

Risk Factors Comparison 2025-02-19 to 2024-02-16 Form: 10-K

Legend: New Text ~~Removed Text~~ Unchanged Text Moved Text Section

Our current business and future results may be affected by a number of risks and uncertainties, including those described below. The risks and uncertainties described below are not the only risks and uncertainties we face. Additional risks and uncertainties not currently known to us or that we currently deem immaterial also may impair our business operations. If any of the following risks actually occur, our business, results of operations and financial condition could suffer. The risks discussed below also include forward- looking statements and our actual results may differ substantially from those discussed in these forward- looking statements. Risks Relating to the Operation of Our ~~Business~~ **Businesses** Intense competition within the private mortgage insurance industry could result in the loss of customers, lower premiums, wider credit guidelines and other changes which could lower our revenues or raise our costs. The private mortgage insurance industry is intensely competitive, with six private mortgage insurers currently approved and eligible to write business for the GSEs. We compete with other private mortgage insurers on the basis of pricing, terms and conditions, underwriting guidelines, loss mitigation practices, financial strength, reputation, customer relationships, service and other factors. One or more private mortgage insurers may seek increased market share from government- supported insurance programs, such as those sponsored by the FHA, or from other private mortgage insurers by reducing pricing, loosening their underwriting guidelines or relaxing their risk management practices, which could, in turn, improve their competitive position in the industry and negatively impact our level of ~~new insurance written, or~~ NIW. A decline in industry NIW might result in increased competition as certain private mortgage insurance companies may seek to maintain their NIW levels within a smaller market. In addition, the perceived increase in the credit quality of loans that currently are being insured, the relative financial strength of the existing mortgage insurance companies and the possibility of the private mortgage insurance market acquiring a greater share of the overall mortgage insurance market may encourage new entrants into the private mortgage insurance industry, which could further increase competition in our business. Our revenues, profitability and returns would decline if we lose a significant customer. Our **U. S.** mortgage insurance business depends on our relationships with our largest lending customers. Our top ten customers generated ~~48.50~~ **42** % of our NIW during year ended December 31, ~~2023~~ **2024**, compared to 39.9 % and 41.6 % for the years ended December 31, ~~2023 and 2022~~ **2023 and 2021**, respectively. For the year ended December 31, ~~2023~~ **2024**, one customer represented more than 10 % of our consolidated revenues. Maintaining our business relationships and business volumes with our largest lending customers remains critical to the success of our business. Our master policies do not, and by law cannot, require our customers to do business with us. Under the terms of our master policy, our customers, or the parties they designate to service the loans we insure, have the unilateral right to cancel our insurance coverage at any time for any loan that we insure. Upon cancellation of coverage, subject to the type of coverage, we may be required to refund unearned premiums, if any. In addition, adverse macroeconomic conditions could subject customers to serious financial constraints that may jeopardize the viability of their business plans or their access to additional capital, forcing them to consider alternatives such as bankruptcy or consolidation with others in the industry. Other factors, such as rising interest rates, which could reduce mortgage origination volumes generally, rising costs associated with regulatory compliance and the relative cost of capital, may also result in consolidation among our customers. In the event our customers consolidate, they may revisit their relationships with individual private mortgage insurers, such as us, which could result in a loss of customers or a reduction in our business. The loss of business from a significant customer could have a material adverse effect on the amount of new business we are able to write, and consequently, our revenue, and we can provide no assurance that any loss of business from a significant customer would be replaced from other new or existing lending customers. The amount of insurance we may be able to write could be adversely affected if lenders and investors select alternatives to private mortgage insurance. We compete for business with alternatives to private mortgage insurance, consisting primarily of government- supported mortgage insurance programs as well as home purchase or refinancing alternatives that do not use any form of mortgage insurance. Government- supported mortgage insurance programs include, but are not limited to federal mortgage insurance programs, including those offered by the FHA and VA, and state- supported mortgage insurance funds, including, but not limited to, those funds supported by the states of California and New York. Alternatives to **private** mortgage insurance include, but are not limited to: • lenders and other investors holding mortgages in their portfolios and self- insuring; • investors using other risk mitigation techniques in conjunction with reduced levels of private mortgage insurance coverage, or accepting credit risk without credit enhancement; • mortgage sellers retaining at least a 10 % participation in a loan or mortgage sellers agreeing to repurchase or replace a loan upon an event of default; and • lenders originating mortgages using "piggyback structures" which avoid private mortgage insurance, such as a first mortgage with an 80 % loan- to- value ratio and a second mortgage with a 10 %, 15 % or 20 % loan- to- value ratio (referred to as 80- 10- 10, 80- 15- 5 or 80- 20 loans, respectively) rather than a first mortgage with a 90 %, 95 % or 100 % loan- to- value ratio that has private mortgage insurance. Any of these alternatives to private mortgage insurance could reduce or eliminate the demand for our product, cause us to lose business or limit our ability to attract the business that we would prefer to insure. Government- supported mortgage insurance programs are not subject to the same capital requirements, risk tolerance or business objectives that we and other private mortgage insurance companies are, and therefore, generally have greater financial flexibility in setting their pricing, guidelines and capacity, which could put us at a competitive disadvantage. In addition, loans insured under FHA and other Federal government- supported mortgage insurance programs are eligible for securitization in Ginnie Mae securities, which may be viewed by investors as more desirable than Fannie Mae and Freddie Mac securities due to the explicit backing of Ginnie Mae securities by the full faith and credit of the U. S. Federal government. Consequently, if the FHA or other government- supported mortgage insurance programs

maintain or increase their share of the mortgage insurance market, our business could be affected. Factors that could cause the FHA or other government- supported mortgage insurance programs to maintain or increase their share of the mortgage insurance market include: • a reduction in the premiums charged for government mortgage insurance or a loosening of underwriting guidelines; • past and potential future capital constraints in the private mortgage insurance industry; • increases in premium rates or tightening of underwriting guidelines by private mortgage insurers based on past loan performance or other risk concerns; • increased levels of loss mitigation activity by private mortgage insurers on older vintage portfolios when compared to the more limited loss mitigation activities of government insurance programs; • imposition of additional loan level delivery fees by the GSEs on loans that require mortgage insurance; • increases in GSE guaranty fees and the difference in the spread between Fannie Mae mortgage- backed securities and Ginnie Mae mortgage- backed securities; • the perceived operational ease of using government insurance compared to the products of private mortgage insurers; • differences in the enforcement of program requirements by the FHA relative to the enforcement of policy terms by private entities; • the implementation of new or the amendment of current regulations under the Dodd- Frank Act (particularly with respect to the Qualified Mortgage and Qualified Residential Mortgage rules) and the Basel III Endgame, which may be more favorable to the FHA than to private mortgage insurers (see" Risks Related to Regulation and Litigation — Our business prospects and operating results could be adversely impacted if, and to the extent that, the Consumer Financial Protection Bureau's (" CFPB") rule defining a qualified mortgage (" QM") reduces the size of the origination market or creates incentives to use government mortgage insurance programs", " Risks Related to Regulation and Litigation — The amount of insurance we write could be adversely affected by the implementation of the Dodd- Frank Act' s risk retention requirements and the definition of Qualified Residential Mortgage (" QRM")" and" Risks Related to Regulation and Litigation — The implementation of the Basel rules discourage the use of mortgage insurance"); and • increases in FHA loan limits above GSE loan limits. Further, at the direction of the FHFA, the GSEs **may** continue to consider new, and to pursue existing, credit risk sharing programs. These programs have included the use of structured finance vehicles and off- shore reinsurance. The growth of these programs and the perception that some of these risk- sharing structures have beneficial features in comparison to private mortgage insurance (e. g. lower costs, reduced counterparty risk due to collateral on hand or more diversified insurance exposures) may create increased competition for mortgage insurance going forward on loans traditionally sold to the GSEs with private mortgage insurance. As part of their expanded risk sharing programs, the GSEs have also piloted programs to directly place mortgage insurance rather than have lenders place the mortgage insurance with private mortgage insurers. No assurances can be given that these practices may not be expanded to cover more loans traditionally insured by lenders with private mortgage insurance prior to sale to the GSEs, which could impact our business. In addition, in the event that a government- supported mortgage insurance program in one of our markets reduces prices significantly or alters the terms and conditions of its mortgage insurance or other credit enhancement products in furtherance of political, social or other goals rather than a profit motive, we may be unable to compete in that market effectively, which could have an adverse effect on our business, financial condition and operating results. If the volume of low down payment home mortgage originations declines, the amount of **mortgage** insurance that we write could decline, which would reduce our revenues. Our ability to write new **mortgage insurance** business depends, among other things, on the origination volume of low down payment mortgages that require mortgage insurance. Factors that affect the volume of low down payment mortgage originations include: • the level of home mortgage interest rates ; • **the health of the domestic economy as well as conditions in regional and local economies; • housing affordability;** • the deductibility of mortgage interest and mortgage insurance for income tax purposes ; • ~~the health of the domestic economy as well as conditions in regional and local economies; • housing affordability;~~ • population trends, including the rate of household formation; • the rate of home price appreciation, which in times of significant refinancing can affect whether refinance loans have loan- to- value ratios that require private mortgage insurance; • government housing policies encouraging loans to borrowers that may need low down payment financing, such as first- time homebuyers; • the extent to which the guaranty fees, loan- level price adjustments, credit underwriting guidelines and other business terms provided by the GSEs affect lenders' willingness to extend credit for low down payment mortgages; • requirements for ability- to- pay determinations prior to extending credit as discussed below; • restrictions on mortgage credit due to more stringent underwriting standards and the risk retention requirements for securitized mortgage loans affecting lenders as discussed below; and • changes in the credit standards, premiums or other terms of obtaining FHA, VA or USDA insurance, which competes directly with private mortgage insurance. If the volume of low down payment loan originations declines, then our ability to write new policies may suffer, and our revenue and results of operations may be negatively impacted. We expect our claims to increase as our portfolio matures. We believe that, based upon our experience and industry data, claims incidence for mortgage insurance is generally highest in the third through sixth years after loan origination. Although the claims experience on **NIW** ~~new insurance written~~ by us since we began to write coverage in 2010 has been relatively favorable to date, we expect incurred losses and claims to increase as a greater amount of this book of insurance reaches its anticipated period of highest claim frequency. As a result of the significant decrease in our persistency rate largely as a result of a high level of refinancings in 2020 and 2021 triggered by historically low interest rates precipitated by the economic impacts of the COVID- 19 pandemic, approximately **88-91** % of our aggregate insurance in force as of December 31, **2023-2024** corresponds to policies we have written since January 1, 2020. The actual default rate and the average reserve per default that we experience as our portfolio matures is difficult to predict, particularly in light of the consequences of the COVID- 19 pandemic, and is dependent on the specific characteristics of our current in- force book (including the credit score of the borrower, the loan- to- value ratio of the mortgage, geographic concentrations, etc.), as well as the profile of new business we write in the future. In addition, the default rate and the average reserve per default will be affected by future macroeconomic factors such as housing prices, interest rates and employment as well as the impacts of the COVID- 19 pandemic. Incurred losses and claims could be further increased in the future in the event of general economic weakness or decreases in housing values. An increase in the number or size of claims, compared to what we anticipate, could adversely affect our results of operations or financial conditions. Because we

