

Edgar Filing: RADIAN GROUP INC - Form 10-Q

RADIAN GROUP INC

Form 10-Q

November 08, 2018

false--12-31Q320182018-09-3010-Q0000890926213333428YesfalseLarge Accelerated FilerRadian Group Inc.false23000009420887030142231250061000000342621700038388230001631060000.00250.00250.00250.00250.0000890926 2018-01-01 2018-09-30 0000890926 2018-11-05 0000890926 2017-12-31 0000890926 2018-09-30 0000890926 2017-01-01 2017-09-30 0000890926 2018-07-01 2018-09-30 0000890926 2017-07-01 2017-09-30 0000890926 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-12-31 0000890926 us-gaap:CommonStockMember 2018-01-01 2018-09-30 0000890926 us-gaap:ParentMember 2018-09-30 0000890926 us-gaap:CommonStockMember 2016-12-31 0000890926 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-01-01 2017-09-30 0000890926 us-gaap:AdditionalPaidInCapitalMember 2018-01-01 2018-09-30 0000890926 us-gaap:TreasuryStockMember 2018-09-30 0000890926 rdn:AccountingStandardsUpdate201802Member us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-12-31 0000890926 us-gaap:TreasuryStockMember 2017-12-31 0000890926 us-gaap:AccountingStandardsUpdate201601Member us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-12-31 0000890926 us-gaap:TreasuryStockMember 2018-01-01 2018-09-30 0000890926 us-gaap:AdditionalPaidInCapitalMember 2017-01-01 2017-09-30 0000890926 rdn:AccountingStandardsUpdate201802Member us-gaap:RetainedEarningsMember 2017-12-31 0000890926 us-gaap:RetainedEarningsMember 2017-01-01 2017-09-30 0000890926 us-gaap:RetainedEarningsMember 2017-12-31 0000890926 us-gaap:RetainedEarningsMember 2018-01-01 2018-09-30 0000890926 us-gaap:AdditionalPaidInCapitalMember 2017-12-31 0000890926 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-01-01 2018-09-30 0000890926 us-gaap:RetainedEarningsMember 2016-12-31 0000890926 us-gaap:AccountingStandardsUpdate201601Member us-gaap:RetainedEarningsMember 2016-12-31 0000890926 us-gaap:CommonStockMember 2017-01-01 2017-09-30 0000890926 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-09-30 0000890926 us-gaap:CommonStockMember 2017-09-30 0000890926 rdn:AccountingStandardsUpdate201802Member us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-12-31 0000890926 us-gaap:AccountingStandardsUpdate201601Member us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-12-31 0000890926 rdn:AccountingStandardsUpdate201802Member us-gaap:RetainedEarningsMember 2016-12-31 0000890926 us-gaap:TreasuryStockMember 2017-09-30 0000890926 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-09-30 0000890926 us-gaap:CommonStockMember 2017-12-31 0000890926 us-gaap:AccountingStandardsUpdate201601Member us-gaap:RetainedEarningsMember 2017-12-31 0000890926 us-gaap:AccountingStandardsUpdate201609Member us-gaap:AdditionalPaidInCapitalMember 2017-12-31 0000890926 us-gaap:AccountingStandardsUpdate201609Member us-gaap:AdditionalPaidInCapitalMember 2016-12-31 0000890926 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-12-31 0000890926 us-gaap:ParentMember 2017-09-30 0000890926 us-gaap:AdditionalPaidInCapitalMember 2016-12-31 0000890926 us-gaap:RetainedEarningsMember 2017-09-30 0000890926 us-gaap:AccountingStandardsUpdate201609Member us-gaap:RetainedEarningsMember 2016-12-31 0000890926 us-gaap:TreasuryStockMember 2016-12-31 0000890926 us-gaap:TreasuryStockMember 2017-01-01 2017-09-30 0000890926 us-gaap:AdditionalPaidInCapitalMember 2017-09-30 0000890926 us-gaap:AdditionalPaidInCapitalMember 2018-09-30 0000890926 us-gaap:CommonStockMember 2018-09-30 0000890926 us-gaap:RetainedEarningsMember 2018-09-30 0000890926 us-gaap:AccountingStandardsUpdate201609Member us-gaap:RetainedEarningsMember 2017-12-31 0000890926 2016-12-31 0000890926 2017-09-30 0000890926 rdn:MortgageandRealEstateServicesSegmentMember 2017-12-31 0000890926 rdn:MortgageandRealEstateServicesSegmentMember 2018-09-30 0000890926 rdn:MortgageandRealEstateServicesSegmentMember 2018-07-01 2018-09-30 0000890926 rdn:EmployeeSeveranceandBenefitCostsMember rdn:MortgageandRealEstateServicesSegmentMember us-gaap:ScenarioForecastMember 2018-01-01 2018-12-31 0000890926 rdn:MortgageandRealEstateServicesSegmentMember 2018-01-01 2018-09-30 0000890926 us-gaap:InternalRevenueServiceIRSMember rdn:REMICResidualMember 2018-04-01 2018-06-30 0000890926 rdn:ThirdQuarter2017RepurchaseProgramMember 2018-01-01 2018-06-30 0000890926

