

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **February 6, 2023**

Enact Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other Jurisdiction of
Incorporation)

001-40399
(Commission
File Number)

46-1579166
(IRS Employer
Identification No.)

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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On February 6, 2023, Enact Holdings, Inc. (the “Company”) issued (1) a press release announcing its financial results for the quarter ended December 31, 2022, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference, and (2) a financial supplement for the quarter ended December 31, 2022, a copy of which is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

The information contained in Item 2.02 of this Current Report on Form 8-K (including Exhibits 99.1 and 99.2) is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the company under the Securities Act of 1933, as amended or the Exchange Act, except as shall be expressly set forth by specific reference in such filing. The information contained in Item 2.02 of this Current Report on Form 8-K shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01 Financial Statements and Exhibits.

The following materials are furnished as exhibits to this Current Report on Form 8-K:

Exhibit
Number

99.1	Press Release dated February 6, 2023- Financial results
99.2	Financial Supplement for the quarter ended December 31, 2022
104	Cover Page Interactive Data File (the Cover Page Interactive Data File is embedded within the Inline XBRL document)

SIGNATURES

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

Enact Holdings, Inc.

By: /s/ Hardin Dean Mitchell

Name: Hardin Dean Mitchell

Title: Executive Vice President, Chief Financial Officer and Treasurer

Dated: February 6, 2023

ENACT REPORTS FOURTH QUARTER 2022 RESULTS

Fourth quarter GAAP Net Income of \$144 million, or \$0.88 per diluted share
Full year GAAP Net Income of \$704 million, or \$4.31 per diluted share
Fourth quarter Adjusted Operating Income of \$147 million, or \$0.90 per diluted share
Full year Adjusted Operating Income of \$708 million, or \$4.34 per diluted share
Fourth quarter Return on Equity of 14.0% and Adjusted Operating Return on Equity of 14.4%
Record Primary Insurance-in-Force of \$248 billion, a 10% increase year-over-year
PMIERS Sufficiency of 165% or \$2,050 million
Returned over \$250 million of capital to shareholders in 2022
Book Value Per Share of \$25.19 and Book Value Per Share excluding AOCI of \$27.54

Raleigh, NC, February 6, 2023 – Enact Holdings, Inc. (Nasdaq: ACT) today announced financial results for the fourth quarter of 2022.

“The fourth quarter completed a strong year for Enact,” said Rohit Gupta, President and CEO of Enact. “In a market that remained uncertain, we continue to write profitable new business, effectively manage our risk, drive operational efficiencies, and enhance our financial flexibility. As a result of our strong execution, we met our capital return commitment for the year and returned over \$250 million to our shareholders. We believe we are well positioned to navigate the current environment with a resilient portfolio, a strong balance sheet, and significant credit risk protection, and will continue to execute against our cycle-tested strategy to both support our policyholders and create value for our shareholders. Our mission at Enact is to help those who might not be able to achieve the dream of homeownership, and in 2022 we helped 192,000 homebuyers qualify for a mortgage.”

Key Financial Highlights

<i>(In millions, except per share data or otherwise noted)</i>	4Q22	3Q22	4Q21	2022	2021
Net Income (loss)	\$144	\$191	\$154	\$704	\$547
<i>Diluted Net Income (loss) per share</i>	\$0.88	\$1.17	\$0.94	\$4.31	\$3.36
Adjusted Operating Income (loss)	\$147	\$191	\$154	\$708	\$551
<i>Adj. Diluted Operating Income (loss) per share</i>	\$0.90	\$1.17	\$0.94	\$4.34	\$3.38
NIW (\$B)	\$15	\$15	\$21	\$66	\$97
Primary IIF (\$B)	\$248	\$242	\$227		
Persistency	86 %	82 %	69 %	80 %	62 %
Net Premiums Earned	\$233	\$235	\$237	\$939	\$975
Losses Incurred	\$18	\$(40)	\$6	\$(94)	\$125
<i>Loss Ratio</i>	8 %	(17)%	3 %	(10)%	13 %
Operating Expenses	\$63	\$58	\$59	\$239	\$246
<i>Expense Ratio</i>	27 %	25 %	25 %	25 %	25 %
Net Investment Income	\$45	\$39	\$35	\$155	\$141
Return on Equity	14.0 %	18.6 %	14.8 %	17.2 %	13.7 %
Adjusted Operating Return on Equity	14.4 %	18.6 %	14.8 %	17.3 %	13.8 %
PMIERS Sufficiency (\$)	\$2,050	\$2,249	\$2,003		
PMIERS Sufficiency (%)	165 %	174 %	165 %		

Fourth Quarter 2022 Financial and Operating Highlights

- Net income was \$144 million, or \$0.88 per diluted share, compared with \$191 million, or \$1.17 per diluted share, for the third quarter of 2022 and \$154 million, or \$0.94 per diluted share, for the fourth quarter of 2021. The sequential decline in net income was primarily driven by higher losses from the lower net favorable reserve development in the current quarter. The year-over-year decline in net income was primarily driven by higher losses on new delinquencies.
- Adjusted operating income was \$147 million, or \$0.90 per diluted share, compared with \$191 million, or \$1.17 per diluted share, for the third quarter of 2022 and \$154 million, or \$0.94 per diluted share, for the fourth quarter of 2021.
- New insurance written (NIW) was \$15 billion, up 1% from \$15 billion in the third quarter of 2022 and down 29% from \$21 billion in the fourth quarter of 2021. The current quarter included a one-time seasoned deal. Excluding this deal, NIW was down 4% sequentially and down 32% from the prior year due to lower originations as a result of increased mortgage rates. NIW for the current quarter was comprised of 91% monthly premium policies and 97% purchase originations.
- Primary Insurance-In-Force was \$248 billion, up 3% from \$242 billion in the third quarter of 2022 and up 10% from \$227 billion in the fourth quarter of 2021, driven by NIW and increased persistency.
- Persistency was 86%, up from 82% in the third quarter of 2022 and 69% in the fourth quarter of 2021. The continued increase in persistency has been driven by an increase in mortgage rates and a low percentage of our portfolio with rates 50 basis points above current market rates.
- Net premiums earned were \$233 million, down 1% from \$235 million in the third quarter of 2022 and down 2% from \$237 million in the fourth quarter of 2021. Net earned premium yield was down from the third quarter of 2022 and the fourth quarter of 2021, driven by the lapse of older, higher-priced policies as compared to our new insurance written and lower single premium cancellations along with modestly higher ceded premiums as compared to fourth quarter of 2021. The decline in net earned premium yield was partially offset by IIF growth.
- Losses incurred for the fourth quarter of 2022 were \$18 million and the loss ratio was 8%, compared to \$(40) million and (17)%, respectively, in the third quarter of 2022, driven by a reserve release of \$63 million on favorable cure performance from 2021 and prior delinquencies (primarily COVID related), partially offset by \$21 million reserve strengthening related to 2022 delinquencies and incurred but not reported reserves given heightened economic uncertainty. The net reserve release of \$42 million compares to a net reserve release of \$80 million in the third quarter of 2022. Current quarter losses incurred and the loss ratio compare unfavorably to results for the fourth quarter 2021 of \$6 million and 3%, respectively, driven by higher losses. The higher losses were from a higher estimated claim rate on new delinquencies in the current quarter and increased new delinquencies from recent large books that are aging and going through their normal loss development pattern partially offset by a larger favorable net reserve development in the current quarter.
- The percentage of loans in default at quarter end was 2.08%, or 2.01% excluding new delinquencies from natural disasters in FEMA-impacted areas in the current quarter. This compared to 1.99% as of September 30, 2022 and 2.65% as of December 31, 2021 which was elevated due to COVID-related delinquencies.
- Operating expenses in the current quarter were \$63 million and the expense ratio was 27%, which were impacted by \$3 million and one percentage point, respectively, due to one-time restructuring costs driven by a voluntary separation program executed in the fourth quarter. This compared to \$58 million and 25%, respectively, in the third quarter of 2022 and \$59 million and 25%, respectively in the fourth quarter of 2021. The increase in expenses and expense ratio was primarily driven by the restructuring costs and higher general and administrative costs, partially offset by lower variable costs associated with production volume as compared to the fourth quarter of 2021.

- Net investment income was \$45 million, up from \$39 million for the third quarter of 2022 and \$35 million in the fourth quarter of 2021, driven by rising interest rates and higher average invested assets and partially offset by lower bond calls.
- Annualized return on equity for the fourth quarter of 2022 was 14.0% and annualized adjusted operating return on equity was 14.4%. This compares to third quarter 2022 results of 18.6% and 18.6%, respectively, and to fourth quarter 2021 results of 14.8% and 14.8%, respectively. The sequential decrease in both return on equity and adjusted operating return on equity were driven, in part, by a larger net reserve release in the third quarter of 2022 as compared to the current quarter, partially offset by the payment of our quarterly dividend of \$23 million, or \$0.14 per share, and the payment of our special cash dividend of \$183 million, or \$1.12 per share, in the fourth quarter of 2022.