establish loss reserves only upon a loan default rather than based on estimates of our ultimate losses on risk in force, losses may have a disproportionate adverse effect on our earnings in certain periods. In accordance with industry practice and statutory accounting rules applicable to mortgage guaranty insurance companies, we establish loss reserves only for loans in default. Reserves are established for reported insurance losses and loss adjustment expenses based on when notices of default on insured mortgage loans are received. Reserves are also established for estimated losses incurred in connection with defaults that have not yet been reported. We establish reserves using estimated claim rates and claim amounts in estimating the ultimate loss. Because our reserving method does not account for the impact of future losses that could occur from loans that are not yet delinquent, our obligation for ultimate losses that we expect to occur under our policies in force at any period end is not reflected in our financial statements, except in the case where a premium deficiency exists. As a result, future losses may have a material impact on future results as defaults occur. A downturn in the U. S. economy, a decline in the value of borrowers' homes from their value at the time their loans close and natural disasters, acts of terrorism or other catastrophic events may result in more homeowners defaulting and could increase our losses. Losses result from events that reduce a borrower' s ability to continue to make mortgage payments, such as increasing unemployment and whether the home of a borrower who defaults on his or her mortgage can be sold for an amount that will cover unpaid principal and interest and the expenses of the sale. In general, favorable economic conditions reduce the likelihood that borrowers will lack sufficient income to pay their mortgages and also favorably affect the value of homes, thereby reducing and in some cases even eliminating a loss from a mortgage default. Deterioration in economic conditions generally increases the likelihood that borrowers will not have sufficient income to pay their mortgages and can also adversely affect housing values, which in turn can decrease the willingness of borrowers with sufficient resources to make mortgage payments when the mortgage balance exceeds the value of the home. Housing values may decline even absent deterioration in economic conditions due to declines in demand for homes, which may result from changes in buyers' perceptions of the potential for future appreciation, restrictions on mortgage credit due to more stringent underwriting standards, liquidity issues affecting lenders or other factors, such as the phase- out of the mortgage interest deduction, ~~reductions or elimination in the deductibility of mortgage insurance premiums~~ or changes in the tax treatment of residential property. If our loss projections are inaccurate, our loss payments could materially exceed our expectations resulting in an adverse effect on our financial position and operating results. If economic conditions, such as employment and home prices, are less favorable than we expect, our premiums and underwriting standards may prove inadequate to shield us from a material increase in losses. In addition, natural disasters, such as hurricanes and floods, and acts of terrorism or other catastrophic events could result in increased claims against policies that we have written due to the impact that such events may have on the employment and income of borrowers and the value of affected homes, resulting in defaults on and claims under our policies. We cannot assure you that any strategies we may employ to mitigate the impact on us of such events, including limitations under our master policy on the payment of claims in certain circumstances where a property is damaged, the dispersal of our risk by geography and the potential use of third- party reinsurance structures, will be successful. If interest rates decline, house prices appreciate or mortgage insurance cancellation requirements change, the length of time that our policies remain in force could decline and cause a decline in our revenue. Generally, in each year, most of our **mortgage insurance** premiums are from **insurance policies** that **has have** been written in prior years. As a result, the length of time **mortgage insurance policies** remains in force, which is also generally referred to as persistency, is a significant determinant of our revenues. A lower level of persistency could reduce our future revenues. Our annual persistency rate was **85.7 %**, **86.9 %**, **and** **82.1 %** **and** **65.4 %** at December 31, **2024**, **2023**, **and** **2022** **and** **2021**, respectively. The factors affecting the persistency of our **mortgage** insurance portfolio include: • the level of current mortgage interest rates compared to the mortgage interest rates on the insurance in force, which affects the incentives of borrowers we have insured to refinance; • the amount of equity in a home, as homeowners with more equity in their homes can generally more readily move to a new residence or refinance their existing mortgage; • the rate at which homeowners sell their existing homes and move to new locations, generally referred to as housing turnover, with more rapid economic growth and stronger job markets tending to increase housing turnover; • the mortgage insurance cancellation policies of mortgage investors along with the current values of the homes underlying the mortgages in the insurance in force; and • the cancellation of borrower- paid mortgage insurance mandated by law based on the amortization schedule of the loan, which generally occurs sooner the lower the note rate of the insured loan. If interest rates rise, persistency is likely to increase, which may extend the average life of our insured portfolio and result in higher levels of future claims as more loans remain outstanding. ~~The extent to which the COVID-19 pandemic continues to impact our business, results of operations, financial condition and liquidity will depend on numerous evolving factors and future developments that we are not able to predict. Fannie Mae and Freddie Mae, the primary purchasers of mortgages we insure, adopted relief measures consistent with the CARES Act to assist borrowers impacted by COVID-19. Under these forbearance plans announced by the GSEs and implemented by their servicers, eligible homeowners who were adversely impacted by COVID-19 were permitted to temporarily reduce or suspend their mortgage payments for up to 18 months for borrowers in an active COVID-19 related forbearance as of February 28, 2021. At the end of the forbearance plan, the homeowner was required to pay back their reduced or suspended mortgage payments in one lump sum, but may have been eligible for a number of different options offered by their mortgage servicer, including repayment plans, resuming normal payments or lowering the monthly loan payment through a modification. However, there can be no assurances that homeowners will be able to remain current on their mortgages once the forbearance period ended, and a significant percentage could ultimately default and result in a mortgage insurance claim despite these forbearance programs. Furthermore, the risk that policy losses and loss adjustment expenses we ultimately incur as a result of COVID-19 and the related economic impact may be substantially different than the loss reserves established on our financial statements at the end of each period. In accordance with industry practice and statutory accounting rules applicable to mortgage guaranty insurance companies, we establish loss reserves only for loans reported to us in default, including forbearance-related defaults. These reserves are established using estimated claim rates and claim amounts in~~

estimating the ultimate loss, which estimates are subject to significant uncertainty given the unprecedented nature and magnitude of the COVID-19 pandemic. In addition, because our reserving method does not account for the impact of future losses that could occur from loans that are not yet delinquent, our obligation for ultimate losses that we expect to occur under our policies in force at any period end is not reflected in our financial statements, except in the case where a premium deficiency exists. The actions of the FHFA and the GSEs in response to COVID-19 are likely to continue to significantly impact the United States housing finance system. These actions may include additional PMIERs capital requirements or other material restrictions on us. Because private mortgage insurance is an important component of this system, these actions (as well as other governmental actions in response to the pandemic) may have an adverse impact on our mortgage insurance operations and performance. Moreover, the expiration or discontinuation of any governmental or GSE forbearance or foreclosure relief program could further exacerbate the financial condition of borrowers on loans we insure or economic conditions generally, which could have a material adverse effect on our financial condition, results of operations or liquidity. The premiums we charge may not be adequate to compensate us for our liabilities for losses and, as a result, any inadequacy could materially affect our financial condition and results of operations. Our mortgage insurance premium rates may not be adequate to cover future losses. We set premiums at the time a policy is issued based on a number of factors, including our expectations regarding likely mortgage performance over the expected life of the coverage as well as competition from other private mortgage insurers, government programs and other products. These expectations may prove to be incorrect. Generally, we cannot cancel mortgage insurance coverage or adjust renewal premiums during the life of a mortgage insurance policy. As a result, higher than anticipated claims generally cannot be offset by premium increases on policies in force or mitigated by our non-renewal or cancellation of insurance coverage. The premiums we charge, and the associated investment income, may not be adequate to compensate us for the risks and costs associated with the insurance coverage provided to customers. Should we wish to increase our premium rates, any such change would be prospectively applied to new policies written, and the changes would be subject to approval by state regulatory agencies, which may delay or limit our ability to increase our premium rates. Competition in the title insurance and settlement services industry may adversely affect our business, financial condition, and results of operations. Competition in the title insurance and settlement services industry is intense, particularly with respect to price, service and expertise. Although we provide title and settlement services to large commercial customers, there are many other providers title insurance agencies that have substantially greater gross revenue than we do and, if affiliated with a title insurance underwriter, could have significantly greater capital. The size and number of title insurance agencies and settlement service providers varies in the geographic areas in which we conduct our title business. Our existing competitors may expand their title insurance business and, although we are not aware of any current initiatives to reduce regulatory barriers to entering our industry, any such reduction could result in new competitors, including financial institutions, entering the title insurance business. From time to time, new entrants enter the marketplace with alternative products to traditional title insurance, although many of these alternative products have been disallowed by title insurance regulators. Further, advances in technologies could, over time, significantly disrupt the traditional business model of financial services and real estate-related companies, including title insurance. These alternative products or disruptive technologies, if permitted by regulators, could adversely affect our business, financial condition, and results of operations. Our success depends, in part, on our ability to manage risks in our investment portfolio. A substantial majority of our investment portfolio consists of investment-grade debt obligations. Our investments are subject to fluctuations in value as a result of broad changes in market conditions as well as risks inherent in particular securities. Changing market conditions could materially impact the future valuation of securities in our investment portfolio, which may cause us to impair, in the future, some portion of the value of those securities and which could have a significant adverse effect on our liquidity, financial condition and operating results. Income from our investment portfolio is a source of cash flow to support our operations and make claim payments. If we, or our investment advisors, improperly structure our investments to meet those future liabilities or we have unexpected losses, including losses resulting from the forced liquidation of investments before their maturity, we may be unable to meet those obligations. Our investments and investment policies are subject to state insurance laws, which results in our portfolio being predominantly limited to highly rated fixed income securities. If interest rates rise above the rates on our fixed income securities, the market value of our investment portfolio would decrease. Any significant decrease in the value of our investment portfolio would adversely impact our financial condition. In addition, compared to historical averages, interest rates and investment yields on highly rated investments have generally been low during the period in which we purchased the securities in our portfolio, which limits the investment income we can generate. We depend on our investments as a source of revenue, and a prolonged period of low investment yields would have an adverse impact on our revenues and could adversely affect our operating results. As part of our overall investment strategy, we also allocate a relatively small percentage of our portfolio to limited partnership investments in real estate, consumer credit and traditional venture capital and private equity investments. Fluctuations in the fair value of these entities may increase the volatility of our reported results of operations. We may be forced to change our investments or investment policies depending upon regulatory, economic and market conditions, and our existing or anticipated financial condition and operating requirements, including the tax position, of our business. Our investment objectives may not be achieved. Although our portfolio consists predominantly of investment-grade fixed income securities and complies with applicable regulatory requirements, the success of our investment activity and the value of our portfolio is affected by general economic conditions, which may adversely affect the markets for credit and interest-rate-sensitive securities, including the extent and timing of investor participation in these markets and the level and volatility of interest rates. Because loss reserve estimates are subject to uncertainties and are based on assumptions that may be volatile, ultimate losses may be substantially different than our loss reserves. We establish reserves using estimated claim rates and claim amounts in estimating the ultimate loss on delinquent loans. The estimated claim rates and claim amounts represent our best estimates of what we will actually pay on the loans in default as of the reserve date. Our master policy provides us the right to rescind or deny claims under certain circumstances. Our reserve calculations do not currently include any estimate for