Edgar Filing: RADIAN GROUP INC - Form 10-Q

rdn:MortgageInsuranceSegmentMember 2018-09-30 0000890926 us-gaap:InternalRevenueServiceIRSMember  
rdn:REMICResidualMember 2018-09-30 0000890926 rdn:MortgageandRealEstateServicesSegmentMember  
us-gaap:ScenarioForecastMember 2018-01-01 2018-12-31 0000890926 rdn:AssetImpairmentChargesMember  
rdn:MortgageandRealEstateServicesSegmentMember 2018-07-01 2018-09-30 0000890926  
rdn:AssetImpairmentChargesMember rdn:MortgageandRealEstateServicesSegmentMember 2018-01-01 2018-09-30  
0000890926 rdn:MortgageandRealEstateServicesSegmentMember 2017-01-01 2017-09-30 0000890926  
rdn:UnrealizedLossRelatedtoEquitySecuritiesMember us-gaap:AccountingStandardsUpdate201601Member  
us-gaap:RetainedEarningsMember 2017-12-31 0000890926  
rdn:PracticalExpedienttoMeasureCertainOtherInvestmentsUsingtheNAVMember  
us-gaap:AccountingStandardsUpdate201601Member us-gaap:RetainedEarningsMember 2017-12-31 0000890926  
rdn:FacilityandLeaseTerminationCostsMember rdn:MortgageandRealEstateServicesSegmentMember  
us-gaap:ScenarioForecastMember 2018-01-01 2018-12-31 0000890926 rdn:AssetImpairmentChargesMember  
rdn:MortgageandRealEstateServicesSegmentMember us-gaap:ScenarioForecastMember 2018-01-01 2018-12-31  
0000890926 rdn:ThirdQuarter2018RepurchaseProgramMember 2018-08-16 0000890926  
rdn:MortgageandRealEstateServicesSegmentMember us-gaap:ScenarioForecastMember 2018-07-01 2018-12-31  
0000890926 rdn:TotalPrimaryInsuranceMortgageInsuranceProductsMember rdn:MortgageInsuranceSegmentMember  
2018-09-30 0000890926 rdn:ThirdQuarter2017RepurchaseProgramMember 2017-08-09 0000890926  
rdn:ThirdQuarter2018RepurchaseProgramMember 2018-09-30 0000890926  
rdn:MortgageandRealEstateServicesSegmentMember 2017-07-01 2017-09-30 0000890926 rdn:TitleServicesMember  
rdn:MortgageandRealEstateServicesSegmentMember 2018-07-01 2018-09-30 0000890926  
rdn:MortgageServicesMember rdn:MortgageandRealEstateServicesSegmentMember 2018-01-01 2018-09-30  
0000890926 rdn:TitleServicesMember rdn:MortgageandRealEstateServicesSegmentMember 2017-01-01 2017-09-30  
0000890926 rdn:MortgageServicesMember rdn:MortgageandRealEstateServicesSegmentMember 2017-07-01  
2017-09-30 0000890926 rdn:MortgageServicesMember rdn:MortgageandRealEstateServicesSegmentMember  
2018-07-01 2018-09-30 0000890926 rdn:RealEstateServicesMember  
rdn:MortgageandRealEstateServicesSegmentMember 2018-01-01 2018-09-30 0000890926 rdn:TitleServicesMember  
rdn:MortgageandRealEstateServicesSegmentMember 2017-07-01 2017-09-30 0000890926  
rdn:RealEstateServicesMember rdn:MortgageandRealEstateServicesSegmentMember 2018-07-01 2018-09-30  
0000890926 rdn:MortgageServicesMember rdn:MortgageandRealEstateServicesSegmentMember 2017-01-01  
2017-09-30 0000890926 rdn:TitleServicesMember rdn:MortgageandRealEstateServicesSegmentMember 2018-01-01  
2018-09-30 0000890926 rdn:RealEstateServicesMember rdn:MortgageandRealEstateServicesSegmentMember  
2017-01-01 2017-09-30 0000890926 rdn:RealEstateServicesMember  
rdn:MortgageandRealEstateServicesSegmentMember 2017-07-01 2017-09-30 0000890926  
us-gaap:AccountingStandardsUpdate201601Member 2017-12-31 0000890926  
us-gaap:StockCompensationPlanMember 2017-07-01 2017-09-30 0000890926  
us-gaap:StockCompensationPlanMember 2018-01-01 2018-09-30 0000890926  
us-gaap:StockCompensationPlanMember 2017-01-01 2017-09-30 0000890926  
us-gaap:StockCompensationPlanMember 2018-07-01 2018-09-30 0000890926  
rdn:ConvertibleSeniorNotesDue2019Member us-gaap:ConvertibleDebtMember 2018-07-01 2018-09-30 0000890926  
rdn:ConvertibleSeniorNotesDue2019Member us-gaap:ConvertibleDebtMember 2018-01-01 2018-09-30 0000890926  
rdn:ConvertibleSeniorNotesDue2019Member us-gaap:ConvertibleDebtMember 2017-07-01 2017-09-30 0000890926  
rdn:ConvertibleSeniorNotesDue2017Member us-gaap:ConvertibleDebtMember 2018-07-01 2018-09-30 0000890926  
rdn:ConvertibleSeniorNotesDue2019Member us-gaap:ConvertibleDebtMember 2017-01-01 2017-09-30 0000890926  
rdn:ConvertibleSeniorNotesDue2017Member us-gaap:ConvertibleDebtMember 2017-01-01 2017-09-30 0000890926  
rdn:ConvertibleSeniorNotesDue2017Member us-gaap:ConvertibleDebtMember 2017-07-01 2017-09-30 0000890926  
rdn:ConvertibleSeniorNotesDue2017Member us-gaap:ConvertibleDebtMember 2018-01-01 2018-09-30 0000890926  
rdn:SeniorNotesDue2019Member us-gaap:SeniorNotesMember 2018-09-30 0000890926  
rdn:MortgageInsuranceSegmentMember 2018-01-01 2018-09-30 0000890926  
rdn:MortgageInsuranceSegmentMember 2018-07-01 2018-09-30 0000890926  
rdn:MortgageInsuranceSegmentMember 2017-07-01 2017-09-30 0000890926  
rdn:MortgageInsuranceSegmentMember 2017-01-01 2017-09-30 0000890926

Edgar Filing: RADIAN GROUP INC - Form 10-Q

rdn:MortgageInsuranceSegmentMember 2017-12-31 0000890926 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CommercialMortgageBackedSecuritiesMember  
2018-09-30 0000890926 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-09-30 0000890926 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:OtherInvestmentsMember 2018-09-30 0000890926  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:EquitySecuritiesMember 2018-09-30 0000890926 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CorporateDebtSecuritiesMember 2018-09-30  
0000890926 us-gaap:FairValueMeasurementsRecurringMember us-gaap:USStatesAndPoliticalSubdivisionsMember  
2018-09-30 0000890926 us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:ResidentialMortgageBackedSecuritiesMember 2018-09-30 0000890926  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CommercialMortgageBackedSecuritiesMember  
2018-09-30 0000890926 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:CorporateDebtSecuritiesMember 2018-09-30 0000890926 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MoneyMarketFundsMember 2018-09-30 0000890926  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:ResidentialMortgageBackedSecuritiesMember 2018-09-30 0000890926  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MoneyMarketFundsMember 2018-09-30 0000890926  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000890926  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:OtherInvestmentsMember 2018-09-30 0000890926  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000890926  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000890926  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CorporateDebtSecuritiesMember 2018-09-30  
0000890926 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:OtherInvestmentsMember 2018-09-30 0000890926 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ResidentialMortgageBackedSecuritiesMember  
2018-09-30 0000890926 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USTreasuryAndGovernmentMember 2018-09-30 0000890926 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:AssetBackedSecuritiesMember 2018-09-30 0000890926  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:EquitySecuritiesMember 2018-09-30 0000890926 us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USTreasuryAndGovernmentMember 2018-09-30 0000890926 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2018-09-30  
0000890926 us-gaap:FairValueMeasurementsRecurringMember us-gaap:EquitySecuritiesMember 2018-09-30  
0000890926 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-09-30 0000890926 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MoneyMarketFundsMember 2018-09-30 0000890926  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:AssetBackedSecuritiesMember 2018-09-30 0000890926  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:AssetBackedSecuritiesMember 2018-09-30 0000890926 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CommercialMortgageBackedSecuritiesMember  
2018-09-30 0000890926 us-gaap:CarryingReportedAmountFairValueDisclosureMember 2018-09-30 0000890926  
us-gaap:CarryingReportedAmountFairValueDisclosureMember 2017-12-31 0000890926  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31 0000890926  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30 0000890926  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000890926  
us-gaap:SecuritiesFinancingTransactionFairValueMember 2018-09-30 0000890926  
us-gaap:SecuritiesFinancingTransactionFairValueMember 2017-12-31 0000890926  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000890926  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USTreasuryAndGovernmentMember 2017-12-31 0000890926 us-gaap:FairValueInputsLevel1Member

