Risk Factors Comparison 2024-02-15 to 2023-02-15 Form: 10-K

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

You should carefully consider the following risk factors, as well as all ~~of the~~ other information contained in this report, including our consolidated financial statements and the related notes thereto, before deciding to invest in our common stock. The occurrence of any of the following risks could materially and adversely affect our business, prospects, financial condition, operating results and cash flow. In such case, the trading price of our common stock could decline and you could lose some or all of your investment. This report contains forward- looking statements that involve risks and uncertainties. See" Cautionary Note Regarding Forward- Looking Statements" on page 3 of this report. Our actual results could differ materially and adversely from those anticipated in these forward- looking statements, including any such statements made in Part II, Item 7," Management' s Discussion and Analysis of Financial Condition and Results of Operations." Risk Factors Summary The following is a summary of the principal risks that could materially adversely affect our business operations, industry, and financial results. You should read this summary together with the more detailed description of each risk factor that immediately follows this summary. Risk Related to Our Business Operations • We face intense competition for business in our industry, and if we are unable to compete effectively, we may not be able to achieve our business goals, which would adversely affect our business, financial condition and operating results. • Our NIW volumes could be adversely affected if lenders and investors select alternatives to private MI. • If we are unable to continue to attract and retain the most significant mortgage originators as customers, our ability to achieve our business goals could be negatively impacted. • If the volume of high- LTV loan originations declines, our NIW volume could decline, which would reduce our revenues. • Our underwriting and credit risk management policies and practices may not anticipate all risks and / or the magnitude of potential for loss as the result of unforeseen risks. • Unexpected material increases in borrower defaults could cause our actual losses to materially exceed our expected loss rates, including in certain geographic regions in which our business may be concentrated and more susceptible to downturns. • The premiums we charge may be insufficient to cover claim payments and our operating costs. • Changes in factors that impact the length of time that our policies remain in force may adversely affect our future revenues and claims experience. • ~~Increases~~ **Changes** in inflation, interest rates and mortgage interest rates may have adverse impact on our business, future revenue ~~,~~ and financial condition. • We outsource the underwriting of our mortgage insurance on certain loans to third- party underwriting service providers (USPs). If these USPs fail to adequately perform their underwriting services or place our coverage on loans we would deem ineligible, we could experience increased claims on loans underwritten by them **,** and our customer relationships could be negatively impacted. • Our Master Policies contain restrictions on our ability to rescind coverage for certain material misrepresentations (including fraud) and underwriting defects, and if we were to fail to timely discover any such misrepresentations or underwriting defects, our rights of rescission would be significantly limited, and we could suffer increased losses as a result of paying claims on loans with unacceptable risk characteristics. • The mix of business we write affects our revenue stream and the likelihood of losses occurring. • We expect our claims to increase as our insured loan portfolio grows and matures. • Our business depends, in part, on effective and reliable loan servicing. • If the estimates we use in establishing claims reserves are incorrect, the actual claim payments we make may materially exceed the amount of our corresponding claims reserves, resulting in unexpected charges to income, which could be material and adversely affect our results of operations. • The COVID- 19 virus may continue to impact our financial results and may also continue to affect our business, liquidity and financial condition. • The occurrence of natural or man- made disasters or pandemics could adversely affect our business, financial condition and operating results. • Climate change and efforts to manage or regulate climate risk by government agencies could affect our business and operations. • We are exposed to certain risks associated with our third- party reinsurance transactions, including the possibility that our reinsurers will fail to perform their obligations or that we will lose the capital credit we expected to receive when we entered into the transactions as a result of future GSE or Wisconsin OCI action or if any of our reinsurers experiences a downgrade or other adverse business event. • Our operating results depend in large part on our ability to manage the risks related to the growth of our business and on maintaining and enhancing effective operating procedures and internal controls. • We are exposed to operational risk from fraud, malfeasance or error by borrowers, employees and third- party service providers, and any such fraud, malfeasance or error could materially and adversely affect us. • If we do not maintain connectivity with or otherwise meet the technological demands of our customers or are unable to develop, enhance and maintain our proprietary technology platform, our business and financial performance could be adversely affected. • We may not be able to prevent the unauthorized disclosure or misuse of confidential, personal or proprietary information. • Adverse investment performance may affect our financial results and ability to conduct business. • We face regulatory and litigation risks associated with offering loan review services. Risk Related to Regulation of the Mortgage Insurance Industry • There can be no assurance that the GSEs will continue to treat us as an approved insurer in the future, and **changes to, or** our failure to maintain compliance with **,** the GSEs' PMIERs **,** could adversely impact our business, financial condition and operating results. • Changes in the business practices of the GSEs, including a decision to decrease or discontinue the use of private MI, or changes in the terms on which mortgage insurance coverage may be cancelled, federal legislation that changes their charters or a restructuring of the GSEs or changes in loan delivery pricing imposed by the GSEs could reduce the private MI market opportunity, reduce our revenues or increase our losses. • We are subject to comprehensive state insurance regulations and capital adequacy requirements, which we must satisfy to continue to operate our MI business. • The private MI industry is, and as a participant we are, subject to litigation and regulatory enforcement risk generally. • Our business prospects and operating results could be adversely impacted if, and to the extent that, the Consumer Financial Protection Bureau' s ATR Rules defining a QM negatively

impact the size of the origination market. • The ~~Company~~ **implementation of the Basel rules** may **discourage** ~~be adversely impacted by~~ the **use** ~~phasing out~~ of **mortgage insurance** ~~London Interbank Offered Rate (LIBOR)~~ . Risks Related to Our Holding Company and Capital Structure • Our holding company structure and certain regulatory and other constraints could affect our ability to satisfy our obligations and potentially require us to raise more capital. • Our substantial indebtedness could adversely affect our financial condition. • Our existing, and any future, variable rate indebtedness subjects us to interest rate risk, which could cause our annual debt service obligations to increase significantly. • Despite our substantial level of debt, we may incur more debt, which could exacerbate any or all of the risks described above. • Our current credit ratings may adversely affect our ability to access capital and the cost of such capital, which could have a material adverse effect on our business, financial condition and operating results. General Risks Related to Ownership of Our Common Stock • We do not currently pay any dividends on our common stock and may not do so in the future, and payment of any declared dividends may be delayed. • The market price of our common stock may be volatile, which could cause the value of an investment in our common stock to decline. • The market price of our common stock could decline due to the large number of outstanding shares of our common stock eligible for future sale, and future issuances of our common stock may depress our share price and dilute the book value of our common stock. • Future issuance of debt or preferred stock, which would rank senior to our Class A common stock upon our liquidation, may adversely affect the market value of our common stock. • Provisions contained in our organizational documents, as well as provisions of Delaware law and Wisconsin insurance law, could delay or prevent a change of control of us, which could adversely affect the price of shares of our common stock. Risks Related to Our Business Operations The MI industry is highly competitive. With six private MI companies actively competing for business from the same residential mortgage originators, it is important that we continue to differentiate ourselves from the other mortgage insurers, each of which sells substantially similar products to ours. One or more of our competitors may seek to capture increased market share from the government MIs or from other private mortgage insurers. They may do that by reducing prices, offering alternative coverage and product options, including offerings for loans not intended to be sold to the GSEs, loosening their underwriting guidelines or relaxing risk management policies. Such behavior could, in turn, improve their competitive positions in the industry and negatively impact our ability to achieve our business goals. Competition within the private mortgage insurance industry could result in our loss of customers, lower premiums, riskier credit guidelines and other changes that could lower our revenues or increase our expenses. If our IT systems are inferior to our competitors', existing and potential customers may choose our competitors' products over ours. If we are unable to compete effectively against our competitors and attract and retain customers, our revenue may be adversely impacted, which could adversely impact our growth and profitability. In addition, we and most of our competitors, either directly or indirectly, offer certain ancillary services to mortgage lenders with which we also conduct MI business, including loan review, training and other services. For various reasons, including those related to resources or compliance, we may choose not to offer some or all of these services or not to offer them in a form or to the extent that is similar to the prevailing offerings of our competitors. If we choose not to offer these services, or if we were to offer ancillary services that are not well- received by the market and fail to perform as anticipated, we could be at a competitive disadvantage which could adversely impact our profitability. Certain of our competitors are subsidiaries of larger and more diversified corporations that may have access to greater amounts of capital and financial resources, or a lower cost of capital than we do. Some may have better financial strength ratings than we have. As a result, they may be better positioned to compete in and outside of the traditional MI market, including when the GSEs pursue alternative forms of credit enhancement or credit risk transfer other than private MI, such as their IMAGIN and EPMI programs that were suspended in 2021, but could be relaunched in the same or alternative form in the future. Our financial strength ratings are important for our customers to maintain confidence in our products and our competitive position. PMIERs require all approved insurers, except newly- approved insurers, to maintain at least one rating with a rating agency acceptable to the GSEs. A downgrade in NMIC' s ratings or ratings outlook, or our failure to maintain a rating acceptable to one or both of the GSEs, could have an adverse effect on our business, including (i) potentially impacting our eligibility as an approved insurer, (ii) increased scrutiny of our financial condition by our customers, resulting in potential reduction in our NIW, or (iii) negative impacts to our ability to conduct business in the non- GSE mortgage market, where financial strength ratings may be a more important counter- party consideration for lenders. If lenders and investors select alternatives to private MI on high- LTV loans, our business could be adversely affected. Among others, alternatives to private MI include, but are not limited to: • lenders using government mortgage insurance programs, including those of the FHA, USDA and VA, and state- supported mortgage insurance funds in several states, including Massachusetts and California; • lenders and other investors holding mortgages in their portfolios and self- insuring; • GSEs and other investors using credit enhancements other than MI (including alternative forms of credit risk transfer such as the suspended IMAGIN and EPMI programs that could be relaunched in the future), using other credit enhancements in conjunction with reduced levels of MI coverage, or accepting credit risk without credit enhancement; • lenders originating mortgages using" piggy- back" or other structures to avoid MI, such as a first mortgage with an 80 % LTV and a second mortgage with a 10 %, 15 % or 20 % LTV (referred to as 80- 10- 10, 80- 15- 5 or 80- 20 loans, respectively) rather than a first mortgage with an LTV above 80 % that has MI; • lender retention program; and • borrowers paying cash or making large down payments versus securing mortgage financing. Any of these alternatives to private MI could reduce or eliminate the need for our products, cause us to lose existing business and / or limit our ability to attract the new business that we may prefer to insure. Further, at the direction of the FHFA, the GSEs have expanded their credit and mortgage risk transfer programs. These programs have included the use of structured finance vehicles, obtaining insurance from non- mortgage insurers, including off- shore reinsurance, engaging in credit- linked note transactions in the capital markets, or using other forms of debt issuances or securitizations that transfer credit risk directly to other investors. The growing success of these programs and the perception that some of these risk- sharing structures have beneficial features in comparison to private MI (e. g., lower costs, reduced counter- party risk due to collateral requirements or more diversified insurance exposures) may create increased competition for private MI on loans traditionally sold to the GSEs with private MI. During the