claim rescissions, but we may be required to do so at some later time to ensure that our reserves meet the requirements of accounting principles generally accepted in the United States. The establishment of loss reserves is subject to inherent uncertainty and requires judgment by management. Our estimates of claim rates and claim sizes will be strongly influenced by prevailing economic conditions, such as current rates or trends in unemployment, housing price appreciation and / or interest rates, and our best judgments as to the future values or trends of these macroeconomic factors. If prevailing economic conditions deteriorate suddenly and / or unexpectedly, our estimates of loss reserves could be materially understated, which may adversely impact our financial condition and operating results. Changes to our estimates could result in a material impact to our results of operations, even in a stable economic environment, and there can be no assurance that actual claims paid by us will not be substantially different than our loss reserves. A downgrade in our financial strength ratings may adversely affect the amount of business that we write. Financial strength ratings, which various ratings organizations publish as a measure of an insurance company's ability to meet contractholder and policyholder obligations, are important to maintain confidence in our products and our competitive position. A downgrade in our financial strength ratings, or the announced potential for a downgrade, could have an adverse effect on our financial condition and results of operations in many ways, including: (i) increased scrutiny of us and our financial condition by our customers, potentially resulting in a decrease in the amount of new insurance policies that we write; (ii) requiring us to reduce the premiums that we charge for mortgage insurance in order to remain competitive; and (iii) adversely affecting our ability to obtain reinsurance or to obtain reasonable pricing on reinsurance. A ratings downgrade could also increase our cost of capital and limit our access to the capital markets. In addition, if the GSEs renew their historical focus on financial strength or other third- party credit ratings as components of their eligibility requirements for private mortgage insurers and do not set such requirements at a level that we can satisfy, or if as a result of a downgrade we would no longer comply with such rating requirements, our revenues and results of operations would be materially adversely affected. See" — Changes in the business practices of the GSEs, including actions or decisions to decrease or discontinue the use of mortgage insurance or changes in the GSEs' eligibility requirements for mortgage insurers, could reduce our revenues or adversely affect our profitability and returns" and" Business — Regulation — Direct U. S. Regulation — GSE Qualified Mortgage Insurer Requirements." If servicers fail to adhere to appropriate servicing standards or experience disruptions to their businesses, our losses could unexpectedly increase. We depend on reliable, consistent third- party servicing of the loans that we insure. Among other things, our mortgage insurance policies require our policyholders and their servicers to timely submit premium and monthly insurance in force and default reports and utilize commercially reasonable efforts to limit and mitigate loss when a loan is in default. If one or more servicers were to experience adverse effects to its business, such servicers could experience delays in their reporting and premium payment requirements. Without reliable, consistent third- party servicing, our insurance subsidiaries may be unable to correctly record new loans as they are underwritten, receive and process payments on insured loans and / or properly recognize and establish loss reserves on loans when a default exists or occurs but is not reported to us. In addition, if these servicers fail to limit and mitigate losses when appropriate, our losses may unexpectedly increase. Significant failures by large servicers or disruptions in the servicing of mortgage loans covered by our insurance policies would adversely impact our business, financial condition and operating results. Furthermore, we have delegated to the GSEs, who have in turn delegated to most of their servicers, authority to accept modifications, short sales and deeds- in- lieu of foreclosure on loans we insure. Servicers are required to operate under protocols established by the GSEs in accepting these loss mitigation alternatives. We are dependent upon servicers in making these decisions and mitigating our exposure to losses. In some cases, loss mitigation decisions favorable to the GSEs may not be favorable to us, and may increase the incidence of paid claims. Inappropriate delegation protocols or failure of servicers to service in accordance with the protocols may increase the magnitude of our losses and have an adverse effect on our business, financial condition and operating results. Our delegation of loss mitigation decisions to the GSEs is subject to cancellation but exercise of our cancellation rights may have an adverse impact on our relationship with the GSEs and lenders. Our delegated underwriting program may subject our mortgage insurance business to unanticipated claims. In our mortgage insurance business, we enter into agreements with our customers that commit us to insure loans made by them using pre- established underwriting guidelines. Once we accept a customer into our delegated underwriting program, we generally insure a loan originated by that customer without re- confirming the customer followed our specified underwriting guidelines. Under this program, a customer could commit us to insure a material number of loans with unacceptable risk profiles before we discover the problem and terminate that customer's delegated underwriting authority or pursue other rights that may be available to us, such as our rights to rescind coverage or deny claims, which rights are limited by the terms of our master policy. We face risks associated with our contract underwriting business. We provide contract underwriting services for certain of our customers, including on loans for which we are not providing mortgage insurance. For substantially all of the existing loans that were originated through our contract underwriting services, we have agreed that if we make a material error in providing these services and the error leads to a loss for the customer, the customer may, subject to certain conditions and limitations, claim a remedy. Accordingly, we have assumed some risk in connection with providing these services. We also face regulatory and litigation risk in providing these services. Our information technology systems may become outmoded, be temporarily interrupted or fail thereby causing us to fail to meet our customers' demands. Our business is highly dependent on the effective operation of our information technology systems, which are vulnerable to damage or interruption from power outages, computer and telecommunications failures, computer viruses, cyber- attacks, security breaches, catastrophic events, errors in usage, **hardware or software malfunction, defects or degradation,** and other incidents which may impact the operation or availability of such systems . **In addition, because our information technology and telecommunications systems interface with and depend on third- party systems and infrastructure beyond our control, we could experience service denials or failures of controls if demand for our service exceeds capacity or a third- party system or infrastructure fails or experiences an interruption.** Although we have disaster recovery and business continuity plans in place, we may not be able to adequately execute these plans in a timely fashion. Additionally, we may not satisfy our customers'

requirements if we fail to invest sufficient resources in, or otherwise are unable to maintain and upgrade our information technology systems, **or if our disaster recovery or business continuity plans fail to sufficiently address such a business interruption, system failure or service denial**. Because we rely on our information technology systems for many critical functions, including connecting with our customers, if such systems were to fail or become outmoded, we may experience a significant disruption in our operations and in the business we receive, which could negatively affect our operating results, financial condition and profitability. The security of our information technology systems may be compromised and confidential information, including non- public personal information that we maintain, could be improperly disclosed. Our information technology systems may be vulnerable to physical or electronic intrusions, computer viruses or other attacks. As part of our business, we maintain large amounts of confidential information, including non- public personal information on consumers and our employees. Breaches in security, including inadvertent disclosure, could result in the loss or misuse of this information, which could, in turn, result in potential regulatory actions or litigation, including material claims for damages, interruption to our operations, damage to our reputation or otherwise have a material adverse effect on our business, financial condition and operating results. **Depending on the nature of the information compromised, in the event of a data breach or other unauthorized access to or acquisition of our customer data, we may also have obligations to notify customers, other stakeholders, and federal and state government regulators about the incident. All 50 states, as well as a growing number of regulatory bodies, have adopted notification requirements that are triggered in the event of the actual or reasonably suspected unauthorized access to, or acquisition of, certain types of personal information. Such breach notification laws continue to evolve and may be inconsistent from one jurisdiction to another. Complying with these obligations could cause us to incur substantial costs (including fines) and could increase negative publicity surrounding any incident that compromises customer data**. Although we believe that we have appropriate information security policies, **safeguards** and systems in place in order to prevent unauthorized use or disclosure of confidential information, including non- public personal information, there can be no assurance **that such policies, safeguards and systems will prevent all security issues, or** that such use or disclosure will not occur. We are exposed to risks associated with our title insurance and settlement services business that could negatively affect our results of operations and financial condition. The volume of title insurance and settlement services that we offer are significantly driven by the level of overall activity in the mortgage, real estate and mortgage finance markets generally. If real estate transaction volumes decline, as they have in the past several years in large part due to **rising elevated** interest and mortgage rates, we could experience less demand for our title insurance and settlement services. Additionally, by their nature, title claims are often complex, vary greatly in dollar amounts and are affected by economic and market conditions and the legal environment existing at the time of settlement of the claims. Estimating future title loss payments is difficult because of the complex nature of title claims, the long periods of time over which claims are administered and paid, significantly varying dollar amounts of individual claims and other factors. From time to time, we could experience large losses or an overall worsening of our loss payment experience in regard to the frequency or severity of claims that require us to record additional charges to our claims loss reserve. These loss events are unpredictable and may require us to increase our loss reserves and could adversely affect our financial performance. We may not be able to collect all amounts due to us from reinsurers and reinsurance coverage may not be available to us in the future at commercially reasonable rates or at all. We have ceded to third- party reinsurers and special purpose reinsurers funded through the issuance of insurance- linked notes certain risk that we have insured in order to limit our maximum net loss arising in periods of elevated claims **on our mortgage insurance portfolio** as well as to claim reinsurance credit and capital relief under insurance laws applicable to us and the regulations of the GSEs. Although the reinsurers to which we have ceded such risk are liable to us to the extent of the ceded insurance, we remain liable as the direct insurer on all risks so reinsured. As a result, our reinsurance arrangements do not fully eliminate our obligation to pay claims, and we have assumed credit risk with respect to our ability to recover amounts due from our reinsurers. We may not be able to collect all amounts due to us from reinsurers, which could have a material adverse effect on our results of operations or financial condition. The availability and cost of reinsurance are subject to prevailing market conditions that are beyond our control. For example, reinsurance may be more difficult or costly to obtain following an economic downturn that results in a significant negative impact on the U. S. housing market. No assurances can be made that reinsurance will remain continuously available to us in amounts that we consider sufficient and at rates that we consider acceptable, which would cause us to increase the amount of risk we retain, reduce the amount of business we write or look for alternatives to reinsurance. If investors are unwilling to purchase, or to purchase at a reasonable price, insurance- linked notes that fund the type of special purpose reinsurers with which we have entered into reinsurance transactions, we may not be able to obtain reinsurance on business that we write in the future at a level consistent with the reinsurance we have obtained on our current business. This, in turn, could have a material adverse effect on our financial condition or results of operations. Risks Relating to Regulation and Litigation Legislative or regulatory actions or decisions to change the role of the GSEs in the U. S. housing market generally, or changes to the charters of the GSEs with regard to the use of credit enhancements generally and private mortgage insurance specifically, could reduce our revenues or adversely affect our profitability and returns. The Department of the Treasury and the FHFA placed the GSEs into conservatorship in September 2008, putting regulatory and operational control of the GSEs under the auspices of the FHFA. Although we believe the FHFA' s conservatorship was intended to be temporary, the GSEs have remained in conservatorship for over **15-16** years. During that time, there have been a wide- ranging set of GSE and secondary market reform advocacy proposals put forward, including nearly complete privatization of the mortgage market and elimination of the role of the GSEs, recapitalization of the GSEs and a set of alternatives that would combine a Federal role with private capital, some of which eliminate the GSEs and others which envision an ongoing role for the GSEs. It remains unclear whether any of these legislative or regulatory reforms will be enacted or implemented. Any changes to the charters or statutory authorities of the GSEs would require Congressional action to implement. Passage and timing of any GSE reform legislation or incremental change is uncertain and could change through the legislative process, which could take time, making the actual