Capital and Liquidity

- PMIERS sufficiency was 165% and \$2,050 million above the published PMIERS requirements, compared to 174% and \$2,249 million above the published PMIERS requirements in the third quarter of 2022. The sequential decrease in PMIERS sufficiency was primarily driven by the \$242 million distribution from our flagship insurance writer and NIW, partially offset by our business cash flows and lapse.
- PMIERS sufficiency benefited from a 0.30 multiplier applied to the risk-based required asset factor for certain non-performing loans, which resulted in a reduction of the published PMIERS required assets by an estimated \$132 million at the end of the current quarter, compared to \$140 million at the end of the third quarter 2022 and \$390 million at the end of the fourth quarter 2021. These amounts are gross of incremental reinsurance benefits from the elimination of the 0.30 multiplier.
- Enact Holdings, Inc. held \$206 million of cash and \$247 million of invested assets as of December 31, 2022. Combined cash and invested assets increased \$40 million from the prior quarter, due to the \$242 million distribution from our flagship insurance writer, partially offset by our combined dividends of \$206 million.

Recent Events

- In November, Enact announced that its Board of Directors had authorized a \$75 million share repurchase program. Through January 31, 2023, repurchases under the program have totaled \$8 million.
- As of year-end, Enact and Genworth believe that the required financial conditions and rating requirements have been satisfied. Upon GSE confirmation, we expect the GSE restrictions first imposed upon Enact after issuance of the August 2020 senior notes will be lifted and we will no longer be subject to more stringent capital requirements than our peers.

Conference Call and Financial Supplement Information

This press release, the fourth quarter 2022 financial supplement and earnings presentation are now posted on the Company's website, <https://ir.enactmi.com>. Investors are encouraged to review these materials.

Enact will discuss fourth quarter financial results in a conference call tomorrow, Tuesday, February 7, 2023, at 8:00 a.m. (Eastern). Participants interested in joining the call's live question and answer session are required to pre-register by clicking [here](#) to obtain your dial-in number and unique PIN. It is recommended to join at least 15 minutes in advance, although you may register ahead of the call and dial in at any time during the call. If you wish to join the call but do not plan to ask questions, a live webcast of the event will be available on our website, <https://ir.enactmi.com/news-and-events/events>.

The webcast also will be archived on the company's website for one year.

About Enact

Enact (Nasdaq: ACT), operating principally through its wholly-owned subsidiary Enact Mortgage Insurance Corporation since 1981, is a leading U.S. private mortgage insurance provider committed to helping more people achieve the dream of homeownership. Building on a deep understanding of lenders' businesses and a

legacy of financial strength, we partner with lenders to bring best-in class service, leading underwriting expertise, and extensive risk and capital management to the mortgage process, helping to put more people in homes and keep them there. By empowering customers and their borrowers, Enact seeks to positively impact the lives of those in the communities in which it serves in a sustainable way. Enact is headquartered in Raleigh, North Carolina.

Safe Harbor Statement

This communication 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," "may," "would," "anticipate," "expect," "believe," "designed," "plan," "predict," "project," "target," "could," "should," 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 press release. Factors or events that we cannot predict, including uncertainty around Covid-19 and the effects of government and other measures seeking to contain its spread; supply chain constraints; inflation; increases in interest rates; risks related to an economic downturn or recession in the United States and in other countries around the world; changes in political, business, regulatory, and economic conditions; future adverse rating agency actions, including with respect to rating downgrades or potential downgrades or being put on review for potential downgrade, all of which could have adverse implications; changes in or to Fannie Mae and Freddie Mac (the "GSEs"), whether through Federal legislation, restructurings or a shift in business practices; failure to continue to meet the mortgage insurer eligibility requirements of the GSEs; competition for customers; lenders or investors seeking alternatives to private mortgage insurance; an increase in the number of loans insured through Federal government mortgage insurance programs, including those offered by the Federal Housing Administration; and other factors described in the risk factors contained in our Annual Report on Form 10-K and other filings with the Securities and Exchange Commission, may cause our actual results to differ from those expressed in forward-looking statements. In addition, the potential for future dividend payments and other forms of returning capital to shareholders, including share repurchases, will be determined in consultation with the Board of Directors, and after considering economic and regulatory factors, current risks to the Company, and subsidiary performance. Although Enact 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.

GAAP/Non-GAAP Disclosure Discussion

This communication includes the non-GAAP financial measures entitled "adjusted operating income (loss)", "adjusted operating income (loss) per share," and "adjusted operating return on equity." Adjusted operating income (loss) per share is derived from adjusted operating income (loss). The chief operating decision maker evaluates performance and allocates resources on the basis of adjusted operating income (loss). The Enact Holdings, Inc. (the "Company") defines adjusted operating income (loss) as net income (loss) excluding the after-tax effects of net investment gains (losses), restructuring costs and infrequent or unusual non-operating items. The Company excludes net investment gains (losses) and infrequent or unusual non-operating items because the company does not consider them to be related to the operating performance of the Company and other activities. 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. In addition, adjusted operating income (loss) per share is derived

from adjusted operating income (loss) divided by shares outstanding. Adjusted operating return on equity is calculated as annualized adjusted operating income for the period indicated divided by the average of current period and prior periods' ending total stockholders' equity.

While some of these items may be significant components of net income (loss) in accordance with U.S. GAAP, the Company believes that adjusted operating income (loss) and measures that are derived from or incorporate adjusted operating income (loss), including adjusted operating income (loss) per share on a basic and diluted basis and adjusted operating return on equity, are appropriate measures that are useful to investors because they identify the income (loss) attributable to the ongoing operations of the business. Management also uses adjusted operating income (loss) as a basis for determining awards and compensation for senior management and to evaluate performance on a basis comparable to that used by analysts. Adjusted operating income (loss) and adjusted operating income (loss) per share on a basic and diluted basis are not substitutes for net income (loss) available to the Company's common stockholders or net income (loss) available to the Company's common stockholders per share on a basic and diluted basis determined in accordance with U.S. GAAP. In addition, the company's definition of adjusted operating income (loss) may differ from the definitions used by other companies.

Adjustments to reconcile net income (loss) available to the Company's common stockholders to adjusted operating income (loss) assume a 21% tax rate.

The tables at the end of this press release provide a reconciliation of net income (loss) to adjusted operating income (loss) and U.S. GAAP return on equity to adjusted operating return on equity for the three months ended December 31, 2022 and 2021, as well as for the three months ended September 30, 2022.

Exhibit A: Consolidated Statements of Income (amounts in thousands, except per share amounts)

	4Q22	3Q22	4Q21	2022	2021
REVENUES:					
Premiums	\$232,737	\$235,060	\$236,864	\$939,462	\$974,949
Net investment income	44,896	39,493	35,246	155,311	141,189
Net investment gains (losses)	(1,274)	(42)	5	(2,036)	(2,124)
Other income	483	564	727	2,309	3,841
Total revenues	276,842	275,075	272,842	1,095,046	1,117,855
LOSSES AND EXPENSES:					
Losses incurred	18,097	(40,309)	5,972	(94,221)	125,473
Acquisition and operating expenses, net of deferrals	59,955	54,523	55,630	226,941	231,453
Amortization of deferred acquisition costs and intangibles	2,747	3,338	3,600	12,405	14,704
Interest expense	13,258	12,879	12,771	51,699	51,009
Total losses and expenses	94,057	30,431	77,973	196,824	422,639
INCOME BEFORE INCOME TAXES	182,785	244,644	194,869	898,222	695,216
Provision for income taxes	38,979	53,658	41,335	194,065	148,531
NET INCOME	\$143,806	\$190,986	\$153,534	\$704,157	\$546,685
Net investment (gains) losses	1,274	42	(5)	2,036	2,124
Costs associated with reorganization	3,291	(156)	89	3,461	2,744
Taxes on adjustments	(959)	24	(17)	(1,155)	(1,022)
Adjusted Operating Income	\$147,412	\$190,896	\$153,601	\$708,499	\$550,531
Loss ratio ⁽¹⁾	8 %	(17)%	3 %	(10)%	13 %
Expense ratio ⁽²⁾	27 %	25 %	25 %	25 %	25 %
Earnings Per Share Data:					
Net Income per share					
Basic	\$0.88	\$1.17	\$0.94	\$4.32	\$3.36
Diluted	\$0.88	\$1.17	\$0.94	\$4.31	\$3.36
Adj operating income per share					
Basic	\$0.91	\$1.17	\$0.94	\$4.35	\$3.38
Diluted	\$0.90	\$1.17	\$0.94	\$4.34	\$3.38
Weighted-average common shares outstanding					
Basic	162,824	162,843	162,840	162,838	162,840
Diluted	163,520	163,376	162,985	163,294	162,879

⁽¹⁾The ratio of losses incurred to net earned premiums.

⁽²⁾The ratio of acquisition and operating expenses, net of deferrals, and amortization of deferred acquisition costs and intangibles to net earned premiums. Expenses associated with strategic transaction preparations and restructuring costs decreased the expense ratio by one percentage point for the three months ended December 31, 2022 and zero percentage points for the three months ended September 30, 2022 and December 31, 2021.

