

RADIAN GROUP INC
Form DEF 14A
April 07, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Radian Group Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:

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- (1) Amount previously paid:

- (2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

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Radian Group Inc.

1601 Market Street

Philadelphia, Pennsylvania

19103-2337

April 8, 2016

Dear Stockholder:

800.523.1988

215.231.1000

You are cordially invited to attend the 2016 Annual Meeting of Stockholders of Radian Group Inc., which will be held at our headquarters, 1601 Market Street, 12th Floor, Philadelphia, Pennsylvania 19103, at 9:00 a.m. local time on May 11, 2016. The accompanying Notice of 2016 Annual Meeting of Stockholders and Proxy Statement describe the items to be considered and acted upon by the stockholders at the meeting.

Regardless of whether you plan to attend the annual meeting, please sign, date and return the enclosed proxy card as soon as possible so that your shares can be voted in accordance with your instructions. If you attend the meeting, you may revoke your proxy, if you wish, and vote personally. Because the representation of stockholders at the annual meeting is very important, we thank you in advance for your participation.

Sincerely,

Edward J. Hoffman

General Counsel and Corporate Secretary

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RADIAN GROUP INC.

1601 Market Street

Philadelphia, Pennsylvania 19103

NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS

Radian Group Inc. will hold its 2016 Annual Meeting of Stockholders as provided below:

Date and Time: Wednesday, May 11, 2016, 9:00 a.m. local time

Place: Radian Group Inc.

1601 Market Street, 12th Floor

Philadelphia, Pennsylvania 19103

- Items of Business:
- (1) Elect ten directors, each for a one-year term, to serve until their successors have been duly elected and qualified;
 - (2) Conduct an advisory vote to approve the overall compensation of our named executive officers;
 - (3) Approve an amendment to the Radian Group Inc. Amended and Restated Certificate of Incorporation to eliminate language providing that directors may be removed by the Company's stockholders only for cause, so that members of the board of directors may be removed with or without cause;
 - (4) Re-approve the amendment to the Radian Group Inc. Amended and Restated Certificate of Incorporation relating to Radian's tax benefit preservation strategy;
 - (5) Re-approve the Radian Group Inc. Tax Benefit Preservation Plan, as amended;
 - (6) Ratify the appointment of PricewaterhouseCoopers LLP as Radian's independent registered public accounting firm for the year ending December 31, 2016; and
 - (7) In addition to the items above, the Company may transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

Record Date: Stockholders of record as of the close of business on March 16, 2016 will be entitled to notice of, and to vote at, the annual meeting or any adjournment or postponement of the meeting.

Regardless of whether you plan to attend Radian's annual meeting, please submit your proxy with voting instructions. To submit your proxy by mail, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope. For instructions about voting, please see How Shares May Be Voted on page 1.

By Order of the Board of Directors,

Edward J. Hoffman

General Counsel and Corporate Secretary

Philadelphia, Pennsylvania

April 8, 2016

Important Notice Regarding the Availability of Proxy Materials for the 2016 Annual Meeting of Stockholders to be held on May 11, 2016:

This proxy statement and our 2015 Annual Report to Stockholders are available at

www.radian.biz/StockholderReports.

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2016 Proxy Statement

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RADIAN GROUP INC.

1601 Market Street

Philadelphia, Pennsylvania 19103-2337

www.radian.biz

**PROXY STATEMENT
FOR 2016 ANNUAL MEETING OF STOCKHOLDERS**

The board of directors of Radian Group Inc. (Radian or the Company) is furnishing this proxy statement to solicit proxies from the Company's stockholders for use at Radian's 2016 Annual Meeting of Stockholders (the Annual Meeting). A copy of the Notice of 2016 Annual Meeting of Stockholders accompanies this proxy statement. These materials are also available on the internet at www.radian.biz/StockholderReports. This proxy statement and the accompanying proxy card are being mailed to stockholders beginning on or about April 8, 2016, in order to furnish information relating to the business to be transacted at the meeting.

INFORMATION ABOUT VOTING

Who Can Vote

Only stockholders of record on the close of business on March 16, 2016, the record date, may vote at the Annual Meeting. On the record date, 197,500,450 shares of our common stock were outstanding and entitled to vote at the Annual Meeting. For each share of common stock you held on the record date, you will be entitled to one vote on each matter submitted to a vote of stockholders. There is no cumulative voting.

What Shares Can Be Voted

You may vote all shares of our common stock owned by you as of the close of business on the record date.

These shares include:

Shares held directly in your name as the stockholder of record; and

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Shares of which you are the beneficial owner but not the stockholder of record. These are shares not registered in your name but registered in street name through an account you have with a bank, broker or other holder of record (a nominee), including shares owned by the Radian Group Inc. Savings Incentive Plan Stock Fund.

How Shares May Be Voted

Before the Annual Meeting, you can vote shares for which you are the stockholder of record by completing, signing and returning by mail the enclosed proxy card. Our stockholders of record may not vote by telephone or internet. You also may vote your shares at the Annual Meeting if you attend in person. If you are a stockholder of record, you may revoke your proxy at any time before it is voted by providing to our Corporate Secretary either a written instrument revoking it or a duly executed proxy bearing a later date. You also may revoke your proxy by attending the Annual Meeting and giving notice of revocation. Attendance at the Annual Meeting, by itself, will not constitute revocation of a proxy. **Your vote is important to Radian. We encourage you to complete, sign and return the proxy card accompanying this proxy statement even if you plan to attend the Annual Meeting. You can always change your vote before the meeting or at the meeting, as described above.**

Many of our stockholders who hold their shares in street name through a nominee have the option to submit their proxies or voting instructions to their nominee electronically by telephone or the internet. These stockholders should review and follow the voting instructions provided by their nominee, including any instructions relating to revoking your voting instructions. If you hold your shares in street name and wish to vote in person at the Annual Meeting, you must obtain a legal proxy from your nominee.

Table of Contents**Information About Voting****Quorum and Votes Required for Approval**

A quorum is necessary for us to conduct the business of the Annual Meeting. This means that holders of at least a majority of the shares entitled to vote must be present at the meeting, either in person or represented by proxy. Your shares are counted as present at the Annual Meeting if you attend the Annual Meeting and vote in person or if you properly complete and return a proxy.

The following table summarizes the vote threshold required for approval of each proposal. In addition, the table shows the effect on the outcome of the vote of: (i) abstentions; (ii) uninstructed shares held by brokers (which result in broker non-votes when a beneficial owner of shares held in street name does not provide voting instructions and, as a result, the institution that holds the shares is prohibited from voting those shares on certain proposals); and (iii) signed but unmarked proxy cards.

| Proposal | | Votes Required for Approval | Effect of Abstentions (1) | Uninstructed Shares/ Effect of Broker | |
|-------------------|--|---|-------------------------------|--|---|
| | | | | Non-votes (1) | Signed but Unmarked Proxy Cards (2) |
| <u>Proposal 1</u> | Election of directors | Majority of votes cast | No effect ⁽³⁾ | Not voted/No effect | Voted For |
| <u>Proposal 2</u> | Advisory, non-binding vote to approve executive compensation | Majority of shares present in person or represented by proxy and entitled to vote | Same effect as a vote Against | Not voted/No effect | Voted For |
| <u>Proposal 3</u> | Approve an amendment to the Radian Group Inc. Amended and Restated Certificate of Incorporation to eliminate language providing that directors may be removed by the Company's stockholders only for cause, so that members of the board of directors may be removed with or without cause | Majority of shares outstanding entitled to vote | Same effect as a vote Against | Not voted/Same effect as a vote Against | Voted For |
| <u>Proposal 4</u> | Re-approval of the amendment to the Radian Group Inc. Amended and Restated Certificate of Incorporation relating to Radian's tax benefit preservation strategy | Majority of shares present in person or represented by proxy and entitled to vote | Same effect as a vote Against | Not voted/No effect | Voted For |
| <u>Proposal 5</u> | Re-approval of the Radian Group Inc. Tax Benefit Preservation Plan, as amended | Majority of shares present in person or represented by proxy and entitled to vote | Same effect as a vote Against | Not voted/No effect | Voted For |
| <u>Proposal 6</u> | Ratification of the appointment of PricewaterhouseCoopers LLP as Radian's | Majority of shares present in person or | Same effect as a vote Against | Discretionary vote by broker | Voted For |

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independent registered public accounting firm represented by proxy and entitled to vote

- (1) Abstentions and broker non-votes are included for purposes of determining whether a quorum is present, however, abstentions are considered entitled to vote whereas broker non-votes are not.
- (2) If you complete your proxy card properly, but do not provide instructions on your proxy card as to how to vote your shares, your shares will be voted as shown in this column and in accordance with the judgment of the individuals named as proxies on the proxy card as to any other matter properly brought before the Annual Meeting.
- (3) Under Section 4.13(f) of our Amended and Restated By-Laws (the By-Laws), abstentions are not counted as votes For or Against a director s election.

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Information About Voting

As described in the table above, in an uncontested election, meaning the number of director nominees is equal to or less than the number of directors to be elected at the meeting, our directors are elected by majority voting (Proposal 1). For an uncontested election of directors, a director is elected only if the number of shares voted For that director exceeds the number of shares voted Against that director. In accordance with our By-Laws, each of our incumbent directors submits a conditional resignation in advance of the Annual Meeting that will become effective if the number of shares voted For that director does not exceed the number of shares voted Against that director and the board accepts the director's resignation. The director also may choose to retire from the board before the resignation is accepted by the board and becomes effective. If a sitting director fails to receive a majority of the votes cast, our board of directors will determine within 90 days of the Annual Meeting whether to accept the resignation of such director, unless the director retires during this 90 day period. If a nominee fails to receive a majority of the votes cast and the board accepts the director's resignation or the director retires, there would be a vacancy created on the board. Our board would then have the option under our By-Laws either to appoint someone to fill the vacancy or to reduce the size of the board.

This year's election of directors is an uncontested election of directors. If there were a contested election, then plurality voting, by which directors receiving the greatest number of votes cast would be elected, would apply.

Where to Find Voting Results

We will announce the preliminary voting results at the conclusion of the Annual Meeting, if practicable, and we will publish the voting results in a Current Report on Form 8-K that will be filed with the United States Securities and Exchange Commission (SEC) within four business days after the conclusion of the Annual Meeting.

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PROPOSAL 1 ELECTION OF DIRECTORS

Our Amended and Restated Certificate of Incorporation and our By-Laws provide for the annual election of directors. These organizational documents also provide that the number of directors, which shall not be less than nine or more than fourteen, shall be determined by our board of directors. Our board of directors has set the number of directors at ten.

Upon election, each of our directors serves for a one-year term and until his or her successor has been duly elected and qualified, or until his or her earlier removal or resignation. Our board of directors currently consists of Herbert Wender, David C. Carney, Howard B. Culang, Lisa W. Hess, Stephen T. Hopkins, Sanford A. Ibrahim, Brian D. Montgomery, Gaetano Muzio, Gregory V. Serio and Noel J. Spiegel.

Upon the recommendation of the Governance Committee of our board of directors, the board has nominated each of our current directors for reelection. All nominees (other than Mr. Ibrahim) are independent under applicable independence rules of the SEC and New York Stock Exchange (NYSE), and all nominees have consented to be named in this proxy statement and to serve if elected. If, at the time of the Annual Meeting, any nominee is not available for election, proxies may be voted for another person nominated by the board, or the size of the board may be reduced.

Biographical Information for Director Nominees

Biographical information for each of the director nominees is provided below along with a discussion of each nominee's specific experience, qualifications, attributes or skills that have led the board to conclude that he or she should be nominated for election or reelection.

Herbert Wender

Mr. Wender, 78, has served as non-executive Chairman of our board of directors since May 2005. He also previously served in this role from August 1992 to May 1999 and as Lead Director from May 1999 until his current appointment. Mr. Wender served as Chairman of the Board and Chief Executive Officer of Radian Guaranty Inc., our principal mortgage insurance subsidiary (Radian Guaranty), from June 1983 until July 1992. Between 1998 and 2001, Mr. Wender also served as a director and Vice Chairman of LandAmerica Financial Group, Inc., a title insurance company. Before that, he was Chairman of the Board and Chief Executive Officer of LandAmerica Financial Group's predecessor, Commonwealth Land Title Insurance Company. He has been a director of Radian since July 1992.

Mr. Wender's extensive leadership experience on our board of directors, his intimate familiarity with Radian, his prior management experience as Chief Executive Officer of our mortgage insurance subsidiary and his industry experience give him the expertise, skills and judgment to serve as a director and non-executive Chairman. Under Mr. Wender's guidance, our board of directors oversaw our navigation through the financial crisis with a thoughtful, measured approach leading to Radian's return to profitability in 2014 for the first time in eight years, and positioning us well for the future.

David C. Carney

Mr. Carney, 78, has served as President of Carney Consulting since March 1995. He served as Executive Vice President of Jefferson Health Systems, the parent company of a regional network of health care providers, from October 1996 until May 1999. Before that, he served as Chief Financial Officer of CoreStates Financial Corp, a banking and financial services holding company. Mr. Carney is a Certified Public Accountant and served as Philadelphia Area Managing Partner for Ernst & Young LLP from 1980 through 1991. Mr. Carney served as CEO and Chairman of the Board of ImageMax, Inc., a provider of outsourced document management solutions, from 1999 through 2003. Mr. Carney currently serves as a Director and Chairman of the Executive Committee of AAA Club Alliance and as a Director of AAA Club

Partners. He has been a director of Radian since November 1992.