Edgar Filing: RADIAN GROUP INC - Form 10-Q

us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000890926 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:AssetBackedSecuritiesMember 2017-12-31 0000890926  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:CorporateDebtSecuritiesMember 2017-12-31 0000890926 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ResidentialMortgageBackedSecuritiesMember  
2017-12-31 0000890926 us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:ForeignGovernmentDebtSecuritiesMember 2017-12-31 0000890926 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:EquitySecuritiesMember 2017-12-31 0000890926  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:OtherInvestmentsMember 2017-12-31 0000890926  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000890926  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2017-12-31  
0000890926 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:MoneyMarketFundsMember 2017-12-31 0000890926 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ForeignGovernmentDebtSecuritiesMember 2017-12-31  
0000890926 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USTreasuryAndGovernmentMember 2017-12-31 0000890926 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:EquitySecuritiesMember 2017-12-31 0000890926  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CommercialMortgageBackedSecuritiesMember  
2017-12-31 0000890926 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:CommercialMortgageBackedSecuritiesMember 2017-12-31 0000890926  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:OtherInvestmentsMember 2017-12-31 0000890926 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ForeignGovernmentDebtSecuritiesMember 2017-12-31  
0000890926 us-gaap:FairValueMeasurementsRecurringMember us-gaap:AssetBackedSecuritiesMember 2017-12-31  
0000890926 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2017-12-31 0000890926 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MoneyMarketFundsMember 2017-12-31 0000890926  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2017-12-31 0000890926  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ResidentialMortgageBackedSecuritiesMember  
2017-12-31 0000890926 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:CorporateDebtSecuritiesMember 2017-12-31 0000890926  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USStatesAndPoliticalSubdivisionsMember 2017-12-31  
0000890926 us-gaap:FairValueMeasurementsRecurringMember us-gaap:CorporateDebtSecuritiesMember  
2017-12-31 0000890926 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:CommercialMortgageBackedSecuritiesMember 2017-12-31 0000890926  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MoneyMarketFundsMember 2017-12-31 0000890926  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:AssetBackedSecuritiesMember 2017-12-31 0000890926 us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:EquitySecuritiesMember 2017-12-31 0000890926 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:OtherInvestmentsMember 2017-12-31 0000890926  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:ResidentialMortgageBackedSecuritiesMember 2017-12-31 0000890926  
us-gaap:FairValueMeasurementsRecurringMember 2018-01-01 2018-09-30 0000890926  
us-gaap:FairValueMeasurementsRecurringMember 2018-07-01 2018-09-30 0000890926  
us-gaap:FairValueMeasurementsRecurringMember 2017-07-01 2017-09-30 0000890926  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000890926  
us-gaap:FairValueMeasurementsRecurringMember 2017-01-01 2017-09-30 0000890926  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0000890926  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FixedMaturitiesMember 2018-09-30 0000890926  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FixedMaturitiesMember 2018-09-30 0000890926

Edgar Filing: RADIAN GROUP INC - Form 10-Q

us-gaap:AssetBackedSecuritiesMember us-gaap:FixedMaturitiesMember 2018-09-30 0000890926  
us-gaap:CorporateDebtSecuritiesMember us-gaap:FixedMaturitiesMember 2018-09-30 0000890926  
us-gaap:USStatesAndPoliticalSubdivisionsMember us-gaap:FixedMaturitiesMember 2018-09-30 0000890926  
us-gaap:DebtSecuritiesMember us-gaap:FixedMaturitiesMember 2018-09-30 0000890926  
us-gaap:ResidentialMortgageBackedSecuritiesMember us-gaap:FixedMaturitiesMember 2018-09-30 0000890926  
us-gaap:EquitySecuritiesMember 2018-07-01 2018-09-30 0000890926 us-gaap:EquitySecuritiesMember 2017-01-01  
2017-09-30 0000890926 us-gaap:EquitySecuritiesMember 2018-01-01 2018-09-30 0000890926  
rdn:TradingSecuritiesMember 2017-01-01 2017-09-30 0000890926 rdn:TradingSecuritiesMember 2018-01-01  
2018-09-30 0000890926 rdn:TradingSecuritiesMember 2017-07-01 2017-09-30 0000890926  
rdn:TradingSecuritiesMember 2018-07-01 2018-09-30 0000890926 us-gaap:EquitySecuritiesMember 2017-07-01  
2017-09-30 0000890926 us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-09-30 0000890926  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember 2018-09-30 0000890926  
us-gaap:CorporateDebtSecuritiesMember 2018-09-30 0000890926  
us-gaap:CommercialMortgageBackedSecuritiesMember 2018-09-30 0000890926  
us-gaap:ResidentialMortgageBackedSecuritiesMember 2018-09-30 0000890926  
us-gaap:AssetBackedSecuritiesMember 2018-09-30 0000890926 us-gaap:FixedMaturitiesMember 2017-07-01  
2017-09-30 0000890926 us-gaap:OtherInvestmentsMember 2018-01-01 2018-09-30 0000890926  
us-gaap:OtherInvestmentsMember 2017-01-01 2017-09-30 0000890926 us-gaap:FixedMaturitiesMember 2018-07-01  
2018-09-30 0000890926 us-gaap:ShortTermInvestmentsMember 2017-01-01 2017-09-30 0000890926  
us-gaap:FixedMaturitiesMember 2017-01-01 2017-09-30 0000890926 us-gaap:ShortTermInvestmentsMember  
2017-07-01 2017-09-30 0000890926 us-gaap:FixedMaturitiesMember 2018-01-01 2018-09-30 0000890926  
us-gaap:ShortTermInvestmentsMember 2018-01-01 2018-09-30 0000890926 us-gaap:ShortTermInvestmentsMember  
2018-07-01 2018-09-30 0000890926 us-gaap:OtherInvestmentsMember 2017-07-01 2017-09-30 0000890926  
us-gaap:OtherInvestmentsMember 2018-07-01 2018-09-30 0000890926 srt:MinimumMember  
us-gaap:ForeignGovernmentDebtSecuritiesMember 2018-01-01 2018-09-30 0000890926  
us-gaap:DebtSecuritiesMember 2018-09-30 0000890926 srt:MinimumMember 2018-01-01 2018-09-30 0000890926  
us-gaap:DebtSecuritiesMember 2017-12-31 0000890926 us-gaap:EquitySecuritiesMember 2017-01-01 2017-09-30  
0000890926 us-gaap:FixedMaturitiesMember us-gaap:SecuritiesFinancingTransactionFairValueMember 2018-09-30  
0000890926 srt:MinimumMember us-gaap:SecuritiesFinancingTransactionFairValueMember 2018-01-01 2018-09-30  
0000890926 us-gaap:EquitySecuritiesMember us-gaap:SecuritiesFinancingTransactionFairValueMember 2017-12-31  
0000890926 us-gaap:FixedMaturitiesMember us-gaap:SecuritiesFinancingTransactionFairValueMember 2017-12-31  
0000890926 us-gaap:ConvertibleDebtSecuritiesMember 2017-01-01 2017-09-30 0000890926  
us-gaap:EquitySecuritiesMember 2017-12-31 0000890926 us-gaap:ForeignGovernmentDebtSecuritiesMember  
2017-12-31 0000890926 us-gaap:CorporateDebtSecuritiesMember 2017-12-31 0000890926  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2017-12-31 0000890926  
us-gaap:CommercialMortgageBackedSecuritiesMember 2017-12-31 0000890926  
us-gaap:AssetBackedSecuritiesMember 2017-12-31 0000890926  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember 2017-12-31 0000890926  
us-gaap:ResidentialMortgageBackedSecuritiesMember 2017-12-31 0000890926  
us-gaap:ForeignGovernmentDebtSecuritiesMember 2018-09-30 0000890926  
us-gaap:ForeignGovernmentDebtSecuritiesMember us-gaap:SecuritiesFinancingTransactionFairValueMember  
2017-12-31 0000890926 us-gaap:ForeignGovernmentDebtSecuritiesMember  
us-gaap:SecuritiesFinancingTransactionFairValueMember 2018-09-30 0000890926  
us-gaap:CorporateDebtSecuritiesMember us-gaap:SecuritiesFinancingTransactionFairValueMember 2017-12-31  
0000890926 us-gaap:SecuritiesFinancingTransactionCostMember 2017-12-31 0000890926  
us-gaap:USGovernmentCorporationsAndAgenciesSecuritiesMember  
us-gaap:SecuritiesFinancingTransactionFairValueMember 2017-12-31 0000890926 us-gaap:EquitySecuritiesMember  
us-gaap:SecuritiesFinancingTransactionFairValueMember 2018-09-30 0000890926  
us-gaap:USGovernmentCorporationsAndAgenciesSecuritiesMember  
us-gaap:SecuritiesFinancingTransactionFairValueMember 2018-09-30 0000890926  
us-gaap:SecuritiesFinancingTransactionCostMember 2018-09-30 0000890926

