COMPENSATION

The monthly management fee shall be equal to Manager's costs to provide the services under the Agreement. For illustration purposes, those costs have historically amounted to approximately 0.10% to 0.11% of the Account Assets' book value. The parties understand and agree that the management fee may increase during the term of this Agreement, provided that (i) the fee shall at all times be equal to Manager's costs and (ii) any such increase shall be reasonable in the light of the then current facts and circumstances.

Under no circumstances shall Client advance any funds to Manager for services and functions not defined in this Agreement.

Exhibit 31.1

CERTIFICATIONS

I, Rohit Gupta, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Enact Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. [Omitted];

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 5, 2022

By: /s/ Rohit Gupta

Rohit Gupta
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Hardin Dean Mitchell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Enact Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. [Omitted];

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 5, 2022

By: /s/ Hardin Dean Mitchell

Hardin Dean Mitchell
Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS

I, Rohit Gupta, as President and Chief Executive Officer of Enact Holdings, Inc. (the “Company”), certify, pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), that to my knowledge:

1. The accompanying Quarterly Report on Form 10-Q of the Company for the three months ended March 31, 2022 (the “Report”), filed with the U.S. Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 5, 2022

By: /s/ Rohit Gupta

Rohit Gupta
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATIONS

I, Hardin Dean Mitchell, as Executive Vice President, Chief Financial Officer and Treasurer of Enact Holdings, Inc. (the “Company”), certify, pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), that to my knowledge:

1. The accompanying Quarterly Report on Form 10-Q of the Company for the three months ended March 31, 2022 (the “Report”), filed with the U.S. Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 5, 2022

By: /s/ Hardin Dean Mitchell

Hardin Dean Mitchell
Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)