Table of Contents**Proposal 1 Election of Directors**

Mr. Carney's service as a director of Radian gives him significant knowledge of Radian, its history and its businesses. Mr. Carney's experience as a CPA, as managing partner of the Philadelphia area offices of one of the big four nationally recognized accounting firms, and as a Chief Financial Officer of a large, publicly-traded financial institution give him particular financial expertise and management experience relevant to his qualifications as a director and as the Chair of the Audit Committee of our board of directors. In addition, Mr. Carney's consulting experience and service on other boards of directors give him a broad perspective and insight on effectively running and advising a business.

Howard B. Culang

Mr. Culang, 69, served as President of Laurel Corporation, a financial services firm, from January 1996 through December 2011. Mr. Culang was a Managing Member of JH Capital Management LLC, a management company for a private equity fund, from July 1998 to December 2010, and of Cognitive Capital Management LLC, a management company for a fund of hedge funds, from April 2001 to December 2005. In the past, he has served as Vice Chairman of Residential Services Corporation of America, the holding company for Prudential Home Mortgage, Lender's Service, Inc. and Prudential Real Estate Affiliates, and as a Managing Director and member of the Executive Committee of the Prudential Home Mortgage Company, where he worked from November 1985 to December 2005. Mr. Culang also held a number of senior management positions with Citibank, N.A., including as a Senior Credit Officer. Mr. Culang currently serves as a director of ioSemantics, LLC, a privately owned software company. He has been a director of Radian since June 1999.

Mr. Culang's service as a director of Radian gives him significant knowledge of Radian, its history and its businesses. In addition, his significant management experience in the mortgage and financial services industries gives him valuable expertise and a broad understanding of the mortgage business. These experiences are particularly relevant in Mr. Culang's role as Chair of the Credit Committee of our board of directors.

Lisa W. Hess

Ms. Hess, 60, has been President and Managing Partner of SkyTop Capital Management LLC, an investment fund, since October 2010. From October 2002 to December 2008, she was the Chief Investment Officer of Loews Corporation, a diversified holding company, where she was responsible for managing approximately \$50 billion in assets. Ms. Hess was a Founding Partner of Zesiger Capital Group, a diversified money manager, and also has held positions at First Boston Corporation, Odyssey Partners and Goldman, Sachs & Co. She has served on the U.S. Treasury Debt Advisory Committee and the Federal Reserve Bank of New York Investors Advisory Committee. Since June 2009, Ms. Hess has been a Trustee of Teachers Insurance and Annuity Association (TIAA), serving on the investment, real estate, customers and products and corporate governance committees. She has been a director of Radian since February 2011.

Ms. Hess's extensive experience managing financial assets, including in her current role with SkyTop Capital Management LLC, as a chief investment officer of Loews Corporation, and as a member of various investment and advisory committees, gives her a broad range of expertise with respect to finance, investments and the capital markets that is particularly beneficial to the board and in her role as Chair of the Finance and Investment Committee of the board. Her position as President and Managing Partner of SkyTop Capital Management LLC brings a current, day-to-day business perspective that is valuable in enhancing board oversight in today's operating

Table of Contents**Proposal 1 Election of Directors**

environment. In addition, her experience serving on the corporate governance committee at TIAA brings an added perspective and insight to the board's consideration of corporate governance issues and the concerns of institutional shareholders.

Stephen T. Hopkins

Mr. Hopkins, 65, served most recently as President of Hopkins and Company LLC, a management consulting business, from February 1999 to 2014. From 1976 to January 1999, Mr. Hopkins held a number of managerial positions with Federal Home Loan Mortgage Corporation, a government sponsored enterprise that purchases and securitizes qualified mortgage loans, serving as Senior Vice President and National Sales Director from April 1994 through August 1998. He has been a director of Radian since June 1999.

Mr. Hopkins' service as a director of Radian gives him significant knowledge of Radian, its history and its businesses. Additionally, Mr. Hopkins' experience of more than 20 years with the Federal Home Loan Mortgage Corporation gives him specialized insight into the mortgage industry and the role of government sponsored enterprises within the industry. Because Radian works closely on a regular basis with such government sponsored enterprises, Mr. Hopkins' experience is especially valuable in this regard. Having served as an executive officer, he has broad general management experience and expertise to apply to many aspects of Radian's business, including in his role as Chair of the Compensation and Human Resources Committee of our board of directors.

Sanford A. Ibrahim

Mr. Ibrahim, 64, has served as Radian's Chief Executive Officer since May 2005. Before joining Radian, from 1999 until April 2005, Mr. Ibrahim served in a number of executive capacities for GreenPoint Financial, including as President and Chief Executive of GreenPoint Mortgage Funding, Inc., a residential mortgage lender and as Chief Operating Officer of the combined mortgage businesses of GreenPoint Financial Corp., the former parent company of GreenPoint Mortgage Funding Inc. Mr. Ibrahim is a member of the board of directors of the California Mortgage Bankers Association and he currently serves on the board of the Institute for International Education, New York, as well as on the organization's Western Regional Advisory Board. In the past, he also has served on the Residential Board of Governors of the Mortgage Bankers Association of America and on the Fannie Mae National Advisory Council. He has been a director of Radian since joining Radian in May 2005.

Mr. Ibrahim was appointed to be our CEO because of his strong leadership skills and his exceptional industry knowledge, background and reputation. As discussed above, Mr. Ibrahim has extensive industry-specific management experience and expertise and has served in leadership roles in relevant professional associations. In addition, in his role as both a board member and CEO, Mr. Ibrahim serves as an important liaison between the board and management, a role that is extremely valuable in helping the board perform its oversight function.

Brian D. Montgomery

Mr. Montgomery, 59, serves as Vice Chairman of The Collingwood Group, LLC (Collingwood), a business consulting firm that provides advice to corporate leadership on a range of issues within the financial services and mortgage banking industries. Mr. Montgomery also serves as a Partner of Collingwood Capital Advisors, LLC, which is a member of FINRA and the SIPC. Prior to joining Collingwood in August 2009, Mr. Montgomery served as the Assistant Secretary for Housing and Commissioner of the Federal Housing Administration (FHA) within the U.S. Department of Housing and Urban Development from June 2005 to July 2009. Before serving as Commissioner of

Table of Contents**Proposal 1 Election of Directors**

the FHA, from January 2001 to April 2005, Mr. Montgomery served in the White House as Deputy Assistant to the President and Cabinet Secretary, as well as Deputy Assistant to the President and Director of Presidential Advance. Mr. Montgomery was Chairman of the Hope for Homeowners Oversight Board from 2008 to 2009 and served as a board member of the Federal Housing Finance Board from 2005 to 2008. In 2014, Mr. Montgomery became a director of Reverse Mortgage Investment Trust Inc., a real estate finance company that is focused on acquiring, originating, financing and managing home equity conversion mortgage loans, home equity conversion mortgage backed securities guaranteed by the Government National Mortgage Association and other real estate-related assets. He has been a director of Radian since May 2012.

Mr. Montgomery possesses a significant understanding of the mortgage industry, a deep knowledge of federal housing policies and broad experience in the federal regulation of housing. This expertise is extremely valuable to the Company as it seeks to navigate and capitalize upon the regulatory and legislative changes in the housing and mortgage finance industries.

Gaetano Muzio

Mr. Muzio, 62, is the co-founder of Ocean Gate Capital Management, LP, an investment fund. For 27 years prior to founding Ocean Gate, Mr. Muzio worked at Goldman, Sachs & Co. in various positions, including serving as a Managing Director from 1996 until 2004. In 1986, he became the first Global Mortgage and Asset Backed Sales Manager responsible for creating the sales team and strategy for, and was also one of the founding members of, Goldman's Mortgage and Asset Backed Department. In 1990, he became a general partner and Co-Head of Goldman's Mortgage Department, with responsibilities for overseeing trading, risk management, sales, research, structured finance and compliance for the department. He has been a director of Radian since May 2012.

Mr. Muzio possesses a broad understanding of the mortgage industry. In addition, his significant experience in finance, risk management and corporate governance and strategy gives him extensive expertise in several areas that are valuable to the board's oversight responsibilities.

Gregory V. Serio

Mr. Serio, 54, has served as a partner with Park Strategies, LLC, a management and government relations consulting firm, since January 2005. He currently serves as the head of Park Strategies' risk and insurance management practice group. Prior to joining Park Strategies, Mr. Serio served as Superintendent of Insurance for the State of New York from May 2001 to January 2005. Before serving as Superintendent, from January 1995 until his appointment as Superintendent in 2001, Mr. Serio served as First Deputy Superintendent and General Counsel of the New York Insurance Department. Mr. Serio also has served as the Chairman of the Government Affairs Task Force of the National Association of Insurance Commissioners (NAIC) and as a member of and NAIC representative on the Financial Services and Banking Information Infrastructure Committee of the United States Treasury. He was also a commissioner of the International Commission on Holocaust Era Insurance Claims. Mr. Serio currently serves on the board of the College of St. Rose in Albany, NY. He has been a director of Radian since May 2012.

From both his private and public sector roles, Mr. Serio possesses extensive knowledge and experience in the insurance industry. His in-depth understanding of insurance regulatory matters, including financial and market conduct examinations and other compliance-related matters, combined with his experience in risk management and corporate governance matters, further strengthens the board's oversight and perspective in these areas. He is also a

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Proposal 1 Election of Directors

Noel J. Spiegel

Board Leadership Fellow of the National Association of Corporate Directors, which together with his current and past work experiences, provide him with especially valuable expertise in his role as Chairman of the Governance Committee of our board of directors.

Mr. Spiegel, 67, was a partner at Deloitte & Touche, LLP where he practiced from September 1969 until May 2010. In his career at Deloitte, he served in numerous management positions, including as Deputy Managing Partner; a member of Deloitte's Executive Committee; Managing Partner of Deloitte's Transaction Assurance practice, Global Offerings and IFRS practice and Technology, Media and Telecommunications practice (Northeast Region); and as Partner-in-Charge of Audit Operations in Deloitte's New York Office. Mr. Spiegel currently serves on the boards of directors and as Chair of the audit committees of American Eagle Outfitters, Inc. and vTv Therapeutics, Inc. He has been a director of Radian since February 2011.

Mr. Spiegel's significant prior service as a partner at Deloitte, and his current experience as Chair of audit committees of publicly held companies, provides him with a depth of experience in management, financial reporting, risk management, and public accounting and finance that is of significant value and relevance to the board and the Audit Committee of our board of directors. In addition, his work with many public companies as an independent auditor provides him with a unique perspective and depth of insight with respect to corporate governance, board leadership and corporate strategy.

Additional Information Regarding Directors

For additional information regarding our board of directors, its standing committees, and our standards for corporate governance and director independence, refer to the sections entitled "Corporate Governance and Board Matters" and "Compensation of Executive Officers and Directors" "Director Compensation" below.

Recommendation

RADIAN'S BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE DIRECTOR NOMINEES. SIGNED PROXIES WILL BE VOTED FOR EACH OF THE DIRECTOR NOMINEES UNLESS A STOCKHOLDER GIVES OTHER INSTRUCTIONS ON THE PROXY CARD.

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PROPOSAL 2 ADVISORY VOTE ON THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS

We are providing our stockholders with the opportunity to approve, on an advisory, non-binding basis, the compensation of our named executive officers (NEOs), as disclosed in the Compensation of Executive Officers and Directors Compensation Discussion and Analysis section of this proxy statement (the Compensation Discussion and Analysis) and the accompanying tabular and narrative disclosures. This vote is intended to provide an overall assessment of our executive compensation program rather than focus on any specific item of compensation.

Based on an advisory vote at our 2011 annual meeting of stockholders, it is our current policy to conduct an advisory vote on the compensation of our NEOs on an annual basis. The next such vote is scheduled to occur at our 2017 annual meeting.

Our executive compensation program is designed under the direction of our Compensation and Human Resources Committee of our board of directors (the Committee) to attract, motivate and retain high quality executive officers and to align our pay-for-performance philosophy with sound risk management practices and our overall business and strategic objectives. In 2015, our executive compensation program again included a heavy focus on performance-based variable compensation; challenging long-term incentive (LTI) metrics based on traditional measures of performance; and Committee discretion only when coupled with disciplined decision making and transparency..

In considering the compensation of our NEOs in connection with this Proposal 2, we believe it is important to observe the following with respect to our 2015 executive compensation program:

Ø *We maintained a heavy focus on performance-based variable compensation.*

Fixed compensation continues to represent a limited portion of our NEOs total compensation. Base salary represented only 16% of Mr. Ibrahim's 2015 total target compensation and, on average, only 27% of the total target compensation for our other NEOs. The remaining portion of our CEO's and other NEO's total target compensation was tied to, and contingent upon, Company and individual performance.

Ø *Our compensation program demonstrates a strong correlation between pay and performance.*

The Committee funded 2015 short-term incentive (STI) awards below target due to areas of underperformance in our core businesses.

While the Company's overall financial performance was strong in 2015, our core businesses performed below our expectations in certain areas. Consistent with these mixed results, the Committee awarded to our NEOs 2015 STI awards at levels below target.

The Committee funded 2014 medium-term incentive (MTI) awards above target given the strong credit performance and projected profitability of our 2014 insured portfolio.

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The 2014 MTI award was based on the credit performance and projected profitability of our 2014 mortgage insurance portfolio through the end of 2015. Based on the credit performance of this insured portfolio and the expected strong profitability of this portfolio, we believe this portfolio represents one of the strongest performing portfolios that we have ever written. As a result, the Committee awarded the maximum payout of 125% of target for the 2014 MTI awards.