Edgar Filing: RADIAN GROUP INC - Form 10-Q

us-gaap:CorporateDebtSecuritiesMember us-gaap:SecuritiesFinancingTransactionFairValueMember 2018-09-30  
0000890926 rdn:NonAssetBackedSecurityInvestmentsContractualMaturitiesMember 2018-09-30 0000890926  
us-gaap:CustomerRelationshipsMember rdn:MortgageandRealEstateServicesSegmentMember 2017-07-01  
2017-09-30 0000890926 us-gaap:TechnologyBasedIntangibleAssetsMember  
rdn:MortgageandRealEstateServicesSegmentMember 2017-07-01 2017-09-30 0000890926  
rdn:MortgageandRealEstateServicesSegmentMember 2016-12-31 0000890926  
rdn:MortgageandRealEstateServicesSegmentMember 2017-01-01 2017-12-31 0000890926  
us-gaap:TechnologyBasedIntangibleAssetsMember rdn:MortgageandRealEstateServicesSegmentMember 2018-09-30  
0000890926 us-gaap:LicensingAgreementsMember rdn:MortgageandRealEstateServicesSegmentMember 2018-09-30  
0000890926 us-gaap:CustomerRelationshipsMember rdn:MortgageandRealEstateServicesSegmentMember  
2018-09-30 0000890926 us-gaap:OrderOrProductionBacklogMember  
rdn:MortgageandRealEstateServicesSegmentMember 2018-09-30 0000890926  
us-gaap:TrademarksAndTradeNamesMember rdn:MortgageandRealEstateServicesSegmentMember 2018-09-30  
0000890926 us-gaap:NoncompeteAgreementsMember rdn:MortgageandRealEstateServicesSegmentMember  
2018-09-30 0000890926 us-gaap:TechnologyBasedIntangibleAssetsMember  
rdn:MortgageandRealEstateServicesSegmentMember 2017-12-31 0000890926  
us-gaap:NoncompeteAgreementsMember rdn:MortgageandRealEstateServicesSegmentMember 2017-12-31  
0000890926 us-gaap:TrademarksAndTradeNamesMember rdn:MortgageandRealEstateServicesSegmentMember  
2017-12-31 0000890926 us-gaap:OrderOrProductionBacklogMember  
rdn:MortgageandRealEstateServicesSegmentMember 2017-12-31 0000890926  
us-gaap:CustomerRelationshipsMember rdn:MortgageandRealEstateServicesSegmentMember 2017-12-31  
0000890926 rdn:RadianGuarantyMember rdn:A2016SinglePremiumQSRTransactionMember  
us-gaap:ReinsurerConcentrationRiskMember 2018-09-30 0000890926 rdn:RadianGuarantyMember  
rdn:FirstLienMortgageInsuranceProductsMember rdn:QuotaShareReinsuranceTransactionsMember  
us-gaap:ReinsurerConcentrationRiskMember 2018-09-30 0000890926 rdn:RadianGuarantyMember  
rdn:A2018SinglePremiumQSRMember us-gaap:ReinsurerConcentrationRiskMember 2017-10-01 2017-10-31  
0000890926 rdn:RadianGuarantyMember rdn:FirstLienMortgageInsuranceProductsMember  
rdn:QuotaShareReinsuranceTransactionsMember us-gaap:ReinsurerConcentrationRiskMember 2017-09-30  
0000890926 rdn:RadianGuarantyMember rdn:A2016SinglePremiumQSRTransactionMember  
us-gaap:ReinsurerConcentrationRiskMember 2017-09-30 0000890926 rdn:RadianGuarantyMember  
rdn:A2018SinglePremiumQSRMember us-gaap:ReinsurerConcentrationRiskMember 2018-09-30 0000890926  
rdn:RadianGuarantyMember rdn:A2018SinglePremiumQSRMember us-gaap:ReinsurerConcentrationRiskMember  
2017-12-31 2017-12-31 0000890926 rdn:RadianGuarantyMember rdn:A2016SinglePremiumQSRTransactionMember  
us-gaap:ReinsurerConcentrationRiskMember 2015-01-01 2017-12-31 0000890926 rdn:RadianGuarantyMember  
rdn:QuotaShareReinsuranceTransactionsMember us-gaap:ReinsurerConcentrationRiskMember 2018-07-01  
2018-09-30 0000890926 rdn:RadianGuarantyMember rdn:QuotaShareReinsuranceTransactionsMember  
us-gaap:ReinsurerConcentrationRiskMember 2017-01-01 2017-09-30 0000890926 rdn:RadianGuarantyMember  
rdn:QuotaShareReinsuranceTransactionsMember us-gaap:ReinsurerConcentrationRiskMember 2017-07-01  
2017-09-30 0000890926 rdn:RadianGuarantyMember rdn:QuotaShareReinsuranceTransactionsMember  
us-gaap:ReinsurerConcentrationRiskMember 2018-01-01 2018-09-30 0000890926 rdn:RadianGuarantyMember  
rdn:SinglePremiumQSRTransactionMember us-gaap:ReinsurerConcentrationRiskMember 2018-01-01 2018-09-30  
0000890926 rdn:RadianGuarantyMember rdn:SinglePremiumQSRTransactionMember  
us-gaap:ReinsurerConcentrationRiskMember 2017-01-01 2017-09-30 0000890926 rdn:RadianGuarantyMember  
rdn:SinglePremiumQSRTransactionMember us-gaap:ReinsurerConcentrationRiskMember 2018-07-01 2018-09-30  
0000890926 rdn:RadianGuarantyMember rdn:SinglePremiumQSRTransactionMember  
us-gaap:ReinsurerConcentrationRiskMember 2017-07-01 2017-09-30 0000890926  
rdn:StateandLocalNOLCarryforwardsMember 2018-09-30 0000890926 us-gaap:InternalRevenueServiceIRSMember  
2018-01-01 2018-09-30 0000890926 rdn:PrimaryMortgageProductMember rdn:MortgageInsuranceSegmentMember  
2017-12-31 0000890926 rdn:AltAandAminusandBelowMortgageInsuranceProductMember  
rdn:MortgageInsuranceSegmentMember 2017-12-31 0000890926 rdn:PrimaryMortgageProductMember  
rdn:MortgageInsuranceSegmentMember 2018-09-30 0000890926 rdn:PrimeMortgageInsuranceProductMember