2008 financial crisis, the government MIs, principally the FHA and VA, captured an increasing share of the high- LTV MI market. While declining from peak market share, government MIs' market share remains substantially above their historical levels. Government mortgage insurance programs are not subject to the same capital requirements, costs of capital, risk tolerance or business objectives that we and other private mortgage insurers are. Therefore, the government MIs generally have greater financial flexibility in setting their pricing, guidelines, policy terms and capacity. That may put us at a competitive disadvantage. Although there has been broad policy consensus toward the need for private capital to play a continued and consistent role in the U. S. housing finance system, it remains difficult to predict whether the combined market share of the government MIs will recede to pre- 2008 levels. Government MIs may continue to maintain a strong combined market position and could increase their market share in the future. If the government MIs maintain or increase their share of the mortgage insurance market, our business and industry could be negatively affected. Factors that could cause government MIs to remain significant include, among others: • change to federal housing policy and / or priorities, including government MIs reducing their premiums, which may be more likely under the current Presidential administration, or loosening their underwriting guidelines; • increase in premium rates or tightening of underwriting guidelines by private mortgage insurers; • capital constraints in the private MI industry; • increase in capital requirements imposed on private mortgage insurers by the GSEs or states; • continuation of increases to or imposition of new GSE loan delivery fees on loans that require MI, which may result in higher borrower costs for MI loans compared to loans insured by government MIs; • loans insured under federal government- supported mortgage insurance programs are eligible for securitization in Ginnie Mae securities, which may be viewed by investors as more desirable than GSE securities due to the explicit backing of Ginnie Mae securities by the full faith and credit of the U. S. federal government; • difference in the spread between GSE mortgage- backed securities and Ginnie Mae mortgage- backed securities; • increase in government MIs' loan limits above GSE loan limits; • change in GSEs' demand to participate in the high- LTV or first- time homebuyer origination market; and • perceived operational ease of using insurance from government MIs compared to private MI. The degree to which lenders or borrowers may select these alternatives now, or in the future, is difficult to predict. As one or more of the alternatives described above, or new alternatives that may enter the market, are chosen over MI, our revenues could be adversely impacted. The loss of business in general or the specific loss of more profitable business could have a material adverse effect on our financial position and operating results. The success of our mortgage insurance business is highly dependent on our ability to attract and retain as customers the most significant mortgage lenders in the U. S., measured through the combined volume of their retail originations and / or the insured loans they may acquire from other originators. As a result of their size and market share, these entities originate a significant majority of high- LTV mortgages in the U. S. and, therefore, influence the size and pricing of the MI market. We are currently doing business with a majority of these lenders. However, there is no assurance we will receive approvals from each of the remaining lenders to transact MI business with them or that those lenders who have approved us will continue to maintain business relationship with us. If we are unable to maintain our approved status with one or more of these mortgage lenders, our business, financial condition and operating results could be adversely impacted. We cannot be certain that any loss of business from one or more of our lender customers would be offset or replaced by other new or existing lender customers. Some lenders may decide to write business only with certain mortgage insurers based on their views with respect to an insurer' s pricing, price delivery system, service levels, underwriting guidelines, servicing and loss mitigation practices, financial strength or other factors. Our customers may choose to diversify the mortgage insurers with which they do business, which could negatively affect our level of NIW and our market share. In addition, our Master Policies do not require our customers to do business with us. Loss of business from significant customers, if not offset or replaced by additional business from other customers, could have an adverse effect on the amount of new business we are able to write and, consequently, our financial condition and operating results. Our NIW volume and revenues, in part, depend on the volume of high- LTV loan originations and may be negatively affected if the volume of high- LTV loan origination declines. The factors that affect the volume of high- LTV loan originations include, among others: • the level of loan interest rates. Higher interest rates may increase the potential housing costs for consumers hoping to purchase homes, which may have the effect of reducing the pool of potential borrowers available to purchase homes; • restrictions on mortgage credit due to more stringent underwriting standards, more restrictive regulatory and capital requirements and lender liquidity issues; • the health of the real estate industry and the national economy and conditions in regional and local economies, which may be impacted by inflation and the related Federal Reserve measures, which may cause potential economic downturn; • housing affordability; • housing supply; • population trends, including the rate of household formation, preferences of potential mortgage borrowers and cultural shifts; • the rate and anticipated path of home price appreciation, which in times of heavy refinancing can affect whether refinance loans have LTVs that require MI; • deductibility of mortgage interest or other changes in tax policy, including the TCJA of 2017, which may have an effect on the residential housing market; • U. S. government housing policy encouraging loans to first- time homebuyers; • GSEs' demand to participate in the high- LTV or first- time homebuyer origination market; • the extent to which the GSEs' guaranty and other fees, credit underwriting guidelines and other business terms affect lenders' willingness to extend credit for high- LTV mortgages; and • COVID- 19 and any related imposed containment measures. A decline in the volume of high- LTV loan originations could decrease demand for MI, decrease our NIW and therefore reduce our revenues and have a material adverse effect on our operating results. We have established underwriting and credit risk management policies and practices that seek to mitigate our exposure to borrower default risk in our insured loan portfolio by anticipating future risks and their magnitude. Our underwriting and credit risk management guidelines are based on what we believe to be the major factors that influence the performance of mortgage credit. These factors include, among others, borrower and loan- level risk characteristics, lender origination practices and macroeconomic variables that influence the housing market. The presence of multiple higher- risk characteristics (i. e., layered risk) in a loan materially increases the likelihood of a default on such a loan unless, and to the extent, there are other characteristics to mitigate the layered risk. The frequency and severity of claims we incur is uncertain and depends largely on

general economic conditions, including unemployment rate, interest rates, inflation and the effect of the Federal Reserve' s action to control inflation (which could lead to potential economic downturn), and trends in home prices. These **risks** may also ~~be continue to~~ be impacted by developments relating to the COVID- 19 virus **in the future** . To the extent that certain risks are unforeseen, or if we have underestimated the frequency and / or severity of loss of certain risks, our underwriting and credit risk management policies and practices may not be sufficient to mitigate the effects of these risks. If these policies and practices do not correctly anticipate risk or the potential for loss, we may underwrite business for which we have not charged premium commensurate with the risk, which could result in material adverse effects on our business, financial condition and operating results. Our losses result from events that reduce a borrower' s ability or willingness to continue to make mortgage payments. These events include borrower- specific factors, such as job loss, illness, death, divorce, and existing federal supported forbearance programs. These events also include macroeconomic factors, such as rising unemployment, market deterioration, rising interest rates and home price depreciation. Borrowers with high- LTV mortgages often have more difficulty (compared to borrowers with lower LTV mortgages) weathering personal financial hardships caused by unforeseen events, because they may not have sufficient personal savings or available credit to structure viable workout solutions. Rising unemployment rates and deterioration in economic conditions for extended periods of time, ~~including as a result of any potential economic downturn and developments relating to the COVID- 19 virus and its variants,~~ across the U. S. or in specific regional economies (such as the wave of layoffs in the technology sector in the recent past), generally increases the likelihood of borrower defaults. As inflation has lowered housing affordability, the use of adjustable- rate mortgages (ARMs) and interest rate buydown transactions have become more common. Interest rate buydown happens when the builder or seller, to increase the chances of selling a home, contributes funds that subsidizes the buyer' s mortgage loan interest rate during a certain period of time, resulting in a lower monthly payment on the mortgage for the buyer. However, once the buydown rate ends, the buyer' s monthly payment increases. Increasing interest rates typically also lead to higher monthly payments for borrowers with existing ARMs and could materially impact the cost and availability of refinance options for borrowers. A decline in home values typically makes it more difficult for borrowers to sell or refinance their homes, generally increasing the likelihood of a default followed by a claim when borrowers are impacted by events that reduce their incomes or increase their expenses. In addition, home price depreciation may also decrease the willingness of borrowers with sufficient resources to make mortgage payments when their mortgage balances exceed the values of their homes. Declines in home values typically increase the severity of any claims we may pay. Home 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 home price appreciation, rising interest rates or availability of mortgage credit. The ending of any widely embraced forbearance programs ~~such as those provided under the CARES Act~~ may also increase the realization of losses related to borrower defaults. If our default and loss projections are materially inaccurate, our actual losses could materially exceed our expectations and adversely affect our financial condition and operating results. Additionally, while we seek to diversify our insured loan portfolio geographically, the availability of business might lead to concentrations in specific regions in the U. S., which could make our business more susceptible to economic downturns in these regions. Certain regions of the U. S. from time to time will experience weaker economic conditions, higher unemployment, lower property values or weaker housing markets. Consequently, loans in these regions will experience higher rates of default, foreclosure and loss than on loans nationally, and struggling borrowers in regions with an oversupply of homes may be unable to sell their homes as a means to avoid foreclosure. Any deterioration in housing prices, housing markets or economic conditions in regions in which we have a significant concentration of IIF and which adversely affects the ability of borrowers to make payments on their insured loans may increase the likelihood and severity of our losses, which could have a material adverse effect on our financial condition and operating results. Our mortgage insurance premiums may not be adequate to cover our future claim payments. We set premiums at the time a policy is issued based on our expectations regarding likely performance over the term of the policy. Our premium rates are developed based on certain expectations that may ultimately prove to be inaccurate. Our premiums are subject to approval by certain state insurance regulators, which can delay or limit our ability to increase our premiums. Generally, we will not be able to cancel the MI coverage or adjust renewal premiums during the life of an MI policy to mitigate adverse development. As a result, when facing higher than anticipated claims, we generally will not be able to offset it by increasing premiums on policies in force, or mitigate it by not renewing or cancelling any coverage. While we believe our capital, premiums and investment earnings will provide a pool of resources sufficient to cover expected loss payments and we have made estimates regarding loss payments and potential claims, we cannot predict with certainty the ultimate number and magnitude of claims we experience. Therefore, the actual premiums (along with investment earnings) may not be sufficient to cover losses and / or our operating costs. An increase in the number or size of claims, compared to what we anticipate, could adversely affect our operating results or financial condition. We may not be able to achieve the results that we expect, and there can be no assurance that losses will not exceed our total resources. We set premiums at the time our policies are issued based on a broad range of variables, including property, loan, borrower, lender and market (e. g., tax reform) factors to target through- the- cycle returns that exceed our cost of capital. The premium from a single premium policy is collected up front and generally earned over the estimated life of the policy. In contrast, premiums from a monthly premium policy are received and earned each month over the life of the policy and generally cannot be adjusted after coverage is placed. Each year, most of our premiums will be from insurance that has been written in prior years. As a result, the length of time insurance remains in force, which is also generally referred to as persistency, is a primary determinant of our future revenues and claims paying resources. A lower level of persistency could reduce our future revenues from our monthly- paid premium products, which constituted about ~~89~~ **90** % of our primary IIF at year- end ~~2022~~ **2023** . Higher than expected persistency rates could negatively impact our future profitability on monthly premium policies if market and economic conditions change significantly from those we expected when we established the premium rates. In addition, a higher than expected persistency rate will decrease the profitability from single premium policies if they remain in force longer than was