impact on us difficult to predict. As a result of the uncertainty regarding resolution of the conservatorship of the GSEs and the proper structure of any new secondary mortgage market, as well as the Federal government's increased role within the housing market since the start of the recent financial crisis, we cannot predict how or when the role of the GSEs may change. In addition, the size, complexity and centrality of the GSEs to the current housing finance system and the importance of housing to the nation's economy make the transition to any new housing finance system difficult and present risks to market participants, including to us. The charters of the GSEs currently require certain credit enhancement for low down payment mortgage loans in order for such loans to be eligible for purchase or guarantee by the GSEs, and lenders historically have relied on mortgage insurance to a significant degree in order to satisfy these credit enhancement requirements. Because the overwhelming majority of our current and expected future business is the provision of mortgage insurance on loans sold to the GSEs, if the charters of the GSEs are amended to change or eliminate the acceptability of private mortgage insurance in their purchasing practices, then our volume of new business and our revenue may decline significantly. Changes to the statutory requirements of the FHFA's conservatorship of the GSEs, the elimination of the GSEs or the replacement of the GSEs with any successor entities or structures, or changes to the GSE charters would require Federal legislative action, which makes predicting the timing or substance of such changes difficult. As a result, it is uncertain what role the GSEs, the FHFA, the government and private capital, including private mortgage insurance, will play in the U. S. housing finance system in the future or the impact and timing of any such changes on the market and our business. Changes in the business practices of the GSEs, including actions or decisions to decrease or discontinue the use of mortgage insurance or changes in the GSEs' eligibility requirements for mortgage insurers, could reduce our revenues or adversely affect our profitability and returns. Our business model is highly dependent on the GSEs, as the GSEs are the primary beneficiaries of most of our mortgage insurance policies. The GSEs' business practices may be impacted by their results of operations, administrative policy decisions or legislative or regulatory changes. Recently, the GSEs have been focused on, among other things, supporting the housing finance system during times of stress, as well as equitable and affordable housing initiatives. Changes in the business practices of the GSEs, which can be implemented by the GSEs at the FHFA's direction, could negatively impact our operating results and financial performance, including changes to:

- the level of coverage when private mortgage insurance is used to satisfy the GSEs' charter requirements on low down payment mortgages;
- the overall level of guaranty fees or the amount of loan level delivery fees that the GSEs assess on loans that require mortgage insurance;
- the GSEs' influence in the mortgage lender's selection of the mortgage insurer providing coverage and, if so, any transactions that are related to that selection;
- the underwriting standards that determine what loans are eligible for purchase by the GSEs, which can affect the volume and quality of the risk insured by the mortgage insurer;
- the terms on which mortgage insurance coverage may be cancelled, including GSE requirements and programs that permit cancellation prior to reaching the applicable thresholds and conditions established by HOPA;
- programs established by the GSEs intended to avoid or mitigate loss on insured mortgages and the circumstances in which mortgage servicers must implement such programs;
- the extent to which the GSEs establish requirements for mortgage insurers' rescission practices or rescission settlement practices with lenders;
- the size of loans that are eligible for purchase or guaranty by the GSEs, which if reduced or otherwise limited may reduce the overall level of business and the number of low down payment loans with mortgage insurance that the GSEs purchase or guaranty; and
- requirements for a mortgage insurer to become and remain an approved eligible insurer for the GSEs, including, among other items, minimum capital adequacy targets, the credit received against such capital requirements for reinsurance, and the terms that the GSEs require to be included in mortgage insurance master policies for loans that they purchase or guaranty.

Fannie Mae and Freddie Mac maintain coordinated Private Mortgage Insurer Eligibility Requirements (PMIERS), which we refer to as the "PMIERS". The PMIERS represent the standards by which private mortgage insurers are eligible to provide mortgage insurance on loans owned or guaranteed by Fannie Mae and Freddie Mac. The PMIERS include financial strength requirements incorporating a risk-based framework that require approved insurers to have a sufficient level of liquid assets from which to pay claims. The PMIERS also include enhanced operational performance expectations and standards relating to rescission rights, and define remedial actions that apply should an approved insurer fail to comply with these requirements. Future revisions to these eligibility requirements could negatively impact our ability to write mortgage insurance at our current levels, generate the returns we anticipate from our business or otherwise participate in the private mortgage insurance market at all. See "Business — Regulation — Direct U. S. Regulation — GSE Qualified Mortgage Insurer Requirements" above. Our business prospects and operating results could be adversely impacted if, and to the extent that, the Consumer Financial Protection Bureau's ("CFPB") rule defining a qualified mortgage ("QM") reduces the size of the origination market or creates incentives to use government mortgage insurance programs. The Dodd- Frank Act established the CFPB to regulate the offering and provision of consumer financial products and services under Federal law, including residential mortgages, and generally requires creditors to make a reasonable, good faith determination of a consumer's ability-to-repay any consumer credit transaction secured by a dwelling prior to effecting such transaction. The CFPB is authorized to issue the regulations governing a good faith determination; the Dodd- Frank Act, however, provides a statutory presumption of eligibility of loans that satisfy the QM definition. The CFPB's final rule defining what constitutes a QM, which we refer to as the "QM Rule," a loan is deemed to be a QM if, among other factors:

- the term of the loan is less than or equal to 30 years;
- there are no negative amortization, interest only or balloon features;
- the lender properly documents the loan in accordance with the requirements;
- the total "points and fees" do not exceed certain thresholds, generally 3 % of the total loan amount; and
- the total debt-to-income ratio of the borrower does not exceed 43 %.

Under the QM Rule, a loan receives a conclusive presumption that the consumer had the ability to repay if the annual percentage rate does not exceed the average prime offer rate (APOR) for a comparable transaction by 1.5 percentage points or more as of the date the interest rate is set. A loan receives a rebuttable presumption that the consumer had the ability to repay if the annual percentage rate exceeds the average prime offer rate for a comparable transaction by 1.5 percentage points or more but by less than 2.25 percentage points. Failure to comply with the ability-to-repay requirement exposes a lender to substantial potential liability. As a result, we believe that the QM regulations

may cause changes in the lending standards and origination practices of our customers. Under the QM Rule, mortgage insurance premiums that are payable by the consumer at or prior to consummation of the loan may be included in the calculation of points and fees, including our borrower- paid single premium products. To the extent the use of private mortgage insurance causes a loan not to meet the definition of a QM, the volume of loans originated with mortgage insurance may decline or cause a change in the mix of premium plans and therefore our profitability. The amount of insurance we write could be adversely affected by the Dodd- Frank Act's risk retention requirements and the definition of Qualified Residential Mortgage (" QRM"). The Dodd- Frank Act requires an originator or issuer to retain a specified percentage of the credit risk exposure on securitized mortgages that do not meet the definition of QRM. As required by the Dodd- Frank Act, the Office of the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Commission, the Federal Housing Finance Agency, the Securities and Exchange Commission and the Department of Housing and Urban Development adopted in 2015 a joint final rule implementing the Qualified Residential Mortgage, or QRM, which aligns the definition of a QRM loan with that of a QM loan. If, however, the QRM definition is changed (or if the QM definition is amended) in a manner that is unfavorable to us, such as to give no consideration to mortgage insurance in computing LTV or to require a large down payment for a loan to qualify as a QRM, the attractiveness of originating and securitizing loans with lower down payments may be reduced, which may adversely affect the future demand for mortgage insurance. The implementation of the Basel rules may discourage the use of mortgage insurance. In 1988, the Basel Committee on Banking Supervision (the " Basel Committee "), developed the Basel Capital Accord (" Basel I "), which sets out international benchmarks for assessing banks' capital adequacy requirements. In 2005, the Basel Committee issued an update to Basel I (" Basel II "), which, among other things, sets forth capital treatment of mortgage insurance purchased and held on balance sheet by banks in respect of their origination and securitization activities. Following the financial crisis of 2008, the Basel Committee made further revisions to Basel II (" Basel III ") to improve the quality and quantity of capital banking organizations hold. The Federal Reserve Board, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation (collectively, the " Federal Banking Agencies ") implemented Basel III through the adoption of revisions to their regulatory capital rules (the " Basel III Rules "), which establish minimum risk- based capital and leverage capital requirements for most United States banking organizations (although banking organizations with less than \$ 10 billion in total assets may now choose to comply with an alternative community bank leverage ratio framework established by the Federal banking agencies in 2019). In December 2017, the Basel Committee published final revisions to the Basel III capital framework (" Basel IV "), which were generally targeted for implementation by each participating country by January 1, 2022 but have been delayed. In July 2023, the Federal banking agencies issued a Notice of Public Rulemaking (the " NPR ") known as the " Basel III Endgame". This proposal significantly alters the regulatory capital regime of U. S. banks including regional and mid- sized banks. The proposed changes would generally apply to banks with assets greater than \$ 100 billion. Under the proposal, mortgage risk weights would be increased and continue the current capital treatment for high loan to value mortgages with mortgage insurance, where private mortgage insurance doesn' t mitigate credit risk and lower the capital charge. The comment period for the NPR ended in January 2024. If the Federal banking agencies decide to implement the Basel III Endgame as specifically drafted, mortgage insurance would not lower the LTV ratio of residential loans for capital purposes, and therefore may decrease the demand for mortgage insurance. The timing, scope, and content of any such proposed rulemaking and any potential impact it may have, as well as whether any new guidelines will be proposed or finalized in the United States in response to Basel IV remains uncertain **due to changes resulting from the Trump Administration and the Federal Reserve**. Our operating insurance and reinsurance subsidiaries are subject to regulation in various jurisdictions, and material changes in the regulation of their operations could adversely affect us. Our insurance and reinsurance subsidiaries are subject to government regulation in each of the jurisdictions in which they are licensed or authorized to do business. Governmental agencies have broad administrative power to regulate many aspects of the insurance business, which may include trade and claim practices, accounting methods, premium rates, marketing practices, advertising, policy forms, and capital adequacy. These agencies are concerned primarily with the protection of policyholders rather than shareholders. Moreover, insurance laws and regulations, among other things: • establish solvency requirements, including minimum reserves and capital and surplus requirements; • determine the credit that we receive for reinsurance arrangements into which we enter; • limit the amount of dividends, tax distributions, intercompany loans and other payments our insurance subsidiaries can make without prior regulatory approval; and • impose restrictions on the amount and type of investments we may hold. The NAIC examines existing state insurance laws and regulations in the United States. During 2012, the NAIC established a Mortgage Guaranty Insurance Working Group (~~;~~ **which we refer to as the " MGIWG)**," to determine and make recommendations to the NAIC' s Financial Condition Committee including, but not limited to, revisions to Statement of Statutory Accounting Principles (SSAP) No. 58- Mortgage Guaranty Insurance . ~~In 2021, the MGIWG adopted a new annual reporting schedule for mortgage insurers that was first required to be submitted by mortgage insurers to state insurance regulators in WI, NC and PA in 2022.~~ The revised Model Act was approved by MGIWG in 2023 and **was adopted is awaiting adoption by the NAIC in March 2024. The NAIC Statutory Accounting Principles (E) Working Group has initiated a project to update SSAP 58 to align with the revised Model Act** . We cannot predict the effect that any NAIC recommendations or proposed or future legislation or rule- making in the United States or elsewhere may have on our financial condition or operations. State regulation of the rates we charge for title insurance could adversely affect our results of operations. Our title insurance underwriter is subject to extensive rate regulation by the applicable state agencies in the jurisdictions in which ~~they~~ **it operate operates** . Title insurance rates are regulated differently in various states, with some states requiring the subsidiaries to file and receive approval of rates before such rates become effective and some states promulgating the rates that can be charged. In general, premium rates are determined on the basis of historical data for claim frequency and severity as well as related production costs and other expenses. In all states in which our title insurance subsidiary operates, our rates must not be excessive, inadequate or unfairly discriminatory. Premium rates are likely to prove insufficient when ultimate claims and expenses exceed historically projected levels. Premium rate inadequacy may not become