Edgar Filing: RADIAN GROUP INC - Form 10-Q

rdn:MortgageInsuranceSegmentMember 2017-12-31 0000890926 rdn:SecondLienMortgageInsuranceProductMember  
rdn:MortgageInsuranceSegmentMember 2018-09-30 0000890926 rdn:FirstLienMortgageInsuranceProductsMember  
rdn:MortgageInsuranceSegmentMember 2017-12-31 0000890926  
rdn:PoolInsuranceMortgageInsuranceProductMember rdn:MortgageInsuranceSegmentMember 2017-12-31  
0000890926 rdn:FirstLienMortgageInsuranceProductsMember rdn:MortgageInsuranceSegmentMember 2018-09-30  
0000890926 rdn:PrimeMortgageInsuranceProductMember rdn:MortgageInsuranceSegmentMember 2018-09-30  
0000890926 rdn:TotalPrimaryInsuranceMortgageInsuranceProductsMember rdn:MortgageInsuranceSegmentMember  
2017-12-31 0000890926 rdn:SecondLienMortgageInsuranceProductMember rdn:MortgageInsuranceSegmentMember  
2017-12-31 0000890926 rdn:PoolInsuranceMortgageInsuranceProductMember  
rdn:MortgageInsuranceSegmentMember 2018-09-30 0000890926  
rdn:AltAandAminusandBelowMortgageInsuranceProductMember rdn:MortgageInsuranceSegmentMember  
2018-09-30 0000890926 rdn:MortgageInsuranceSegmentMember 2016-12-31 0000890926  
rdn:MortgageInsuranceSegmentMember 2017-09-30 0000890926  
rdn:PoolInsuranceMortgageInsuranceProductMember rdn:MortgageInsuranceSegmentMember 2017-01-01  
2017-09-30 0000890926 rdn:PrimaryMortgageProductMember rdn:HurricanesHarveyandIrmaMember  
rdn:MortgageInsuranceSegmentMember 2018-09-30 0000890926 rdn:PrimaryMortgageProductMember  
rdn:MortgageInsuranceSegmentMember 2017-01-01 2017-12-31 0000890926 rdn:RadianGuarantyIncMember  
rdn:A2013FreddieMacAgreementMember rdn:MortgageInsuranceSegmentMember 2017-01-01 2017-09-30  
0000890926 rdn:PrimaryMortgageProductMember rdn:MortgageInsuranceSegmentMember 2018-01-01 2018-09-30  
0000890926 rdn:SeniorNotesDue2021Member 2018-09-30 0000890926 rdn:SeniorNotesDue2019Member  
2018-09-30 0000890926 rdn:SeniorNotesDue2024Member 2018-09-30 0000890926  
rdn:SeniorNotesDue2020Member 2017-12-31 0000890926 rdn:SeniorNotesDue2020Member 2018-09-30  
0000890926 rdn:SeniorNotesDue2024Member 2017-12-31 0000890926 rdn:SeniorNotesDue2021Member  
2017-12-31 0000890926 rdn:SeniorNotesDue2019Member 2017-12-31 0000890926  
us-gaap:RevolvingCreditFacilityMember 2017-10-16 0000890926 srt:MaximumMember 2018-01-01 2018-09-30  
0000890926 us-gaap:RevolvingCreditFacilityMember us-gaap:SubsequentEventMember 2018-10-26 0000890926  
us-gaap:RevolvingCreditFacilityMember 2018-09-30 0000890926  
rdn:TotalPrimaryInsuranceMortgageInsuranceProductsMember us-gaap:InsuranceClaimsMember 2018-01-01  
2018-09-30 0000890926 srt:MinimumMember us-gaap:UnassertedClaimMember 2018-09-30 0000890926  
rdn:PoolInsuranceMortgageInsuranceProductMember us-gaap:InsuranceClaimsMember 2018-01-01 2018-09-30  
0000890926 us-gaap:IndirectGuaranteeOfIndebtednessMember 2018-09-30 0000890926 rdn:OcwenMember  
rdn:AmendedMember 2017-06-05 0000890926 rdn:OcwenMember rdn:InitialMember 2016-12-17 0000890926  
rdn:NationstarMember rdn:InsurancepremiumrefundsMember 2018-08-31 0000890926 rdn:OcwenMember  
rdn:NarrowedScopeMember 2018-04-12 0000890926 rdn:NationstarMember rdn:InsurancecoverededecisionsMember  
2018-08-31 0000890926 2018-04-01 2018-06-30 0000890926 2017-04-01 2017-06-30 0000890926 2017-01-01  
2017-03-31 0000890926 2017-10-01 2017-12-31 0000890926 2018-01-01 2018-03-31 0000890926  
us-gaap:OtherComprehensiveIncomeMember 2018-01-01 2018-09-30 0000890926  
us-gaap:OtherComprehensiveIncomeMember 2018-06-30 0000890926 us-gaap:OtherComprehensiveIncomeMember  
2018-07-01 2018-09-30 0000890926 rdn:AccountingStandardsUpdate201802Member  
us-gaap:OtherComprehensiveIncomeMember 2017-12-31 0000890926 us-gaap:OtherComprehensiveIncomeMember  
2017-07-01 2017-09-30 0000890926 us-gaap:OtherComprehensiveIncomeMember 2017-01-01 2017-09-30  
0000890926 us-gaap:OtherComprehensiveIncomeMember 2018-09-30 0000890926  
us-gaap:OtherComprehensiveIncomeMember 2017-12-31 0000890926  
us-gaap:AccountingStandardsUpdate201601Member us-gaap:OtherComprehensiveIncomeMember 2018-06-30  
0000890926 us-gaap:OtherComprehensiveIncomeMember 2017-09-30 0000890926  
rdn:AccountingStandardsUpdate201802Member us-gaap:OtherComprehensiveIncomeMember 2018-06-30  
0000890926 us-gaap:AccountingStandardsUpdate201601Member us-gaap:OtherComprehensiveIncomeMember  
2017-12-31 0000890926 us-gaap:OtherComprehensiveIncomeMember 2016-12-31 0000890926  
us-gaap:OtherComprehensiveIncomeMember 2017-06-30 0000890926 rdn:RadianGuarantyMember 2018-09-30  
0000890926 rdn:RadianGuarantyMember 2017-12-31 0000890926 rdn:RadianGuarantyMember 2018-01-01  
2018-09-30 0000890926 srt:MaximumMember rdn:NonRBCStatesMember 2018-09-30 0000890926

us-gaap:ReportableSubsegmentsMember 2017-12-31 0000890926 srt:MinimumMember rdn:NonRBCStatesMember  
2018-09-30 0000890926 us-gaap:ReportableSubsegmentsMember 2018-09-30 iso4217:USD xbrli:shares  
iso4217:USD rdn:segment xbrli:pure xbrli:shares rdn:security rdn:Certificates rdn:state rdn:incident rdn:matter  
rdn:transaction

**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 September 30, 2018

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 1-11356

---

**Radian Group Inc.**

(Exact name of registrant as specified in its charter)

---

**Delaware**

(State or other jurisdiction of incorporation or organization)

**23-2691170**

(I.R.S. Employer Identification No.)