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Proposal 2 Advisory Vote on the Compensation of the Company's Named Executive Officers

- Ø *We use limited discretion in our compensation program and only when coupled with disciplined decision making and transparency.*

Our executive compensation program is predominantly formulaic, with the discretionary components of our program (STI and MTI) representing only 29% and 34% of the total compensation of our CEO and the other NEOs (on average), respectively. The Committee has determined that while a more formulaic approach could bring greater predictability to the level of potential payouts, it also has the potential to ignore the multitude of variables that influence our NEOs' decision-making throughout any given annual period, and most importantly, the potential to limit the Committee's ability to appropriately recognize factors that were not apparent to the Committee when setting corporate goals at the beginning of an annual performance period. As a result, the Committee currently imposes a limited, but appropriate, level of discretion in which clear metrics are established for each major area of focus, but with the payouts remaining subject to the Committee's discretion to take into consideration factors that are not possible to capture and weight appropriately in a limited set of metrics. Given this limited use of discretion, we disclose in detail not only the quantitative performance metrics established for evaluating performance, but also the qualitative factors considered by the Committee in evaluating each of the major areas of focus and the Committee's assigned payout percentage for each such area.

- Ø *The Committee granted annual LTI awards consisting solely of performance-based equity awards that require both relative outperformance of our peers and strong absolute returns. For 2015, the Committee granted a lesser amount of LTI awards to our NEOs compared to prior years.*

Under our 2015 LTI awards, our NEOs will be entitled to a meaningful payout only if the Company outperforms both the market *and* produces meaningful returns to stockholders. This overall design, which is intended to further align the interests of our NEOs with those of our stockholders and to enhance long-term stockholder value, consists of the following:

The 2015 Performance-Based RSUs (as defined in the Compensation Discussion and Analysis) incorporate measures of absolute performance in addition to performance relative to the Company's peers. The 2015 Performance-Based RSUs require the Company to achieve at least a 25% increase in total stockholder return (TSR) (on an absolute basis) over a three-year performance period for a NEO to be eligible to receive an award at or above 125% of target. Also, if the Company's TSR is negative over this three-year performance period, the NEO's maximum payout will be reduced to 50% of target, or in some circumstances, reduced to 0%, regardless of the degree to which the Company has outperformed relative to its peer group.

The 2015 Performance-Based Options (as defined in the Compensation Discussion and Analysis) will vest only if the closing price of the Company's common stock exceeds 125% of the option exercise price for ten consecutive trading days ending on or after the third anniversary of the grant date.

For 2015, the Committee granted a lesser amount of LTI awards to the NEOs compared to prior years. The value of the 2015 LTI awards (measured based on grant date fair value), was on average approximately 10% less than the value of awards granted to the same NEOs in 2014 and 10% lower than their target LTI compensation for 2015 (resulting in LTI awards granted at approximately 90% of the NEOs' target LTI compensation for 2015).

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Ø *We have implemented strong governance and compensation practices, and we do not engage in problematic pay practices.*

We (1) apply double-trigger vesting for change-of-control payments; (2) do not provide tax gross-ups; (3) prohibit speculative transactions in our stock; (4) impose a strong compensation clawback policy; (5) impose rigorous stock ownership requirements and have instituted share retention requirements; and (6) provide limited perquisites to our NEOs.

We urge you to read our Compensation Discussion and Analysis in its entirety. While this vote is advisory and non-binding, our board of directors values the opinion of our stockholders and will

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Proposal 2 Advisory Vote on the Compensation of the Company's Named Executive Officers

take into account the outcome of the vote when considering future executive compensation matters. We are asking our stockholders to indicate their support for the compensation of our NEOs by voting **FOR** this proposal and the following resolution:

RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2016 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosures.

Recommendation

RADIAN'S BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT. SIGNED PROXIES WILL BE VOTED **FOR APPROVAL UNLESS A STOCKHOLDER GIVES OTHER INSTRUCTIONS ON THE PROXY CARD.**

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PROPOSAL 3 AMENDMENT TO THE RADIAN GROUP INC. AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO ELIMINATE THE ONLY FOR CAUSE DIRECTOR REMOVAL PROVISION

Proposed Amendment

Our board of directors has approved and declared it advisable and in the best interests of the Company to amend Article FIFTH, Section 5.3, of our Amended and Restated Certificate of Incorporation to eliminate language providing that directors may be removed by the Company's stockholders only for cause, so that members of the board of directors may be removed with or without cause. The amendment our board has proposed to Article FIFTH, Section 5.3 (the Director Removal Amendment) would give effect to the changes set forth in *Appendix A* to this proxy statement.

Reasons for the Amendment

Currently, Article FIFTH, Section 5.3 of our Amended and Restated Certificate of Incorporation provides, among other things, that the Company's stockholders may remove directors from office only for cause. In light of a recent ruling by the Delaware Court of Chancery in a proceeding not involving the Company, the board of directors has approved and declared it advisable and in the best interests of the Company to amend the Amended and Restated Certificate of Incorporation, consistent with Section 141(k) of the Delaware General Corporation Law, so that any of the Company's directors may be removed, with or without cause.

Effect of the Amendment

The Director Removal Amendment will provide that members of the board of directors of the Company may be removed by the Company's stockholders with or without cause.

If approved at the Annual Meeting, the Director Removal Amendment would become effective upon the filing of a Certificate of Amendment with the Secretary of State of the State of Delaware, which we intend to file promptly if this Proposal 3 is approved by our stockholders.

Recommendation

RADIAN'S BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR APPROVAL OF THE PROPOSAL TO AMEND OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO PROVIDE THAT DIRECTORS MAY BE REMOVED BY THE COMPANY'S STOCKHOLDERS WITH OR WITHOUT CAUSE. SIGNED PROXIES WILL BE VOTED FOR APPROVAL UNLESS A STOCKHOLDER GIVES OTHER INSTRUCTIONS ON THE PROXY CARD.

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BACKGROUND INFORMATION FOR TAX BENEFIT PRESERVATION PROPOSALS 4 AND 5

Background and Reasons for Proposals

In past years that followed the financial crisis that began in 2007, our business operations generated significant net operating losses and other tax attributes for U.S. federal income tax purposes (collectively, NOLs). Under federal tax laws, we generally can use the NOLs to offset certain taxable income or to reduce certain future federal taxable income of the Company before the NOLs expire. To the extent they are not used in any given tax year and are not expired, we can carry forward the NOLs and certain related tax credits to offset taxable income in future years through the period (generally 20 years) until the NOLs expire. As of December 31, 2015, we estimate that we had approximately \$1.1 billion in U.S. Consolidated NOLs. While we cannot definitively predict the amount and timing of our future taxable income, we believe our NOLs will be fully utilized in the near term to reduce our future taxable income and therefore represent valuable assets of the Company. For example, we used approximately \$346 million and \$360 million of NOLs during the 2014 and 2015 tax years, respectively, which reduced our cash tax payments due to the Internal Revenue Service (the IRS).

Under our current earnings forecasts, we expect that we will be able to use all of our NOLs to reduce future income tax liability. However, under Section 382 (Section 382) of the Internal Revenue Code (the Code), our ability to use the NOLs could be substantially impaired if we experience an ownership change, as determined under Section 382. In general, an ownership change will occur if our five-percent shareholders (as defined under Section 382 and which we refer to as Section 382 five-percent shareholders) collectively increase their ownership in Radian by more than 50 percentage points over the lowest percentage of Radian stock owned by those stockholders at any time during a rolling three-year testing period. If an ownership change occurs, Section 382 imposes an annual limit on the amount of NOL carryforwards that we can use to offset future federal taxable income, which could result in a material amount of NOLs expiring unused and, therefore, significantly impair the value of the NOLs. While the complexity of Section 382's provisions and the limited knowledge any public company has about the ownership of its publicly traded stock make it difficult to determine whether an ownership change has occurred, we currently believe that an ownership change has not occurred, which we attribute in large part to our tax benefit preservation strategy.

In 2009, we adopted certain amendments to our Amended and Restated By-Laws (the Bylaw Amendment), and at our 2010 annual meeting, our stockholders also approved certain amendments to our Amended and Restated Certificate of Incorporation (the Charter Amendment). Both the Charter Amendment and the Bylaw Amendment impose substantially similar transfer restrictions designed to block transfers of our common stock that could result in an ownership change. These amendments and the interrelationship between them are described below in the Questions and Answers and under Proposal 4, and their full terms can be found in *Appendix B-1* and *B-2*, respectively, to this proxy statement. In addition, effective October 9, 2009, we entered into a Tax Benefit Preservation Plan with The Bank of New York Mellon, as rights agent. The Tax Benefit Preservation Plan, which we subsequently amended in 2010, was approved by our stockholders at our 2010 annual meeting (as amended, the Preservation Plan). The Preservation Plan, which is designed to deter transfers of our common stock that could result in an ownership change, is described below in the Questions and Answers and under Proposal 5, and its full terms can be found in *Appendix C* to this proxy statement. The Bylaw Amendment, the Charter Amendment and the Preservation Plan are critical components of our tax benefit preservation strategy. By their terms, the transfer restrictions (the Transfer Restrictions) in the Charter Amendment and the Bylaw Amendment will terminate unless the Charter Amendment is re-approved by stockholders every three years. Additionally, by its terms, the Preservation Plan will expire unless re-approved by stockholders every three years. Our stockholders re-approved the Charter Amendment and Preservation Plan at our 2013 annual meeting.

Because it is important to retain the protections provided by the Transfer Restrictions and the Preservation Plan, and after careful consideration, including an evaluation of the significant value of the NOLs as discussed above, our board has determined to seek re-approval from our stockholders of both the Charter Amendment (Proposal 4) and the Preservation Plan (Proposal 5) at our 2016 Annual Meeting.

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None of our tax benefit preservation measures alone is a complete solution for preventing an ownership change; therefore, the Transfer Restrictions and the Preservation Plan are designed to work together to

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Background Information for Tax Benefit Preservation Proposals 4 and 5

prevent an ownership change. The Charter Amendment, the Bylaw Amendment, and the Preservation Plan are intended to protect our valuable tax assets and are not intended as anti-takeover devices, although they may have some anti-takeover consequences. The Company was careful to incorporate stockholder-friendly features in the Charter Amendment, the Bylaw Amendment and the Preservation Plan, including: (i) limiting the definition of ownership to the definition used for purposes of Section 382, as opposed to the broader definition of beneficial ownership used for securities laws purposes; (ii) providing sunset provisions that will terminate the Preservation Plan and the Transfer Restrictions if Section 382 is repealed or if the potential loss from limitation of the NOLs is no longer material to the Company, which our board of directors has agreed to review annually; and (iii) requiring the re-approval by our stockholders of both the Charter Amendment and the Preservation Plan every three years. Furthermore, our board may exempt particular persons or transactions from the Transfer Restrictions and the terms of the Preservation Plan if it determines that the acquisition would not jeopardize Radian's NOLs or is otherwise in Radian's best interests. In any event, the Preservation Plan is limited to a ten-year term and will expire on the close of business on October 9, 2019 (unless that date is advanced or extended).

Our board of directors urges our stockholders to carefully read each proposal, the Questions and Answers discussed below and the full terms of the Charter Amendment, the Bylaw Amendment and the Preservation Plan set forth in *Appendix B-1, B-2 and C*, respectively. The Charter Amendment and the Preservation Plan require stockholder approval for the Transfer Restrictions and Preservation Plan to remain effective after our 2016 Annual Meeting.

Questions and Answers about Section 382 and our NOLs Generally

1. What are the NOLs?

The NOLs are the Company's net operating losses that generally can be used to offset taxable income within the applicable NOL carryback period or certain future federal taxable income, and therefore, reduce our future federal income tax liabilities. NOLs generally can be carried forward for up to 20 years. The Company's ability to use its NOL carryforwards to offset future federal taxable income could be adversely affected if we experience an ownership change as defined under Section 382.

2. How important are the NOLs?

We had approximately \$1.1 billion of NOLs as of December 31, 2015. Assuming a 35% federal income tax rate, and that we are able to use all of our NOLs to offset future federal taxable income, we may be able to reduce our federal income tax payments in the coming years by approximately \$385 million. Because the NOLs can be carried forward for 20 years, we may need to manage our Section 382 risk for a significant period of time. If unused, our NOLs will expire in tax years 2029-2032.

3. What is Section 382?

Upon an ownership change, Section 382 of the Code imposes limitations on a corporation's ability to use its NOL carryforwards to reduce its future federal taxable income.

4. When does an ownership change occur under Section 382?

The determination of whether an ownership change has occurred under the rules of Section 382 is very complex and is beyond the scope of this summary discussion. Generally, however, an ownership change will have occurred if, over a three-year period, there has been an aggregate increase of 50 percentage points or more in the percentage of our shares owned by one or more Section 382 five-percent shareholders. A stockholder that acquires 5% of our outstanding common stock as measured pursuant to Section 382 will be a Section 382 five-percent shareholder for purposes of calculating this aggregate increase. For example, if a single investor acquired 50.1% of our common stock in a three-year period, an ownership change would be deemed to occur. Similarly, if ten unrelated persons, none of whom initially owned our common stock, each acquired slightly over 5% of our common stock as measured pursuant to Section 382 within a three-year period (so that those persons owned, in the aggregate, more than 50%), an ownership change also would be deemed to occur.