evident quickly and may take time to correct, and could adversely affect our business operating results and financial conditions. If our **principal** Bermuda ~~principal~~ operating subsidiary becomes subject to insurance statutes and regulations in jurisdictions other than Bermuda or if there is a change in Bermuda law or regulations or the application of Bermuda law or regulations, there could be a significant and negative impact on our business. Our primary reinsurance subsidiary, Essent Reinsurance Ltd., is a registered Bermuda Class 3B insurer pursuant to Section 4 of the Insurance Act 1978. As such, it is subject to regulation and supervision in Bermuda and is not licensed or admitted to do business in any jurisdiction except Bermuda. Generally, Bermuda insurance statutes and regulations applicable to Essent ~~Re Reinsurance Ltd.~~ are less restrictive than those that would be applicable if they were governed by the laws of any state in the United States. We do not presently intend for Essent ~~Re Reinsurance Ltd.~~ to be admitted to do business in the United States, the U. K. or any jurisdiction other than Bermuda. However, recent scrutiny of the insurance and reinsurance industry in the United States and other countries could subject Essent ~~Re Reinsurance Ltd.~~ to additional regulation in the future that may make it unprofitable or illegal to operate a reinsurance business through our Bermuda ~~subsidiary~~ **subsidiaries**. We cannot assure you that insurance regulators in the United States, the U. K. or elsewhere will not review the activities of Essent ~~Re Reinsurance Ltd.~~ or its subsidiaries or agents and assert that Essent ~~Re Reinsurance Ltd.~~ is subject to such jurisdiction's licensing requirements. If in the future Essent Reinsurance Ltd. becomes subject to any insurance laws of the United States or any state thereof or of any other jurisdiction, we cannot assure you that Essent ~~Re Reinsurance Ltd.~~ would be in compliance with such laws or that complying with such laws would not have a significant and negative effect on our business. The process of obtaining licenses is very time consuming and costly, and Essent ~~Re Reinsurance Ltd.~~ may not be able to become licensed in jurisdictions other than Bermuda should we choose to do so. The modification of the conduct of our business that would result if we were required or chose to become licensed in certain jurisdictions could significantly and negatively affect our financial condition and results of operations. In addition, our inability to comply with insurance statutes and regulations could significantly and adversely affect our financial condition and results of operations by limiting our ability to conduct business as well as subject us to penalties and fines. Because Essent ~~Re Reinsurance Ltd.~~ is a Bermuda company, it is subject to changes in Bermuda law and regulation that may have an adverse impact on our operations, including through the imposition of tax liability or increased regulatory supervision. Bermuda insurance statutes and the regulations, and policies of the BMA, require Essent ~~Re Reinsurance Ltd.~~ to, among other things: • maintain a minimum level of capital and surplus; • maintain an enhanced capital requirement, general business solvency margins and a minimum liquidity ratio; • restrict dividends and distributions; • obtain prior approval regarding the ownership and transfer of shares; • maintain a principal office and appoint and maintain a principal representative in Bermuda; • file annual financial statements, an annual statutory financial return and an annual capital and solvency return; and • allow for the performance of certain periodic examinations of Essent Reinsurance Ltd. and its financial condition. These statutes and regulations may restrict Essent ~~Re Reinsurance Ltd.~~'s ability to write insurance and reinsurance policies, distribute funds and pursue its investment strategy. In addition, Essent ~~Re Reinsurance Ltd.~~ is exposed to any changes in the political environment in Bermuda. The Bermuda insurance and reinsurance regulatory framework recently has become subject to increased scrutiny in many jurisdictions, including the U. K. As a result of the delay in implementation of Solvency II Directive 2009 / 138 / EC ("Solvency II"), it is unclear when the European Commission will make a final decision on whether or not it will recognize the solvency regime in Bermuda to be equivalent to that laid down in Solvency II. While we cannot predict the future impact on our operations of changes in the laws and regulation to which we are or may become subject, any such changes could have a material adverse effect on our business, financial condition and results of operations. The mortgage insurance industry is, and as a participant in that industry we are, subject to litigation and regulatory risk generally. The **U. S.** mortgage insurance industry faces litigation risk in the ordinary course of operations, including the risk of class action lawsuits and administrative enforcement by Federal and state agencies. Consumers are bringing a growing number of lawsuits against home mortgage lenders and settlement service providers. Mortgage insurers have been involved in class action litigation alleging violations of Section 8 of the Real Estate Settlement Procedures Act of 1974, or RESPA, and the Fair Credit Reporting Act, or FCRA. Section 8 of RESPA generally precludes mortgage insurers from paying referral fees to mortgage lenders for the referral of mortgage insurance business. This limitation also can prohibit providing services or products to mortgage lenders free of charge, charging fees for services that are lower than their reasonable or fair market value and paying fees for services that mortgage lenders provide that are higher than their reasonable or fair market value, in exchange for the referral of mortgage insurance business services. Violations of the referral fee limitations of RESPA may be enforced by the CFPB, HUD, the Department of Justice, state attorneys general and state insurance commissioners, as well as by private litigants in class actions. In the past, a number of lawsuits have challenged the actions of private mortgage insurers under RESPA, alleging that the insurers have violated the referral fee prohibition by entering into captive reinsurance arrangements or providing products or services to mortgage lenders at improperly reduced prices in return for the referral of mortgage insurance, including the provision of contract underwriting services. In addition to these private lawsuits, other private mortgage insurance companies have received civil investigative demands from, and entered into consent orders with, the CFPB as part of its investigation to determine whether mortgage lenders and mortgage insurance providers engaged in acts or practices in connection with their captive mortgage insurance arrangements in violation of RESPA, the Consumer Financial Protection Act and the Dodd- Frank Act. The CFPB's ruling in its enforcement order against PHH Corporation for alleged RESPA violations stemming from captive mortgage insurance arrangements was overturned on appeal by a panel of the U. S. Court of Appeals for the D. C. Circuit, a decision affirmed in January 2018 by the D. C. Circuit en banc. Although we did not participate in the practices that were the subject of the CFPB consent orders or the PHH case, the private mortgage insurance industry and our insurance subsidiaries are subject to substantial Federal and state regulation. Increased Federal or state regulatory scrutiny could lead to new legal precedents, new regulations or new practices, or regulatory actions or investigations, which could adversely affect our financial condition and operating results. Risks Relating to Taxes and Our Corporate Structure We and our non- U. S. subsidiaries may

become subject to U. S. Federal income and branch profits taxation. Essent Group Ltd. and Essent ~~Reinsurance Ltd.~~ **Re and its subsidiaries** intend to operate their business in a manner that will not cause them to be treated as engaged in a trade or business in the United States and, thus, will not be required to pay U. S. Federal income and branch profits taxes (other than ~~However, our foreign subsidiaries are or could become subject to U. S. excise taxes on (re) insurance and reinsurance premium, and on stock repurchases, as well as U. S. withholding taxes on certain U. S. source investment income, and dividends paid from U. S. subsidiaries from U. S. earnings and profits.~~ **However, S. earnings and profits.** ~~because~~ **Because** there is uncertainty as to the activities which constitute being engaged in a trade or business in the United States, there can be no assurances that the U. S. Internal Revenue Service (the "IRS") will not contend successfully that Essent Group Ltd. or its non- U. S. subsidiaries are engaged in a trade or business in the United States. In addition, Section 845 of the Internal Revenue Code of 1986, as amended (the "Code"), was amended in 2004 to permit the IRS to reallocate, recharacterize or adjust items of income, deduction or certain other items related to a reinsurance contract between related parties to reflect the proper "amount, source or character" for each item (in contrast to prior law, which only covered "source and character"). Any U. S. Federal income and branch profits taxes levied upon earnings from our Bermuda operations could materially adversely affect our shareholders' equity and earnings. Holders of 10 % or more of our common shares may be subject to U. S. income taxation under the "controlled foreign corporation" ("CFC") rules. If you are a "10 % U. S. Shareholder" (defined to be a "U. S. Person" (as defined below) who owns (directly, or indirectly through non- U. S. entities or "constructively," as defined below) at least 10 % of the total combined value or voting power of all classes of stock) of a non- U. S. corporation that is a CFC at any time during a taxable year and you own shares in such non- U. S. corporation directly or indirectly through non- U. S. entities on the last day of the non- U. S. corporation's taxable year on which it is a CFC, you must include in your gross income for U. S. Federal income tax purposes your pro rata share of the CFC's "subpart F income," even if the subpart F income is not distributed. Also, due to attribution rules, the Company believes that, based upon ownership of its U. S. subsidiaries, its foreign reinsurer (Essent Reinsurance Ltd.) will be deemed a CFC. Accordingly, any shareholder who becomes a "10 % U. S. Shareholder" at any time during the calendar year, by either vote or value will be subject to a "Subpart F income" inclusion on a per share per day basis. Subpart F income of a non- U. S. insurance corporation typically includes "foreign personal holding company income" (such as interest, dividends and other types of passive income), as well as insurance and reinsurance income (including underwriting and investment income). For purposes of this discussion, the term "U. S. Person" means: (i) an individual citizen or resident of the United States, (ii) a partnership or corporation, created in or organized under the laws of the United States, or organized under the laws of any political subdivision thereof, (iii) an estate the income of which is subject to U. S. Federal income taxation regardless of its source, (iv) a trust if either (x) a court within the United States is able to exercise primary supervision over the administration of such trust and one or more U. S. Persons have the authority to control all substantial decisions of such trust or (y) the trust has a valid election in effect to be treated as a U. S. Person for U. S. Federal income tax purposes; or (v) any other person or entity that is treated for U. S. Federal income tax purposes as if it were one of the foregoing. U. S. Persons who hold our shares may be subject to U. S. income taxation at ordinary income rates on their proportionate share of our "related party insurance income" ("RPII"). If the RPII (determined on a gross basis) of Essent ~~Re Reinsurance Ltd.~~ **Re Reinsurance Ltd.** were to equal or exceed 20 % of Essent ~~Re Reinsurance Ltd.~~ **Re Reinsurance Ltd.**'s gross insurance income in any taxable year and direct or indirect policyholders (and persons related to those policyholders) own directly or indirectly through entities 20 % or more of the voting power or value of the Company, then a U. S. Person who owns any shares of Essent ~~Re Reinsurance Ltd.~~ **Re Reinsurance Ltd.** (directly or indirectly through non- U. S. entities) on the last day of the taxable year on which it is an RPII CFC would be required to include in its income for U. S. Federal income tax purposes such person's pro rata share of Essent ~~Re Reinsurance Ltd.~~ **Re Reinsurance Ltd.**'s RPII for the entire taxable year, determined as if such RPII were distributed proportionately only to U. S. Persons at that date regardless of whether such income is distributed, in which case your investment could be materially adversely affected. In addition, any RPII that is includible in the income of a U. S. tax-exempt organization may be treated as unrelated business taxable income. The amount of RPII earned by a non- U. S. insurance subsidiary (generally, premium and related investment income from the indirect or direct insurance or reinsurance of any direct or indirect U. S. holder of shares or any person related to such holder) will depend on a number of factors, including the identity of persons directly or indirectly insured or reinsured by the company. We do not expect gross RPII of Essent ~~Re Reinsurance Ltd.~~ **Re Reinsurance Ltd.** to equal or exceed 20 % of its gross insurance income in any taxable year for the foreseeable future, but we cannot be certain that this will be the case because some of the factors which determine the extent of RPII may be beyond our control. Further, recently proposed regulations were published which could, if finalized in their current form, substantially expand the definition of RPII to include insurance income of Essent ~~Re Reinsurance Ltd.~~ **Re Reinsurance Ltd.** related to affiliate reinsurance transactions. These regulations would apply to taxable years beginning after the date the regulations are finalized. Although we cannot predict whether, when or in what form the proposed regulations might be finalized, the proposed regulations, if finalized in their current form, could limit our ability to execute affiliate reinsurance transactions that would otherwise be undertaken for non- tax business reasons in the future as that could increase the risk that gross RPII could constitute 20 % or more of the gross insurance income of Essent ~~Re Reinsurance Ltd.~~ **Re Reinsurance Ltd.** in a particular taxable year, which could result in such RPII being taxable to U. S. persons that own our shares. U. S. Persons who dispose of our shares may be subject to U. S. Federal income taxation at the rates applicable to dividends on a portion of such disposition. Section 1248 of the Code in conjunction with the RPII rules provides that if a U. S. Person disposes of shares in a non- U. S. corporation that earns insurance income in which U. S. Persons own 25 % or more of the shares (even if the amount of gross RPII is less than 20 % of the corporation's gross insurance income or the ownership of its shares by direct or indirect policyholders and related persons is less than the 20 % threshold), any gain from the disposition will generally be treated as a dividend to the extent of the holder's share of the corporation's undistributed earnings and profits that were accumulated during the period that the holder owned the shares (whether or not such earnings and profits are attributable to RPII). In addition, such a holder will be required to comply with certain reporting requirements, regardless of the amount of shares owned by the holder. These RPII rules should not apply to dispositions of our shares because