estimated when the policies were written. The factors affecting persistency may include, among others, the following: • servicing guidelines and other policies of the GSEs and other mortgage investors determining the timing and rationale for cancelling mortgage insurance; • the level of current mortgage interest rates compared to the mortgage rates on the IIF, which affects the sensitivity of the IIF to refinancings (i. e., lower current interest rates make it more attractive for borrowers to refinance and receive a lower interest rate); • amount of equity in a home, as homeowners with more equity in their homes can more readily move to a new residence or refinance their existing mortgage; • changes in rates of home price appreciation or depreciation; • economic conditions that affect a borrower' s decision to pay- off a mortgage earlier than required; • lenders' credit policies, which may make it more difficult for borrowers to refinance their loans; • efforts of lenders to solicit borrower refinancing; and • cancellation of BPMI mandated by the HOPA, with the time- frames for HOPA required cancellations generally accelerating in a lower interest rate environment relative to a higher interest rate environment. Mortgage interest rates tend to follow the 10- year Treasury yield, which rises and falls based on expectations for the benchmark rate set by the Federal Reserve. In the years leading up to 2022, mortgage interest rates had been at historical lows, primarily as a result of monetary policy by the Federal Reserve which kept the federal funds rate at historical lows. ~~In~~ **Starting in** 2022, in an attempt to curb rising inflation, the Federal Reserve repeatedly and rapidly increased the federal funds rate which **, in July 2023,** hit its highest levels in ~~15~~ **22** years ~~in December 2022~~ , and led to rising interest rates and mortgage interest rates ~~. Mortgage interest rates also recorded their largest increase in any calendar year~~ in 2022 and **2023** ~~the average rate on a 30- year, fixed- rate mortgage increased to the highest in 20 years~~ . As a result of the higher mortgage interest rates in 2022 **and 2023** , we observed lower refinancing activities in the mortgage market compared to what we had observed in recent years prior to 2022, and therefore decreased turnover in our IIF. However, if in the future inflation lowers and the Federal Reserve subsequently loosens its monetary policy, mortgage interest rates would likely decline. As in the years leading up to 2022, if we experience a lower interest rate environment in the future, we expect that to drive higher levels of refinancing in the mortgage market, including with respect to loans we insure which may have interest rates (i. e., such as those written in 2022 **and 2023** in a higher interest rate environment) that are higher than the future prevailing rates. A lower interest environment could subsequently lead to an increased turnover in our IIF, which could negatively impact our future revenues. We are unsure, however, what the ultimate impact on our revenues will be as insured mortgages are refinanced, because the number of policies we write for replacement mortgages may be more or less than the terminated policies associated with the refinanced mortgages and could be written at lower premium rates. In addition, the GSEs and other mortgage investors who hold the mortgages on which we write mortgage insurance largely control the decision on whether to maintain mortgage insurance. If the GSEs and other mortgage investors change their view on the timing of cancellation of mortgage insurance due to house price appreciation, policy goals, other risk appetite decisions or otherwise, we could experience increased and unexpected turnover in our IIF, which could negatively impact our future revenues. ~~Increases~~ **Changes** in inflation, interest rates and mortgage interest rates may have an adverse impact on our business, future revenue ~~,~~ and financial condition. Since 2021, inflation has increased dramatically. Rising inflation may negatively impact our expense base by increasing the costs (including for services) we have to pay contractors, employees, service providers and vendors. Higher inflation also puts a strain on consumer spending. As general costs for goods and services increase for consumers, their housing and mortgage affordability decrease. Inflation' s adverse impact on housing and mortgage affordability may therefore lower overall housing demand, result in lower NIW volume and negatively impact our business, future revenue and financial condition. In an attempt to curb rising inflation, the Federal Reserve repeatedly and rapidly increased the federal funds rate in 2022 **and 2023** which led to rising interest rates and mortgage interest rates **, before announcing a pause in September 2023** . Higher interest rates and mortgage rates may have an adverse impact on the refinancing origination market and purchase origination market. Higher rates have an adverse impact on the refinancing origination market because higher mortgage interest rates lower the opportunity to refinance an existing loan at a lower mortgage interest rate. Higher rates also have an adverse impact on the purchase origination market because higher mortgage interest rates lower housing and mortgage affordability, and thus consumers' demand for homes. Affordability issues and increases in mortgage rates may also put downward pressure on home prices as buyers' demand for homes decreases. Falling housing demand may result in fewer mortgage originations and a lower price per transaction, reducing the overall size of the MI market. Falling home prices may also result in an increase in our default losses as borrowers' equity in their homes declines and thus decreases our future revenues and returns. In addition, if the Federal Reserve decides to ~~continue~~ **resume** its interest rate hikes **in the future** , there can be no guarantee **it** ~~the Fed~~ will raise rates at a gradual pace, nor can there be any assurance that markets will not adversely react to rate increases and that the rate hikes would not trigger an economic downturn. Downturns in the domestic economy may result in more homeowners defaulting and our losses increasing, with a corresponding decrease in our returns. Therefore, the ultimate impact that higher inflation rates will have on the mortgage origination and mortgage insurance markets, and our loan delinquencies **,** is unknown, and ~~increases~~ **changes** in inflation, interest rates and mortgage interest rates may have an adverse impact on our business, future revenue and financial condition. If our USPs fail to adequately perform their underwriting services, such as mishandling of customer inquiries or an inability to underwrite a sufficient volume of applications per day, we may lose opportunities to place mortgage insurance coverage on particular loans. Our reputation may also suffer and customers may choose not to do business with us. In addition, if our USPs place our MI coverage on loans that are ineligible for coverage under our underwriting guidelines, our risk of claims will be increased on those loans or the premiums we charge may be inadequate for the corresponding risk. We do not have the right under our Master Policies to cancel coverage of an ineligible loan as a result of a USP making an incorrect decision. Further, other than being able to terminate our contracts with these USPs, we generally do not have express loan- level monetary contractual remedies against these USPs if we are obligated to pay claims on ineligible loans that they improperly agreed to insure on our behalf. If these USPs fail to perform their services as expected, we could experience increased claims on loans underwritten by them **,** and our customer relationships could be negatively impacted, which would have an adverse impact on our business, financial condition and operating results.

Under our Master Policies' rescission relief provisions, we agree that we will not rescind coverage of an insured loan for material misrepresentation (including borrower fraud) or underwriting defects if the conditions for such relief are satisfied as specified in the applicable Master Policy. In addition, after a loan has achieved rescission relief, we have agreed to limitations on our ability to initiate certain investigations of fraud or misrepresentation by parties involved in the origination of an insured loan. Our earliest rescission relief on an insured loan is subject to our successful completion of an independent validation on such loan. The current processes we have in place to validate insured loans may be ineffective in detecting material misrepresentations and / or underwriting defects. After a loan meets the conditions for rescission relief, we are contractually prohibited from exercising our rights of rescission for material underwriting defects and certain misrepresentations (including borrower fraud) made in connection with the origination of the insured loan and placement of our mortgage insurance. In addition, after a loan attains rescission relief, our rights to conduct investigations of potential fraud or misrepresentation are significantly curtailed and the evidentiary standards we must meet to pursue rescission for fraud are more stringent. See Item 1," Business- Underwriting- Independent Validation and Rescission Relief." With these provisions in our Master Policies, we may be obligated to pay claims on certain loans with unacceptable risk characteristics or which failed to meet our underwriting guidelines at the time of origination. As a result, we could suffer unexpected losses, which could adversely impact our business, financial condition and operating results. Even when housing values are stable or rising, mortgages with certain characteristics have higher probabilities of claims. These characteristics include loans with LTVs over 95 % (or in certain markets that have experienced declining housing values, over 90 %), lower credit scores, with lower scores tending to have higher probabilities of claims, or higher total DTI ratios (i. e., DTIs greater than 45 %). Loans with high LTVs leave the borrower with little, no or negative equity in the related property, which may result in increased defaults by such borrowers. In addition, depreciation in the values of properties underpinning our insured loans may increase the likelihood of default, and consequently the frequency or severity of losses. Loans with combinations of these risk factors have a higher degree of layered risk. In general, we charge higher premiums for loans with higher risk characteristics; however, there is no guarantee that our premiums will compensate us for any losses we incur on such loans. From time to time, in response to market conditions, we may change the types of loans that we insure and the guidelines under which we insure them, and in doing so, the concentration of insured loans with higher risk characteristics in our portfolio may increase. In addition, we may make programmatic or loan- by- loan exceptions to our underwriting guidelines, including for certain customer programs. We could incur greater than expected claims incidence and claim severity on insured loans that fall outside of our guidelines, which could negatively impact our revenues and operating results. The actual claims we incur as our portfolio matures are difficult to predict and depend on the specific characteristics of our current in- force book (including the credit score and DTI **ratio** of the borrower, the LTV ratio of the mortgage and geographic concentrations, among others), as well as the risk profile of new business we write in the future. In addition, our claims experience is affected by macroeconomic factors such as housing prices, inflation, interest rates, mortgage rates, unemployment rates and other events, such as natural disasters or global pandemics ~~(including the ultimate future consequences of COVID- 19)~~ , and any federal, state or local governmental response thereto. See Part II, Item 7," Management' s Discussion and Analysis of Financial Condition and Results of Operations- Insurance Claims and Claim Expenses." Incurred losses and claims may exceed our expectations 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 operating results and financial condition. We depend on reliable, consistent third- party servicing of the loans that we insure. Among other things, our Master Policies require our insureds and their servicers to timely submit premium and IIF and default reports, use commercially reasonable efforts to limit and mitigate loss when a loan is in default **,** and if loss mitigation efforts are unsuccessful, to pursue foreclosure of the underlying property in accordance with required timelines and practices, which are generally set by the GSEs. Servicers are required to comply with a multitude of legal, regulatory and GSE requirements, procedures and standards for servicing residential mortgage loans. If servicers of our insured loans fail to adhere to applicable requirements, procedures and standards, our losses may unexpectedly increase. We have delegated the authority to implement certain loss mitigation options on loans we insure (e. g., modifications, short sales and deeds- in- lieu) to the GSEs, who have in turn delegated such authority to most of their approved servicers, pursuant to the delegation agreements. Servicers who service GSE- owned loans are required to operate under the GSEs' required standards in accepting certain loss mitigation alternatives. We are dependent on these servicers to appropriately make these decisions under their delegated authority to mitigate our exposure to loss. 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 procedures or failure of servicers to adhere to required standards may increase the magnitude of our losses and have an adverse effect on our business, financial condition and operating results. Our delegation of loss management decisions to the GSEs is subject to cancellation; however, exercise of these rights may have an adverse effect on our relationship with the GSEs and servicers. The COVID- 19 pandemic demonstrated that government actions in response to a national pandemic could create strains on servicers in connection with the remittance of premiums. **We** ~~The COVID- 19 virus, and the continuing spread and rise of new variants, remains a threat and we~~ cannot estimate how the rise of new variants and government actions in response to them could affect our servicers in the future. If one or more of our large servicers were to experience adverse effects to its business, such servicers could experience delays in meeting their reporting requirements, which could result in our inability to correctly record new loans as they are underwritten and / or properly recognize and establish loss reserves on loans when defaults exist or occur but are not reported timely or at all. Significant failures by large servicers or disruptions in the servicing of mortgage loans we insure would adversely impact our business, financial condition and operating results. We establish reserves for claims and claim expenses for insured mortgage loans that are in default. A loan is considered to be in default as of the payment date at which a borrower has missed the preceding two or more consecutive monthly payments. We establish reserves for loans that have been reported to us as in default by servicers, referred to as case reserves, and additional loans that we estimate (based on actuarial review and other factors) to be in default that have not yet been