**1500 Market Street, Philadelphia, PA**

(Address of principal executive offices)

**19102**

(Zip Code)

**(215) 231-1000**

(Registrant's telephone number, including area code)

---

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  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 13(a) of the Exchange Act.

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



**APPLICABLE ONLY TO CORPORATE ISSUERS:**

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 213,333,428 shares of common stock, \$0.001 par value per share, outstanding on November 5, 2018.

---

## TABLE OF CONTENTS

	<b>Page Number</b>
<b><u>Glossary of Abbreviations and Acronyms</u></b>	<b><u>3</u></b>
<b><u>Cautionary Note Regarding Forward-Looking Statements—Safe Harbor Provisions</u></b>	<b><u>7</u></b>
<b><u>PART I—FINANCIAL INFORMATION</u></b>	
Item 1. <u>Financial Statements (Unaudited)</u>	<u>9</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>9</u>
<u>Condensed Consolidated Statements of Operations</u>	<u>10</u>
<u>Condensed Consolidated Statements of Comprehensive Income (Loss)</u>	<u>11</u>
<u>Condensed Consolidated Statements of Changes in Common Stockholders' Equity</u>	<u>12</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>13</u>
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	<u>14</u>
<u>Note 1 - Condensed Consolidated Financial Statements—Business Overview, Recent Developments and Significant Accounting Policies</u>	<u>14</u>
<u>Note 2 - Net Income Per Share</u>	<u>19</u>
<u>Note 3 - Segment Reporting</u>	<u>20</u>
<u>Note 4 - Fair Value of Financial Instruments</u>	<u>24</u>
<u>Note 5 - Investments</u>	<u>27</u>
<u>Note 6 - Goodwill and Other Acquired Intangible Assets, Net</u>	<u>33</u>
<u>Note 7 - Reinsurance</u>	<u>34</u>
<u>Note 8 - Other Assets</u>	<u>36</u>
<u>Note 9 - Income Taxes</u>	<u>36</u>
<u>Note 10 - Losses and Loss Adjustment Expense</u>	<u>37</u>
<u>Note 11 - Senior Notes</u>	<u>39</u>
<u>Note 12 - Other Liabilities</u>	<u>39</u>
<u>Note 13 - Commitments and Contingencies</u>	<u>40</u>
<u>Note 14 - Capital Stock</u>	<u>41</u>
<u>Note 15 - Accumulated Other Comprehensive Income (Loss)</u>	<u>42</u>
<u>Note 16 - Statutory Information</u>	<u>42</u>
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>44</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>77</u>
Item 4. <u>Controls and Procedures</u>	<u>79</u>
<b><u>PART II—OTHER INFORMATION</u></b>	
Item 1. <u>Legal Proceedings</u>	<u>81</u>
Item 1A. <u>Risk Factors</u>	<u>82</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>82</u>
Item 6. <u>Exhibits</u>	<u>83</u>
<b><u>SIGNATURES</u></b>	<b><u>84</u></b>

Table of Contents**GLOSSARY OF ABBREVIATIONS AND ACRONYMS**

The following list defines various abbreviations and acronyms used throughout this report, including the Condensed Consolidated Financial Statements, the Notes to Unaudited Condensed Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations.

<b>Term</b>	<b>Definition</b>
2014 Master Policy	Radian Guaranty's master insurance policy, setting forth the terms and conditions of our mortgage insurance coverage, which became effective October 1, 2014
2016 Single Premium QSR Agreement	Quota share reinsurance agreement entered into with a panel of third-party reinsurance providers in the first quarter of 2016 and subsequently amended in the fourth quarter of 2017
2017 Form 10-K	Annual Report on Form 10-K for the year ended December 31, 2017
2018 Single Premium QSR Agreement	Quota share reinsurance agreement entered into with a panel of third-party reinsurance providers in October 2017 to cede a portion of Single Premium NIW beginning January 1, 2018
ABS	Asset-backed securities
Alt-A	Alternative-A loans, representing loans for which the underwriting documentation is generally limited as compared to fully documented loans (considered a non-prime loan grade)
Available Assets	As defined in the PMIERS, assets primarily including the liquid assets of a mortgage insurer, and reduced by premiums received but not yet earned
Back-end	With respect to credit risk transfer programs established by the GSEs, policies written on loans that are already part of an existing GSE portfolio, as contrasted with loans that are to be purchased by the GSEs in the future
Borrower	With respect to our securities lending agreements, the third-party institutions to which we loan certain securities in our investment portfolio for short periods of time
Claim Curtailment	Our legal right, under certain conditions, to reduce the amount of a claim, including due to servicer negligence
Claim Denial	Our legal right, under certain conditions, to deny a claim
Claim Severity	The total claim amount paid divided by the original coverage amount
Clayton	Clayton Holdings LLC, a Delaware domiciled indirect non-insurance subsidiary of Radian Group
CMBS	Commercial mortgage-backed securities
Convertible Senior Notes due 2017	Our 3.000% convertible unsecured senior notes due November 2017 (\$450 million original principal amount)
Convertible Senior Notes due 2019	Our 2.250% convertible unsecured senior notes due March 2019 (\$400 million original principal amount)
Cures	Loans that were in default as of the beginning of a period and are no longer in default because payments were received such that the loan is no longer 60 or more days past due
Default to Claim Rate	The percentage of defaulted loans that are assumed to result in a claim
Discrete Item(s)	For tax calculation purposes, certain items that are required to be accounted for in the provision for income taxes as they occur and are not considered components of the estimated annualized effective tax rate for purposes of reporting interim results. Generally, these are items that are: (i) clearly defined (such as changes in tax rate or tax law); (ii) infrequent or unusual in nature; or (iii) gains or losses that are not components of continuing operating income, such as income from discontinued operations or losses reflected as components of other comprehensive income. These items impact the difference between the statutory rate and Radian's effective tax rate.
EnTitle Direct	EnTitle Direct Group, Inc., a wholly-owned subsidiary of Radian Group
EnTitle Insurance	EnTitle Insurance Company, a wholly-owned subsidiary of EnTitle Direct
Exchange Act	Securities Exchange Act of 1934, as amended
Extraordinary Dividend	A dividend distribution required to be approved by an insurance company's primary regulator that is greater than would be permitted as an ordinary dividend which does not require regulatory approval
Fannie Mae	Federal National Mortgage Association
FASB	Financial Accounting Standards Board