Exhibit B: Consolidated Balance Sheets (amounts in thousands, except per share amounts)

Assets	4Q22	3Q22	4Q21
Investments:			
Fixed maturity securities available-for-sale, at fair value	\$4,884,760	\$4,877,902	\$5,266,339
Short term investments	3,047	2,434	—
Total investments	4,887,807	4,880,336	5,266,339
Cash and cash equivalents	513,775	535,775	425,828
Accrued investment income	35,844	35,896	31,061
Deferred acquisition costs	26,121	26,310	27,220
Premiums receivable	41,738	40,331	42,266
Deferred tax asset	127,473	135,152	—
Other assets	76,391	69,040	73,059
Total assets	\$5,709,149	\$5,722,840	\$5,865,773
Liabilities and Shareholders' Equity			
Liabilities:			
Loss reserves	\$519,008	\$510,237	\$641,325
Unearned premiums	202,717	212,987	246,319
Other liabilities	143,686	140,413	130,604
Long-term borrowings	742,830	742,211	740,416
Deferred tax liability	—	—	1,586
Total liabilities	1,608,241	1,605,848	1,760,250
Equity:			
Common stock	1,628	1,628	1,628
Additional paid-in capital	2,382,068	2,379,576	2,371,861
Accumulated other comprehensive income	(382,744)	(427,085)	83,581
Retained earnings	2,099,956	2,162,873	1,648,453
Total equity	4,100,908	4,116,992	4,105,523
Total liabilities and equity	\$5,709,149	\$5,722,840	\$5,865,773
Book value per share	\$25.19	\$25.28	\$25.21
Book value per share excluding AOCI	\$27.54	\$27.90	\$24.70
U.S. GAAP ROE ⁽¹⁾	14.0 %	18.6 %	14.8 %
Net investment (gains) losses	0.1 %	0.0 %	0.0 %
Costs associated with reorganization	0.3 %	0.0 %	0.0 %
Taxes on adjustments	(0.1)%	0.0 %	0.0 %
Adjusted Operating ROE⁽²⁾	14.4 %	18.6 %	14.8 %
Debt to Capital Ratio	15 %	15 %	15 %

⁽¹⁾ Calculated as annualized net income for the period indicated divided by the average of current period and prior periods' ending total stockholders' equity

⁽²⁾ Calculated as annualized adjusted operating income for the period indicated divided by the average of current period and prior periods' ending total stockholders' equity

Fourth Quarter 2022
Financial Supplement

The Enact logo consists of a white plus sign followed by the word "Enact" in a sans-serif font, with a trademark symbol (™) to the upper right. The logo is positioned in the bottom right corner of a large green rectangular area that occupies the upper right portion of the page.

Enact™

GAAP/Non-GAAP Disclosure Discussion

This document includes the non-GAAP financial measures entitled "adjusted operating income (loss)," "adjusted operating income (loss) per share," and "adjusted operating return on equity." Adjusted operating income (loss) per share is derived from adjusted operating income (loss). The chief operating decision maker evaluates performance and allocates resources on the basis of adjusted operating income (loss). Enact Holdings, Inc. (the "Company") defines adjusted operating income (loss) as net income (loss) excluding the after-tax effects of net investment gains (losses), restructuring costs and infrequent or unusual non-operating items. The Company excludes net investment gains (losses) and infrequent or unusual non-operating items because the Company does not consider them to be related to the operating performance of the Company. 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. In addition, adjusted operating income (loss) per share is derived from adjusted operating income (loss) divided by shares outstanding. Adjusted operating return on equity is calculated as annualized adjusted operating income for the period indicated divided by the average of current period and prior periods' ending total stockholders' equity.

While some of these items may be significant components of net income (loss) in accordance with U.S. GAAP, the Company believes that adjusted operating income (loss) and measures that are derived from or incorporate adjusted operating income (loss), including adjusted operating income (loss) per share on a basic and diluted basis and adjusted operating return on equity, are appropriate measures that are useful to investors because they identify the income (loss) attributable to the ongoing operations of the business. Management also uses adjusted operating income (loss) as a basis for determining awards and compensation for senior management and to evaluate performance on a basis comparable to that used by analysts. Adjusted operating income (loss) and adjusted operating income (loss) per share on a basic and diluted basis are not substitutes for net income (loss) available to Company's common stockholders or net income (loss) available to Company's common stockholders per share on a basic and diluted basis determined in accordance with U.S. GAAP. In addition, the Company's definition of adjusted operating income (loss) may differ from the definitions used by other companies.

Adjustments to reconcile net income (loss) available to Company's common stockholders to adjusted operating income (loss) assume a 21% tax rate.

Consolidated Statements of Income
(amounts in thousands, except per share amounts)

	2022					2021				
	4Q	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:										
Premiums	\$232,737	\$235,060	\$237,386	\$234,279	\$939,462	\$236,864	\$243,063	\$242,480	\$252,542	\$974,949
Net investment income	44,896	39,493	35,776	35,146	155,311	35,246	35,995	34,689	35,259	141,189
Net investment gains (losses)	(1,274)	(42)	(381)	(339)	(2,036)	5	580	(1,753)	(956)	(2,124)
Other income	483	564	760	502	2,309	727	671	705	1,738	3,841
Total revenues	276,842	275,075	273,541	269,588	1,095,046	272,842	280,309	276,121	288,563	1,117,855
LOSSES AND EXPENSES:										
Losses incurred	18,097	(40,309)	(61,563)	(10,446)	(94,221)	5,972	34,124	30,003	55,374	125,473
Acquisition and operating expenses, net of deferrals	59,955	54,523	58,201	54,262	226,941	55,630	55,151	63,050	57,622	231,453
Amortization of deferred acquisition costs and intangibles	2,747	3,338	3,230	3,090	12,405	3,600	3,669	3,597	3,838	14,704
Interest expense	13,258	12,879	12,786	12,776	51,699	12,771	12,756	12,745	12,737	51,009
Total losses and expenses	94,057	30,431	12,654	59,682	196,824	77,973	105,700	109,395	129,571	422,639
INCOME BEFORE INCOME TAXES	182,785	244,644	260,887	209,906	898,222	194,869	174,609	166,726	159,012	695,216
Provision for income taxes	38,979	53,658	56,152	45,276	194,065	41,335	37,401	35,914	33,881	148,531
NET INCOME	\$143,806	\$190,986	\$204,735	\$164,630	\$704,157	\$153,534	\$137,208	\$130,812	\$125,131	\$546,685
Net investment (gains) losses	\$1,274	\$42	\$381	\$339	\$2,036	(\$5)	(\$580)	\$1,753	\$956	\$2,124
Costs associated with reorganization	3,291	(156)	104	222	3,461	89	339	2,316	0	2,744
Taxes on adjustments	(959)	24	(102)	(118)	(1,155)	(17)	50	(854)	(201)	(1,022)
Adjusted Operating Income	\$147,412	\$190,896	\$205,118	\$165,073	\$708,499	\$153,601	\$137,017	\$134,027	\$125,886	\$550,531
Loss ratio ⁽¹⁾	8 %	(17)%	(26)%	(4)%	(10)%	3%	14%	12%	22%	13%
Expense ratio ⁽²⁾	27%	25%	26%	24%	25%	25%	24%	27%	24%	25%
Earnings per share data:										
Net income per share										
Basic	\$0.88	\$1.17	\$1.26	\$1.01	\$4.32	\$0.94	\$0.84	\$0.80	\$0.77	\$3.36
Diluted	\$0.88	\$1.17	\$1.25	\$1.01	\$4.31	\$0.94	\$0.84	\$0.80	\$0.77	\$3.36
Adjusted operating income per share										
Basic	\$0.91	\$1.17	\$1.26	\$1.01	\$4.35	\$0.94	\$0.84	\$0.82	\$0.77	\$3.38
Diluted	\$0.90	\$1.17	\$1.26	\$1.01	\$4.34	\$0.94	\$0.84	\$0.82	\$0.77	\$3.38
Weighted-average common shares outstanding										
Basic	162,624	162,843	162,842	162,841	162,838	162,840	162,840	162,840	162,840	162,840
Diluted	163,520	163,376	163,225	163,054	163,294	162,985	162,852	162,840	162,840	162,879

⁽¹⁾The ratio of losses incurred to net earned premiums.

⁽²⁾The ratio of acquisition and operating expenses, net of deferrals, and amortization of deferred acquisition costs and intangibles to net earned premiums. Expenses associated with strategic transaction preparations and restructuring costs increased the expense ratio by one percentage point for the three months ended December 31, 2022, zero percentage points for the three months ended September 30, 2022, June 30, 2022, March 31, 2022 and December 31, 2021, one percentage point for the three months ended September 30, 2021, two percentage points for the three months ended June 30, 2021 and one percentage point for the three months ended March 31, 2021.