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Background Information for Tax Benefit Preservation Proposals 4 and 5

Some of the factors that must be considered in applying Section 382 include the following:

All holders who each own less than 5% of a company's common stock are generally aggregated into one or more public groups, which also are treated as Section 382 five-percent shareholders. Transactions in the public markets among stockholders who are not themselves Section 382 five-percent shareholders do not affect the ownership percentage of a public group, and therefore, generally do not contribute to a Section 382 ownership change.

Sales of our common stock by a Section 382 five-percent shareholder may, in turn, create a separate public group that is also treated as a Section 382 five-percent shareholder.

A public offering by us of our common stock may create a new, separate public group that is treated as a Section 382 five-percent shareholder and therefore would contribute to an ownership change for Section 382 purposes.

Any redemption or buyback of our shares may increase the percentage ownership of current Section 382 five-percent shareholders who do not participate in the redemption or buyback because it would decrease the number of shares of our outstanding common stock. In addition, it is possible that a redemption or buyback of shares could cause a stockholder who owned less than 5% of our outstanding common stock immediately before the redemption or buyback to become a Section 382 five-percent shareholder resulting in a five percentage point (or more) change in ownership. Similarly, in certain limited circumstances, a forfeiture of restricted stock may decrease the number of shares of our outstanding stock for Section 382 purposes.

Securities that are convertible into shares of our common stock do not count towards an ownership change under Section 382 until such securities are converted into shares of our common stock.

As described in Question and Answer 6, the determination of a particular stockholder's ownership level may be affected by certain constructive ownership rules.

In the case of a stockholder who owns slightly less than five percent of our outstanding shares, in the absence of the Transfer Restrictions, an acquisition of a very small number of additional shares could cause the holder to become a Section 382 five-percent shareholder and result in a five-percentage point (or more) change in our ownership under Section 382.

5. If there is an ownership change, what is the potential risk to Radian?

If we experience an ownership change, as defined under Section 382, our annual use of the NOLs to offset future federal taxable income, and thereby reduce our federal income tax liabilities, could be substantially limited. Upon an ownership change, Section 382 imposes an annual limitation on the use of NOLs carried forward from periods before the ownership change. Generally, the annual limitation would equal our market capitalization at the time of the ownership change, multiplied by the long-term tax-exempt rate which is a rate derived from market rates on long-term Treasury securities, adjusted for differences between rates on long-term taxable and tax-exempt obligations. For example, if our market capitalization at the time of an ownership change is \$2.3 billion and the long-term tax-exempt rate is 2.65% (which is the rate as of

February 2016), then the Section 382 limitation on the amount of NOLs that could be used each year would be approximately \$60 million. Thus, an ownership change can have the effect of substantially deferring our ability to use our NOLs. Moreover, to the extent the amounts are deferred past the 20-year time limit that applies to NOL carryforwards, we may have to permanently write off a significant portion of these assets.

6. How is ownership for Section 382 purposes different from ownership under SEC rules and regulations?

Ownership for Section 382 purposes is determined primarily by an economic test, while the SEC definition of beneficial ownership focuses generally on the right to vote or control disposition of the shares. In general, the Section 382 economic test looks to who has the right to receive dividends paid with respect to shares, and who has the right to receive proceeds from the sale or other disposition of shares. Section 382 also contains certain constructive ownership rules, which generally attribute ownership of stock held by estates, trusts, corporations, partnerships or other entities to the ultimate indirect individual

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Background Information for Tax Benefit Preservation Proposals 4 and 5

owner of the shares, or to related individuals. Generally, a person's direct or indirect economic ownership interest in shares (rather than record title, voting control or other factors) is taken into account for Section 382 purposes. For example, different portfolios in a single mutual fund complex and groups of customers advised by the same investment advisor will normally not be aggregated for Section 382 purposes even though they may be aggregated for determining beneficial ownership under SEC rules and reporting requirements. We believe that none of our stockholders that currently own more than 5% of our outstanding common stock for SEC beneficial ownership purposes are Section 382 five-percent shareholders.

7. How does the Company monitor stockholder ownership to determine the aggregate increase of its Section 382 five-percent shareholders under Section 382?

For purposes of determining the existence and identity of, and the amount of common stock owned by, any stockholder, the Internal Revenue Service permits us to rely on the existence or absence of filings with the SEC of Schedules 13D, 13F and 13G (or similar filings) as of any date, subject to our actual knowledge of the ownership of our common stock.

Investors who file a Schedule 13G or Schedule 13D (or list our common stock in their Schedules 13F) may beneficially own 5% or more of our common stock for SEC reporting purposes but nonetheless may not be Section 382 five-percent shareholders and therefore their beneficial ownership will not affect our ownership change for purposes of Section 382.

General Questions and Answers about our Tax Benefit Preservation Strategy

8. How do the Charter Amendment, Bylaw Amendment and the Preservation Plan work to protect Radian's NOLs?

Increases in ownership by our Section 382 five-percent shareholders and the creation of new Section 382 five-percent shareholders can limit our ability to use NOL carryforwards to reduce future federal taxable income. The Transfer Restrictions in the Charter Amendment and the Bylaw Amendment restrict direct and indirect transfers of our common stock that would create Section 382 five-percent shareholders or otherwise increase the percentage of stock that is owned by Section 382 five-percent shareholders. The Preservation Plan acts as an additional deterrent against any stockholder from becoming a Section 382 five-percent shareholder and any existing Section 382 five-percent shareholder from increasing their ownership under Section 382.

9. Why is our board of directors recommending that we retain the Transfer Restrictions and the Preservation Plan?

Our board of directors is recommending retaining the Transfer Restrictions and the Preservation Plan and, accordingly, re-approval of both the Charter Amendment and the Preservation Plan because none of these measures by itself is a complete solution.

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The Charter Amendment and Bylaw Amendment impose substantially similar transfer restrictions, but there are limitations on their effectiveness and enforceability. The Bylaw Amendment does not cover shares issued before effectiveness of the amendment, but applies only to shares of common stock issued after its effective date of October 9, 2009. The Charter Amendment does restrict transfers of shares issued before its adoption as well as transfers of shares issued thereafter, but these restrictions may not prevent all transfers that could result in such an ownership change. Delaware law provides that, with respect to shares of common stock issued before the effectiveness of the Charter Amendment, the transfer restrictions in the Charter Amendment are effective against (1) stockholders with respect to all shares that were voted in favor of the Charter Amendment at the 2010 annual meeting, all shares that were voted in favor of its re-approval at the 2013 annual meeting and all shares that are voted in favor of its re-approval at the 2016 Annual Meeting (collectively, the Restricted Shares) and (2) transferees of Restricted Shares if (A) the transfer restriction is conspicuously noted on the certificates or book entry records representing such shares or (B) the transferee had actual knowledge of the transfer restrictions (even absent such conspicuous notation). Any shares of common stock issued after the effectiveness of the Charter

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Background Information for Tax Benefit Preservation Proposals 4 and 5

Amendment have been, or will be, issued with the transfer restriction conspicuously noted on the certificates or book entry record representing such shares and therefore under Delaware law such shares are subject to the transfer restrictions in the Charter Amendment.

As noted above, shares of our common stock that were not voted For approval and re-approval of the Charter Amendment at the 2010, 2013 or 2016 annual meetings are not subject to the transfer restrictions, which is why the Preservation Plan also is required. As to those shares, the Preservation Plan will continue to apply to deter any person, entity or group from acquiring 4.9% or more of the outstanding shares of our common stock without the approval of our board of directors.

The Preservation Plan therefore complements the Transfer Restrictions to protect the NOLs. It applies to, and therefore deters, all transfers of our common stock that could contribute to an ownership change under Section 382 (regardless of when the shares were issued or how the particular shares were voted at an annual meeting). Although the Preservation Plan deters any transfer, it does not absolutely block the transfer or otherwise avoid the limitation under Section 382, which is why the Transfer Restrictions are also needed. In the absence of the Transfer Restrictions, under the Preservation Plan, if a person were to acquire 5% or more of our outstanding common stock under Section 382, that person would become a Section 382 five-percent shareholder and those shares would count toward the aggregate ownership change even if the Preservation Plan applies to such acquisition or causes such person to subsequently hold less than 5% of our outstanding common stock. As to those shares, so long as the shares were voted in favor of the Charter Amendment or its re-approval or were issued after the Bylaw Amendment or the Charter Amendment became effective, the Transfer Restrictions apply and would prevent the transfer of shares that creates a new Section 382 five-percent shareholder or increases the ownership of an existing Section 382 five-percent shareholder.

10. Is stockholder approval necessary to retain the Transfer Restrictions and the Preservation Plan?

Yes. The Transfer Restrictions will expire unless the Charter Amendment is re-approved by the stockholders at the 2016 annual meeting. Similarly, the Preservation Plan will terminate and the Rights (as defined in Question and Answer 23 below) will expire if the Preservation Plan is not re-approved by our stockholders at the 2016 Annual Meeting.

11. Why should I vote For re-approval of the Charter Amendment and the Preservation Plan?

As described above, the Charter Amendment and the Preservation Plan are designed to protect our NOLs, which are valuable assets to the Company and your investment. Without these measures, which will expire following the 2016 Annual Meeting unless we obtain stockholder approval, we believe that the Company is at significant risk of experiencing an ownership change in the future and therefore becoming subject to limitations on our use of our NOLs under Section 382, which could result in a significant loss of our important tax benefits.

12. Why is the threshold under the Transfer Restrictions 5% and the threshold under the Preservation Plan 4.9%?

Since the Transfer Restrictions effectively block transfers that create new Section 382 five-percent shareholders, the threshold is set at 5%. Since the Preservation Plan deters, but does not prevent, an acquiring stockholder from becoming a Section 382 five-percent shareholder, the threshold is set at a lower rate to provide some cushion before the acquisition would affect the calculation of a potential ownership change under

Section 382.

13. Are there exemptions to the Transfer Restrictions and the terms of the Preservation Plan?

Yes. Our board of directors may exempt an acquisition from the Transfer Restrictions if our board determines that the acquisition would not be likely to limit the availability of the NOLs or is otherwise in Radian's best interests. Similarly, under the Preservation Plan, our board may exempt particular persons or transactions from the terms of the Preservation Plan if it determines that the acquisition would not jeopardize Radian's NOLs or is otherwise in Radian's best interests.

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Background Information for Tax Benefit Preservation Proposals 4 and 5

Acquisitions by Radian, our subsidiaries, and our employee benefit plans and related entities or trustees are exempt from the terms of the Preservation Plan. Further, direct issuances of common stock by Radian are not prohibited transfers.

Additionally, the Transfer Restrictions and Preservation Plan would not prevent us from experiencing an ownership change as a result of issuances of common stock upon the conversion of our outstanding convertible senior notes. As a result, if a holder of convertible senior notes were to exercise its conversion rights and we did not have sufficient liquidity to settle our obligations in cash, we may be required to issue shares of common stock, which could potentially cause or contribute to an ownership change.

14. When will the Transfer Restrictions expire and when will the Rights expire or the Preservation Plan terminate?

Stockholder approval is required for the Transfer Restrictions and the Preservation Plan to continue (see Question and Answer 10). If the Charter Amendment is not re-approved at the 2016 Annual Meeting, the Transfer Restrictions in both the Charter Amendment and the Bylaw Amendment will terminate on the close of business on the second business day following adjournment. Further, if the Preservation Plan is not re-approved at the 2016 annual meeting, it will terminate and the Rights will expire on the close of business on the second business day following adjournment.

Both the Transfer Restrictions and the Preservation Plan are intended to protect our NOLs and will remain effective only for so long as a limitation under Section 382 on the use of the NOLs would be material to the Company. The Transfer Restrictions will terminate and the Rights will expire upon the earliest of:

the beginning of the first taxable year to which our board of directors determines that no NOLs may be carried forward;

the repeal of Section 382 or any successor statute if our board of directors determines that the Transfer Restrictions are no longer necessary for the preservation of our NOLs;

such date as our board of directors determines that a limitation under Section 382 on the use of the NOLs would no longer be material to the Company, which our board has agreed to review annually; or

as discussed above, the close of business on the second business day after adjournment of the third consecutive annual meeting of the Company's stockholders after the Charter Amendment or the Preservation Plan was most recently approved or re-approved by the stockholders of the Company unless re-approved at that meeting.

In any event, the Preservation Plan is limited to a ten-year term and will expire on the close of business on October 9, 2019 (unless that date is advanced or extended). Our board also has the right to redeem the Rights or exchange the Rights for common stock.

15. Have other companies adopted similar plans and charter amendments to protect NOLs?

Yes, many other companies have adopted similar plans, and some companies have adopted similar charter amendments to implement transfer restrictions, in order to protect their NOLs.

16. Where can I find the full text of the Charter Amendment, the Bylaw Amendment and the Preservation Plan?

The full text of the Charter Amendment is found in Section 4.4 of our Amended and Restated Certificate of Incorporation included as *Appendix B-1*, the full text of the Bylaw Amendment is found in Section 6.06 of our Amended and Restated By-Laws included as *Appendix B-2*, and the full text of the Preservation Plan is included as *Appendix C* to this proxy statement. Additionally, our Amended and Restated Certificate of Incorporation, Amended and Restated By-Laws and the Preservation Plan are all incorporated by reference as exhibits to our Annual Report on Form 10-K.

Additional Questions and Answers about the Transfer Restrictions

17. What transfers do the Charter Amendment and the Bylaw Amendment prohibit?

The Charter Amendment and the Bylaw Amendment each prohibit a person from becoming a Section 382 five-percent shareholder by restricting transfers, directly or indirectly, that would cause a person to

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own, directly or by attribution, 5% or more of the outstanding shares of our common stock and they would also generally restrict existing Section 382 five-percent shareholders, if any, from increasing their ownership interest under Section 382.