the Company will not itself be directly engaged in the insurance business. The RPII provisions, however, have never been interpreted by the courts or the U. S. Treasury in final regulations, and regulations interpreting the RPII provisions of the Code exist only in proposed form. It is not certain whether these regulations will be adopted in their proposed form or what changes or clarifications might ultimately be made thereto or whether any such changes, as well as any interpretation or application of the RPII rules by the IRS, the courts, or otherwise, might have retroactive effect. The U. S. Treasury has authority to impose, among other things, additional reporting requirements with respect to RPII. Accordingly, the meaning of the RPII provisions and the application thereof to us is uncertain. U. S. Persons who hold our shares will be subject to adverse tax consequences if we are considered to be a passive foreign investment company (" PFIC") for U. S. Federal income tax purposes. ~~We believe that Essent Re Reinsurance Ltd.~~ is a PFIC, and any U. S. Person directly owning shares in ~~Essent Re Reinsurance Ltd.~~ could be subject to adverse tax consequences. However, as 100 % of the shares of ~~Essent Re Reinsurance Ltd.~~ are owned by Essent Group Ltd., based upon the current relative value of its U. S. subsidiaries vs. foreign subsidiaries, management believes that Essent Group Ltd. is not currently a PFIC. However, in the event that future business circumstances (i. e. relative value changes) and / or tax law changes occur, Essent Group Ltd. may be considered a PFIC. Management has operated, and intends to continue to operate, in a manner such as to avoid Essent Group Ltd. being deemed a PFIC based upon relative value of its subsidiaries; however, there can be no guaranty that management will be successful in the future. If Essent Group Ltd. is considered a PFIC, then any U. S. Person who owns any of our shares could be subject to adverse tax consequences, including becoming subject to a greater tax liability than might otherwise apply and to tax on amounts in advance of when tax would otherwise be imposed, in which case your investment could be materially adversely affected. In addition, if Essent Group Ltd. were considered a PFIC, upon the death of any U. S. individual owning shares, such individual' s heirs or estate would not be entitled to a " step- up" in the basis of the shares that might otherwise be available under U. S. Federal income tax laws. We believe that Essent Group Ltd. is not, has not been, and currently does not expect to become, a PFIC for U. S. Federal income tax purposes. However, there can be no assurance that new regulations, if made final, will not adversely impact Essent Group Ltd.' s PFIC status or U. S. Persons owning Essent Group Ltd. shares. If Essent Group Ltd. were considered a PFIC, it would have material adverse tax consequences for an investor that is subject to U. S. Federal income taxation. Our tax liabilities and effective tax rate in the future could be adversely affected by changes in tax laws in countries in which we operate pursuant to ongoing efforts by the ~~Organisation~~ **Organization** for Economic Co- operation and Development (" OECD "), the U. S. Congress, Ireland Revenue, or the Government of Bermuda. ~~The OECD~~ **Member nations of the EU** and other ~~government agencies~~ **foreign taxing jurisdictions** have ~~adopted a~~ **had an ongoing focus on issues related to the taxation of multinational corporations, such as the** comprehensive plan set forth by the OECD to create an agreed- upon set of international rules designed to end so- called " base erosion and profit shifting ", commonly referred to as the " Pillar II" rules. Pillar II is a coordinated global effort to impose a minimum tax on large multinational corporations (" MNC" s) of 15 % on the net income earned in each jurisdiction, with no cross- crediting between jurisdictions. Although the U. S. has not adopted Pillar II, the Bermuda Corporate Income Tax (see Note 12 to our consolidated financial statements entitled " Income Taxes" included elsewhere in this Annual Report) is a " de- facto " adoption of the Pillar II rules, and Ireland has also adopted Pillar II. The rules achieve a 15 % minimum tax through either an undertaxed profits rule (" UTPR ") or an income inclusion rule (" IIR "). As currently structured, ~~and based on the~~ **results of annual " safe harbor " testing showing that the Company pays the minimum 15 % on the pre- tax income of its Ireland direct and indirect subsidiaries,** we do not believe that the Company will owe additional taxes in Ireland as a result of ~~its Ireland' s~~ adoption of the ~~Pillar~~ **UTPR and IIR rules**. Any future changes to these rules, and / or new interpretations by relevant jurisdictions of these occurrences could materially adversely affect our tax position, which could have a material adverse effect on our results of operations and financial condition. U. S. tax- exempt organizations who own our shares may recognize unrelated business taxable income. A U. S. tax- exempt organization may recognize unrelated business taxable income if a portion of the insurance income of any of our non- U. S. insurance subsidiaries is allocated to the organization, which generally would be the case if the tax- exempt shareholder is a 10 % U. S. Shareholder or if there is RPII, and certain exceptions do not apply, and the tax- exempt organization owns any of our shares. Although we do not believe that any U. S. Persons should be allocated such insurance income, we cannot be certain that this will be the case. U. S. tax- exempt investors are advised to consult their own tax advisors. There is the potential foreign bank account reporting and reporting of " Specified Foreign Financial Assets." U. S. Persons holding our common shares should consider their possible obligation to file a FinCEN Form 114, Report of Foreign Bank and Financial Accounts with respect to their shares. Additionally, such U. S. and non- U. S. persons should consider their possible obligations to annually report certain information with respect to us with their U. S. Federal income tax returns. Shareholders should consult their tax advisors with respect to these or any other reporting requirement which may apply with respect to their ownership of our common shares. Reduced tax rates for qualified dividend income may not be available in the future. We believe that the dividends paid on the common shares should qualify as " qualified dividend income" if, as is intended, our common shares remain listed on a national securities exchange and ~~we are~~ **Essent Group is** not a PFIC. Qualified dividend income received by non- corporate U. S. Persons is generally eligible for long- term capital gain rates. There has been proposed legislation before the U. S. Senate and House of Representatives that would exclude shareholders of certain foreign corporations from this advantageous tax treatment. If such legislation were to become law, non- corporate U. S. Persons would no longer qualify for the reduced tax rate on the dividends paid by us. Proposed U. S. tax legislation could have an adverse impact on us or holders of our common shares. It is possible that legislation could be introduced and enacted by the current Congress or future Congresses that could have an adverse impact on us or holders of our common shares. It is also possible that future Treasury Regulations, and / or IRS administrative rulings could have an adverse impact on the Company or the holders of our common shares. We cannot be certain if, when or in what form such Treasury Regulations or IRS administrative pronouncements may be provided and whether such guidance will have a retroactive effect, and / or a negative impact upon an investor subject to U. S. taxation. Existing U. S. tax law could have an adverse impact on us