Consolidated Balance Sheets
(amounts in thousands, except per share amounts)

	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Assets								
Investments:								
Fixed maturity securities available-for-sale, at fair value	\$4,884,760	\$4,877,902	\$4,909,362	\$5,093,084	\$5,266,339	\$5,376,067	\$5,256,467	\$5,106,128
Short term investments	3,047	2,434	0	0	0	12,500	12,499	12,500
Total investments	4,887,807	4,880,336	4,909,362	5,093,084	5,266,339	5,388,567	5,268,966	5,118,628
Cash and cash equivalents	\$13,776	\$33,775	\$83,947	\$40,190	\$25,825	\$51,582	\$33,333	\$31,335
Accrued investment income	35,844	35,896	33,103	32,565	31,061	31,372	30,843	28,821
Deferred acquisition costs	26,121	26,310	26,889	27,000	27,220	27,788	28,322	28,544
Premiums receivable	41,738	40,331	41,036	40,381	42,266	43,425	43,287	42,454
Deferred tax asset	127,473	135,152	98,695	56,060	0	0	0	0
Other assets	76,391	69,040	67,601	103,157	73,059	46,572	55,348	49,921
Total assets	\$5,709,149	\$5,727,840	\$5,760,433	\$5,792,407	\$5,865,773	\$5,891,306	\$5,862,089	\$5,699,703
Liabilities and Shareholder's Interest								
Liabilities:								
Loss reserves	\$519,008	\$510,237	\$558,894	\$625,279	\$641,325	\$648,365	\$624,296	\$603,528
Unearned premiums	202,717	212,987	224,781	236,410	246,319	254,808	263,573	280,742
Other liabilities	143,686	140,413	154,656	141,125	130,604	129,464	119,269	121,609
Long-term borrowings	742,830	742,211	741,602	741,004	740,416	739,838	739,269	738,711
Deferred tax liability	0	0	0	0	1,596	17,452	25,851	19,787
Total liabilities	1,608,241	1,605,848	1,679,933	1,743,818	1,760,250	1,789,925	1,772,238	1,764,377
Equity:								
Common stock	1,628	1,628	1,628	1,628	1,628	1,628	1,628	1,628
Additional paid-in capital	2,382,068	2,379,576	2,377,042	2,374,568	2,371,861	2,369,822	2,369,601	2,368,762
Accumulated other comprehensive income	(382,744)	(427,085)	(293,027)	(140,890)	83,581	133,955	136,960	136,960
Retained earnings	2,059,956	2,162,973	1,994,857	1,813,083	1,648,453	1,695,976	1,598,788	1,427,956
Total equity	\$4,100,908	\$4,115,992	\$4,080,500	\$4,048,589	\$4,105,523	\$4,201,381	\$4,089,851	\$3,935,326
Total liabilities and equity	\$5,709,149	\$5,727,840	\$5,760,433	\$5,792,407	\$5,865,773	\$5,891,306	\$5,862,089	\$5,699,703
Book value per share	\$25.19	\$25.28	\$25.06	\$24.86	\$25.21	\$25.80	\$25.12	\$24.17
Book value per share excluding accumulated other comprehensive income	\$27.54	\$27.90	\$26.86	\$25.73	\$24.70	\$24.98	\$24.13	\$23.33
U.S. GAAP ROE⁽¹⁾	14.0 %	18.6 %	20.1 %	16.2 %	14.8 %	13.2 %	13.0 %	12.8 %
Net investment (gains) losses	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	(0.1)%	0.2 %	0.1 %
Costs associated with reorganization	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.2 %	0.0 %
Taxes on adjustments	0.1%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	(0.1)%	0.0 %
Adjusted Operating ROE⁽²⁾	14.4 %	18.6 %	20.2 %	16.2 %	14.8 %	13.2 %	13.4 %	12.9 %
Debt to capital ratio	15 %	15 %	15 %	15 %	15 %	15 %	15 %	16 %

⁽¹⁾ Calculated as annualized net income for the period indicated divided by the average of current period and prior periods' ending total stockholders' equity.

⁽²⁾ Calculated as annualized adjusted operating income for the period indicated divided by the average of current period and prior periods' ending total stockholders' equity.

Primary New Insurance Written Metrics
(amounts in millions)

	2022						2021					
	4Q		3Q		1Q		4Q		3Q		1Q	
Product	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW
Primary	\$15,145	100 %	\$15,069	100 %	\$17,448	100 %	\$18,823	100 %	\$66,485	100 %	\$21,441	100 %
Foot	0	- %	0	- %	0	- %	0	- %	0	- %	0	- %
Total	\$15,145	100 %	\$15,069	100 %	\$17,448	100 %	\$18,823	100 %	\$66,485	100 %	\$21,441	100 %
Origination	\$14,744	97 %	\$14,634	97 %	\$16,802	96 %	\$17,326	92 %	\$63,506	96 %	\$19,284	90 %
Purchase	401	3 %	435	3 %	646	4 %	1,497	8 %	2,979	4 %	2,157	10 %
Reference	0	0 %	0	0 %	0	0 %	0	0 %	0	0 %	0	0 %
Total Primary	\$15,145	100 %	\$15,069	100 %	\$17,448	100 %	\$18,823	100 %	\$66,485	100 %	\$21,441	100 %
Payment Type	\$13,745	91 %	\$14,138	94 %	\$16,169	93 %	\$17,071	91 %	\$61,123	92 %	\$19,395	91 %
Monthly	1,368	9 %	890	6 %	1,216	7 %	1,690	9 %	5,168	8 %	1,991	9 %
Other ⁽¹⁾	32	- %	41	- %	61	- %	62	- %	198	0 %	95	- %
Total Primary	\$13,745	100 %	\$14,138	100 %	\$16,169	100 %	\$17,071	100 %	\$61,123	100 %	\$19,395	100 %
FICO Scores	\$6,951	46 %	\$6,948	46 %	\$7,981	45 %	\$9,359	45 %	\$30,239	45 %	\$9,401	44 %
Over 700	2,708	18 %	2,554	17 %	2,916	17 %	3,085	16 %	11,264	17 %	3,406	16 %
700 - 739	2,226	15 %	2,106	14 %	2,530	15 %	2,515	13 %	9,377	14 %	2,844	13 %
700 - 719	1,489	10 %	1,531	10 %	1,917	11 %	1,962	10 %	6,869	10 %	2,257	11 %
680 - 699	1,035	7 %	1,085	7 %	1,059	6 %	1,316	7 %	4,535	7 %	1,589	7 %
660 - 679 ⁽²⁾	478	3 %	527	3 %	598	3 %	931	5 %	2,534	4 %	1,108	5 %
640 - 659	189	1 %	244	2 %	297	2 %	486	3 %	1,208	2 %	611	3 %
620 - 639	66	- %	79	1 %	106	1 %	173	1 %	424	1 %	223	1 %
600	2	- %	5	- %	4	- %	6	- %	17	0 %	4	- %
Total Primary	\$15,145	100 %	\$15,069	100 %	\$17,448	100 %	\$18,823	100 %	\$66,485	100 %	\$21,441	100 %
Weighted Avg FICO	750		749		748		746		745		747	
Loan-To-Value Ratio	\$2,423	16 %	\$1,741	11 %	\$2,177	12 %	\$3,146	17 %	\$9,487	14 %	\$3,960	17 %
80.01% and above	5,684	37 %	6,184	41 %	7,458	43 %	6,692	35 %	26,008	39 %	7,548	35 %
80.01% to 95.00%	4,971	33 %	5,094	34 %	5,209	30 %	5,620	30 %	20,892	32 %	6,253	29 %
80.00% and below	2,067	14 %	2,050	14 %	2,656	15 %	3,375	18 %	10,088	15 %	3,980	19 %
Total Primary	\$15,145	100 %	\$15,069	100 %	\$17,448	100 %	\$18,823	100 %	\$66,485	100 %	\$21,441	100 %
Weighted Avg LTV	82 %		82 %		82 %		82 %		82 %		82 %	
Debt-To-Income Ratio	\$4,294	28 %	\$3,728	25 %	\$4,067	23 %	\$4,452	24 %	\$16,541	25 %	\$4,977	23 %
45.01% and above	5,518	37 %	5,681	38 %	6,436	37 %	6,361	34 %	23,998	36 %	7,047	33 %
38.01% to 45.00%	5,333	35 %	5,695	37 %	5,945	34 %	6,010	32 %	25,948	39 %	9,417	44 %
38.00% and below	0	0 %	0	0 %	0	0 %	0	0 %	0	0 %	0	0 %
Total Primary	\$15,145	100 %	\$15,069	100 %	\$17,448	100 %	\$18,823	100 %	\$66,485	100 %	\$21,441	100 %
Weighted Avg DTI	40 %		39 %		39 %		38 %		39 %		37 %	
Avg loan size (thousands)	\$358		\$350		\$345		\$334		\$346		\$318	

⁽¹⁾Includes loans with annual and split payment types.

⁽²⁾Loans with unknown FICO scores are included in the 600-679 category.