18. How do the Charter Amendment and the Bylaw Amendment block prohibited transfers?

Subject to the enforceability of the Charter Amendment as discussed in Question and Answer 19 below, transfers that violate the Transfer Restrictions are prohibited and will not be registered on our records. In the case of a purchase of shares on a national securities exchange that would create a Section 382 five-percent shareholder or increase the ownership of an existing Section 382 five-percent shareholder, the excess shares will be required to be transferred to an agent of the Company, and the agent will be required to sell the shares in an arms-length transaction and to apply the proceeds generally as follows: first, to cover the agent's own costs; second, to reimburse the transferee to the extent of the price paid by the transferee for the shares; and third, if there are any remaining proceeds, to the original transferor (or if the original transferor cannot be readily identified, the proceeds will be donated to a charity determined by our board of directors). The seller of any shares on a national securities exchange will not be affected by the Transfer Restrictions where the seller cannot determine whether the acquirer is currently or will become a Section 382 five-percent shareholder. See Question and Answer 21 below regarding sales on a national securities exchange.

19. What happens if I did not vote For the Charter Amendment at the 2010 annual meeting, and I did not vote For its re-approval at the 2013 annual meeting? Am I still subject to the transfer restrictions if the Charter Amendment is re-approved at the Annual Meeting?

Shares issued after the 2010 annual meeting are subject to the transfer restrictions in the Charter Amendment. In general, Delaware law provides that the Transfer Restrictions included in the Charter Amendment are enforceable with respect to shares of common stock issued before the effectiveness of the Charter Amendment only if approved by the holder of those shares. If you owned shares at the time of the 2010 annual meeting and did not vote those shares in favor of the Charter Amendment at that time, to the extent you still hold those shares, they are not subject to the Transfer Restrictions in the Charter Amendment. Likewise, if you owned shares at the time of the 2013 annual meeting that were not subject to the Transfer Restrictions in the Charter Amendment and did not vote those shares in favor of re-approval of the Charter Amendment at that time, to the extent you still hold those shares, they are not subject to the Transfer Restrictions in the Charter Amendment. If, however, you vote FOR re-approval of the Charter Amendment at the 2016 Annual Meeting, even if your shares were not previously subject to the Transfer Restrictions included in the Charter Amendment, they will become subject to those restrictions. Further, if you, subsequent to the 2010 annual meeting, acquired or acquire additional shares that were either voted in favor of the Charter Amendment or its re-approval or issued after the effectiveness of the Charter Amendment, those shares will be subject to the Transfer Restrictions in the Charter Amendment. We intend to presume, with regard to each share of common stock issued before the effectiveness of the Charter Amendment that such share was voted in favor of the Charter Amendment (and in favor of the re-approval of the Charter Amendment at our 2013 and 2016 annual meetings) unless a stockholder can demonstrate otherwise to our reasonable satisfaction. For open-market transactions that have occurred or do occur after our 2010 annual meeting, it will likely be impossible for an acquiring stockholder to demonstrate that the shares subject to the transaction were voted against the Charter Amendment. See Question and Answer 21 below regarding sales on a national securities exchange.

See Question and Answer 11 above for the reasons to vote For re-approval of the Charter Amendment. In addition, if the Preservation Plan is re-approved, it will be enforceable against all holders of our common stock, whether or not they voted in favor of the Charter Amendment at the 2010 annual meeting or for re-approval of the Charter Amendment or the Preservation Plan at the 2013 or 2016 annual meetings.

20. If I do not vote For re-approval of the Charter Amendment and it is re-approved at the annual meeting, can I purchase or sell additional shares of common stock?

Generally, if the Charter Amendment is re-approved, the Transfer Restrictions will not prevent you from purchasing additional shares of common stock unless by doing so you would become a Section 382 five-percent shareholder (or, if you are already a Section 382 five-percent shareholder, would increase your

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ownership), unless you can establish that those additional shares: (x) were not voted For the Charter Amendment at the 2010 annual meeting; or (y) For its re-approval at the 2013 annual meeting and were issued before the Bylaw Amendment was adopted. In addition, if re-approved at our 2016 Annual Meeting, you will continue to be subject to the Preservation Plan and its potential dilutive impact on your ownership if you become a Section 382 five-percent shareholder.

You can freely sell your shares of common stock unless the sale would create a Section 382 five-percent shareholder or increase the ownership of an existing Section 382 five-percent shareholder. See Question and Answer 21 below regarding sales on a national securities exchange.

21. Will the Transfer Restrictions affect my ability to sell on a national securities exchange (such as the NYSE) if I cannot determine whether the acquirer is currently or will become a Section 382 five-percent shareholder ?

No, the Transfer Restrictions will not preclude any sale of shares on a national securities exchange. See Question and Answer 18 above for treatment of such sales that are prohibited transfers under the Charter Amendment and the Bylaw Amendment.

Additional Questions and Answers about the Preservation Plan

22. Will I experience any of the dilutive effects under the Preservation Plan if I own less than 4.9% of the common stock under Section 382?

No, unless you or your affiliate enters into a transaction or other agreement by which you or your affiliate would own 4.9% or more of our common stock under Section 382, you will share the benefits of the Rights on a pro rata basis.

23. Under the Preservation Plan, what is the dividend of Rights?

In connection with the Preservation Plan our board of directors declared a dividend distribution of one preferred share purchase right (each a Right and together the Rights) for each outstanding share of our common stock, which was paid to holders of record on October 19, 2009. In addition, Rights are issued with any shares of our common stock issued after October 19, 2009. The Rights are not initially exercisable. If they were exercisable, each Right would entitle the registered holder to purchase one one-thousandth of a share of our Series A Junior Participating Preferred stock, par value \$0.001 per share, at a price of \$70.00 per one-thousandth of a share of preferred stock, subject to adjustment.

24. How are my Rights evidenced before the Preservation Plan is triggered?

Unless and until the Preservation Plan is triggered and the Rights become exercisable, the Rights are essentially stapled to the common stock and are deemed to be represented solely by the common stock certificates or the book entry records for the common stock. The Rights may only be transferred with the corresponding shares of common stock. Also, Rights are issued with any shares of our common stock issued after October 19, 2009.

25. When would the Preservation Plan be triggered and the Rights first become exercisable?

The Rights currently are not exercisable. The Rights will detach from the common stock and become exercisable only if the Preservation Plan is triggered. This generally occurs upon the earlier of: (1) 10 business days following the public announcement that any person has acquired ownership of 4.9% or more of our common stock as measured under Section 382; or (2) 10 business days after the date of commencement of a tender offer or exchange that would result, upon consummation, in that person, entity or group owning 4.9% or more of our common stock as measured under Section 382. For stockholders who currently hold 4.9% or more of our common stock under Section 382, in the absence of the Transfer Restrictions, any further increase in ownership under Section 382 would trigger the Preservation Plan and cause the Rights to detach and become exercisable. Our board of directors can exempt transactions and persons from the impact of the Preservation Plan if it determines that the acquisition would not jeopardize our NOLs or is otherwise in Radian's best interests. See Question and Answer 13 above.

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26. What happens if the Preservation Plan is triggered and the Rights detach and become exercisable?

After a triggering event under the Preservation Plan, each holder of a Right (other than the stockholder that triggered the Preservation Plan its related persons and transferees), will be entitled to purchase shares of our common stock, or if we do not have sufficient shares of common stock authorized for issuance, common stock equivalents, with a value of twice the exercise price of the Rights. The initial exercise price is set at \$70.00 and is subject to anti-dilution adjustments under the terms of the Preservation Plan. This creates a dilutive effect for the stockholder that triggered the Preservation Plan, because our other stockholders have the opportunity to buy our common stock, or its equivalent, at a discount. See also Questions and Answers 28 and 29 below for other options available to our board of directors in the event the Preservation Plan is triggered.

27. How are my Rights evidenced if the Preservation Plan is triggered?

If the Preservation Plan is triggered, the Rights will detach from each share of our common stock and certificates representing the rights (Right Certificates) will be distributed to the holders (except for an acquiring stockholder that triggers the Preservation Plan, related persons, and transferees, who will not be able to exercise the Rights). After that time, the Rights will be solely evidenced by the Right Certificates and will trade separately from the common stock.

28. How can the Rights be exercised after a triggering event?

If the Preservation Plan is triggered, the Rights Agent will mail Right Certificates representing the Rights to holders of record (except for the stockholder that triggered the Preservation Plan, its related persons and transferees), who may then return a completed Form of Election to Purchase along with the exercise price.

Additionally, if the Preservation Plan is triggered, our board of directors has the discretion to permit a cashless exercise of the Rights. A cashless exercise means that our board may permit the Rights to be exercised by the holders of Rights without payment of the exercise price simply by surrendering the Right Certificates and associated Rights for half the number shares of common stock (or common stock equivalents) that would otherwise be received upon exercise and payment.

29. May our board of directors exchange the Rights following a triggering event?

Yes, after a triggering event and before the stockholder that triggered the Preservation Plan acquires 50% or more of the shares of our common stock, our board may choose to exchange the Rights into shares of common stock (or common stock equivalents) at a one-to-one ratio. The holders of Rights would not be required to pay an exercise price. An exchange effected by our board would likely give each holder of a Right fewer shares than the holder would receive under the two methods of exercise described in Question and Answer 28 and, therefore, would have a less dilutive effect on the stockholder who triggered the Preservation Plan.

30. What stockholder rights do the Rights holders have?

Rights holders are not entitled to any additional rights as a stockholder, including voting or dividend rights, until a Right is exercised or exchanged as described in Questions and Answers 28 and 29.

31. Where will the Rights be traded?

Before the Preservation Plan is triggered, the Rights are essentially stapled to Radian's common stock and are deemed to be represented by the common stock certificates or the book entry records for Radian common stock. The Rights are listed and traded on the NYSE with Radian's common stock. There is no separate trading market for the Rights.

32. May our board of directors redeem the Rights and at what price?

In general, our board of directors may redeem the Rights at any time until the Rights become exercisable. The redemption price is \$0.001 per Right, subject to rounding to the nearest \$0.01.

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33. May additional Rights be issued after the date the Preservation Plan was adopted?

As described in Question and Answer 24, before the Preservation Plan is triggered, Rights are issued with any shares of our common stock issued after October 19, 2009.

If the Preservation Plan were triggered and Right Certificates were distributed, Rights would be issued in connection with future issuances of the common stock only in limited circumstances, such as (i) upon the exercise of stock options or under any employee plan or arrangement; (ii) upon the exercise, conversion or exchange of securities, including our outstanding convertible debt; or (iii) in connection with our contractual obligations, where such options, employee plans, securities, or obligations existed before the Preservation Plan was triggered.

34. May our board of directors amend the provisions of the Preservation Plan?

As long as the Rights are redeemable, our board has the flexibility to amend the terms of the Preservation Plan other than to decrease the redemption price. Once the Rights become exercisable and Right Certificates are distributed, our board is free to amend the terms of the Preservation Plan so long as such amendment does not adversely affect the interests of holders of outstanding Rights.

Certain Considerations

The Charter Amendment is contained in Section 4.4 of Article FOURTH to our Amended and Restated Certificate of Incorporation which is attached as *Appendix B-1* to this proxy statement, the Bylaw Amendment is contained in Section 6.06 of our Amended and Restated By-Laws which are attached as *Appendix B-2* to this proxy statement and the full text of the Preservation Plan is attached as *Appendix C* to this proxy statement and each document is incorporated by reference as an exhibit to our Annual Report on Form 10-K. We urge you to read the Charter Amendment, the Bylaw Amendment and the Preservation Plan in their entirety, as the discussion in this proxy statement is only a summary. The Transfer Restrictions will terminate following the 2016 Annual Meeting unless the Charter Amendment is re-approved by the requisite vote of stockholders. The Preservation Plan also will terminate following the 2016 Annual Meeting unless it is re-approved by the requisite vote of stockholders at our 2016 Annual Meeting.

Enforceability

We intend to continue to presume, with regard to each share of common stock issued before the effectiveness of the Charter Amendment, that such share was voted in favor of the Charter Amendment (and in favor of re-approval of the Charter Amendment at our 2013 and 2016 annual meetings) unless it is shown otherwise to our reasonable satisfaction. In certain circumstances, we also intend to assert that stockholders have waived the right to challenge or are estopped from challenging the enforceability of the Charter Amendment, unless it is established, to our

reasonable satisfaction, that the shares proposed to be transferred were not voted in favor of the Charter Amendment (or in favor of re-approval of the Charter Amendment at our 2013 or 2016 annual meetings). However, it is possible that one or more stockholders could challenge the enforceability of the transfer restrictions contained in the Charter Amendment, and a court could find that the Charter Amendment is unenforceable, either in general or as applied to a particular stockholder or particular fact situation. This potential for litigation regarding the enforceability of the transfer restrictions may discourage investors from acquiring shares of our common stock. However, as we intend to retain our Preservation Plan (subject to stockholder re-approval), we think it is unlikely that an investor would benefit from a challenge to our Charter Amendment, because avoiding the related Transfer Restrictions would still leave that investor at risk of the dilutive effect of triggering the Preservation Plan.