reported to us by servicers, referred to as" IBNR." We also establish reserves for claim expenses, which represent the estimated cost of the claim administration process, including legal and other fees and other general expenses of administering the claim settlement process. Reserves are established by estimating the number of loans in default that will result in a claim payment, referred to as claim frequency, and the amount of the claim payment expected to be paid on each such loan in default, referred to as claim severity. Claim frequency and severity estimates are established based on historical observed experience regarding certain loan factors, such as age of the default, cure rates, size of the loan and estimated change in property value. The establishment of claims and IBNR reserves is subject to inherent uncertainty and requires significant judgment by management. Our estimates of claim frequency and severity are strongly influenced by prevailing economic conditions, including current rates or trends in unemployment, housing price appreciation and / or interest rates, the availability of forbearance, foreclosure moratorium, modification and other assistance programs available to defaulted borrowers, and our best judgments as to the future values or trends of these macroeconomic factors. These factors are outside of our control and difficult to predict. Further, our expectations regarding future claims may change significantly over time. If prevailing economic conditions deteriorate suddenly and / or unexpectedly, our estimates of loss reserves could be materially understated. Due to the inherent uncertainty and significant judgment involved in the numerous assumptions required to estimate our losses, our loss estimates may vary widely. Because claims and IBNR reserves are based on such estimates and judgments, there can be no assurance that even in a stable economic environment, actual claims paid by us will not be substantially different than the reserves we established for such claims. Our business, operating results and financial condition will be adversely impacted if, and to the extent, our actual losses are greater than our claims and IBNR reserves. Further, consistent with industry practice, our reserving method does not take account of losses that could occur from insured loans that are not in default. Thus, future potential losses that may develop from loans not currently in default are not reflected in our financial statements, except in the case where we are required to establish a premium deficiency reserve. As a result, future losses on loans that are not currently in default may have a material impact on future results if, and when, such losses emerge. The COVID- 19 virus has had and may continue to have negative impacts on the economy and on the financial, equity and credit markets, both globally and within the U. S. **The** ~~While the initial impact of COVID- 19 on our business has moderated, the COVID- 19 virus, with the~~ rise of new variants (including those with greater transmissibility and / or mortality rates), ~~has~~ **may** ~~continued~~ **continue** to pose a global risk and affect communities across the U. S. During the pandemic, there were a number of governmental and GSE efforts to implement programs designed to assist individuals and businesses impacted by the COVID- 19 virus, ~~including~~ **among** ~~the~~ **them the Coronavirus Aid, Relief, and Economic Security Act (** CARES Act ~~, the Consolidated Appropriations Act, 2021 (2021 Appropriations Act), the American Rescue Plan Act (the American Rescue Plan~~). These programs ~~provide~~ **provided** financial assistance for businesses and individuals, and targeted regulatory relief for financial institutions. Among other things, the CARES Act **previously** suspended foreclosures and evictions ~~and remains in effect today~~ . The GSEs, the primary purchasers of mortgages we insure, ~~have~~ also adopted certain measures during the pandemic to assist borrowers impacted by COVID- 19 ~~. Consistent with the CARES Act~~ , **including providing** ~~the GSEs have provided~~ a forbearance plan to certain borrowers. ~~At~~ **Since** the ~~end of a~~ **COVID- related** forbearance ~~plan, the affected borrower will not be required to pay back their reduced or suspended mortgage payments in one lump sum, but may be eligible for a number of different options offered by their mortgage servicer depending on their financial situation, including repayment plans, resuming normal payments or lowering the monthly loan payment through a modification. Notwithstanding the GSEs' efforts and other~~ programs **have since ended** , there can be no assurance that borrowers will be able to remain current on their mortgages ~~after a forbearance period ends~~ , and a significant percentage could remain in default and result in mortgage insurance claims. ~~Given~~ **The extent to which** the ~~continuing spread and mutation of~~ COVID- 19 virus ~~and the rise of new variants both within and outside of the U. S., the extent to which the COVID- 19 virus and its current~~ and future variants may materially impact our future financial results, business, liquidity and / or financial condition is uncertain and cannot be predicted ~~. There were and there may continue to be impacts on our markets, customers, new business, revenues, loss development and related impacts to our capital needs, employee health and productivity, investment portfolio performance, and ability to access capital and reinsurance markets in the future (if we need to). The magnitude of any future impact of the COVID- 19 virus and its variants on our business will depend on, among other things: the spread of the virus and its variants (including those with greater transmissibility and / or mortality rates); the extent and duration of any future containment measures implemented by governmental authorities to manage the spread of the virus and its variants; the extent and effectiveness of medical treatments and vaccination efforts for the virus and its variants; the extent and duration of COVID- 19' s effects on the economy, unemployment, governmental assistance programs, consumer confidence and consumer and business spending; and the virus and its variants' long- term impact on the mortgage origination and mortgage insurance markets. Because the COVID- 19 virus and its variants has continued to pose a global risk and affect communities across the U. S., COVID- 19 may continue to have an impact and effect on our business, liquidity, results of operations and financial condition~~ . We are exposed to various risks arising out of natural disasters, including pandemics, earthquakes, wildfires, hurricanes, floods, tornadoes and other events that could be related to and could be worsened by changing climatic conditions. We are also exposed to various risks arising out of man- made disasters, including acts of terrorism, and military actions. For example, a natural disaster event could lead to unexpected changes in persistency rates as policyholders and borrowers who are affected by the disaster may be unable to meet their contractual obligations, such as mortgage payments on loans we insure. The continued threat of terrorism may cause significant volatility in global financial markets, and a natural or man- made disaster or a pandemic could trigger an economic downturn in the areas directly or indirectly affected by the disaster. These consequences could, among other things, result in a decline in new business and increased claims from those areas, and adverse effects on home prices in those areas, which could result in unexpected loss experience in our business. These events also could disrupt public and private infrastructure, including communications and financial services, which could disrupt our normal business operations. In addition, the value of the assets in our investment portfolio could be adversely affected if such an event affects

companies' ability to pay us principal or interest on their securities. We insure mortgages for homes in areas that have been impacted by natural disasters, including from hurricanes and wildfires. Following such natural disasters, we and other MIs typically experience an increase in defaults on insured mortgages secured by homes in the impacted areas that negatively impact our incurred losses. Our ultimate claims exposure when we experience these events depends on the number of loans in default, proximate cause of each default and cure rate of the default population. Cure rates on loan defaults following natural disasters are influenced by the adequacy of homeowners and other hazard insurance carried on a related property, GSE- sponsored forbearance and other assistance programs, and a borrower' s access to aid from government entities and private organizations, in addition to other factors which generally impact cure rates in unaffected areas. We have observed that loans in default in disaster zones typically cure at a higher rate than non- disaster related loans in default. As such, we historically have established lower reserves for these type of defaults than we otherwise do for similarly situated loans in default in non- disaster zones. Due to the inherent uncertainty and significant judgment involved in our assumptions, our loss estimates may turn out to be materially inaccurate **,** and we can provide no assurance that actual claims paid by us, if any, on defaulted loans in disaster zones will not be substantially different than the reserves we establish for such claims. Climate change and efforts to manage climate risk by government agencies could affect our business and operations. We do not directly insure climate- related risks. Our insurance policies also generally exclude losses resulting from physical damage to the properties securing the loans we insure. While climate related risks such as flood, wildfire, wind, and earthquake do not directly cause losses to our business, we are indirectly exposed to risks of climate change. A natural disaster event could be triggered by climate change and could lead to unexpected changes in persistency rates as policyholders and borrowers who are affected by the disaster may be unable to meet their contractual obligations, such as mortgage payments on loans we insure. A natural disaster triggered by climate change could also trigger an economic downturn in the areas directly or indirectly affected by the natural disaster. These consequences could, among other things, result in a decline in new business and increased claims from those areas, and adverse effects on home prices in those areas, which could result in unexpected loss experience in our business. These events also could disrupt public and private infrastructure, including communications and financial services, which could disrupt normal business operations. Since 2020, the FHFA has been increasingly vocal about climate and natural disasters and their impact on the GSEs and the Federal Home Loan Banks (together, the regulated entities) and the national housing market, and has designated climate change as a priority concern and instructed the GSEs to actively consider its effects in their decision making. In January 2021, the FHFA issued a Request for Input (RFI) regarding Climate and Natural Disaster Risk Management on the regulated entities and hosted a public listening session. The RFI asked for information on data, FHFA' s supervisory and regulatory responsibilities, financial disclosures, affordability, and fairness and equity. In December 2021, the FHFA' s current director (and then acting director) Sandra Thompson issued a statement that instructed FHFA' s regulated entities to designate climate change as a priority concern and actively consider its effects in their decision making. To that end, the FHFA announced a new Conservatorship Scorecard which would hold the GSEs accountable for ensuring resiliency to climate risks, and also enhanced its monitoring and supervision of climate change issues. **The FHFA has also established eight agency- wide internal working groups and a steering committee to assess the progress of the regulated entities in managing climate risk. The goals of the working groups and steering committee are to better understand the impact of climate risk on the housing and mortgage markets.** It is possible that efforts to manage climate risk by the FHFA, GSEs (including through GSE guideline or mortgage insurance policy changes) or others could materially impact the volume and characteristics of our NIW (including its policy terms), home prices in certain areas and defaults by borrowers in certain areas, as well as increase the costs to us of providing mortgage insurance in certain areas, and therefore may impact our business and operations. We use third- party reinsurance, including the **ILN Transactions,** QSR Transactions, ~~the ILN Transactions~~ and XOL Transactions, to actively manage our risk, ensure compliance with PMIERs, state regulatory and other applicable capital requirements and support the growth of our business. There is a risk that these transactions will not continue to provide the benefits we expected when we entered into them, including as a result of our counter- parties under the QSR Transactions and XOL Transactions (which are not fully collateralized like the ILN Transactions) not performing their obligations, the GSEs or the Wisconsin OCI not continuing to give us full capital credit as anticipated for the duration of the contracts, or if one or more reinsurers under any of the QSR Transactions or XOL Transactions experiences a downgrade or other adverse business event. Any of these events could have negative impacts on the credit for the risk transferred under the reinsurance agreements and, in turn, on our capital needs, PMIERs position and growth potential. Reinsurance does not relieve us of our direct liability to our insureds to pay claims, even when there are reinsurance recoverables available to us under the QSR Transactions or XOL Transactions. Accordingly, we bear credit risk with respect to such reinsurers. To mitigate this risk, there are certain contractual protections that establish sources from which we may directly obtain our reinsurance recoverables under the QSR Transactions or XOL Transactions. The ILN Transactions are fully collateralized with funds deposited into trust accounts to secure the obligations of the reinsurers to NMIC under the respective reinsurance agreement. See Part II, Item 8," Financial Statements and Supplementary Data- Notes to Consolidated Financial Statements- Note 6, Reinsurance," below. To the extent the amounts in the QSR Transaction or XOL Transaction trust accounts are insufficient to cover loss recoveries and other amounts to which we are entitled under the QSR Transactions or XOL Transactions, we would attempt to recover such amounts directly from the reinsurers. One or more reinsurers may be unable or unwilling to pay reinsurance recoverables owed to us in the future, which could have an adverse effect on our financial condition. If any reinsurer under the QSR Transactions or XOL Transactions experiences a ratings downgrade, the related reinsurance agreements obligate any such reinsurer, consistent with PMIERs requirements, to increase collateral in the related trust account. If the reinsurer breaches its collateral obligations, and fails to cure after notice, we may terminate the agreement with respect to such reinsurer. The QSR Transactions and XOL Transactions generally also give us the right to terminate the agreements in certain other circumstances, including, among other reasons, if a reinsurer becomes insolvent, has its license revoked or reinsures its entire liability under the relevant QSR Transaction or XOL Transaction with