Insurance In-Force (IIF) ⁽¹⁾ Metrics
 Excludes run-off business, which is immaterial to our results
 (amounts in millions)

	2022								2021							
	4Q		3Q		2Q		1Q		4Q		3Q		2Q		1Q	
	IIF	% of IIF	IIF	% of IIF	IIF	% of IIF	IIF	% of IIF	IIF	% of IIF	IIF	% of IIF	IIF	% of IIF	IIF	% of IIF
Product																
Primary	\$248,262	100 %	\$241,813	100 %	\$237,563	100 %	\$231,853	100 %	\$226,514	100 %	\$222,464	100 %	\$217,477	100 %	\$210,187	100 %
Pool	505	- %	531	- %	564	- %	600	- %	641	- %	771	- %	798	- %	841	- %
Total	\$248,767	100 %	\$242,344	100 %	\$238,127	100 %	\$232,453	100 %	\$227,155	100 %	\$223,235	100 %	\$218,275	100 %	\$211,028	100 %
Origination																
Purchase	\$207,827	84 %	\$199,322	82 %	\$192,499	81 %	\$184,080	79 %	\$176,550	78 %	\$169,944	76 %	\$162,832	75 %	\$156,298	74 %
Refinance	40,435	16 %	42,491	18 %	45,064	19 %	47,773	21 %	49,964	22 %	52,520	24 %	54,645	25 %	53,889	26 %
Total Primary	\$248,262	100 %	\$241,813	100 %	\$237,563	100 %	\$231,853	100 %	\$226,514	100 %	\$222,464	100 %	\$217,477	100 %	\$210,187	100 %
Payment Type																
Monthly	\$216,831	87 %	\$211,062	87 %	\$206,361	87 %	\$200,304	86 %	\$194,826	86 %	\$190,702	86 %	\$185,694	85 %	\$177,126	84 %
Single	29,275	12 %	28,550	12 %	28,945	12 %	29,198	13 %	29,205	13 %	29,013	13 %	28,743	13 %	29,653	14 %
Other ⁽²⁾	2,156	1 %	2,201	1 %	2,257	1 %	2,351	1 %	2,483	1 %	2,749	1 %	3,040	2 %	3,408	2 %
Total Primary	\$248,262	100 %	\$241,813	100 %	\$237,563	100 %	\$231,853	100 %	\$226,514	100 %	\$222,464	100 %	\$217,477	100 %	\$210,187	100 %
Book Year																
2008 and prior	\$6,596	3 %	\$6,849	3 %	\$7,246	3 %	\$7,723	3 %	\$8,196	3 %	\$8,963	4 %	\$9,882	4 %	\$10,500	5 %
2009-2014	2,113	1 %	2,293	1 %	2,577	1 %	2,946	1 %	3,369	2 %	3,949	2 %	4,670	3 %	5,570	2 %
2015	2,912	1 %	3,133	1 %	3,526	1 %	3,960	2 %	4,488	2 %	5,087	2 %	5,810	3 %	6,729	3 %
2016	6,296	2 %	6,772	3 %	7,377	3 %	8,076	4 %	8,997	4 %	10,082	4 %	11,499	5 %	13,213	6 %
2017	6,495	3 %	6,818	3 %	7,328	3 %	8,023	4 %	8,962	4 %	10,185	5 %	11,763	5 %	13,817	7 %
2018	6,839	3 %	7,133	3 %	7,613	3 %	8,306	4 %	9,263	4 %	10,568	5 %	12,289	6 %	14,618	7 %
2019	16,352	7 %	17,070	7 %	18,141	8 %	19,609	8 %	21,730	10 %	24,884	11 %	28,842	13 %	33,430	16 %
2020	55,358	22 %	58,497	24 %	62,154	26 %	65,807	28 %	69,963	31 %	75,785	34 %	82,308	38 %	87,599	42 %
2021	81,724	33 %	83,740	35 %	86,176	37 %	88,757	38 %	91,546	40 %	92,961	33 %	90,614	23 %	84,711	12 %
2022	63,577	25 %	49,508	20 %	35,426	15 %	19,646	8 %	0	- %	0	- %	0	- %	0	- %
Total Primary	\$248,262	100 %	\$241,813	100 %	\$237,563	100 %	\$231,853	100 %	\$226,514	100 %	\$222,464	100 %	\$217,477	100 %	\$210,187	100 %

⁽¹⁾Primary insurance in-force represents aggregate unpaid balance for loans the company insures.

⁽²⁾Includes loans with annual and split payment types.

Insurance In-Force (IIF) ⁽¹⁾ Metrics
 Excludes run-off business, which is immaterial to our results
 (amounts in millions)

	2022								2021							
	4Q		3Q		2Q		1Q		4Q		3Q		2Q		1Q	
	IIF	% of IIF	IIF	% of IIF	IIF	% of IIF	IIF	% of IIF	IIF	% of IIF	IIF	% of IIF	IIF	% of IIF	IIF	% of IIF
FICO Scores																
Over 760	\$102,467	41 %	\$99,177	41 %	\$96,625	40 %	\$93,222	40 %	\$89,982	40 %	\$87,073	39 %	\$83,602	38 %	\$79,285	38 %
740 - 759	40,097	16 %	38,731	16 %	37,853	16 %	36,821	16 %	35,874	16 %	35,177	16 %	34,402	16 %	33,607	16 %
720 - 739	34,916	14 %	33,674	14 %	33,263	14 %	32,363	14 %	31,730	14 %	31,374	14 %	30,964	14 %	30,295	14 %
700 - 719	28,867	12 %	28,384	12 %	28,136	12 %	27,620	12 %	27,559	12 %	27,371	12 %	27,032	12 %	26,309	13 %
680 - 699	21,554	9 %	21,294	9 %	21,221	9 %	21,259	9 %	21,270	9 %	21,458	10 %	21,469	10 %	20,777	10 %
660 - 679 ⁽²⁾	10,926	4 %	10,842	4 %	10,822	5 %	10,805	5 %	10,549	5 %	10,309	5 %	10,191	6 %	10,001	5 %
640 - 659	6,095	3 %	6,115	3 %	6,154	3 %	6,198	3 %	6,124	3 %	6,009	3 %	6,008	3 %	5,981	3 %
620 - 639	2,630	1 %	2,683	1 %	2,725	1 %	2,774	1 %	2,763	1 %	2,787	1 %	2,836	1 %	2,893	1 %
<620	710	- %	733	- %	764	- %	801	- %	843	- %	906	- %	971	- %	1,039	- %
Total Primary	\$248,262	100 %	\$241,813	100 %	\$237,563	100 %	\$231,853	100 %	\$226,514	100 %	\$222,464	100 %	\$217,477	100 %	\$210,187	100 %
Weighted Avg FICO	743		743		743		742		741		741		740		740	
Loan-To-Value Ratio																
95.01% and above	\$39,509	16 %	\$38,099	16 %	\$37,636	16 %	\$36,867	16 %	\$35,455	16 %	\$34,259	15 %	\$33,657	15 %	\$33,757	16 %
90.01% to 95.00%	103,618	42 %	101,164	42 %	99,303	41 %	96,419	42 %	95,149	42 %	94,888	43 %	94,307	44 %	92,124	44 %
85.01% to 90.00%	72,132	29 %	69,803	29 %	67,866	29 %	66,226	28 %	64,549	28 %	63,349	28 %	61,234	28 %	58,098	28 %
80.00% and below	33,003	13 %	32,747	13 %	32,758	14 %	32,341	14 %	31,361	14 %	29,968	14 %	28,279	13 %	26,208	12 %
Total Primary	\$248,262	100 %	\$241,813	100 %	\$237,563	100 %	\$231,853	100 %	\$226,514	100 %	\$222,464	100 %	\$217,477	100 %	\$210,187	100 %
Weighted Avg LTV	93 %		93 %		93 %		93 %		93 %		93 %		93 %		93 %	
Debt-To-Income Ratio																
45.01% and above	\$43,831	18 %	\$40,846	17 %	\$38,763	16 %	\$36,428	16 %	\$34,076	15 %	\$31,771	14 %	\$30,794	14 %	\$30,225	14 %
38.01% to 45.00%	87,816	35 %	85,226	35 %	83,194	35 %	80,741	35 %	79,147	35 %	78,303	35 %	76,977	35 %	74,674	36 %
30.00% and below	116,615	47 %	115,741	48 %	115,606	49 %	114,684	49 %	113,291	50 %	112,390	51 %	109,706	51 %	105,289	50 %
Total Primary	\$248,262	100 %	\$241,813	100 %	\$237,563	100 %	\$231,853	100 %	\$226,514	100 %	\$222,464	100 %	\$217,477	100 %	\$210,187	100 %
Weighted Avg DTI	37 %		37 %		37 %		37 %		37 %		37 %		37 %		37 %	
Primary persistency rate	86 %		82 %		80 %		76 %		69 %		65 %		63 %		56 %	
Avg loan size (thousands)	\$259		\$255		\$251		\$246		\$242		\$237		\$233		\$228	

⁽¹⁾Primary insurance in-force represents aggregate unpaid balance for loans the company insures.

⁽²⁾Loans with unknown FICO scores are included in the 660-679 category.