Potential IRS Challenge

The amount of our NOLs has not been audited or otherwise validated by the IRS. The IRS could challenge the amount of the NOLs, which could result in an increase in the amount of future federal income taxes that we may be required to pay. As mentioned above, calculating whether an ownership change has

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occurred is subject to uncertainty, both because of the complexity and ambiguity of Section 382 and because of limitations on a publicly traded company's knowledge as to the ownership of, and transactions in, its securities. Therefore, we cannot assure you that the IRS will not claim that we experienced an ownership change and attempt to reduce or eliminate the benefit of our NOLs even if the Charter Amendment, the Bylaw Amendment or the Preservation Plan is in place.

Potential Effects on Liquidity

The Transfer Restrictions and the Preservation Plan are all designed to deter a stockholder from acquiring, directly or indirectly, additional shares of common stock in excess of the specified limitations. Furthermore, a stockholder's ability to dispose of common stock may be limited as a result of the reduction in the class of potential acquirers for such common stock and a stockholder's ownership of common stock may become subject to the Transfer Restrictions or the Preservation Plan upon actions taken by persons related to, or affiliated with, them. The Transfer Restrictions may result in the delay or refusal of certain requested transfers of our common stock. As a result of these rules, the Transfer Restrictions could result in prohibiting ownership (thus requiring dispositions) of our common stock as a result of a change in the relationship between two or more persons or entities, or of a transfer of an interest in an entity other than us, such as an interest in an entity that, directly or indirectly, owns our common stock. Stockholders are advised to carefully monitor their ownership of our stock and consult their own legal advisors and/or us to determine whether their ownership of our stock approaches the proscribed levels.

Potential Impact on Value

It is possible that the Preservation Plan and the Transfer Restrictions could deter certain buyers, including persons who wish to acquire more than 4.9% of our common stock (as calculated pursuant to Section 382), and that this could result in diminished demand for and, therefore, potentially decrease the value of our common stock. We believe the value protected as a result of the preservation of the NOLs would outweigh any such potential decrease in the value of our common stock due to the Preservation Plan and the Transfer Restrictions.

Potential Anti-Takeover Impact

The Transfer Restrictions and the Preservation Plan are designed to preserve the long-term value of our accumulated NOLs and are not intended to prevent a takeover of Radian. However, they could be deemed to have an anti-takeover effect because, among other things, they each restrict the ability of a person, entity or group to accumulate our common stock above the applicable thresholds, without the approval of our board of directors.

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PROPOSAL 4 RE-APPROVAL OF THE AMENDMENT TO THE RADIAN GROUP INC. AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

We are asking our stockholders to re-approve the Amendment to our Amended and Restated Certificate of Incorporation that imposes certain restrictions on transfers of our common stock that could otherwise adversely affect our ability to use the NOLs. In 2010, with the approval of our stockholders, we adopted the Charter Amendment as part of our tax benefit preservation strategy, and our stockholders re-approved the Charter Amendment at our 2013 annual meeting. On February 10, 2016, our board of directors recommended that we seek our stockholders' re-approval of the Charter Amendment at our 2016 Annual Meeting. For more information regarding the Charter Amendment and our tax benefit preservation strategy, see Background Information for Tax Benefit Preservation Proposals 4 and 5 above.

If our stockholders do not re-approve the Charter Amendment, neither the Charter Amendment nor the Bylaw Amendment will remain effective and the Transfer Restrictions will terminate on the close of business on the second business day following adjournment of our 2016 Annual Meeting of stockholders.

Description of Charter Amendment

The following is a summary of the Charter Amendment. This summary is qualified in its entirety by reference to the full text of the Charter Amendment, which is contained in Section 4.4 of Article FOURTH of our Amended and Restated Certificate of Incorporation and is set forth in the accompanying *Appendix B-1*. Stockholders are urged to read the Charter Amendment in its entirety, as set forth in the accompanying *Appendix B-1*.

Prohibited Transfers

The Transfer Restrictions contained in the Charter Amendment generally restrict any direct or indirect transfer of our common stock if the effect would be to:

increase the direct or indirect ownership of our common stock for purposes of Section 382 by any person from less than 5% to 5% or more of our common stock; or

increase the percentage of our common stock owned directly or indirectly by any existing Section 382 five-percent shareholder as of May 12, 2010 (the effective time of the Charter Amendment), subject to limited exceptions.

Transfers restricted by the Charter Amendment include sales to persons whose resulting percentage ownership (direct or indirect) of common stock would equal or exceed the 5% threshold discussed above, or to persons whose direct or indirect ownership of common stock would by attribution cause another person to equal or exceed such threshold. Complicated rules of constructive ownership, aggregation, segregation, combination and other ownership rules prescribed by the Code (and related regulations) apply in determining whether a person or group of persons constitute a Section 382 five-percent shareholder and whether there exist public groups, each of which is treated as a Section 382 five-percent shareholder. For purposes of determining the existence and identity of, and the amount of common stock owned by, any stockholder, we rely on the existence or absence of filings with the SEC of Schedules 13D, 13F and 13G (or any similar filings) as of any date,

subject to our actual knowledge of the ownership of our common stock. The Transfer Restrictions also apply to proscribe the creation or transfer of certain options (which are broadly defined by Section 382) in respect of our common stock to the extent that, in certain circumstances, creation, transfer or exercise of the option would result in a proscribed level of ownership.

Consequences of Prohibited Transfers

Under the Charter Amendment, any direct or indirect transfer in violation of the restrictions would be void as of the date of the purported transfer as to the purported transferee (or, in the case of an indirect transfer, the ownership of the direct owner of common stock would terminate simultaneously with the transfer), and the purported transferee (or in the case of any indirect transfer, the direct owner) would not be recognized as the owner of the shares owned in violation of the restrictions for any purpose, including for purposes of voting and receiving dividends or other distributions in respect of such common stock, or

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**Proposal 4 Re-Approval of the Amendment to the Radian Group Inc. Amended
and Restated Certificate of Incorporation**

in the case of options, receiving common stock in respect of their exercise. In this proxy statement, common stock purportedly acquired in violation of the Transfer Restrictions is referred to as excess stock. See Background Information for Tax Benefit Preservation Proposals 4 and 5 Additional Questions and Answers about the Transfer Restrictions Question and Answer 18 above.

In addition to the purported transfer being void as of the date of the purported transfer, upon demand, the purported transferee must transfer the excess stock to our agent along with any dividends or other distributions paid with respect to such excess stock. Our agent is required to sell such excess stock in an arms length transaction (or series of transactions) that would not constitute a violation under the Transfer Restrictions. The net proceeds of the sale, together with any other distributions with respect to such excess stock received by our agent will be distributed first to reimburse the agent for its costs and expenses, second to the purported transferee in an amount, if any, up to the cost (or in the case of gift, inheritance or similar transfer, the fair market value of the excess stock on the date of the violative transfer) incurred by the purported transferee to acquire such excess stock, and the balance of the proceeds, if any, will be distributed to the original transferor (or, if the original transferor cannot be readily identified, to a charity designated by our board of directors). If the excess stock is sold by the purported transferee, such person will be treated as having sold the excess stock on behalf of the agent, and will be required to remit all proceeds to our agent (except to the extent we grant written permission to the purported transferee to retain an amount not to exceed the amount such person otherwise would have been entitled to retain had our agent sold such shares).

To the extent permitted by law, any stockholder who knowingly violates the Transfer Restrictions will be liable for any and all damages suffered by us as a result of such violation, including any professional fees incurred in connection with addressing such violation.

With respect to any indirect or other transfer of common stock that does not involve a transfer of securities of the Company within the meaning of the Delaware General Corporation Law but which would cause any Section 382 five-percent shareholder to violate the Transfer Restrictions, the following procedure applies instead of those described above. In such case, no such Section 382 five-percent shareholder will be required to dispose of any interest that is not a security of the Company. Instead, such Section 382 five-percent shareholder and/or any person whose ownership of securities of the Company is attributed to such Section 382 five-percent shareholder will be deemed to have disposed of (and will be required to dispose of) sufficient securities, simultaneously with the transfer, to cause such Section 382 five-percent shareholder not to be in violation of the transfer restrictions, and such securities will be treated as excess stock to be disposed of through the agent under the provisions summarized above, with the maximum amount payable to such Section 382 five-percent shareholder or such other person that was the direct holder of such excess stock from the proceeds of sale by the agent being the fair market value of such excess stock at the time of the prohibited transfer.

Modification and Waiver of Transfer Restrictions

Our board of directors has the discretion to approve a transfer of our common stock that would otherwise violate the Transfer Restrictions if our board determines that such transfer will not be likely to limit the availability of the NOLs or is in the Company's best interests. To date, our board has not granted any waivers. In deciding whether to grant a waiver, our board may seek the advice of counsel and tax advisors with respect to the preservation of our federal tax attributes pursuant to Section 382. In addition, our board may request relevant information from the acquirer and/or selling party in order to determine compliance with the Charter Amendment or the status of our federal NOLs, including an opinion of counsel selected by our board (the cost of which will be borne by the transferor and/or the transferee) that the transfer will not result in any

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limitation on the use of our NOLs under Section 382. In considering a waiver, we expect our board of directors to consider, among others, the following factors:

the impact of the proposed transfer on our Section 382 change in ownership percentage;

the then existing level of our Section 382 change in ownership percentage;

the timing of the expected roll-off of our existing ownership change;

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the economic impact of any Section 382 limitation that might result, taking into account factors such as our current and expected market capitalization and cash position;

the impact on possible future issuances or purchases of our common stock by us; and

any changes or expected changes in applicable tax law.

If our board decides to grant a waiver, it may impose conditions on the acquirer or selling party.

Recommendation

RADIAN S BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RE-APPROVAL OF THE CHARTER AMENDMENT. SIGNED PROXIES WILL BE VOTED FOR RE-APPROVAL UNLESS A STOCKHOLDER GIVES OTHER INSTRUCTIONS ON THE PROXY CARD.

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PROPOSAL 5 RE-APPROVAL OF THE RADIAN GROUP INC. TAX BENEFIT PRESERVATION PLAN, AS AMENDED

We are asking our stockholders to re-approve our Tax Benefit Preservation Plan, which was adopted by our board of directors as part of our tax benefit preservation strategy effective on October 9, 2009, and which we subsequently amended on February 12, 2010 and May 3, 2010. The Preservation Plan was approved by our stockholders at our 2010 annual meeting, and our stockholders re-approved it at our 2013 annual meeting. The Preservation Plan is intended to deter certain acquisitions of our common stock, which could otherwise adversely affect our ability to use the NOLs. For more information regarding the Preservation Plan and our tax benefit preservation strategy, see Background Information for Tax Benefit Preservation Proposals 4 and 5 above.

If our stockholders do not re-approve the Preservation Plan, the Preservation Plan will terminate and the Rights will expire on the close of business on the second business day following adjournment of our 2016 Annual Meeting of stockholders.

Description of the Preservation Plan and Rights

The following is a summary of our Preservation Plan. This summary is qualified in its entirety by reference to the full text of the Preservation Plan, which is set forth in the accompanying *Appendix C*. Stockholders are urged to read the Preservation Plan in its entirety, as set forth in the accompanying *Appendix C*.

Dividend of Rights

Pursuant to the Preservation Plan, our board of directors declared a dividend of one Right for each outstanding share of our common stock, par value \$0.001 per share. The dividend was paid on October 19, 2009 (the Rights Record Date) to the stockholders of record as of the close of business on that date. Rights have been issued with all shares of our common stock issued after the Rights Record Date and will continue to be issued with any shares of our common stock. The Rights are not currently exercisable. If they were exercisable, each Right would entitle the registered holder to purchase one one-thousandth of a share of our Series A Junior Participating Preferred stock, par value \$0.001 per share, at a price of \$70.00 per one one-thousandth of a share of preferred stock (the Purchase Price), subject to adjustment. If the Rights become exercisable in connection with a Distribution Date (as defined below), each Right would entitle the registered holder to acquire shares of common stock or, in certain circumstances, common stock equivalents, rather than Series A Junior Participating Preferred stock. See

Background Information for Tax Benefit Preservation Proposals 4 and 5 Additional Questions and Answers about the Preservation Plan Question and Answer 26 above.

Unless and until the Preservation Plan is triggered and the Rights become exercisable, the Rights are essentially stapled to the common stock and are deemed to be represented solely by the common stock certificates or the book entry records for the common stock. Currently, the Rights may only be transferred with the corresponding shares of common stock.

Distribution Date

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The Preservation Plan is triggered upon the earlier to occur of (i) the close of business on the tenth business day following the first date of public announcement that a person, entity or group (each, a person) has become an Acquiring Person (as described below) or the first date that our board has concluded that a person has become an Acquiring Person, or (ii) the close of business on the tenth business day (or, except in certain circumstances, such later date as may be specified by our board) following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in the person becoming an Acquiring Person (the earlier of such dates being called the Distribution Date). See Background Information for Tax Benefit Preservation Proposals 4 and 5 Additional Questions and Answers about the Preservation Plan Question and Answer 25 above.

Acquiring Person

An Acquiring Person under the Preservation Plan is generally a person who acquires ownership of 4.9% or more of our common stock under Section 382. Any person that owned 4.9% or more of the outstanding

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Proposal 5 Re-Approval of the Radian Group Inc. Tax Benefit Preservation Plan, as Amended

shares of our common stock on October 9, 2009 will not be deemed an Acquiring Person unless and until such person acquires ownership of additional shares of common stock. Under the Preservation Plan, our board of directors may, in its sole discretion, exempt any person from being deemed an Acquiring Person for purposes of the Preservation Plan if our board determines that such person's ownership of common stock will not jeopardize or endanger the availability of our NOLs or is otherwise in the Company's best interests. See Background Information for Tax Benefit Preservation Plan Proposals 4 and 5 General Questions and Answers about our Tax Benefit Preservation Strategy Question and Answer 13 above. For purposes of the Preservation Plan, ownership is determined pursuant to applicable rules and regulations of the Code for Section 382 purposes, and not by the definition of beneficial ownership under federal securities laws. See Background Information for Tax Benefit Preservation Plan Proposals 4 and 5 Questions and Answers about Section 382 and our NOLs Generally Question and Answer 6 above.