another entity. If we experience an early termination, we would be required to re- assume the risk ceded to the breaching reinsurer **,** and the PMIERs and statutory capital credit we received when we entered into the agreement would be reversed. Depending on the timing and severity, such an event could have a material adverse effect on our financial condition, growth potential and future capital needs. In addition, the GSEs and the Wisconsin OCI have the right periodically to review performance under our third- party reinsurance transactions, including the reinsurers' financial strength and other factors (which may be unknown to us) the GSEs and Wisconsin OCI may believe are important to an evaluation of the transactions. As a result of such reviews, the GSEs or the Wisconsin OCI could withdraw their approvals or continue their approvals, but grant less than full capital credit. If we do not continue to receive full capital credit in connection with these transactions, we would likely need to seek other sources of capital or reductions in RIF sooner than we would have expected with full capital credit under PMIERs and state insurance laws. Future sources of capital will depend on the cost, availability and terms and conditions that are acceptable to us, our regulators and the GSEs. We cannot be sure that we will be able to secure other sources of capital or substitute reductions in RIF in the amounts we require and on favorable terms, if at all. Our mortgage insurance business has been ~~rapidly~~ **quickly** growing since 2013. Our future operating results depend to a large extent on our ability to successfully manage the continued growth of our business and the demands such growth places on our operations personnel and senior management team. The unexpected loss of key management and other personnel, or the inability to recruit, develop and retain qualified management talent in the future, could have an adverse effect on our business, financial condition or operating results. If we are unable to manage future expansion in our operations, we may experience compliance and operational problems, be required to slow the pace of growth, or have to incur additional expenditures beyond current projections to support such growth, any one of which could have an adverse effect on our business, financial condition or operating results. Our future operating results also depend on our ability to continue to implement and improve our operational, credit, financial, management and other disclosure and internal risk controls and procedures and our reporting systems and procedures. Our management does not expect that our disclosure and internal risk controls and procedures will prevent all potential errors and fraud. We may not successfully implement improvements to, or integrate, our controls and procedures in an efficient or timely manner and may discover deficiencies in existing controls and procedures. There can be no guarantee that we will not experience flaws in our internal controls and procedures in the future. The design of any system of controls 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. If our controls are not effective or not properly implemented, we could suffer financial or other loss, disruption of our business, regulatory sanctions or damage to our reputation. Losses resulting from these failures can vary significantly in size, scope and scale and may have a material adverse effect on our business, financial condition and operating results. We are exposed to many types of operational risk, including the risk of fraud or malfeasance by borrowers, employees and outsiders, including third- party service providers, clerical record- keeping errors and transactional errors. Our business depends on our employees and third parties to process a large number of transactions. We could be materially and adversely affected if one of our employees or one of our systems causes a significant operational breakdown or failure, either as a result of human error or where an individual purposefully sabotages or fraudulently manipulates our operations or systems. Third parties with whom we do business also could be sources of operational risk to us, including breakdowns or failures of such parties' own systems or employees. Given our hybrid and remote work arrangements of our employees and staff, the effectiveness of our compliance programs and overall ability to prevent and detect fraud or malfeasance by our employees or contractors may be diminished. Any of these occurrences could result in a diminished ability to operate our business, potential liability to customers, reputational damage and regulatory intervention, which could result in a material adverse effect on our financial position and operating results. We primarily rely on e- commerce and other technologies to provide and distribute our MI products and services. Our customers require us to provide and service our MI products in a secure manner, including through our proprietary technology platform, our internet website or direct electronic data transmissions. To enhance our ability to provide innovative IT solutions for our internal and external constituents, we are party to an agreement with TCS, whereby TCS provides services across such functions as application development and support, infrastructure support (service desk, end user computing and engineering services) and information security functions. We underwrite and service our MI portfolio within a proprietary insurance management platform which has deployed technology that enables our customers to transact business in a secure manner. Our lender customers may choose to do business only with mortgage insurers with which they are already technologically compatible and may choose to retain existing MI providers rather than invest the time and resources to integrate with a new MI provider. Our business, financial condition and operating results may be adversely impacted if we do not successfully establish and maintain these arrangements and relationships, or otherwise keep pace with the technological demands of customers. The success of our business depends on our ability to timely and effectively resolve any significant issues that may arise with the operation of our technology platform. While we anticipate that our engagement with TCS will enhance our ability to further develop, deploy, and service our technology platform, any delays caused by the outsourcing of these functions, deterioration in our relationship with TCS, or termination of our engagement with TCS could lead to significant disruptions in our operations. If our technology platforms fail to perform in the manner we expect, our business, financial condition and operating results may be significantly harmed. Further, our business would be negatively impacted if we are unable to enhance our platform when necessary to support our primary business functions, including to match or exceed the technological capabilities of our competitors over time. We cannot predict with certainty the cost of maintaining and improving our platform, but failure to make necessary improvements and any significant shortfall in any technology enhancements or negative variance in the timeline in which system enhancements are delivered could have an adverse effect on our business, financial condition and operating results. Our IT systems process, transmit, store and protect large amounts of personal information of borrowers whose mortgages we insure, in addition to the confidential, proprietary, financial and other information that are critical to our business. **See Item 1C," Cybersecurity."** Our IT systems and networks, including those

functions that we may outsource, are vulnerable to unauthorized access, interruptions or failures due to events that are often beyond our control, including cyber- attacks, natural disasters, theft, terrorist attacks and general technology failures. We may, from time to time, upgrade certain of our information systems, and transform and automate certain of our business processes. We also have outsourced certain technology and business functions to third parties, and may continue to do so in the future. If we fail to timely and successfully implement and integrate new technology systems or if the systems and / or transformed and automated business processes do not operate as expected, this may expose us to increased risk related to data and information security and unexpected service disruptions, which could result in monetary and reputational damage or harm to our competitive position. Our remote and hybrid working arrangements may also increase the risk of cyber- security attacks or data security incidents. In particular, in the current remote and hybrid working arrangements environment, our employees and vendors rely on the use of portable computers and mobile devices, which can be stolen, lost or misused, making information accessible through such devices more vulnerable to unauthorized access, including by employee malfeasance. We have adopted information security procedures and controls to safeguard our systems and the information that we process, transmit and store, including multi- factor authentication and a new biometrics solution to authenticate employee login. Despite these efforts, we may not be able to anticipate or implement effective preventive measures against all cyber threats, or detect and contain a breach in a timely manner, including because employees or contractors may not follow the controls we have implemented, the invasive techniques used change frequently or are not recognized until launched, and because security attacks can originate from a wide variety of sources and methods. Our remote or hybrid working arrangements may exacerbate these risks. Our employees, contractors, customers or other users of our systems are from time- to- time subject to fraudulent inducements by parties attempting to gain access to our data or that of our customers. Although we **seek to** ~~believe that we~~ have appropriate information security policies and systems in place, there is no assurance that our information security policies and systems in place can prevent unauthorized use or disclosure of confidential information, including nonpublic personal information. Any compromise of the security of our IT systems may result in loss of personally identifiable information, financial losses, loss of customers and the inability to transact business; could be costly and time- consuming to address and resolve; could expose us to liability for further compromise, damages, harm our reputation ~~,~~ **; and may** subject us to regulatory scrutiny and / or expose us to civil litigation or regulatory action. If any of these were to occur, our business, financial condition and operating results could be materially adversely affected. Further, the technology errors and omissions, and insurance coverage we maintain may be unavailable or inadequate to fully cover claims and / or costs associated with incidents that may occur in the future. Income from our investment portfolio provides a growing source of revenue and cash flow to support our operations and claim payments. If we improperly structure our investments to meet those future liabilities or have unexpected losses in our portfolio, including losses resulting from impairments or the forced liquidation of investments before their maturity, we may be unable to meet those obligations. NMIC' s investments and investment policies are subject to state insurance laws **and PMIERs** , which results in our portfolio being predominantly limited to highly rated fixed income securities. Much of our investment portfolio has been established at a time of historically low interest rates. If market interest rates rise above the rates on our fixed income securities, it would increase unrealized losses on these securities and decrease the market value of our investment portfolio. If it was necessary to sell these securities while they are in an unrealized loss position, it would adversely impact our financial condition. We may be required or find it advisable to change our investments or investment policies depending upon regulatory, economic, social and market **requirements or** conditions, or our existing or anticipated financial condition and operating requirements, including the tax position, of our business. Our investment objectives may not be achieved. The success of our investment activity 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, the level and volatility of interest rates and, consequently, the value of fixed income securities. NMIS offers loan review services for certain of our customers that are performed by SAFE Act- licensed third- party service providers, including on loans for which NMIC is not providing mortgage insurance. Under the terms of our service agreements and subject to such agreements' contractual limitations on liability, we provide limited indemnity rights for" material errors," if such errors materially impair the saleability of a reviewed loan, results in a material reduction in the value of such loan or results in the customer being required to repurchase such loan. The indemnification may be in the form of monetary or other remedies, subject to per loan and annual limitations. Accordingly, we have assumed some credit risk in connection with providing these services. NMIS contracts with SAFE Act- licensed third- party service providers to provide loan review services, and we believe we have structured NMIS' operations so that it does not itself engage in any activities that would trigger licensure under the SAFE Act. However, the CFPB or other regulators could take a different position, thereby increasing the risk of regulatory scrutiny and potential enforcement action and / or litigation involving these loan review services. Any such scrutiny, enforcement action or litigation could result in a diminished ability to operate our business, potential liability to customers, reputational damage and regulatory intervention, which could in turn result in a material adverse effect on our financial position and operating results. See" The private MI industry is, and as a participant we are, subject to litigation and regulatory enforcement risk generally," below. Risks Related to Regulation of the Mortgage Insurance Industry **There can be no assurance that the GSEs will continue to treat us as an approved insurer in the future, and changes to, or our failure to maintain compliance with the GSEs' PMIERs, could adversely impact our business, financial condition and operating results.** NMIC is a GSE- approved insurer, and the significant majority of insurance we write is on loans sold to the GSEs. The GSEs set their own counter- party standards for private mortgage insurers, known as PMIERs. (Italicized terms have the same meaning that such terms have in the PMIERs.) As a result, our compliance with the PMIERs is necessary to maintain NMIC' s status as an approved insurer. The PMIERs establish operational, business, remedial and financial requirements applicable to approved insurers. By April 15th of each year, NMIC must certify it met all PMIERs requirements as of December 31st of the prior year. NMIC also has an ongoing obligation to immediately notify the GSEs in writing upon discovery of its failure to meet one or more of the PMIERs requirements, some of which do not have materiality