Risk In-Force (RIF) ⁽¹⁾ Metrics
 Excludes run-off business, which is immaterial to our results
 (amounts in millions)

	2022								2021							
	4Q		3Q		2Q		1Q		4Q		3Q		2Q		1Q	
	RIF	% of RIF	RIF	% of RIF	RIF	% of RIF	RIF	% of RIF	RIF	% of RIF	RIF	% of RIF	RIF	% of RIF	RIF	% of RIF
Product																
Primary	\$62,791	100 %	\$61,124	100 %	\$59,911	100 %	\$58,295	100 %	\$56,881	100 %	\$55,866	100 %	\$54,643	100 %	\$52,866	100 %
Pool	79	- %	84	- %	89	- %	97	- %	105	- %	117	- %	123	- %	134	- %
Total	\$62,870	100 %	\$61,208	100 %	\$60,000	100 %	\$58,392	100 %	\$56,986	100 %	\$55,983	100 %	\$54,766	100 %	\$53,000	100 %
Origination																
Purchase	\$54,165	86 %	\$52,134	85 %	\$50,449	84 %	\$48,326	83 %	\$46,470	82 %	\$44,871	80 %	\$43,121	79 %	\$41,396	78 %
Refinance	8,626	14 %	8,990	15 %	9,462	16 %	9,969	17 %	10,411	18 %	10,995	20 %	11,522	21 %	11,470	22 %
Total Primary	\$62,791	100 %	\$61,124	100 %	\$59,911	100 %	\$58,295	100 %	\$56,881	100 %	\$55,866	100 %	\$54,643	100 %	\$52,866	100 %
Payment Type																
Monthly	\$55,879	89 %	\$54,247	89 %	\$52,896	88 %	\$51,153	88 %	\$49,614	87 %	\$48,495	87 %	\$47,153	86 %	\$45,009	85 %
Single	6,370	10 %	6,324	10 %	6,449	11 %	6,561	11 %	6,658	12 %	6,709	12 %	6,766	13 %	7,049	13 %
Other ⁽²⁾	542	1 %	553	1 %	596	1 %	581	1 %	609	1 %	662	1 %	724	1 %	808	2 %
Total Primary	\$62,791	100 %	\$61,124	100 %	\$59,911	100 %	\$58,295	100 %	\$56,881	100 %	\$55,866	100 %	\$54,643	100 %	\$52,866	100 %
Book Year																
2008 and prior	\$1,699	3 %	\$1,764	3 %	\$1,867	3 %	\$1,991	3 %	\$2,112	3 %	\$2,309	4 %	\$2,494	4 %	\$2,705	5 %
2009-2014	560	1 %	609	1 %	687	1 %	788	1 %	904	2 %	1,052	2 %	1,260	2 %	1,510	3 %
2015	781	1 %	840	1 %	943	2 %	1,058	2 %	1,197	2 %	1,355	2 %	1,549	3 %	1,795	3 %
2016	1,681	3 %	1,805	3 %	1,964	3 %	2,147	4 %	2,388	4 %	2,676	5 %	3,052	6 %	3,503	7 %
2017	1,708	3 %	1,792	3 %	1,922	3 %	2,094	4 %	2,324	4 %	2,631	5 %	3,032	6 %	3,956	7 %
2018	1,736	3 %	1,806	3 %	1,922	3 %	2,092	4 %	2,330	4 %	2,656	5 %	3,086	6 %	3,871	7 %
2019	4,143	7 %	4,313	7 %	4,575	8 %	4,935	8 %	5,454	10 %	6,239	11 %	7,225	13 %	8,361	16 %
2020	14,158	22 %	14,891	25 %	15,763	26 %	16,606	28 %	17,574	31 %	18,865	34 %	20,536	37 %	21,787	41 %
2021	20,418	32 %	20,848	34 %	21,384	36 %	21,959	38 %	22,598	40 %	17,973	32 %	12,409	23 %	5,978	11 %
2022	15,907	25 %	12,456	20 %	8,954	15 %	4,625	8 %	0	- %	0	- %	0	- %	0	- %
Total Primary	\$62,791	100 %	\$61,124	100 %	\$59,911	100 %	\$58,295	100 %	\$56,881	100 %	\$55,866	100 %	\$54,643	100 %	\$52,866	100 %

⁽¹⁾ Primary risk in-force represents risk on current loan balances as provided by servicers, lenders and investors.

⁽²⁾ Includes loans with annual and split payment types.

Risk In-Force (RIF) ⁽¹⁾ Metrics
 Excludes run-off business, which is immaterial to our results
 (amounts in millions)

	2022								2021							
	4Q		3Q		2Q		1Q		4Q		3Q		2Q		1Q	
	RIF	% of RIF	RIF	% of RIF	RIF	% of RIF	RIF	% of RIF	RIF	% of RIF	RIF	% of RIF	RIF	% of RIF	RIF	% of RIF
FICO Scores																
Over 750	\$25,807	41 %	\$24,965	41 %	\$24,252	40 %	\$23,326	40 %	\$22,489	40 %	\$21,767	39 %	\$20,908	38 %	\$19,829	37 %
740 - 759	10,154	16 %	9,808	16 %	9,559	16 %	9,267	16 %	9,009	16 %	8,824	16 %	8,628	16 %	8,442	16 %
720 - 739	8,931	14 %	8,656	14 %	8,494	14 %	8,224	14 %	8,055	14 %	7,966	14 %	7,879	14 %	7,715	15 %
700 - 719	7,317	12 %	7,200	12 %	7,123	12 %	6,974	12 %	6,907	12 %	6,923	12 %	6,848	13 %	6,678	13 %
680 - 699	5,428	9 %	5,356	9 %	5,329	9 %	5,334	9 %	5,334	9 %	5,383	9 %	5,385	10 %	5,231	10 %
660 - 679 ⁽²⁾	2,767	5 %	2,739	4 %	2,728	5 %	2,715	5 %	2,638	5 %	2,668	5 %	2,531	5 %	2,484	5 %
640 - 659	1,540	2 %	1,541	3 %	1,547	3 %	1,550	3 %	1,530	3 %	1,497	3 %	1,494	3 %	1,485	3 %
620 - 639	665	1 %	672	1 %	687	1 %	699	1 %	702	1 %	705	1 %	720	1 %	734	1 %
<620	182	- %	187	- %	198	- %	206	- %	217	- %	233	- %	250	- %	268	- %
Total Primary	\$62,791	100 %	\$61,124	100 %	\$59,911	100 %	\$58,295	100 %	\$56,881	100 %	\$55,866	100 %	\$54,643	100 %	\$52,866	100 %
Loan-To-Value Ratio																
95.01% and above	\$11,136	18 %	\$10,809	18 %	\$10,847	18 %	\$10,379	18 %	\$9,907	17 %	\$9,490	17 %	\$9,228	17 %	\$9,151	17 %
90.01% to 95.00%	30,070	48 %	29,378	48 %	28,838	48 %	27,987	48 %	27,808	49 %	27,500	49 %	27,308	50 %	26,637	51 %
85.01% to 90.00%	17,621	28 %	17,019	28 %	16,517	27 %	16,082	27 %	15,644	27 %	15,322	28 %	14,776	27 %	13,997	26 %
85.00% and below	3,955	6 %	3,917	6 %	3,909	7 %	3,847	7 %	3,722	7 %	3,545	6 %	3,331	6 %	3,081	6 %
Total Primary	\$62,791	100 %	\$61,124	100 %	\$59,911	100 %	\$58,295	100 %	\$56,881	100 %	\$55,866	100 %	\$54,643	100 %	\$52,866	100 %
Debt-To-Income Ratio																
45.01% and above	\$11,176	18 %	\$10,393	17 %	\$9,843	16 %	\$9,227	16 %	\$8,631	15 %	\$8,046	14 %	\$7,798	14 %	\$7,643	14 %
38.01% to 45.00%	22,268	35 %	21,603	35 %	21,058	35 %	20,392	35 %	19,974	35 %	19,773	36 %	19,445	36 %	18,888	36 %
38.00% and below	29,347	47 %	29,128	48 %	29,010	49 %	28,676	49 %	28,276	50 %	28,045	50 %	27,400	50 %	26,335	50 %
Total Primary	\$62,791	100 %	\$61,124	100 %	\$59,911	100 %	\$58,295	100 %	\$56,881	100 %	\$55,866	100 %	\$54,643	100 %	\$52,866	100 %

⁽¹⁾Primary risk in-force represents risk on current loan balances as provided by servicers, lenders and investors.

⁽²⁾Loans with unknown FICO scores are included in the 660-679 category.

Delinquency Metrics
Excludes run-off business, which is immaterial to our results
(dollar amounts in thousands)

	2022				2021			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Average Paid Claim⁽¹⁾	\$48.7	\$42.2	\$50.1	\$51.6	\$27.2	\$26.7	\$63.1	\$54.7
Reserves:								
Direct primary case ⁽²⁾	\$479,343	\$476,063	\$525,948	\$590,508	\$606,102	\$612,754	\$588,683	\$564,208
All other ⁽²⁾	39,665	34,174	32,946	34,771	35,223	34,909	34,838	38,704
Total Reserves	\$519,008	\$510,237	\$558,894	\$625,279	\$641,325	\$647,663	\$623,521	\$602,912
Beginning Number of Primary Delinquencies	18,856	19,513	22,571	24,820	28,904	33,568	41,332	44,904
New delinquencies	10,304	9,121	7,847	8,724	8,282	7,427	6,862	10,053
Delinquency cures	(9,024)	(9,588)	(10,806)	(10,860)	(11,329)	(11,746)	(14,473)	(13,476)
Paid claims	(190)	(187)	(90)	(107)	(430)	(343)	(143)	(134)
Rescissions and claim denials	(3)	(3)	(9)	(6)	(7)	(2)	(10)	(13)
Ending Number of Primary Delinquencies	19,943	18,856	19,513	22,571	24,820	28,904	33,568	41,332
Primary delinquency rate	2.08 %	1.99 %	2.06 %	2.40 %	2.65 %	3.08 %	3.60 %	4.48 %
Average Reserve Per Primary Delinquency⁽³⁾	\$24.0	\$25.2	\$27.0	\$26.2	\$24.4	\$21.2	\$17.5	\$13.7
Beginning Direct Primary Case Reserves	\$476,063	\$525,948	\$590,508	\$606,102	\$612,754	\$588,683	\$564,208	\$516,863
Paid claims	(9,347)	(8,349)	(4,810)	(5,617)	(11,213)	(8,293)	(7,377)	(5,933)
Change in reserves	12,627	(41,536)	(59,750)	(9,977)	4,561	32,364	31,852	53,278
Ending Direct Primary Case Reserves	\$479,343	\$476,063	\$525,948	\$590,508	\$606,102	\$612,754	\$588,683	\$564,208
Incurred Losses⁽⁴⁾								
Current quarter delinquencies ⁽⁵⁾	\$58,717	\$38,696	\$34,654	\$39,220	\$37,056	\$33,047	\$30,301	\$43,839
Development of current quarter delinquencies ⁽⁶⁾	-	-	-	-	-	-	-	-
Prior period development ⁽⁷⁾	(40,620)	(79,005)	(96,217)	(49,666)	(31,084)	1,077	(298)	11,535
Total Incurred Losses	\$18,097	\$(40,309)	\$(61,563)	\$(10,446)	\$5,972	\$34,124	\$30,003	\$55,374
Policies in Force (count)	960,306	949,052	946,891	941,689	937,350	936,934	933,616	922,186

⁽¹⁾ Average paid claims in the fourth and third quarters of 2022 and the fourth and third quarters of 2021 include payments in relation to agreements on non-performing loans.