or holders of our common shares if future changes to the business causes the Company to exceed certain thresholds. The base erosion anti- abuse tax or “ BEAT ” that could make certain levels of affiliate reinsurance between United States and non- U. S. members of our group economically unfeasible. Although we are not currently impacted by BEAT, there can be no assurance that changes to future taxable income calculations or future changes to BEAT will not have a negative impact on us. Future legislation adverse to the Company' s effective tax rate may also extend beyond changes to the BEAT. In addition, the Inflation Reduction Act of 2022 (“ IRA ”) introduced, among other tax provisions, the Corporate Alternative Minimum Tax (“ CAMT ”) and a new federal excise tax (“ FET ”) of 1 % on certain stock repurchases (“ Excise Tax ”). In general, a Company **Companies is are** not subject to the CAMT if it does not meet a certain net income threshold on a trailing 3- year average calculation. Based on ~~such~~ such calculations, the Company is not currently subject to the CAMT. Management will continue to monitor the applicability of CAMT. Generally, the Excise Tax on certain stock repurchases applies to U. S.- domiciled companies. **The IRS Proposed regulations issued a notice in December 2022-2024 (Notice 2023-2), which states may apply retroactively if finalized in their present form, provide** in part that **a foreign- parented MNC’ s containing a stock repurchase is subject to the FET if it is funded by its U. S affiliate with a principal purpose of avoiding** ~~consolidated group could be deemed to have funded their~~ **the FET. The Proposed Regulations provide that the determination of whether a funding by a U. S. affiliate has a principal purpose of avoiding the FET is based on all the facts and circumstances. Final regulations were also issued in 2024 which provide several procedural rules related to the payment of the tax and related compliance obligations. The Company may become subject to the FET on stock repurchases in 2025 and future years based on facts and circumstances** from a U. S. affiliate funding source. There is considerable uncertainty regarding what constitutes a “ U. S funding source ~~sources~~ ”, and **uses of Essent Group Ltd capital under the Proposed IRS has announced that it plans to issue regulations Regulations** clarifying its position as stated in Notice 2023-2. IRS also issued Announcement 2023-18 stating that no taxpayer is required to report the excise tax on any returns filed with the IRS, or to make any payments of such tax, before the time specified in forthcoming regulations. However, Announcement 2023-18 does not alter the fundamental obligation to pay the tax which applies to stock buy backs in 2023, if and when due. Depending on the definitions of “ U. S. funding source ” within regulations when issued, the Company may be subject to a 1 % excise tax on all ~~stock repurchases~~. Our holding company structure and certain regulatory and other constraints, including adverse business performance, could negatively impact our liquidity and potentially require us to raise more capital. Essent Group Ltd. serves as the holding company for our insurance and other subsidiaries and does not have any significant operations of its own. As a result, its principal source of funds is income from our investment portfolio, dividends and other distributions from our insurance and other subsidiaries, including permitted payments under our expense- sharing arrangements, and funds that may be raised from time to time in the capital markets. Our dividend income is limited to upstream dividend payments from our insurance and other subsidiaries, which may be restricted by applicable state insurance laws. Under Pennsylvania law, our insurance subsidiaries may pay ordinary dividends without prior approval of the Pennsylvania Insurance Commissioner, but are not permitted to pay extraordinary dividends without the prior approval of the Commissioner. An extraordinary dividend is a dividend or distribution which, together with other dividends and distributions made within the preceding 12 months, exceeds the greater of (i) 10 % of our surplus as shown in our last annual statement on file with the Commissioner, or (ii) our net income for the period covered by such statement, but shall not include pro rata distributions of any class of our own securities. Moreover, under Pennsylvania law, dividends and other distributions may only be paid out of unassigned surplus unless approved by the Commissioner. Our primary **U. S.** operating subsidiary, Essent Guaranty, Inc., had unassigned surplus of approximately \$ ~~298-396.8-6~~ million as of December 31, ~~2023-2024~~, and paid to its parent, Essent US Holdings, Inc., dividends totaling \$ ~~295-165.0-5~~ million in ~~2023-2024~~. **In addition, Essent Guaranty of PA, Inc. had unassigned surplus of approximately \$ 15.0 million as of December 31, 2023. Essent Guaranty of PA, Inc. did not pay any dividends in 2023.** For further information, see Note 11 to our consolidated financial statements entitled “ Dividends Restrictions ” included elsewhere in this Annual Report. Our ability to pay dividends is dependent on our receipt of dividends and other funds from our subsidiaries. Essent Group Ltd. is a holding company. As a result, our ability to pay dividends on our common shares in the future will depend on the earnings and cash flows of our operating subsidiaries and the ability of those subsidiaries to pay dividends or to advance or repay funds to it. This ability is subject to general economic, financial, competitive, regulatory and other factors beyond our control. Furthermore, our subsidiaries are restricted by state insurance laws and regulations from declaring dividends to us. Our subsidiaries are also restricted by state insurance laws and regulations from declaring dividends to us. See “ Risks Related to Taxes and Our Corporate Structure — Our holding company structure and certain regulatory and other constraints, including adverse business performance, could negatively impact our liquidity and potentially require us to raise more capital. ” Accordingly, our operating subsidiaries may not be able to pay dividends up to Essent Group Ltd. in the future, which could prevent us from paying dividends on our common shares. Holders of our shares may have difficulty effecting service of process on us or enforcing judgments against us in the United States. We are a Bermuda exempted company. As a result, the rights of holders of our common shares are governed by Bermuda law and our memorandum of association and bye- laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. Certain of our directors are not residents of the United States, and a substantial portion of our assets are owned by subsidiaries domiciled outside the United States. As a result, it may be difficult for investors to effect service of process on those persons in the United States or to enforce in the United States judgments obtained in U. S. courts against us or those persons based on the civil liability provisions of the U. S. securities laws. It is doubtful whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against us or our directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against us or our directors or officers under the securities laws of other jurisdictions. We may repurchase a shareholder' s common shares without the shareholder' s consent. Under our bye- laws and subject to Bermuda law, we have the option, but not the obligation, to require a shareholder to sell to us at fair market value the

minimum number of common shares which is necessary to avoid or cure any adverse tax consequences or materially adverse legal or regulatory treatment to us, our subsidiaries or our shareholders if our board of directors reasonably determines, in good faith, that failure to exercise our option would result in such adverse consequences or treatment. Provisions in our bye- laws may reduce or increase the voting rights of our shares. In general, and except as provided under our bye- laws and as provided below, our shareholders have one vote for each common share held by them and are entitled to vote, on a non- cumulative basis, at all meetings of shareholders. However, if, and so long as, the shares of a shareholder are treated as " controlled shares" (as determined pursuant to sections 957 and 958 of the Code) of any U. S. Person that owns shares directly or indirectly through non- U. S. entities) and such controlled shares constitute 9. 5 % or more of the votes conferred by our issued shares, the voting rights with respect to the controlled shares owned by such U. S. Person will be limited, in the aggregate, to a voting power of less than 9. 5 %, under a formula specified in our bye- laws. The formula is applied repeatedly until the voting power of all 9. 5 % U. S. Shareholders has been reduced to less than 9. 5 %. In addition, our board of directors may limit a shareholder's voting rights when it deems it appropriate to do so to (i) avoid the existence of any 9. 5 % U. S. Shareholder; and (ii) avoid certain material adverse legal or regulatory consequences to us, any of our subsidiaries or any direct or indirect shareholder or its affiliates. The amount of any reduction of votes that occurs by operation of the above limitations will generally be reallocated proportionately among our other shareholders whose shares were not " controlled shares" of the 9. 5 % U. S. Shareholder so long as such reallocation does not cause any person to become a 9. 5 % U. S. Shareholder. Under these provisions, certain shareholders may have their voting rights limited, while other shareholders may have voting rights in excess of one vote per share. Moreover, these provisions could have the effect of reducing the votes of certain shareholders who would not otherwise be subject to the 9. 5 % limitation by virtue of their direct share ownership. We are authorized under our bye- laws to request information from any shareholder for the purpose of determining whether a shareholder's voting rights are to be reallocated under the bye- laws. If any holder fails to respond to this request or submits incomplete or inaccurate information, we may, in our sole discretion, eliminate the shareholder's voting rights. There are regulatory limitations on the ownership and transfer of our common shares. Common shares may be offered or sold in Bermuda only in compliance with the provisions of the Companies Act and the Bermuda Investment Business Act 2003, which regulates the sale of securities in Bermuda. In addition, the BMA must approve all issues and transfers of shares of a Bermuda exempted company. However, the BMA has pursuant to its statement of June 1, 2005 given its general permission under the Exchange Control Act 1972 (and related regulations) for the issue and free transfer of our common shares to and among persons who are non- residents of Bermuda for exchange control purposes as long as the shares are listed on an appointed stock exchange, which includes the New York Stock Exchange. This general permission would cease to apply if the Company were to cease to be so listed. We have obtained consent under the Bermuda Exchange Control Act 1972 (and its related regulations) from the BMA for the issue and transfer of our common shares to and between residents and non- residents of Bermuda for exchange control purposes provided our common shares remain listed on an appointed stock exchange, which includes the NYSE. Bermuda insurance law requires that any person who becomes a holder of at least 10 %, 20 %, 33 % or 50 % of the common shares of an insurance or reinsurance company or its parent company must notify the BMA in writing within 45 days of becoming such a holder or 30 days from the date they have knowledge of having such a holding, whichever is later. The BMA may, by written notice, object to a person holding 10 %, 20 %, 33 % or 50 % of our common shares if it appears to the BMA that the person is not fit and proper to be such a holder. The BMA may require the holder to reduce their shareholding in us and may direct, among other things, that the voting rights attaching to their shares shall not be exercisable. A person that does not comply with such a notice or direction from the BMA will be guilty of an offense. The insurance holding company laws and regulations of the Commonwealth of Pennsylvania ~~and the State of Missouri~~, the ~~states~~ **state** in which our U. S. insurance subsidiaries are domiciled, require that, before a person can acquire direct or indirect control of an insurer domiciled in the state, prior written approval must be obtained from the Pennsylvania Insurance Department ~~and / or the Missouri Department of Commerce and Insurance~~. The state insurance ~~regulators~~ **regulator** ~~are~~ **is** required to consider various factors, including the financial strength of the acquirer, the integrity and management experience of the acquirer's board of directors and executive officers, and the acquirer's plans for the future operations of the reinsurer or insurer. Pursuant to applicable laws and regulations, " control" over an insurer is generally presumed to exist if any person, directly or indirectly, owns, controls, holds the power to vote or holds proxies representing, 10 % or more of the voting securities of that reinsurer or insurer. Indirect ownership includes ownership of our common shares. Except in connection with the settlement of trades or transactions entered into through the facilities of the NYSE, our board of directors may generally require any shareholder or any person proposing to acquire our shares to provide the information required under our bye- laws. If any such shareholder or proposed acquirer does not provide such information, or if the board of directors has reason to believe that any certification or other information provided pursuant to any such request is inaccurate or incomplete, the board of directors may decline to register any transfer or to effect any issuance or purchase of shares to which such request is related. Although these restrictions on transfer will not interfere with the settlement of trades on the NYSE, we may decline to register transfers in accordance with our bye- laws and board of directors resolutions after a settlement has taken place. U. S. persons who own our shares may have more difficulty in protecting their interests than U. S. persons who are shareholders of a U. S. corporation. The Bermuda Companies Act 1981 (the " Companies Act"), which applies to us, differs in certain material respects from laws generally applicable to U. S. corporations and their shareholders. Set forth below is a summary of certain significant provisions of the Companies Act and our bye- laws which differ in certain respects from provisions of Delaware corporate law. Because the following statements are summaries, they do not discuss all aspects of Bermuda law that may be relevant to us and our shareholders. Interested Directors: Bermuda law provides that if a director has an interest in a material contract or proposed material contract with us or any of our subsidiaries or has a material interest in any person that is a party to such a contract, the director must disclose the nature of that interest at the first opportunity either at a meeting of directors or in writing to the board. Under Delaware law such transaction would not be voidable if: • the material

facts as to such interested director's relationship or interests were disclosed or were known to the board of directors and the board of directors had in good faith authorized the transaction by the affirmative vote of a majority of the disinterested directors;

- such material facts were disclosed or were known to the shareholders entitled to vote on such transaction and the transaction were specifically approved in good faith by vote of the majority of shares entitled to vote thereon; or
- the transaction was fair as to the corporation as of the time it was authorized, approved or ratified.