thresholds. We certified to the GSEs by April 15, ~~2022~~ **2023** that NMIC was in full compliance with the PMIERs as of December 31, ~~2021~~ **2022** . There can be no assurance, however, that NMIC will continue to comply with the PMIERs financial requirements. If NMIC were to experience a material reduction to revenues or an unexpected, significant increase in losses, NMIC' s available assets could fall below the minimum required assets mandated by the PMIERs financial requirements. In addition, as NMIC continues to grow its business and increase its net RIF, NMIC may need to raise additional capital or reduce its net RIF, including through the use of additional reinsurance, to remain in compliance with the PMIERs financial requirements and to continue to support new business writings. Any future growth capital may be in the form of debt, equity, or a combination of both. We can give no assurance that our efforts to raise capital, obtain additional reinsurance or otherwise reduce our RIF would be successful. The PMIERs provide that the table of factors that determine minimum required assets will be updated every two years or more frequently to reflect macroeconomic conditions, loan performance or to address other issues the GSEs deem important. In addition, the GSEs may amend or clarify other aspects of the PMIERs at any time. There is no assurance NMIC will remain in compliance or that the GSEs will not make the PMIERs financial requirements more onerous in the future. If any future updates to the PMIERs would require NMIC to materially increase the amount of available assets to support its business writings, the amount of capital NMIC is required to hold will increase, which may have a negative effect on our returns. Any such effect could have a negative impact on our flexibility to meet our business plans and our future operating results. Compliance with PMIERs requires us to seek the GSEs' prior approval before taking many actions, including implementing new products or services or entering into inter- company agreements among other actions. In addition, for an approved insurer to receive a reduction in its risk- based required asset amount for new or revised reinsurance transactions, the approved insurer must obtain the GSEs' written approval. PMIERs' approval requirements could prohibit, materially modify or delay us in our intended course of action. Further, the GSEs may modify or change their interpretation of terms they require us to include in our mortgage insurance policies for loans purchased by them, requiring us to modify our terms of coverage or operational procedures to remain an approved insurer, and such changes could have a material adverse impact on our financial position and operating results. For example, we and other approved insurers were required to implement new master policies to, among other things, include terms that conform to the GSEs' RRP. It is possible the GSEs could, in their own discretion, require additional limitations and / or conditions on certain of our activities and practices that are not currently in the PMIERs or otherwise required by the GSEs for us to remain an approved insurer. Additional requirements or conditions imposed by the GSEs could further limit our operating flexibility and the areas in which we may write new business. If, in the future, NMIC fails to comply with the PMIERs, including the financial requirements, it may lose its approved insurer status from one or both GSEs, or may have to enter into a remediation plan (with the approval of the GSEs), curtail its business writings or cease transacting new business altogether. Any of these events would have a material adverse impact on our financial condition and future business prospects. The requirements and practices of the GSEs impact the operating results and financial performance of approved insurers, including NMIC. Changes in the charters or business practices of the GSEs could materially reduce the number of mortgages they purchase that are insured by us and consequently diminish our franchise value. The GSEs could be directed to make such changes by the FHFA, which was appointed as their conservator in September 2008 and has the authority to control and direct the operations of the GSEs. With the GSEs in a prolonged conservatorship, there has been ongoing debate over the future role and purpose of the GSEs in the U. S. housing market. The U. S. Congress may legislate, or the administration may implement through administrative reform, structural and other changes to the GSEs and the functioning of the secondary mortgage market. Since 2011, there have been numerous legislative proposals intended to incrementally scale back the GSEs (such as a statutory mandate for the GSEs to transfer mortgage credit risk to the private sector) or to completely reform the housing finance system. Congress, however, has not enacted any legislation to date. The proposals vary with regard to the government' s role in the housing market ~~,~~ and **,** more specifically, with regard to the existence of an explicit or implicit government guarantee. Recently, there has been increased focus on and discussion of administrative reform independent of legislative action. The former director of FHFA leadership was more focused on preparing the GSEs to exit from conservatorship by increasing the GSEs’ overall capital levels and reducing their credit risk profile. In December 2020, the FHFA published a final rule (2020 ERCF rule) establishing a new enterprise regulatory capital framework (ERCF) for the GSEs, which included provisions governing the capital relief allowed to the GSEs for loans with private MI. The 2020 ERCF rule established that loans with private MI **,** as opposed to loans without private MI, provide more favorable capital relief to the GSEs. Leadership at the FHFA changes from time- to- time. Given that the Director of the FHFA is removable by the President at will, the agency' s agenda, policies and actions likely will be significantly influenced by the then current administration. Accordingly, it is difficult to predict whether or how the FHFA might seek to implement GSE oversight beyond the current administration' s term. In 2021, President Biden removed the former director of FHFA and appointed a new director to lead the FHFA. Unlike the prior Director' s focus to exit the GSEs from conservatorship, Director Thompson' s actions are more focused on balancing the dual mandate of the GSEs, including safety and soundness of the housing finance system and on increasing the accessibility and affordability of mortgage credit, especially to low- and- moderate income borrowers and underserved communities. Between Director Thompson and the Treasury Department, they possess significant capacity to effect administrative GSE reforms. In September 2021, the FHFA under Director Thompson, together with the Treasury Department, proposed amendments to the 2020 ERCF rule. On March 16, 2022, the FHFA adopted the final rule (effective May 16, 2022) (2022 ERCF amendment) that amended the ERCF by refining the prescribed leverage buffer amount and the CRT securitization framework for the GSEs, which reduced the amount of capital the GSEs are required to hold, including by increasing the capital credit the GSEs receive for the credit risk that they distribute. While the 2022 ERCF amendment made positive modifications to the ERCF, the total capital required to be held by the GSEs upon implementation of the final rule remains significant. An increase in the capital required to be held by us under PMIERs could make our products more expensive and could have a material adverse impact on our financial condition and future business prospects. Other potential GSE reforms, whether through

legislation or administrative action, could impact the current role of private mortgage insurance as credit enhancement, including its reduction or elimination, which would have an adverse effect on our revenue, operating results, prospects or financial condition. Some other examples of potential GSE reforms or policy changes that could impact our business ~~,~~ may also include, but are not limited by, the following: • Policies or requirements that may result in a reduction in the number of mortgages GSEs acquire; • The national conforming loan limit for mortgages GSEs acquire; • The level of mortgage insurance required; • The terms on which mortgage insurance coverage may be canceled, including GSE requirements and programs that permit cancellation prior to reaching the cancellation thresholds and conditions established by law; • The terms required to be included in master policies for the mortgage insurance policies GSEs acquire; • The amount of loan level price adjustments or guarantee fees that the GSEs charge on loans that require mortgage insurance; and • The degree of influence that the GSEs have over a mortgage lender' s selection of the mortgage insurer providing coverage. As a result of these matters, it is uncertain what role private capital, including MI, will play in the domestic residential housing finance system in the future or the impact of any such changes on our business. Any changes to the charters or statutory authorities of the GSEs would require Congressional action to implement. Passage and timing of any comprehensive GSE reform or incremental change (legislative or administrative) is uncertain, making the actual impact on us and our industry difficult to predict. Any such changes that come to pass could have a significant impact on our business. In recent years, the FHFA has set goals for the GSEs to transfer significant portions of the GSEs' mortgage credit risk to the private sector. Several credit risk transfer products had been created to transfer mortgage credit risk to the private sector, including the now suspended IMAGIN and EPMI and others discussed above in" Our NIW volumes could be adversely affected if lenders and investors select alternatives to private MI." To the extent these and any other current or potential credit risk products that may evolve in a manner that displace primary MI coverage, the amount of insurance we write may be reduced. It is difficult to predict the impact of any other current or potential alternative credit risk transfer products, if any, that are developed to meet the goals established by the FHFA. The U. S. MI industry and our insurance subsidiaries are subject to comprehensive state regulation in each jurisdiction in which they are licensed or authorized to do business. 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. Although their scope varies, state insurance laws generally grant broad supervisory powers to state insurance regulatory authorities to examine insurance companies and enforce rules or exercise discretion affecting almost every significant aspect of the insurance business, including premium rates, trade and claims practices, accounting methods, marketing practices, policy forms and capital adequacy. These state insurance regulatory authorities could take actions that could materially impact the types of products and services we and our industry are permitted to offer, including requiring us (and other MI companies) to modify current pricing and business practices. Further, failure to comply with the applicable regulations could lead to enforcement or disciplinary action, including the imposition of penalties and the revocation of our authorization to operate. NMIC' s principal regulator is the Wisconsin OCI. Under applicable Wisconsin law, as well as that of 15 other states, a mortgage insurer must maintain a minimum amount of statutory capital relative to its RIF for the mortgage insurer to continue to write new business. While formulations of minimum capital may vary in each jurisdiction that has such a requirement, the most common measure applied allows for a maximum permitted RTC ratio of 25: 1. Wisconsin and certain other states, including California and Illinois, apply a substantially similar requirement referred to as minimum policyholders' position. If our business grows faster (i. e., our RIF grows faster than expected) or is less profitable than expected (i. e., our revenues do not generate the return we expect), our actual RTC ratios over the short to mid- term could exceed our expected RTC ratios and could begin to approach the limits to which we are subject, which could require us to enter into alternative arrangements to reduce our RIF, including through additional reinsurance or raising additional capital. If this were to occur, we can give no assurance that our efforts to obtain additional reinsurance or otherwise reduce our RIF, or to raise capital would be successful, and if such efforts are unsuccessful, we could exceed state-imposed capital requirements. Accordingly, if we fail to meet the capital adequacy requirements in one or more states, we could be required to suspend writing business in some or all of the states in which we do business. ~~The NAIC has formed the Working Group to discuss and recommend changes to the solvency and market practices regulation of mortgage insurers, including changes to the Model Act. We, along with other mortgage insurers, have provided feedback to the Working Group since early 2013, including comments on proposed amendments to the Model Act which is still pending. The Working Group' s discussions are ongoing and the ultimate outcome of these discussions and any potential actions taken by the NAIC cannot be predicted at this time. If the Working Group' s final proposal to the NAIC contains more stringent capital requirements, this could ultimately lead to NMIC being obligated to hold more capital for its insured business than we are required to hold under PMIERs, which would reduce our profitability compared to the profitability we expect under the existing capital requirements.~~ We operate in highly regulated industries that inherently pose a heightened risk of litigation and regulatory proceedings. As a result, the members of the MI industry, including NMIC, face litigation risk, including the risk of class action lawsuits, and administrative enforcement by federal regulators and state insurance agencies in the ordinary course of operations. In addition, the private MI industry, including NMIC, may be affected by changes in the laws and regulations to which we are subject or the way they are interpreted or applied. See" Item 1- Business- U. S. Mortgage Insurance Regulation." In the past, other mortgage insurers (not including us) have been involved in litigation and regulatory enforcement actions alleging violations of Section 8 of RESPA. Among other things, Section 8 of RESPA generally precludes mortgage insurers from paying referral fees to mortgage lenders for the referral of MI 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 MI business. Various regulators, including the CFPB, state insurance commissioners and state attorneys general, may bring actions seeking various forms of relief in connection with alleged violations of the referral fee limitations of RESPA, as can private litigants in class actions. In the years following the 2008 financial crisis, the CFPB pursued a higher volume of enforcement actions against