⁽²⁾ Direct primary case excludes loss adjustment expenses (LAE), pool, incurred but not reported (IBNR) and reinsurance reserves. Other includes LAE, IBNR, pool, and reinsurance reserves.

⁽³⁾ Direct primary case reserves divided by primary delinquency count.

⁽⁴⁾ Provides additional breakdown of incurred losses, which includes the impact of new delinquencies within each quarterly period reported. We believe providing loss information in this manner allows transparency and consistency for investors to understand performance.

⁽⁵⁾ Defaulted loans with most recent delinquency notice in the quarter indicated.

⁽⁶⁾ Development of current quarter delinquencies within the current quarter. This includes reserve impact from current period delinquencies that cure in the period and reserve development from the date of delinquency to quarter end.

⁽⁷⁾ Includes impact of changes in IBNR, LAE and other.

Missed Payment Status Tables
Excludes run-off business, which is immaterial to our results
(dollar amounts in millions)

December 31, 2022				
<u>Percentage Reserved by Payment Status</u>	Direct Primary			
	Delinquencies	Case Reserves	Risk In-Force	Reserves as % of RIF
3 payments or less in default	8,920	\$69	\$509	14 %
4 - 11 payments in default	6,466	166	390	43 %
12 payments or more in default	4,557	244	248	98 %
Total	19,943	\$479	\$1,147	42 %

December 31, 2021				
<u>Percentage Reserved by Payment Status</u>	Direct Primary			
	Delinquencies	Case Reserves	Risk In-Force	Reserves as % of RIF
3 payments or less in default	6,586	\$35	\$340	10 %
4 - 11 payments in default	7,360	111	426	26 %
12 payments or more in default	10,874	460	643	72 %
Total	24,820	\$606	\$1,409	43 %

Delinquency Performance
Excludes run-off business, which is immaterial to our results

December 31, 2022

Top 10 States	% RIF	% Case Reserves ⁽¹⁾	Delq Rate	Top 10 MSAs / Metro Divisions	% RIF	% Case Reserves ⁽¹⁾	Delq Rate	Book Year RIF & Losses	% RIF	% Case Reserves ⁽¹⁾	Delq Rate	Cum Delq Rate ⁽²⁾
California	12%	10%	2.09%	Chicago-Naperville, IL Metro Division	3%	5%	2.84%	2008 and prior	3%	26%	9.61%	5.57%
Texas	8%	7%	2.12%	Phoenix, AZ MSA	3%	2%	1.83%	2009-2014	1%	4%	5.01%	0.69%
Florida ⁽³⁾	8%	8%	2.54%	New York, NY Metro Division	3%	8%	3.75%	2015	1%	3%	3.61%	0.71%
New York ⁽³⁾	5%	13%	2.95%	Atlanta, GA MSA	2%	3%	2.42%	2016	3%	6%	3.17%	0.81%
Illinois ⁽³⁾	5%	6%	2.54%	Washington-Arlington, DC Metro Division	2%	2%	1.85%	2017	3%	7%	3.78%	1.01%
Arizona	4%	2%	1.78%	Houston, TX MSA	2%	3%	2.60%	2018	3%	9%	4.63%	1.18%
Michigan	4%	3%	1.79%	Riverside-San Bernardino CA MSA	2%	2%	2.89%	2019	7%	11%	2.71%	0.53%
North Carolina	3%	3%	1.59%	Los Angeles-Long Beach, CA Metro Division	2%	2%	2.18%	2020	22%	17%	1.47%	0.52%
Georgia	3%	3%	2.23%	Dallas, TX Metro Division	2%	1%	1.86%	2021	32%	14%	1.20%	1.06%
Washington	3%	3%	1.92%	Denver-Aurora-Lakewood, CO MSA	2%	1%	1.12%	2022	25%	3%	0.54%	0.52%
All Other States ⁽⁴⁾	45%	42%	1.94%	All Other MSAs	77%	71%	2.00%	Total	100%	100%	2.08%	4.28%
Total	100%	100%	2.08%	Total	100%	100%	2.08%					

December 31, 2021

Top 10 States	% RIF	% Case Reserves ⁽¹⁾	Delq Rate	Top 10 MSAs / Metro Divisions	% RIF	% Case Reserves ⁽¹⁾	Delq Rate	Book Year RIF & Losses	% RIF	% Case Reserves ⁽¹⁾	Delq Rate	Cum Delq Rate ⁽²⁾
California	11%	12%	3.17%	Chicago-Naperville, IL Metro Division	3%	4%	3.65%	2008 and prior	3%	24%	10.54%	5.59%
Texas	8%	8%	2.89%	Phoenix, AZ MSA	3%	2%	2.38%	2009-2013	1%	2%	5.54%	0.74%
Florida ⁽³⁾	7%	9%	2.97%	New York, NY Metro Division	3%	8%	5.32%	2014	1%	3%	5.51%	0.99%
New York ⁽³⁾	5%	12%	3.80%	Atlanta, GA MSA	2%	3%	3.28%	2015	2%	5%	4.24%	1.04%
Illinois ⁽³⁾	5%	6%	3.09%	Washington-Arlington, DC Metro Division	2%	2%	2.89%	2016	4%	8%	3.69%	1.16%
Arizona	4%	2%	1.87%	Houston, TX MSA	2%	3%	3.61%	2017	4%	10%	4.78%	1.56%
Michigan	4%	2%	2.31%	Riverside-San Bernardino CA MSA	2%	2%	3.42%	2018	4%	13%	5.33%	1.89%
North Carolina	3%	2%	2.18%	Los Angeles-Long Beach, CA Metro Division	2%	3%	3.95%	2019	10%	19%	3.89%	1.68%
Pennsylvania ⁽³⁾	3%	3%	2.38%	Dallas, TX Metro Division	2%	2%	2.31%	2020	31%	14%	1.50%	1.14%
Washington	3%	3%	2.98%	Nassau County, NY	2%	4%	5.55%	2021	40%	2%	0.37%	0.36%
All Other States ⁽⁴⁾	47%	41%	2.46%	All Other MSAs	77%	67%	2.44%	Total	100%	100%	2.65%	4.42%
Total	100%	100%	2.65%	Total	100%	100%	2.65%					

⁽¹⁾ This represents direct primary case reserves, which exclude loss adjustment expenses, pool, incurred but not reported and reinsurance reserves.

⁽²⁾ 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.

⁽³⁾ Jurisdiction predominantly uses a judicial foreclosure process, which generally increases the amount of time it takes for a foreclosure to be completed.

⁽⁴⁾ Includes the District of Columbia.

Composition of Investments at Fair Value
(amounts in thousands)