Table of Contents

<b>Term</b>	<b>Definition</b>
FEMA	Federal Emergency Management Agency, an agency of the U.S. Department of Homeland Security
FEMA Designated Area	Generally, an area that has been subject to a disaster, designated by FEMA as an individual assistance disaster area for the purpose of determining eligibility for various forms of federal assistance
FHA	Federal Housing Administration
FHFA	Federal Housing Finance Agency
FHLB	Federal Home Loan Bank of Pittsburgh
FICO	Fair Isaac Corporation ("FICO") credit scores, for Radian's portfolio statistics, represent the borrower's credit score at origination and, in circumstances where there is more than one borrower, the FICO score for the primary borrower is utilized
Flow Basis	With respect to mortgage insurance, includes mortgage insurance policies that are written on an individual loan basis as each loan is originated or on an aggregated basis (in which each individual loan in a group of loans is insured in a single transaction, typically shortly after the loans have been originated). Among other items, Flow Basis business excludes Pool Insurance, which we originated prior to 2009.
Foreclosure Stage Default	The Stage of Default indicating that the foreclosure sale has been scheduled or held
Freddie Mac	Federal Home Loan Mortgage Corporation
Freddie Mac Agreement	The Master Transaction Agreement between Radian Guaranty and Freddie Mac entered into in August 2013
Front-end	With respect to credit risk transfer programs established by the GSEs, policies written on loans that are to be purchased by the GSEs in the future, as contrasted with loans that are already part of an existing GSE portfolio
GAAP	Accounting principles generally accepted in the U.S.
Green River Capital	Green River Capital LLC, a wholly-owned subsidiary of Clayton
GSEs	Government-Sponsored Enterprises (Fannie Mae and Freddie Mac)
HARP	Home Affordable Refinance Program. See "Item 1. Business—Regulation—Federal Regulation— <i>Homeowner Assistance Programs</i> " in our 2017 Form 10-K for more information.
IBNR	Losses incurred but not reported
IIF	Insurance in force, equal to the aggregate unpaid principal balances of the underlying loans
IRS	Internal Revenue Service
IRS Matter	Our dispute with the IRS related to the assessed tax liabilities, penalties and interest from the IRS's examination of our 2000 through 2007 consolidated federal income tax returns. See Note 9 of Notes to Unaudited Condensed Consolidated Financial Statements for more information.
LAE	Loss adjustment expenses, which include the cost of investigating and adjusting losses and paying claims
Loss Mitigation Activity/Activities	Activities such as Rescissions, Claim Denials, Claim Curtailments and cancellations
LTV	Loan-to-value ratio, calculated as the percentage of the original loan amount to the original value of the property
Master Policies	The Prior Master Policy and the 2014 Master Policy, collectively
Minimum Required Assets	A risk-based minimum required asset amount, as defined in the PMIERS, calculated based on net RIF (RIF, net of credits permitted for reinsurance) and a variety of measures related to expected credit performance and other factors
Model Act	Mortgage Guaranty Insurers Model Act, as issued by the NAIC to establish minimum capital and surplus requirements for mortgage insurers
Monthly and Other Premiums	Insurance policies where premiums are paid on a monthly or other installment basis, in contrast to Single Premium Policies
Monthly Premium Policies	Insurance policies where premiums are paid on a monthly installment basis
Moody's	Moody's Investors Service

Table of Contents

Term	Definition
Mortgage Insurance	Radian's Mortgage Insurance business segment, which provides credit-related insurance coverage, principally through private mortgage insurance, as well as other credit risk management solutions to mortgage lending institutions and mortgage investors
MPP Requirement	Certain states' statutory or regulatory risk-based capital requirement that the mortgage insurer must maintain a minimum policyholder position, which is calculated based on both risk and surplus levels
NAIC	National Association of Insurance Commissioners
NIW	New insurance written
NOL	Net operating loss; for tax purposes, accumulated during years a company reported more tax deductions than taxable income. NOLs may be carried back or carried forward a certain number of years, depending on each jurisdiction, when the NOL occurs and the type of legal entity, thus reducing a company's tax liability
OCI	Other comprehensive income (loss)
Persistence Rate	The percentage of insurance in force that remains in force over a period of time
PMIERS	Private Mortgage Insurer Eligibility Requirements effective on December 31, 2015, issued by the GSEs under oversight of the FHFA to set forth requirements an approved insurer must meet and maintain to provide mortgage guaranty insurance on loans acquired by the GSEs
PMIERS 2.0	Revised PMIERS issued by the GSEs on September 27, 2018, which will become effective on March 31, 2019
Pool Insurance	Pool Insurance differs from primary insurance in that our maximum liability is not limited to a specific coverage percentage on an individual mortgage loan. Instead, an aggregate exposure limit, or "stop loss," is applied to the initial aggregate loan balance on a group or "pool" of mortgages
Prior Master Policy	Radian Guaranty's master insurance policy, setting forth the terms and conditions of our mortgage insurance coverage, which was in effect prior to the effective date of its 2014 Master Policy
QSR Program	The quota share reinsurance agreements entered into with a third-party reinsurance provider in the second and fourth quarters of 2012, collectively
Radian Radian Group	Radian Group Inc. together with its consolidated subsidiaries Radian Group Inc.
Radian Guaranty	Radian Guaranty Inc., a Pennsylvania domiciled insurance subsidiary of Radian Group
Radian Reinsurance	Radian Reinsurance Inc., a Pennsylvania domiciled insurance subsidiary of Radian Group
RBC States	Risk-based capital states, which are those states that currently impose a statutory or regulatory risk-based capital requirement
Red Bell	Red Bell Real Estate, LLC, a wholly-owned subsidiary of Clayton
Reinstatements	Reversals of previous Rescissions, Claim Denials and Claim Curtailments
REMIC	Real Estate Mortgage Investment Conduit
REO	Real estate owned
Rescission	Our legal right, under certain conditions, to unilaterally rescind coverage on our mortgage insurance policies if we determine that a loan did not qualify for insurance
RIF	Risk in force; for primary insurance, RIF is equal to the underlying loan unpaid principal balance multiplied by the insurance coverage percentage, whereas for Pool Insurance, it represents the remaining exposure under the agreements
Risk-to-capital	Under certain state regulations, a minimum ratio of statutory capital calculated relative to the level of net RIF
RMBS	Residential mortgage-backed securities
S&P	Standard & Poor's Financial Services LLC
SAPP	Statutory accounting principles and practices include those required or permitted, if applicable, by the insurance departments of the respective states of domicile of our insurance subsidiaries
SEC	United States Securities and Exchange Commission