Terms of Rights

The Rights are not exercisable until the Distribution Date. As soon as practicable following the Distribution Date, separate certificates evidencing the Rights will be mailed to holders of record of the common stock as of the close of business on the Distribution Date and the Rights will thereafter be evidenced solely by such separate Right Certificates. The Rights will expire upon the earliest of: (i) the close of business on October 9, 2019 unless that date is advanced or extended; (ii) the time at which the Rights are redeemed or exchanged under the Preservation Plan; (iii) the repeal of Section 382 or any successor statute if our board determines that the Preservation Plan is no longer necessary for the preservation of our NOLs; (iv) the beginning of a taxable year to which our board determines that no NOLs may be carried forward; (v) such date as our board determines that a limitation on the use of the NOLs under Section 382 would no longer be material to the Company, which the board has agreed to review annually; or (vi) the close of business on the second business day after the final adjournment of the third consecutive annual meeting of the Company's stockholders after the Preservation Plan was most recently re-approved by the stockholders of the Company unless the Preservation Plan is re-approved by the stockholders at that meeting (which includes the final adjournment of our 2016 Annual Meeting of stockholders if stockholder re-approval of the Preservation Plan has not been received before such time). In any event, the Preservation Plan is limited to a ten-year term and will expire on the close of business on October 9, 2019 (unless that date is advanced or extended).

The Purchase Price payable and the number of shares of preferred stock or other securities or property issuable upon exercise of the Rights are subject to adjustment: (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the preferred stock; (ii) upon the grant to holders of the preferred stock of certain rights or warrants to subscribe for or purchase preferred stock at a price, or securities convertible into preferred stock with a conversion price, less than the then-current market price of the preferred stock; or (iii) upon the distribution to holders of the preferred stock of evidences of indebtedness or assets (excluding regular periodic cash dividends or dividends payable in preferred stock) or of subscription rights or warrants (other than those referred to above).

The number of outstanding Rights is subject to adjustment in the event of a stock dividend on the common stock payable in shares of common stock or subdivisions, consolidations or combinations of the common stock occurring, in any such case, before the Distribution Date.

Terms of Preferred Stock

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The following is a description of the Series A Junior Participating Preferred Stock underlying the Rights, which are not currently exercisable. See Background Information for Tax Benefit Preservation Plan Proposals 4 and 5 Additional Questions and Answers about the Preservation Plan Question and Answer 26 above.

Shares of the Series A Junior Participating Preferred Stock will not be redeemable. Each share of preferred stock will be entitled, when, as and if declared, to a minimum preferential quarterly dividend payment of an amount equal to 1,000 times the dividend declared per share of common stock. In the event of Radian's liquidation, dissolution or winding up, the holders of the preferred stock will be entitled to a minimum preferential payment of the greater of: (a) \$1.00 per share (plus any accrued but unpaid dividends) or (b) an amount equal to 1,000 times the payment made per share of common stock. Each share of preferred stock will have 1,000 votes, voting together with the common stock. Finally, in the

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Proposal 5 Re-Approval of the Radian Group Inc. Tax Benefit Preservation Plan, as Amended

event of any merger, consolidation or other transaction in which outstanding shares of common stock are converted or exchanged, each share of preferred stock will be entitled to receive 1,000 times the amount received per share of common stock. These rights are protected by customary antidilution provisions.

Because of the nature of the preferred stock's dividend, liquidation and voting rights, the value of the one one-thousandth interest in a share of preferred stock purchasable upon exercise of each Right should approximate the value of one share of common stock.

Exercise and Exchange of Rights

The Rights are not currently exercisable. The Rights become exercisable upon the Distribution Date, in which event, they will be exercisable for shares of common stock or, in certain circumstances, common stock equivalents, instead of preferred stock. As soon as practicable following the Distribution Date, separate certificates evidencing the Rights will be mailed to holders of record of the common stock as of the close of business on the Distribution Date (except for an Acquiring Person Preservation Plan) and the Rights will thereafter be evidenced solely by such separate Right Certificates. See Background Information for Tax Benefit Plan Proposals 4 and 5 Additional Questions and Answers about the Preservation Plan Question and Answer 27 above. Other than Rights owned by the Acquiring Person, related persons, and transferees (which will thereupon become null and void), each holder of a Right will thereafter have the right to receive upon exercise of a Right (including payment of the Purchase Price) that number of shares of common stock or, in certain circumstances, common stock equivalents (subject to any delay of exercisability approved by our board) having a market value of two times the Purchase Price. See Background Information for Tax Benefit Plan Proposals 4 and 5 Additional Questions and Answers about the Preservation Plan Question and Answer 26 above.

If any person becomes an Acquiring Person, our board, in its sole discretion, may permit the Rights, other than Rights owned by the Acquiring Person, related persons, and transferees (which will thereupon become void), to be exercisable for 50% of the shares of common stock that would otherwise be purchasable upon the payment of the Purchase Price in consideration of the surrender of the exercised Rights and Right Certificates. See Background Information for Tax Benefit Plan Proposals 4 and 5 Additional Questions and Answers about the Preservation Plan Question and Answer 28 above.

At any time after any person becomes an Acquiring Person but before the acquisition by such Acquiring Person of ownership of 50% or more of the shares of common stock then outstanding, our board may exchange the Rights other than Rights owned by such Acquiring Person, related persons, and transferees (which will have become null and void), in whole or in part, for shares of common stock or preferred stock (or a series of the Company's preferred stock having equivalent rights, preferences and privileges), at an exchange ratio of one share of common stock, or a fractional share of preferred stock of equivalent value, per Right (subject to adjustment). See Background Information for Tax Benefit Plan Proposals 4 and 5 Additional Questions and Answers about the Preservation Plan Question and Answer 29 above.

Adjustments; Redemption

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No fractional shares of common stock or preferred stock will be issued (other than fractions of preferred stock which are integral multiples of one one-thousandth of a share of preferred stock, which may, at the election of the Company, be evidenced by depositary receipts), and instead an adjustment in cash will be made based on the current market price of the preferred stock or the common stock. At any time before the time an Acquiring Person becomes such, our board may redeem the Rights in whole, but not in part, at a price of \$0.001 per Right (the Redemption Price) payable, in cash, shares of common stock or such other form of consideration as our board shall determine. The redemption of the Rights may be made effective at such time, on such basis and with such conditions as our board in its sole discretion may establish. Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price as rounded to the nearest \$0.01.

Amendments

For so long as the Rights are then redeemable, we may, except with respect to the Redemption Price, amend the Preservation Plan in any manner. After the Rights are no longer redeemable, we may, except with respect to the Redemption Price, amend the Preservation Plan in any manner that does not adversely

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Proposal 5 Re-Approval of the Radian Group Inc. Tax Benefit Preservation Plan, as Amended

affect the interests of holders of the Rights (other than the Acquiring Person, related persons, and transferees). Until a Right is exercised or exchanged, the holder thereof, as such, will have no additional rights as a stockholder, including, without limitation, the right to vote or to receive dividends. In February 2010, we amended the Preservation Plan to (i) allow our board to delegate to a committee its powers to administer and interpret the Preservation Plan and (ii) to provide that the Rights will expire if our board determines that a limitation on the use of the NOLs under Section 382 would no longer be material to the Company, which our board has agreed to review annually. In May 2010, we amended the Preservation Plan to require the Preservation Plan to be re-approved by our stockholders every three years.

Recommendation

RADIAN S BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RE-APPROVAL OF THE TAX BENEFIT PRESERVATION PLAN. SIGNED PROXIES WILL BE VOTED FOR RE-APPROVAL UNLESS A STOCKHOLDER GIVES OTHER INSTRUCTIONS ON THE PROXY CARD.

Table of Contents**PROPOSAL 6 RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP****General**

The Audit Committee of our board of directors is responsible for selecting an independent registered public accounting firm to perform the annual audit of our financial statements. The Audit Committee's appointment of PricewaterhouseCoopers LLP (PwC) as our independent registered public accounting firm for 2016 is being submitted to our stockholders for ratification. A representative of PwC is expected to attend our Annual Meeting, will have an opportunity to make a statement if he or she desires, and will be available to respond to questions.

If the stockholders fail to ratify the appointment of PwC, the Audit Committee will reconsider whether to retain the firm. You should note that, even if the stockholders ratify the appointment of PwC at the Annual Meeting, the Audit Committee, in its discretion, may select a new independent registered public accounting firm at any time if it determines that such a change would be in the Company's best interests and those of our stockholders.

Independent Registered Public Accounting Firm Fees and Services

The following is a summary of the fees billed for professional services rendered to Radian by PwC for the fiscal years ended December 31, 2015 and December 31, 2014:

| Type of Fees | 2015 | 2014 |
|---------------------|-------------|--------------|
| Audit Fees | \$3,381,562 | \$ 4,028,950 |
| Audit-Related Fees | | |
| Tax Fees | 248,048 | 269,389 |
| All Other Fees | 1,800 | |
| Total | \$3,631,410 | \$ 4,298,339 |

For purpose of the above table, in accordance with the SEC's definitions and rules:

Audit Fees are fees for professional services for the audit of the financial statements included in our Annual Report on Form 10-K (which includes an audit of our internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002), for the review of our financial statements included in our Quarterly Reports on Form 10-Q, for the review of registration statements filed under the Securities Act of 1933, and for services that normally are provided in connection with statutory and regulatory filings.

Audit-Related Fees, if any, are fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and which are not reported under **Audit Fees**, including services related to consultation on financial accounting and reporting matters.

Tax Fees are fees for tax compliance, tax advice and tax planning.

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All Other Fees are fees for products and services provided by our independent registered public accounting firm other than those services reported above, including licenses for technical accounting research software in 2015.

Pre-Approval Policy

In addition to retaining PwC to audit our consolidated financial statements for 2015, we retained PwC to provide other auditing and advisory services as discussed above. We understand the need for PwC to maintain objectivity and independence in its audit of our financial statements. To minimize relationships that could appear to impair the objectivity of PwC, our Audit Committee is required to pre-approve all non-audit work performed by PwC in accordance with applicable SEC rules and our pre-approval policy. All services provided by PwC and listed in the table above were approved by the Audit Committee in accordance with our pre-approval policy.

The Audit Committee considered the nature and proposed extent of the non-audit services provided by the independent registered public accounting firm and determined that those services were in compliance with the provision of independent audit services by such firm.

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Proposal 6 Ratification of the Appointment of PricewaterhouseCoopers LLP

Recommendation

RADIAN S BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS RADIAN S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2016. SIGNED PROXIES WILL BE VOTED FOR RATIFICATION UNLESS A STOCKHOLDER GIVES OTHER INSTRUCTIONS ON THE PROXY CARD.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Board of Directors and its Standing Committees

Our board of directors meets twice quarterly for regularly scheduled meetings and also holds regularly scheduled meetings to conduct strategic planning and to review and approve our business plan. In addition, the board holds special meetings as and when necessary. Our full board held eight regularly scheduled meetings and eight special meetings during 2015. Our non-management directors meet in executive session at the conclusion of each regularly scheduled board meeting and frequently meet in executive session following each special meeting of the board. Each director participated in at least 75% of the meetings of the board and the committees on which he or she served during 2015. Herbert Wender, non-executive Chairman of the Board, presides over all meetings of the board, including meetings of the independent members of the board. Our policy is that all of our director nominees are expected to attend our annual meeting, and all of the current directors attended last year's annual meeting.

As discussed below under **Director Independence**, all of our directors, except our Chief Executive Officer, satisfy the requirements for independent directors under the NYSE listing standards and SEC rules.

Standing Committees of the Board of Directors

The board of directors maintains the following standing committees:

Audit Committee. The current members of the Audit Committee are Mr. Carney (Chair), Ms. Hess, and Messrs. Serio and Spiegel, each of whom meets the additional NYSE independence criteria applicable to audit committee members. All current members of the Audit Committee served on the committee throughout 2015. This committee is primarily responsible for appointing and overseeing the work of our independent registered public accounting firm, reviewing our annual audited and interim financial results, and reviewing our accounting and reporting principles and policies. Our board has determined that each of Mr. Carney, Ms. Hess and Mr. Spiegel qualifies as an audit committee financial expert under the SEC's rules. The Audit Committee met 13 times during 2015. See **Audit Committee Report** below for additional information regarding the work of this committee.

Compensation and Human Resources Committee. The current members of the Compensation and Human Resources Committee are Messrs. Hopkins (Chair), Culang and Muzio, each of whom served on the committee throughout 2015 and meets the additional NYSE independence criteria applicable to compensation committee members. In addition, Mr. Montgomery previously served on the committee until May 4, 2015. This committee oversees compensation and benefits policies and programs for Radian and its subsidiaries, including compensation of the Company's executive officers, and reviews the quality and depth of officers throughout Radian as well as our management development and succession practices and programs. The Compensation and Human Resources Committee met eight times during 2015. See **Compensation of Executive Officers and Directors Compensation Discussion and Analysis** for additional information regarding the work of this committee.