Under Delaware law, the interested director could be held liable for a transaction in which the director derived an improper personal benefit. Business Combinations with Large Shareholders or Affiliates. As a Bermuda company, we may enter into business combinations with our large shareholders or affiliates, including mergers, asset sales and other transactions in which a large shareholder or affiliate receives, or could receive, a financial benefit that is greater than that received, or to be received, by other shareholders, without obtaining prior approval from our board of directors or from our shareholders. If we were a Delaware company, we would need prior approval from our board of directors or a supermajority of our shareholders to enter into a business combination with an interested shareholder for a period of three years from the time the person became an interested shareholder, unless we opted out of the relevant Delaware statute. Our bye- laws also include a provision restricting business combinations with interested shareholders consistent with the corresponding Delaware statute. Shareholders' Suits. The rights of shareholders under Bermuda law are not as extensive as the rights of shareholders in many U. S. jurisdictions. Class actions and derivative actions are generally not available to shareholders under the laws of Bermuda. However, the Bermuda courts ordinarily would be expected to follow English case law precedent, which would permit a shareholder to commence an action in the name of the company to remedy a wrong done to the company where an act is alleged to be beyond the corporate power of the company, is illegal or would result in the violation of our memorandum of association or bye- laws. Furthermore, a court would consider acts that are alleged to constitute a fraud against the minority shareholders or where an act requires the approval of a greater percentage of our shareholders than actually approved it. The prevailing party in such an action generally would be able to recover a portion of attorneys' fees incurred in connection with such action. Our bye- laws provide that shareholders waive all claims or rights of action that they might have, individually or in the right of the company, against any director or officer for any act or failure to act in the performance of such director's or officer's duties, except with respect to any fraud or dishonesty of such director or officer. Class actions and derivative actions generally are available to shareholders under Delaware law for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action. Indemnification of Directors. We may indemnify our directors or officers or any person appointed to any committee by the board of directors acting in their capacity as such in relation to any of our affairs for any loss arising or liability attaching to them by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which such person may be guilty in relation to the company other than in respect of his own fraud or dishonesty. Under Delaware law, a corporation may indemnify a director or officer of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in defense of an action, suit or proceeding by reason of such position if such director or officer acted in good faith and in a manner he or she reasonably believed to be in or not be opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, such director or officer had no reasonable cause to believe his or her conduct was unlawful. General Risk Factors We may face difficulties, unforeseen liabilities or rating actions from acquisitions or the integration of such acquired businesses. We have completed, and expect to complete, acquisitions in an effort to achieve profitable growth in our operations and to create additional value, such as our ~~recent acquisitions~~ **acquisition of our Agents National Title title insurance operations in 2023 Holding Company and Boston National Holdings LLC from Incenter LLC.** Acquisitions and other structural changes expose us to a number of risks arising from, among other factors, economic, operational, strategic, financial, tax, legal, regulatory and compliance, any one, or a combination, of which could possibly result in the failure to realize the anticipated economic, strategic or other benefits of a transaction. Such events could likewise involve numerous additional risks, including potential losses from unanticipated litigation or levels of claims, the failure to accurately value the investment and / or an inability to generate sufficient revenue to offset acquisition costs. Further, the integration of the operations and personnel of acquired businesses may prove more difficult than anticipated, which may result in failure to achieve financial objectives associated with the acquisition or a diversion of management attention. Such events may also have unintended consequences on ratings assigned by the rating agencies to ~~us the Company~~. Any of these risks, if realized, could prevent us from achieving the benefits we expect from such transactions and / or result in a material adverse effect on our business. We rely on our senior management team and our business could be harmed if we are unable to retain qualified personnel. Our success depends, in part, on the skills, working relationships and continued services of our senior management team. We have employment agreements with each of our senior executives. The departure of any of our key executives could adversely affect the conduct of our business. In such an event, we would be required to obtain other personnel to manage and operate our business, and there can be no assurance that we would be able to employ a suitable replacement for the departing individual, or that a replacement could be hired on terms that are favorable to us. Volatility or lack of performance in our share price may affect our ability to retain our key personnel or attract replacements should key personnel depart. We may need additional capital to fund our operations or expand our business, and if we are unable to obtain sufficient financing or such financing is obtained on adverse terms, we may not be able to operate or expand our business as planned, which could negatively affect our results of operations and future growth. We may require incremental capital to support our growth and comply with regulatory requirements. To the extent that we require capital in the future, we may need to obtain financing from the capital markets or other third- party sources of financing. We may also seek to reinsure part of our risk in force with third- party reinsurers in order to obtain reinsurance credit and capital relief under insurance laws applicable to us and the regulations of the GSEs. Potential investors, lenders or reinsurers may be unable to provide us with financing or reinsurance that is attractive to us. Our access to such financing will depend, in part, on: • general market conditions; • the market's perception of our growth

potential; • our debt levels, if any; • our expected results of operations; • our cash flow; • the availability of capital to third- party reinsurers to reinsure our risks; and • the market price of our common shares. Our principal capital demands include funds for (i) the expansion of our business, (ii) the payment of certain corporate operating expenses, (iii) capital support for our subsidiaries, and (iv) Federal, state and local taxes. We may need to provide additional capital support to our insurance subsidiaries if required pursuant to insurance laws and regulations or by the GSEs. **If In particular, if** we were unable to meet our obligations, our **mortgage insurance subsidiary** could lose GSE approval or be required to cease writing **mortgage insurance** business in one or more states, which would adversely impact our business, financial condition and operating results. ~~We are exposed to risks relating to the discontinuation of LIBOR and to other benchmark rates. The U. K. Financial Conduct Authority (the “FCA”) announced the publication cessation dates for all U. S. Dollar and non- U. S. Dollar LIBOR settings. Most settings ceased at the end of December 2021 and the remaining U. S. Dollar settings (overnight and one-, three-, six- and 12- month U. S. Dollar LIBOR) ceased at the end of June 2023. The FCA has proposed that the International Benchmark Administration continue publication of one-, three- and six- month U. S. Dollar LIBOR settings on a “synthetic,” or non- representative, basis through the end of September 2024. The Federal Reserve Bank of New York publishes a Secured Overnight Funding Rate (“SOFR”), which is intended to replace U. S. dollar LIBOR, and central banks in several other jurisdictions have also announced plans for alternative reference rates for other currencies. At this time, we cannot predict how markets will respond to alternative reference rates, and we cannot predict the effect of the discontinuation of LIBOR on new or existing financial instruments to which we have exposure. The effects on markets and / or of such exposure will vary depending on many factors, including whether, how, and when industry participants adopt alternative reference rates for new products or instruments, the availability of “synthetic” LIBOR and the applicability of U. S. legislative remedies that address LIBOR transition risk for various legacy U. S. Dollar LIBOR instruments. The discontinuation of LIBOR may also have an adverse effect on the reinsurance premium rates we are required to pay in connection with our “Radnor Re” insurance- linked notes transactions, which are tied to LIBOR, or other assets or liabilities whose value is tied to LIBOR or to a LIBOR alternative, including floating rate bonds we hold in our investment portfolio. Furthermore, the discontinuation of LIBOR may impact other aspects of our business, including products, pricing, and models. Moreover, we may not effectively hedge or manage risks from differences among applicable alternative reference rates or timing of when such rates take effect. We may fail to adequately prepare for or react to LIBOR discontinuation and replacement, or fail to fully protect ourselves from all the effects of such changes. Any such uncertainties or ineffective management may harm our reputation, our relationships with our investors, customers, or regulators, our financial condition, and our business operations.~~ Our success will depend on our ability to maintain and enhance effective operating procedures and internal controls. Operational risk and losses can result from, among other things, fraud, errors, failure to document transactions properly or to obtain proper internal authorization, failure to comply with regulatory requirements, information technology failures, failure to appropriately transition new hires or external events. We continue to enhance our operating procedures and internal controls to effectively support our business and our regulatory and reporting requirements. Our management does not expect that our disclosure controls or our internal controls will prevent all potential errors and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. As a result of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons or by collusion of two or more people. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. As a result of the inherent limitations in a cost- effective control system, misstatement due to error or fraud may occur and not be detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the disclosure controls and procedures are met. Any ineffectiveness in our controls or procedures could have a material adverse effect on our business. We have a risk management framework designed to assess and monitor our risks. However, there can be no assurance that we can effectively review and monitor all risks or that all of our employees will operate within our risk management framework, nor can there can be any assurance that our risk management framework will result in accurately identifying all risks and accurately limiting our exposures based on our assessments. Moreover, risk management is expected to be a new and important focus of regulatory examinations of companies under supervision. There can be no assurance that our risk management framework and documentation will meet the expectations of such regulators. Our share price may be volatile or may decline regardless of operating performance. The market price of our common shares may fluctuate significantly in the future. Some of the factors that could negatively affect the market price of our common shares include: • actual or anticipated variations in our quarterly operating results; • changes in our earnings estimates or publication of research reports about us or the real estate industry; • changes in market valuations of similar companies; • any indebtedness we incur in the future; • changes in credit markets and interest rates; • changes in government policies, laws and regulations; • changes impacting Fannie Mae, Freddie Mac or Ginnie Mae; • additions to or departures of our key management personnel; • actions by shareholders; • speculation in the press or investment community; • strategic actions by us or our competitors; • changes in our credit ratings; • the availability of third- party reinsurance for the insurance coverage that we write; • general market and economic conditions; • our failure to meet, or the lowering of, our earnings estimates or those of any securities analysts; and • price and volume fluctuations in the stock market generally. The stock markets have experienced extreme volatility in recent years that has been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the

trading price of our common shares. In the past, securities class action litigation has often been instituted against companies following periods of volatility in their stock price. This type of litigation, even if it does not result in liability for us, could result in substantial costs to us and divert management' s attention and resources. Future sales of shares by existing shareholders could cause our share price to decline. Sales of substantial amounts of our common shares in the public market, or the perception that these sales could occur, could cause the market price of our common shares to decline. As of February ~~12-14, 2024-2025~~, we had ~~106-103, 872-835, 556-368~~ outstanding common shares. In the future, we may issue additional common shares or other equity or debt securities convertible into common shares in connection with a financing, acquisition, and litigation settlement or employee arrangement or otherwise. Any of these issuances could result in substantial dilution to our existing shareholders and could cause the trading price of our common shares to decline. If securities or industry analysts do not publish research or publish misleading or unfavorable research about our business, our share price and trading volume could decline. The trading market for our common shares depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of these analysts downgrades our shares or publishes misleading or unfavorable research about our business, our share price would likely decline. If one or more of these analysts ceases coverage of our Company or fails to publish reports on us regularly, demand for our shares could decrease, which could cause our share price or trading volume to decline. Future offerings of debt or equity securities, which may rank senior to our common shares, may restrict our operating flexibility and adversely affect the market price of our common shares. If we decide to issue debt securities in the future, it is likely that they will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, any equity securities or convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common shares and may adversely affect the market price of our common shares. Any such debt or preference equity securities will rank senior to our common shares and will also have priority with respect to any distributions upon a liquidation, dissolution or similar event, which could result in the loss of all or a portion of your investment. Our decision to issue such securities will depend on market conditions and other factors beyond our control, and we cannot predict or estimate the amount, timing or nature of our future offerings.