Table of Contents

<b>Term</b>	<b>Definition</b>
Senior Notes due 2017	Our 9.000% unsecured senior notes due June 2017 (\$195.5 million original principal amount, of which the remaining outstanding principal was redeemed in August 2016)
Senior Notes due 2019	Our 5.500% unsecured senior notes due June 2019 (\$300 million original principal amount)
Senior Notes due 2020	Our 5.250% unsecured senior notes due June 2020 (\$350 million original principal amount)
Senior Notes due 2021	Our 7.000% unsecured senior notes due March 2021 (\$350 million original principal amount)
Senior Notes due 2024	Our 4.500% unsecured senior notes due October 2024 (\$450 million original principal amount)
Services	Radian's Services business segment, which is primarily a fee-for-service business that offers a broad array of both mortgage and real estate services to market participants across the mortgage and real estate value chain
Single Premium NIW (or IIF)	New insurance written or insurance in force, respectively, on Single Premium Policies
Single Premium Policy/Policies	Insurance policies where premiums are paid in a single payment, which includes policies written on an individual basis (as each loan is originated) and on an aggregated basis (in which each individual loan in a group of loans is insured in a single transaction, typically shortly after the loans have been originated)
Single Premium QSR Program	The 2016 Single Premium QSR Agreement and the 2018 Single Premium QSR Agreement, collectively
Stage of Default	The stage a loan is in relative to the foreclosure process, based on whether a foreclosure sale has been scheduled or held
Statutory RBC Requirement	Risk-based capital requirement imposed by the RBC States, requiring a minimum surplus level and, in certain states, a minimum ratio of statutory capital relative to the level of risk
Surplus Note TCJA	An intercompany 0.000% surplus note issued by Radian Guaranty to Radian Group H.R. 1, known as the Tax Cuts and Jobs Act, signed into law on December 22, 2017
Time in Default	The time period from the point a loan reaches default status (based on the month the default occurred) to the current reporting date
U.S.	The United States of America
U.S. Treasury	United States Department of the Treasury
VA	U.S. Department of Veterans Affairs
ValuAmerica	ValuAmerica, Inc., a wholly-owned subsidiary of Clayton

Table of Contents

Glossary

**Cautionary Note Regarding Forward-Looking Statements—Safe Harbor Provisions**

All statements in this report that address events, developments or results that we expect or anticipate may occur in the future are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Exchange Act and the U.S. Private Securities Litigation Reform Act of 1995. In most cases, forward-looking statements may be identified by words such as “anticipate,” “may,” “will,” “could,” “should,” “would,” “expect,” “intend,” “plan,” “contemplate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue,” “seek,” “strategy,” “future,” “likely” or the other variations on these words and other similar expressions. These statements, which may include, without limitation, projections regarding our future performance and financial condition, are made on the basis of management’s current views and assumptions with respect to future events. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking statement. These statements speak only as of the date they were made, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We operate in a changing environment where new risks emerge from time to time and it is not possible for us to predict all risks that may affect us. The forward-looking statements, as well as our prospects as a whole, are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements. These risks and uncertainties include, without limitation:

- changes in economic and political conditions that impact the size of the insurable market, the credit performance of our insured portfolio, and our business prospects;
- changes in the way customers, investors, ratings agencies, regulators or legislators perceive our performance, financial strength and future prospects;
- Radian Guaranty’s ability to remain eligible under the PMIERS and other applicable requirements imposed by the FHFA and by the GSEs to insure loans purchased by the GSEs;
- our ability to successfully execute and implement our capital plans, including plans for expanding our risk distribution strategy through the capital markets and reinsurance markets, and to maintain sufficient holding company liquidity to meet our short- and long-term liquidity needs;
- our ability to successfully execute and implement our business plans and strategies, including plans and strategies to reposition our Services segment as well as plans and strategies that require GSE and/or regulatory approvals and licenses;
- our ability to maintain an adequate level of capital in our insurance subsidiaries to satisfy existing and future state regulatory requirements;
- changes in the charters or business practices of, or rules or regulations imposed by or applicable to, the GSEs, which may include changes in the requirements to remain an approved insurer to the GSEs, the GSEs’ interpretation and application of the PMIERS, as well as potential future changes to the PMIERS requirements which, among other things, may be impacted by the general economic environment and housing market, as well as the proposed Conservator Capital Framework (“CCF”) that would establish capital requirements for the GSEs, if the CCF is finalized;
- changes in the current housing finance system in the U.S., including the role of the FHA, the GSEs and private mortgage insurers in this system;
- any disruption in the servicing of mortgages covered by our insurance policies, as well as poor servicer performance;
- a significant decrease in the Persistency Rates of our mortgage insurance on monthly premium products;
- competition in our mortgage insurance business, including price competition and competition from the FHA and VA as well as from other forms of credit enhancement;
- the effect of the Dodd-Frank Wall Street Reform and Consumer Protection Act on the financial services industry in general, and on our businesses in particular;
- legislative and regulatory activity (or inactivity), including the adoption of (or failure to adopt) new laws and regulations, or changes in existing laws and regulations, or the way they are interpreted or applied, including interpretations and guidance pertaining to recently enacted tax reform legislation;
- legal and regulatory claims, assertions, actions, reviews, audits, inquiries and investigations that could result in adverse judgments, settlements, fines, injunctions, restitutions or other relief that could require significant



expenditures or have other effects on our business;  
• the amount and timing of potential settlements, payments or adjustments associated with federal or other tax examinations;

7

---

Table of Contents

Glossary

the possibility that we may fail to estimate accurately the likelihood, magnitude and timing of losses in establishing loss reserves for our mortgage insurance business or to accurately calculate and/or project our Available Assets and Minimum Required Assets under the PMIERS, including PMIERS 2.0, which will be impacted by, among other things, the size and mix of our IIF, the level of defaults in our portfolio, the level of cash flow generated by our insurance operations and our risk distribution strategies;

volatility in our results of operations caused by changes in the fair value of our assets and liabilities, including a significant portion of our investment portfolio;

potential future impairment charges related to our goodwill and other acquired intangible assets, and uncertainties regarding our ability to execute our restructuring plans within expected costs;

changes in GAAP or SAPP rules and guidance, or their interpretation;

our ability to attract and retain key employees; and

legal and other limitations on dividends and other amounts we may receive from our subsidiaries.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of our 2017 Form 10-K, and to subsequent reports filed from time to time with the SEC. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date on which we issued this report. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason.

Table of ContentsGlossary**PART I—FINANCIAL INFORMATION****Item 1. Financial Statements (Unaudited)****Radian Group Inc.****CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

(\$ in thousands, except per-share amounts)

	September 30, 2018	December 31, 2017
<b>Assets</b>		
Investments (Note 5)		
Fixed-maturities available for sale—at fair value (amortized cost \$3,838,823 and \$3,426,217)	\$3,763,710	\$3,458,719
Trading securities—at fair value	493,956	606,401
Equity securities—at fair value (at December 31, 2017, classified as available for sale with related cost of \$163,106)	121,865	162,830
Short-term investments—at fair value (includes \$31,799 and \$19,357 of reinvested cash collateral held under securities lending agreements)	645,119	415,658
Other invested assets—at fair value (amortized cost at December 31, 2017)	3,585	334
Total investments	5,028,235	4,643,942
Cash	104,413	80,569
Restricted cash	9,925	15,675
Accounts and notes receivable	108,003	72,558
Deferred income taxes, net (Note 9)	134,201	