mortgage industry participants, including mortgage insurers. In particular, the CFPB focused on challenging mortgage insurers' captive reinsurance arrangements under Section 8 of RESPA. The insurance law provisions of many states also prohibit paying for the referral of insurance business and provide various mechanisms to enforce this prohibition. Leadership change at the CFPB or the White House may also have an impact on future CFPB enforcement activity. The CFPB' s interpretation and enforcement of Section 8 of RESPA presents regulatory risk for many providers of" settlement services," including mortgage insurers. We currently are not a party to any federal or state regulatory enforcement actions; however, such proceedings could arise in the future. The cost to defend, and the ultimate resolution of, any such action or proceeding could have a material adverse impact on our business, financial condition and operating results. Should we become a party to an action by any of these regulators, the ultimate outcome is difficult to predict, and it is possible that any outcome could be negative to us specifically or the industry in general **,** and such a negative outcome could have an adverse effect on our business, financial position and operating results. From time- to- time, we have been involved in certain legal proceedings in the ordinary course of business. To date, we have not recognized a material liability related to any of our legal proceedings. However, the outcome of litigation and other legal and regulatory matters is inherently uncertain, and it is possible that one or more of any such matters in the future could have an unanticipated material adverse effect on our liquidity, financial position and operating results. In January 2014, the CFPB implemented the Dodd- Frank Act ATR mortgage provisions ~~(ATR)~~ , which govern the obligation of lenders to determine a borrower' s ability to pay when originating a mortgage loan covered by ATR. A subset of mortgages falling under the ATR that has certain low- risk characteristics are known as QMs. QMs that are deemed to have the lowest risk profiles are entitled to a safe- harbor presumption of compliance with the ability- to- pay requirements. In the fourth quarter of 2020, the CFPB released a series of final rules to (i) eliminate the **temporary QM category, typically referred to as the"** QM Patch **"** , (ii) amend the definition of a General QM, and (iii) provide for a new, Seasoned QM category. The General QM final rule was effective on March 1, 2021 with an extended mandatory compliance date of October 1, 2022. However, the GSEs announced on April 8, 2021 that, for loan applications received on or after July 1, 2021, they will only purchase loans satisfying the New General QM Definition. See" Item 1," Business- U. S. Mortgage Insurance Regulation- Other U. S. Regulation- Housing Finance Reform" above for a summary of the GSEs final rules related to QMs. The long- term effects of the expiration of the QM Patch and implementation of the General QM and Seasoned QM final rules could affect the residential mortgage market and demand for private mortgage insurance. The Dodd- Frank Act also gave statutory authority to the HUD, the VA, and the USDA to develop their own definitions of" QM," which those agencies have completed. To the extent lenders find that the HUD definition of QM is more favorable to certain segments of their borrowers, they may choose FHA products over private MI products. We, along with other industry participants, have observed that the significant majority of covered loans made after the effective date of the ATR rule have been QMs. We expect that most lenders will continue to be reluctant to make loans that do not qualify as QMs because **,** absent full compliance with the ATR rule, such loans will not be entitled to a safe- harbor presumption of compliance with the ability- to- pay requirements. As a result, we believe ATR regulations have given rise to a subset of borrowers who cannot meet the regulatory QM standards, thus restricting their access to mortgage credit and reducing the size of the residential mortgage market. It is unclear whether the expiration of the QM Patch or the revised General QM rule or the new Seasoned QM category will have any impact on access to mortgage credit or the size of the mortgage market. Our business prospects and operating results could be adversely impacted if, and to the extent that, the QM regulations or the CFPB' s actions negatively impact the size of the origination market. ~~Certain financial contracts around~~ **The Basel Committee developed the Basel Capital Accord in 1988 to set out international benchmarks for assessing banks' capital adequacy requirements. See Item 1," U. S. Mortgage Insurance Regulations- Basel Rules." The capital adequacy requirements, among other factors, govern the capital treatment of MI purchased and held on balance sheet by domestic and international banks in respect of their residential mortgage loan origination and securitization activities. In July 2013, U. S. banking regulators promulgated regulations to implement significant elements of the Basel framework, which we refer to as Basel III. In December 2017, the Basel Committee published final revisions to Basel III (informally known as" Basel IV"). Under Basel IV, banks using the standardized approach to determine their credit risk may consider mortgage insurance in calculating the exposure amount for real estate. However, such banks will need to determine the risk-weight for residential mortgages based on the LTV ratio at loan origination, without factoring in mortgage insurance. Under the standardized approach, after the appropriate risk- weight is determined, the existence of mortgage insurance could be considered, but only if the company issuing the insurance has a lower risk- weight than the underlying exposure. Mortgage insurance issued by private companies would not meet this test. Therefore, under Basel IV, mortgage insurance could not mitigate credit and lower the capital charge under the standardized approach. On September 9, 2022, the U. S. banking regulators announced their intent to revise U. S. regulatory capital requirements to align** ~~the~~ **them with Basel IV. On July 27, 2023, the U. S. banking regulators jointly issued a proposed rule that** ~~world~~ **would** ~~specify rates~~ **revise large bank capital requirements. On September 18, 2023, the U. S. banking regulators announced this proposed rule would increase risk- based capital requirements for banks with total assets of $ 100 billion or more. This proposal increases the risk weights for LTVs** that are ~~based~~ **above 80 % and eliminates the current capital relief credit that is given to these loans if they are covered by mortgage insurance. Accordingly, as proposed, the revised standards would mean mortgage insurance would not lower the LTV ratio of residential loans for capital purposes for these large banks, and therefore may decrease their demand for mortgage insurance. These large banks may also retreat from high LTV lending if the proposal, as drafted, is passed. However, we do not have clarity** on ~~LIBOR which~~ **when we can expect the final proposal or how much time will be provided for banking organizations to implement the final rule once it has been issued. Further, it** is ~~produced daily~~ **possible (but not mandated** by ~~averaging~~ **Basel IV) that** the **U** ~~rates for inter- bank lending reported by a number of banks~~ . ~~As previously announced by~~ **S. banking regulators and** the ~~United Kingdom~~ **GSEs might likewise discontinue taking mortgage insurance into account when determining a mortgage** ' s

LTV ratio for prudential (non- capital) purposes. We believe ~~Financial Conduct Authority in 2017, most maturities and currencies of LIBOR were phased out at~~ the ~~end~~ **existing U. S. implementation** of ~~2021~~ **the Basel IV capital framework supports continued use of private MI by portfolio lenders as a risk and capital management tool; however** , with the ~~remaining ones~~ **ongoing implementation of Basel IV and the continued evolution of the Basel framework, it is difficult** to **predict the extent of the impact, if any, on the MI industry and the ultimate form of any potential future modifications to the regulations by federal banking regulators. If the Basel Committee revises the Basel IV framework to reduce or eliminate the capital benefit banks receive from insuring low down payment loans with private MI, our current and future business may** be ~~phased out on June 30, 2023. Efforts to identify and transition to a set of alternative U. S. dollar reference rates have been underway, including proposals by the Alternative Reference Rates Committee of the Federal Reserve (ARRC). In 2017, the ARRC recommended an alternative reference rate referred to as the Secured Overnight Financing Rate (SOFR), a combination of certain overnight repo rates, to replace USD LIBOR, and the Federal Reserve Bank of New York began publishing SOFR in 2018. We have exposure to LIBOR- indexed financial instruments, including our credit instruments and ILN Transactions. As of December 31, 2022, we held $ 21. 9 million of floating- rate securities in our investment portfolio that yield interest based on an index rate, predominantly LIBOR, plus a margin (the LIBOR- indexed securities). We continue to analyze potential risks associated with the LIBOR transition, including financial, operational, legal and market risks. We have reviewed and identified our LIBOR- indexed financial instructions. We have created an enterprise plan for our LIBOR- based contracts to transition to an alternative reference rate at the discontinuance of LIBOR. We continue to review and monitor our exposure to LIBOR, along with the market adoption of alternative reference rates and industry- standard contractual fall- back provisions. Each of our LIBOR- indexed financial instruments and we believe most of our LIBOR- indexed securities provides for determining an alternative reference rate if LIBOR is discontinued. LIBOR- indexed ARMs typically provide lenders with the option to choose a comparable rate if LIBOR ceases to exist. However, there is considerable uncertainty as to how the financial services industry will address the discontinuance of LIBOR in these financial instruments. Alternative reference rates that replace LIBOR may not yield the same or similar economic results over the lives of these financial instruments. In addition, while the ARRC was created to ensure a successful transition from LIBOR, there can be no assurance that the ARRC will endorse practices that create a smooth transition and minimize value transfers between market participants, or that its endorsed practices will be broadly adopted by market participants. In addition, we cannot anticipate how long it will take to develop the systems and processes necessary to adopt SOFR or other benchmark replacements, which may delay and contribute to uncertainty and volatility surrounding the LIBOR transition. Accordingly, a change or transition away from LIBOR as a common reference rate in the financial market could have a range of adverse effects on our business. In particular any such transition could: •~~ adversely ~~affect~~ **affected** ~~the interest rates we pay on our LIBOR- indexed financial instruments; • cause volatility in the yield of our LIBOR- indexed securities and investment income; • prompt additional inquiries or other actions from regulators in respect of our preparation and readiness for the replacement of LIBOR with an alternative reference rate; • result in disputes, litigation or other actions with our counterparties regarding the interpretation and enforceability of certain fall-back language in LIBOR- based instruments and securities we hold; and • disrupt the residential mortgage market, including with respect to ARMs, if replacement indices unilaterally chosen by lenders negatively impact borrowers, which could give rise to higher than expected rates of default on such loans and increased litigation~~ . NMIH serves as the holding company for our operating subsidiaries and does not have any significant operations of its own. NMIH' s principal source of operating cash is investment income, and could in the future include dividends from NMIC and Re One, which currently does not have active insurance exposure. NMIC has the capacity to pay aggregate ordinary dividends of $ ~~98~~ **96** . ~~0~~ **3** million to NMIH during the twelve- month period ending December 31, ~~2023~~ **2024** , without prior approval from the Wisconsin OCI. NMIH also has access to $ 250 million of undrawn revolving credit capacity under the senior secured credit facilities. In addition, NMIH currently receives cash from our insurance subsidiaries, consisting of payments made under our tax and expense- sharing arrangements. Among such agreements, the Wisconsin OCI has approved the allocation of interest expense on our $ 400 million aggregate principal amount of senior secured notes that mature on June 1, 2025 (the Notes) and senior secured credit facilities to NMIC to the extent proceeds from the Notes offering and facility are distributed to NMIC or used to repay, redeem or otherwise defease amounts raised by NMIC under prior credit arrangements that have previously been distributed to NMIC. The expense- sharing arrangements between us and our subsidiaries, as amended, have been approved by the Wisconsin OCI, but such approval may be revoked at any time. NMIH depends on these sources of liquidity to make principal and interest payments under its current debt arrangements and to pay certain corporate expenses and income taxes, among other things. If payments to NMIH were curtailed or limited, there is a risk that NMIH would be unable to satisfy its financial obligations. NMIH' s dividend income is limited to upstream dividend payments from our subsidiaries. With respect to our insurance subsidiaries, under Wisconsin law, dividends in excess of prescribed limits are deemed" extraordinary" and require approval of the Wisconsin OCI. Other states in which our insurance subsidiaries are licensed also limit or restrict their ability to pay dividends. It is possible that Wisconsin and other states that have dividend restrictions will adopt revised statutory provisions or interpretations of existing statutory provisions that could be more restrictive than those currently in effect or will otherwise take actions that may further restrict the ability of our insurance subsidiaries to pay dividends or make distributions or returns of capital. In addition, under the PMIERs, if an approved insurer fails to meet the PMIERs financial requirements, such approved insurer may not pay dividends without the prior written approval of the GSEs. In addition, to support NMIC' s future growth, we could be required to provide additional capital support for NMIC if additional capital is required by the GSEs or pursuant to insurance laws and regulations. If we were unable to meet our obligations, NMIC could lose GSE approval and / or be required to cease writing business in one or more states, which would adversely impact our business, financial condition and operating results. To the extent that the funds generated from investment income or by our ongoing operations and capitalization are insufficient to fund future operating requirements, we may need to raise additional funds through future financing activities, including through the issuance of