	December 31, 2022		September 30, 2022		June 30, 2022		March 31, 2022		December 31, 2021		September 30, 2021		June 30, 2021		March 31, 2021	
	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total
Fixed Maturity Securities:																
U.S. treasuries	\$44,769	1%	\$44,654	1%	\$49,668	1%	\$56,751	1%	\$58,408	1%	\$65,117	1%	\$65,625	1%	\$70,832	1%
Municipals	419,856	9%	432,229	9%	469,509	10%	508,391	10%	538,453	10%	459,783	9%	408,317	8%	300,104	6%
Non-U.S. government	9,349	-%	9,252	-%	21,120	-%	21,529	-%	22,416	-%	22,758	-%	22,950	1%	30,415	1%
U.S. corporate	2,646,863	54%	2,639,184	54%	2,742,523	56%	2,882,497	57%	2,945,353	56%	2,945,106	55%	2,861,598	55%	2,844,775	56%
Non-U.S. corporate	652,844	13%	647,063	14%	618,710	13%	629,795	12%	666,594	13%	712,603	13%	692,068	13%	679,302	13%
Residential MBS	11,043	-%	11,743	-%	0	-%	0	-%	0	-%	0	-%	0	-%	0	-%
Other asset-backed	1,100,036	23%	1,093,777	22%	1,007,832	20%	994,121	20%	1,035,165	20%	1,167,700	22%	1,175,909	22%	1,180,700	23%
Total available-for-sale fixed maturity securities	\$4,884,760	100%	\$4,877,902	100%	\$4,909,362	100%	\$5,093,084	100%	\$5,266,339	100%	\$5,376,067	100%	\$5,256,467	100%	\$5,106,128	100%
Fixed Maturity Securities - Credit Quality																
NRSRO⁽¹⁾ Designation																
AAA	\$492,318	10%	\$503,574	10%	\$441,105	9%	\$432,633	9%	\$482,950	9%	\$485,739	9%	\$483,513	9%	\$475,369	9%
AA	781,883	16%	771,698	16%	798,828	16%	839,185	16%	876,294	17%	898,158	17%	841,282	16%	777,345	15%
A	1,686,409	34%	1,699,803	35%	1,686,644	34%	1,736,936	34%	1,791,562	34%	1,829,844	34%	1,763,010	34%	1,786,601	35%
BBB	1,862,634	38%	1,790,168	37%	1,855,984	38%	1,936,838	38%	1,958,901	37%	2,004,904	37%	2,013,940	38%	1,921,669	38%
BB & Lower	101,516	2%	112,659	2%	126,801	3%	147,492	3%	156,612	3%	157,332	3%	154,722	3%	144,814	3%
Total fixed maturity securities	\$4,884,760	100%	\$4,877,902	100%	\$4,909,362	100%	\$5,093,084	100%	\$5,266,339	100%	\$5,376,067	100%	\$5,256,467	100%	\$5,106,128	100%
Average duration	3.6		3.7		3.8		3.8		3.9		3.7		3.6		3.6	
Average yield	3.1%		3.0%		2.8%		2.7%		2.7%		2.7%		2.8%		2.8%	

⁽¹⁾Nationally Recognized Statistical Rating Organizations.

Credit Risk Transfer Transaction Summary
(amounts in millions)

	2020 ILN 1/20-8/20	2021-1 ILN 1/14-12/18, 4Q'19	2021-2 ILN 9/20-12/20	2021-3 ILN 1/21-6/21	2020 XOL Full Year 2020	2021 XOL Full Year 2021	2022-1 XOL Full Year 2022	2022-2 XOL Full Year 2022	2022-3 XOL 7/21-12/21	2022-4 XOL 7/21-12/21	2022-5 XOL 1/22-6/22
At Closing											
Initial CRT Risk In-Force	\$14,909	\$14,142	\$8,384	\$12,141	\$23,047	\$22,373	\$15,400	\$15,400	\$10,550	\$10,550	\$8,547
Initial Reinsurance Amount	\$350	\$495	\$303	\$372	\$168	\$206	\$196	\$25	\$289	\$36	\$201
Initial First Loss Retention Layer	\$522	\$212	\$189	\$304	\$691	\$671	\$462	\$385	\$317	\$264	\$256
Initial Attachment % ⁽²⁾	3.50%	1.50%	2.25%	2.50%	3.00%	3.00%	3.00%	2.50%	3.00%	2.50%	3.00%
Initial Detachment % ⁽²⁾	7.00%	5.00%	7.00%	6.75%	7.00%	7.00%	6.99%	3.00%	7.00%	3.00%	7.00%
% Of Covered Loss Tier Reinsured	67.00%	100.00%	76.00%	72.00%	18.25%	23.00%	31.92%	31.92%	68.45%	68.45%	58.80%
Commencement Date	10/22/20	03/02/21	04/16/21	09/02/21	01/01/20	01/01/21	01/01/22	01/01/22	03/01/22	03/01/22	09/01/22
Termination Date	10/25/30	08/25/33	10/25/33	02/25/34	12/31/30	12/31/31	12/31/32	12/31/32	12/31/31	12/31/31	12/31/32
Optional Call Date	10/25/27	02/25/26	04/25/28	08/25/28	06/30/27	06/30/28	12/31/29	12/31/29	12/31/28	12/31/28	01/01/30
Clean-Up Call	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
As of December 31, 2022											
Current CRT Risk In Force ⁽¹⁾	\$7,582	\$5,400	\$6,147	\$10,106	\$14,060	\$20,230	\$15,400	\$15,400	\$9,790	\$9,790	\$8,243
Current Reinsurance Amount	\$65	\$147	\$248	\$346	\$54	\$192	\$196	\$25	\$282	\$36	\$193
PMIEs Required Asset Credit ⁽³⁾	\$0	\$130	\$187	\$318	\$52	\$185	\$189	\$24	\$271	\$35	\$187
Current Attachment % ⁽²⁾	6.88%	3.92%	3.07%	3.00%	4.92%	3.32%	3.00%	2.50%	3.23%	2.69%	3.11%
Current Detachment % ⁽²⁾	8.16%	6.64%	8.38%	7.76%	7.03%	7.44%	6.99%	3.00%	7.44%	3.23%	7.09%
Enact Claims Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incurred Losses Ever To Date ⁽⁴⁾	\$42	\$29	\$26	\$33	\$80	\$66	\$15	\$15	\$26	\$26	\$11
Remaining First Loss Retention Layer	\$522	\$212	\$189	\$303	\$691	\$671	\$462	\$385	\$317	\$264	\$256
Reinsurer Claims Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

⁽¹⁾ The total primary risk in force is \$62.8B and the total current risk in force covered by a CRT is \$55.9B.

⁽²⁾ Attachment % and detachment % are the aggregate loss amounts as a percentage of risk in force at which the reinsurer begins and stops paying claims under the policy.

⁽³⁾ Current PMIEs required asset credit considers the counterparty credit haircut.

⁽⁴⁾ Incurred losses ever to date shown does not include IBNR or loss adjustment expenses.

Definitions: CRT = Credit Risk Transfer; RIF = Risk In Force; XOL = Excess Of Loss; ILN = Insurance Linked Note

Capital & PMIERS
(dollar amounts in millions)

	2022				2021			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
COMBINED STAT:								
Statutory policyholders' surplus	\$1,136	\$1,348	\$1,277	\$1,442	\$1,397	\$1,558	\$1,567	\$1,557
Contingency reserves	3,551	3,424	3,297	3,168	3,042	2,914	2,783	2,852
Combined statutory capital	\$4,687	\$4,772	\$4,574	\$4,610	\$4,439	\$4,472	\$4,350	\$4,209
Adjusted RIF ⁽¹⁾	\$80,061	\$58,542	\$57,407	\$55,512	\$54,201	\$52,752	\$51,436	\$49,347
Combined risk-to-capital ratio ("RTC")	12.8	12.3	12.6	12.0	12.2	11.8	11.8	11.7
EMICO⁽²⁾ STAT:								
Statutory policyholders' surplus	\$1,084	\$1,296	\$1,226	\$1,390	\$1,346	\$1,508	\$1,487	\$1,477
Contingency reserves	3,548	3,422	3,294	3,167	3,041	2,913	2,782	2,852
EMICO statutory capital	\$4,632	\$4,718	\$4,520	\$4,557	\$4,387	\$4,421	\$4,269	\$4,129
Adjusted RIF ⁽¹⁾	\$59,663	\$58,233	\$57,169	\$55,321	\$54,033	\$52,608	\$51,312	\$49,249
EMICO risk-to-capital ratio	12.9	12.3	12.6	12.1	12.3	11.9	12.0	11.9
PMIERS Available Assets⁽³⁾	\$5,206	\$5,292	\$5,147	\$5,222	\$5,077	\$5,126	\$4,926	\$4,769
PMIERS Gross Required Assets ⁽³⁾	(4,866)	(4,773)	(4,789)	(4,855)	(4,868)	(5,006)	(5,151)	(5,302)
PMIERS Reinsurance Credit	1,578	1,590	1,511	1,622	1,404	1,597	1,406	1,285
PMIERS COVID-19 Haircut	132	140	178	272	390	570	760	1,012
PMIERS Net Required Assets	(\$3,156)	(\$3,043)	(\$3,100)	(\$2,961)	(\$3,074)	(\$2,839)	(\$2,985)	(\$3,005)
Available Assets Above PMIERS Requirements⁽³⁾	\$2,050	\$2,249	\$2,047	\$2,261	\$2,003	\$2,287	\$1,941	\$1,764
PMIERS Sufficiency Ratio⁽³⁾	165 %	174 %	166 %	176 %	165 %	181 %	165 %	159 %

⁽¹⁾ Adjusted RIF for purposes of calculating combined statutory RTC differs from RIF presented elsewhere in this financial supplement. In accordance with North Carolina Department of Insurance requirements, adjusted RIF excludes delinquent policies.

⁽²⁾ Enact Mortgage Insurance Corporation (EMICO), the company's principal U.S. mortgage insurance subsidiary.

⁽³⁾ The PMIERS sufficiency ratio is calculated as available assets divided by required assets as defined within PMIERS. The current period PMIERS sufficiency ratio is an estimate due to the timing of the PMIERS filing and does not take into consideration the impact of restrictions recently imposed by the government-sponsored enterprises (GSEs). The GSEs have imposed certain capital restrictions on the company which remain in effect until certain conditions are met. These restrictions required EMICO to maintain 115% of published PMIERS minimum required assets among other restrictions as of December 31, 2021. Effective January 1, 2022, these requirements increased to 120%.