additional debt, equity, or a combination of both, reduce our RIF, including through additional reinsurance, or curtail our growth and reduce our expenses. NMIH' s future capital requirements depend on many factors, including NMIC' s ability to successfully write new business, establish premium rates at levels sufficient to cover claims and operating costs and meet minimum required asset thresholds under the PMIERs. We can give no assurance that our efforts to raise capital, obtain additional reinsurance or otherwise reduce our RIF would be successful. If we cannot obtain adequate capital, our business, financial condition and operating results could be adversely affected. We currently have and will continue to have a substantial amount of indebtedness. As of December 31, ~~2022~~ **2023** our debt totaled approximately $ ~~396~~ **397** . ~~1~~ **6** million. Our indebtedness could have significant negative consequences for our business, financial condition and operating results, including: • increasing our vulnerability to adverse economic and industry conditions; • limiting our ability to obtain additional financing; • requiring the dedication of a substantial portion of the cash flow from our subsidiaries' operations to service our indebtedness, thereby reducing the amount of cash flow available for other purposes; • making it more difficult for us to retain our existing ratings or to obtain investment- grade credit ratings in the future; • making it more difficult to conduct our business successfully or to grow our business, or limiting our flexibility in planning for, or reacting to, changes in our business; and • placing us at a possible competitive disadvantage with less leveraged competitors and competitors that may have better access to capital resources. In addition, our senior secured credit facilities and the indenture governing our senior secured notes contain certain restrictive covenants that, among other things, limit our ability to incur additional indebtedness, make investments, incur liens, transfer or dispose of assets, merge with or acquire other companies and pay dividends. Our senior secured credit facilities require us to comply with certain financial and other maintenance covenants. A failure to comply with covenants or the other terms of our senior secured credit facilities and the indenture governing our senior secured notes could result in an event of default under such indebtedness, which, if not remedied, may trigger an event of default under certain other indebtedness. If the lenders under our senior secured credit facilities terminate their commitments or we are unable to satisfy certain covenants or representations, we may not have access to funding in a timely manner, or at all, when we require it. If funding is not available under the senior secured credit facilities when we require it, our ability to continue our business practices or pursue our current strategy could be limited. If any indebtedness under the senior secured credit facilities or our senior notes is accelerated, we cannot assure you that our assets would be sufficient to repay such amounts in full, and the lenders and / or noteholders could foreclose on the collateral securing the obligations under the senior secured credit facilities and the senior notes, including, subject to regulatory approval, the stock of NMIC and Re One. Any of these actions could have a material adverse effect on our business, financial condition and operating results. Any indebtedness we may incur under our senior secured credit facilities and our future indebtedness may be subject to variable rates of interest, exposing us to interest rate risk. If interest rates increase, our debt service obligations on such variable rate indebtedness would increase, resulting in a reduction of our net income that could be significant, even though the principal amount borrowed would remain the same. We may incur substantial additional debt in the future, including up to $ 250 million in borrowings we may choose to make under our 2021 Revolving Credit Facility. Although the credit agreement governing our 2021 Revolving Credit Facility and the indenture governing our senior secured notes each limit our ability and the ability of certain of our subsidiaries to incur additional debt, these restrictions are subject to a number of qualifications and exceptions, and, under certain circumstances, we may incur additional debt in compliance with these restrictions. In addition, our 2021 Revolving Credit Facility and indenture does not prevent us from incurring certain obligations that do not constitute" indebtedness" as defined therein. To the extent that we incur additional debt or such other obligations, the risks associated with our credit agreement and indenture described above, including our possible inability to service our debt or other obligations, would increase. Our current ~~issuer credit and debt ratings are below investment grade. Our current~~ credit ratings, or any future negative actions the credit agencies may take, could affect our ability to access the reinsurance, credit and capital markets in the future and could lead to worsened trade terms, adversely affecting the cost. An inability to access reinsurance, capital and credit markets when needed to continue to grow our business, refinance our existing debt or raise new debt or equity could have a material adverse effect on our business, financial condition, operating results and liquidity. We do not currently pay any dividends on our common stock and may not pay any dividends on our common stock in the future, and payment of any declared dividends may be delayed. We have not declared or paid dividends in the past, and we may not pay dividends in the future. As a result, until we otherwise declare and pay dividends on our common stock, only appreciation in the price of our common stock, which may not occur, will provide a return to investors. Any future declaration and payment of dividends by our Board will depend on many factors, including general economic and business conditions, our strategic plans, our financial results and condition, legal requirements and other factors that our Board deems relevant. In addition, we may enter into additional credit agreements or other debt arrangements in the future that could restrict our ability to declare or pay cash dividends on our common stock. The market price of our common stock may fluctuate substantially and be highly volatile, which may make it difficult for stockholders to sell their shares of our common stock at the volume, prices and times desired. There are many factors that impact the market price of our common stock, including, without limitation: • general market conditions, including price levels and volume and changes in interest rates and rising inflation; • national, regional and local economic or business conditions; • the effects of, and changes in, trade, tax, monetary and fiscal policies, including the interest rate policies of the Federal Reserve; • changes in U. S. housing and housing finance policy, including changes to the GSEs and the role of government MIs; • our actual or projected financial condition, liquidity, operating results, cash flows and capital levels; • changes in, or failure to meet, our publicly disclosed expectations as to our future financial and operating performance; • publication of research reports about us, our competitors or the financial services industry generally, or changes in, or failure to meet, securities analysts' estimates of our financial and operating performance, or lack of research reports by industry analysts or ceasing of coverage; • market valuations, as well as the financial and operating performance and prospects, of similar companies; • future issuances or sales, or anticipated issuances or sales, of our common stock or other securities convertible into or exchangeable or exercisable for our common stock; • additional indebtedness we may incur in the future; •

expenses incurred in connection with changes in our stock price, such as changes in the value of the liability reflected on our financial statements associated with outstanding warrants; • the potential failure to establish and maintain effective internal controls over financial reporting; • additions or departures of key personnel and management; • our failure to satisfy the continued listing requirements of the Nasdaq; and • our failure to comply with the Sarbanes- Oxley Act of 2002. The stock markets in general have experienced substantial volatility that has often been unrelated to the operating performance of particular companies. These types of broad market fluctuations may adversely affect the trading price of our common stock. In the past, stockholders of certain companies other than NMIH have sometimes instituted securities class action litigation against such companies following periods of volatility in the market price of their securities. Any similar litigation against us could result in substantial costs, divert management' s attention and resources and harm our business or operating results. As of December 31, ~~2022~~ **2023**, we had ~~86~~ **87**, ~~472~~ **334**, ~~742~~ **138** shares of our common stock issued and ~~83~~ **80**, ~~549~~ **881**, ~~879~~ **280** shares outstanding. Sales of substantial amounts of our common stock in the public market in the future, or the perception that these sales could occur, could cause the market price of our common stock to decline. These sales could also make it more difficult for us to sell equity or equity- related securities in the future, at a time and place that we deem appropriate. Our Amended and Restated 2014 Omnibus Incentive Plan (2014 Plan) has a total of 8, 250, 000 shares ~~authorize~~ **authorized** for issuance. Any shares issued under our 2014 Plan, including as a result of the exercise of stock options, would dilute the percentage ownership held by investors who purchase our shares prior to such issuance. We have the authority, without action or vote of our stockholders except as required under Nasdaq rules, to issue all or any part of our authorized but unissued shares of common stock, including shares that may be issued to satisfy our obligations under our stock incentive plans, and securities and instruments that are convertible into shares of our common stock. Such stock issuances could be made at a price that reflects a discount or a premium from the then- current trading price of our common stock and might dilute the book value of our common stock or result in a decrease in the per share price of our common stock. Shares of our common stock are equity interests and do not constitute indebtedness of NMIH. In the future, we may attempt to increase our capital resources by issuing additional debt, including bank debt, commercial paper, medium- term notes, senior or subordinated notes or classes of shares of preferred stock. Our preferred stock, if issued, could have a preference on liquidating distributions or a preference on dividend payments that would limit amounts available for distribution to holders of shares of our common stock. Accordingly, if we were liquidated, holders of our debt securities and preferred stock and lenders with respect to our 2021 Revolving Credit Facility or other future borrowings, if any, would receive a distribution of our available assets prior to the holders of shares of our common stock. Any decision to issue debt or preferred stock in the future will depend on market conditions and other factors, some of which will be beyond our control. We cannot predict or estimate the amount, timing or nature of such future issuances. Holders of our common stock bear the risk of such future issuances of debt or preferred stock reducing the market value of our common stock. Our certificate of incorporation and bylaws and Delaware law contain provisions that could have the effect of rendering more difficult or discouraging an acquisition deemed undesirable by our Board. Our corporate governance documents include, among others, provisions that: • provide that special meetings of our stockholders generally can only be called by the chairman of the Board, the Chief Executive Officer or by resolution of the Board; • provide our Board the ability to issue undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may grant preferred holders voting, special approval, dividend or other rights or preferences superior to the rights of the holder of common stock; • provide our Board the ability to issue common stock and warrants within the amount of authorized capital; • provide that, subject to the rights of the holders of any series of preferred stock with respect to such series of preferred stock, any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of our stockholders and may not be effected by any consent in writing by such stockholders; and • provide that stockholders seeking to bring business before our annual meeting of stockholders, or to nominate candidates for election as directors at our annual meeting of stockholders, generally must provide timely advance notice of their intent in writing and certain other information not less than 90 days nor more than 120 days prior to the first anniversary of the previous year' s annual meeting. These provisions, alone or together, could delay hostile takeovers and changes of control of the Company or changes in our management. Additionally, cumulative voting in the election of our directors ~~in~~ **is** not allowed. As a Delaware corporation, we are also subject to anti- takeover provisions of Delaware law, including Section 203 of ~~The~~ **the** Delaware General Corporation Law, which, subject to certain exceptions, prohibits a public Delaware corporation from engaging in a business combination (as defined in such section) with an" interested stockholder" (defined generally as any person who beneficially owns 15 % or more of the outstanding voting stock of such corporation or any person affiliated with such person) for a period of three years following the time that such stockholder became an interested stockholder, unless (i) prior to such time, the board of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85 % of the voting stock of such corporation at the time the transaction commenced (excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) the voting stock owned by directors who are also officers or held in employee benefit plans in which the employees do not have a confidential right to tender or vote stock held by the plan); or (iii) on or subsequent to such time the business combination is approved by the board of such corporation and authorized at a meeting of stockholders by the affirmative vote of at least two- thirds of the outstanding voting stock of such corporation not owned by the interested stockholder. In addition, Wisconsin' s insurance laws and regulations generally provide that no person may acquire control of us unless the transaction in which control is acquired has been approved by the Wisconsin OCI. The regulations provide for a rebuttable presumption of control when a person owns or has the right to vote more than 10 % of our voting securities. In addition, the insurance laws and regulations of other states in which NMIC and / or Re One are licensed insurers require notification to the state' s insurance department a specified period before a person acquires control of us. If regulators in

these states disapprove the change of control, our licenses to conduct business in the disapproving states could be terminated. Any provision of our certificate of incorporation or bylaws or Delaware law or under the Wisconsin insurance regulations that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of common stock, and could also affect the price that some investors are willing to pay for shares of our common stock.