Credit Committee. The current members of the Credit Committee are Mr. Culang (Chair), Mr. Carney, Mr. Montgomery and Mr. Spiegel, each of whom served on the committee throughout 2015. The Credit Committee oversees our credit and related risk management policies and procedures, including oversight of our procedures for identifying and quantifying emerging matters that could pose significant risk implications for Radian. This committee reviews our credit-based risks, credit policies and overall credit management. Specifically, this committee reviews

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the quality of our insurance portfolios, and assesses general compliance with underwriting and diversification guidelines. The Credit Committee met four times during 2015.

Finance and Investment Committee. The current members of the Finance and Investment Committee are Ms. Hess (Chair), and Messrs. Hopkins, Muzio and Spiegel, each of whom served on the committee throughout 2015. This committee reviews the Company's capital structure and liquidity plans and provides recommendations on capital strategies, including with respect to securities issuances and repurchases, dividends and recapitalizations. This committee also oversees the management of the Company's investment portfolio and regularly reviews the performance of the investment professionals overseeing the portfolio to ensure adherence to our investment policy guidelines. The Finance and Investment Committee met six times during 2015.

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Corporate Governance and Board Matters

Governance Committee. The current members of the Governance Committee are Mr. Serio (Chair) and Messrs. Carney, Culang and Hopkins, each of whom served on the committee throughout 2015. This committee oversees the process of board governance, which includes: identifying and recommending candidates to become members of our board of directors, including potential candidates that may be recommended by stockholders; recommending committee membership and chairperson appointments; ensuring compliance with our Guidelines of Corporate Governance; conducting regular board and individual director assessments; and examining our corporate governance processes. The Governance Committee met seven times during 2015.

For a discussion of our board nomination process, see [Consideration of Director Nominees](#) below.

For a discussion of our board and its committees' roles in risk oversight of the Company, see [Board and Board Committee Roles in Risk Oversight](#) below.

Board Leadership Structure

Our Chairman of the Board and Chief Executive Officer are separate positions. We believe that separating these positions enhances the independent oversight of the Company and the monitoring and objective evaluation of the Chief Executive Officer's performance. In addition, the separation of the positions ensures that the board is fully engaged in providing an objective perspective with respect to the Company's strategy and can effectively evaluate its implementation.

Mr. Wender is the non-executive Chairman of our board of directors. He is independent of management and, as provided in our Guidelines of Corporate Governance, is responsible for the management, development and effective performance of the board and for serving in an advisory capacity to the Chief Executive Officer and to other members of management in all matters concerning the interests of the board. The non-executive Chairman of the Board sets the agenda for board meetings and presides over meetings of the board. Mr. Ibrahim, in his role as the Chief Executive Officer, is responsible for the strategic direction of the Company and the day to day leadership and performance of the Company. As described in our Guidelines of Corporate Governance, the responsibilities of the Chief Executive Officer include determining corporate strategies and policies, ensuring complete and accurate disclosures of financial, operational and management matters to the board, and communicating with the board so they are informed with respect to Company, industry, and corporate governance matters.

Board and Board Committee Roles in Risk Oversight

Our board of directors is actively involved in the oversight of risks that could affect the Company. The full board is responsible for the general oversight of risks. In this regard, the board seeks to understand and oversee the most critical risks relating to our business, allocates responsibilities for the oversight of risks among the full board and its committees, and reviews the systems and processes that management has

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in place to manage the current risks facing the Company, as well as those that could arise in the future. On a quarterly basis, the board meets with management to receive reports derived from the Company's enterprise risk management (ERM) function, which resides within the office of our Chief Risk Officer and is designed to identify the risks we are facing, and to assess, manage and mitigate those risks. As part of this quarterly process, the board discusses the significant risks and exposures facing the Company and assesses the steps management is taking to minimize such risks.

The full board oversees the Company's strategic risks, regulatory risks, risks related to our information technology activities and cybersecurity risks. As noted above, the board conducts certain aspects of its risk oversight function through its committees. Each committee has full access to management, and has the ability to engage advisors as appropriate. Specifically, each committee is charged with the following risk oversight responsibilities:

The Audit Committee regularly meets with and makes inquiries of management, the Company's Chief Audit Executive, and the Company's independent auditors regarding significant risks or exposures facing the Company and the steps taken by management to minimize these risks. In particular, the Audit Committee reviews and discusses our financial risk exposures, including the risk of fraud, as well as legal and compliance risks.

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Corporate Governance and Board Matters

The Credit Committee provides oversight of our credit and related risk management policies and procedures, including the potential effect of developing risk trends in our insured portfolio. The Credit Committee regularly considers significant credit-based risks and exposures faced by the Company and assesses the steps management has taken to manage those risks, as well as our surveillance activities for identifying problem credits and emerging matters with significant risk implications.

The Compensation and Human Resources Committee monitors our executive compensation programs to ensure that they are appropriately aligned with our compensation philosophy, are achieving their intended purposes, and are not encouraging inappropriate risk-taking. See Compensation of Executive Officers and Directors Compensation Discussion and Analysis II. Compensation Principles and Objectives. In addition, the Compensation and Human Resources Committee annually reviews with management a risk assessment of all of the Company's compensation policies and procedures. Based on its most recent review, the Company has concluded that its compensation policies and procedures are not reasonably likely to have a material adverse effect on the Company or to encourage inappropriate risk-taking.

The Finance and Investment Committee regularly reviews compliance with our investment guidelines and monitors risk in our investment portfolio. The Finance and Investment Committee also oversees risks related to our capital management.

The Governance Committee monitors risks associated with corporate governance practices and oversees our related person transaction policy to ensure that we do not engage in transactions that would create or otherwise give the impression of a conflict of interest that could result in harm to us. See Certain Relationships and Related Person Transactions.

Each Committee Chair provides regular reports to the full board regarding the Committee's risk oversight responsibilities as discussed above. The board conducts its risk oversight responsibility in the areas discussed above through these reports, as well as through regular discussions and reports from management regarding any significant and other known risks, including the quarterly reports regarding the Company's ERM process.

Director Independence

Our Guidelines of Corporate Governance provide that a substantial majority of our board of directors must consist of independent directors, as independence is determined under the NYSE's listing standards and applicable SEC rules. In evaluating the independence of each of our directors, our board, primarily through the Governance Committee, considers all relevant facts and circumstances from the standpoint of the director, as well as from the perspectives of persons or organizations with which the director has an affiliation, including the Company. Our board of directors has determined that all of the members of the board, except Sanford A. Ibrahim, are independent under current NYSE listing standards and SEC rules. In determining that each of our non-employee directors was independent, the board considered whether there were any facts and circumstances that might impair the independence of each director. The board concluded that no material direct or indirect relationship exists between the Company and any of its non-employee directors, other than those compensatory matters that are a direct consequence of serving on our board of directors and which are detailed below in Compensation of Executive Officers and Directors Director Compensation.

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In recommending to the board that each of our non-employee directors was independent, with respect to Mr. Montgomery, the Governance Committee of the board considered the following:

Mr. Montgomery is the Vice Chairman of Collingwood and owns 25% of Collingwood's Class A interests. Since January 2011, Collingwood had been engaged by Clayton Holdings LLC ("Clayton"), a mortgage and real estate services business, to provide consulting services. This pre-existing consulting relationship became a related party transaction for the Company upon the Company's acquisition of Clayton in 2014. The Governance Committee reviewed and approved this relationship in accordance with our Related Person Transaction Policy and established certain proactive measures to manage the on-going engagement for purposes of reducing the risk that it could impair Mr. Montgomery's independence in the future, including: (i) prohibiting Mr. Montgomery from

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Corporate Governance and Board Matters

participating in the engagement; (ii) limiting the total fees for the engagement to a maximum of \$250,000 annually; and (iii) requiring the President of Clayton and the Governance Committee to review the relationship annually. In addition, following the Clayton acquisition, the consulting relationship was transferred from Collingwood to its affiliate, Aitheras LLC (Aitheras), and as a result Mr. Montgomery's interest in the consulting relationship became further removed. The total amount paid to Aitheras for this engagement in 2015 was \$120,000. In June 2015, following the review and approval of the Governance Committee, Clayton and Aitheras jointly bid on the opportunity to perform work for the FDIC. This proposal was not accepted and did not result in any transaction or fees.

In February 2016, the Governance Committee terminated its \$250,000 annual authority for the Aitheras consulting relationship. In March 2016, Clayton provided notice to Aitheras of the termination of this consulting arrangement, effective April 2, 2016. As a result, no relationship currently exists between Clayton and Collingwood/Aitheras. For additional information regarding our Related Person Transaction Policy, see [Certain Relationships and Related Person Transactions](#) below.

The Governance Committee considered whether the relationships referenced above impacted Mr. Montgomery's ability to satisfy the director independence requirements and concluded that Mr. Montgomery continued to meet the applicable requirements. Based on the recommendation of the Governance Committee, the board also considered these relationships and concluded that the relationships and Mr. Montgomery's interests in them were not material and determined that they did not impair Mr. Montgomery's independence.

Compensation and Human Resources Committee Interlocks and Insider Participation

Messrs. Hopkins (Chair), Culang and Muzio served on the Compensation and Human Resources Committee during 2015. In addition, Mr. Montgomery previously served on the committee until May 4, 2015. No member of the Compensation and Human Resources Committee during 2015: (i) has ever been an officer or employee of Radian or any of its subsidiaries, or (ii) had any relationship with Radian or its subsidiaries during 2015 that would require disclosure under Item 404 of the SEC's Regulation S-K.

During 2015, none of our executive officers served as a director or member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of any other entity, one of whose executive officers is or has been a director of Radian or a member of our Compensation and Human Resources Committee.

Certain Relationships and Related Person Transactions

Our board of directors has adopted a written policy regarding related person transactions to document procedures pursuant to which such transactions are reviewed, approved or ratified. The policy applies to any transaction, other than certain excluded transactions (*e.g.*, compensation arrangements with executive officers or directors that have been approved by the Compensation and Human Resources Committee), in which: (1) Radian or any of its subsidiaries was or is to be a participant; and (2) any related person had or will have a direct or indirect material interest. For purposes of this policy, a related person is any of our directors or nominees for director, any of our executive officers, any stockholder known to us to own in excess of 5% of Radian, and any immediate family member of one of our directors, nominees for director or executive officers. Under the policy, our Governance Committee is responsible for reviewing and pre-approving or ratifying any

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related person transaction. The Governance Committee may delegate its pre-approval (but not ratification) authority under the policy to the chair of the committee.

The policy provides that the Governance Committee may approve or ratify a related person transaction (including, if applicable, as modified) only upon affirmatively concluding that the transaction: (1) is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party; (2) is consistent with the applicable independence rules of the SEC and NYSE; and (3) does not create or otherwise give the impression of a conflict of interest that could result in harm to the Company. If the Governance Committee determines that an existing related person transaction has failed to meet this standard for ratification, the transaction must be unwound promptly unless the Governance Committee

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Corporate Governance and Board Matters

further determines that: (i) the transaction was entered into in good faith (*i.e.*, in the absence of fraud and not with the intention of circumventing the pre-approval requirements of our related person transactions policy); and (ii) the risks to the Company of unwinding the transaction outweigh the risks associated with not unwinding the transaction.

Information on Our Website

Among other things, the Corporate Governance section of our website (www.radian.biz) includes the following, each of which is also available in print and free of charge upon request:

Board Committee Charters. Each of the standing committees of our board of directors operates under a written charter adopted by the full board upon the recommendation of the Governance Committee. Each committee considers the need for amendments or enhancements to its charter at least annually and more frequently as necessary.

Guidelines of Corporate Governance. Upon the Governance Committee's recommendation, our board of directors adopted our Guidelines of Corporate Governance. Among other things, these guidelines delineate the qualifications for our directors and the relative responsibilities of our board, its standing committees, our non-executive Chairman, our Chief Executive Officer and our Corporate Responsibility Officer. The Governance Committee and board consider the need for amendments or enhancements to our Guidelines of Corporate Governance at least annually and more frequently as necessary.

Code of Conduct and Ethics. Our Code of Conduct and Ethics is binding on all of our employees and directors, and includes a code of ethics applicable to our senior executive officers. Certain provisions of the code also apply to former employees and directors. We intend to post on our website any amendments to, or waivers of, any provision of the Code of Conduct and Ethics that applies to our Chief Executive Officer, principal financial officer or principal accounting officer or that relates to any element of the SEC's definition of a code of ethics.

Stockholder Communications. We encourage stockholders to freely communicate with management and our board. In that regard, we have established an email address that enables stockholders to convey their concerns, questions and comments to the members of our board. The address is: directors@radian.biz. In addition, interested persons may write to the non-executive Chairman, Radian Group Inc., 1601 Market Street, Philadelphia, Pennsylvania 19103-2337 or to Edward J. Hoffman, General Counsel and Corporate Secretary, at the same address. This contact information also is available on our website.

Annual Report and Proxy Statement. This Proxy Statement and our Annual Report to Stockholders are available at www.radian.biz/StockholderReports.

Any updated or amended versions of the items listed above will be posted to our website promptly after adoption. The information contained on our website is not deemed to be incorporated by reference into this proxy statement.

Consideration of Director Nominees

Director Qualifications. Our Governance Committee recommends candidates for nomination to our board of directors based on a number of factors, including the following minimum criteria: (i) the highest standards of personal character, conduct and integrity and the intention and ability to act in the best interests of our stockholders; (ii) the ability to understand and exercise sound judgment on issues related to Radian and its businesses; (iii) the ability and commitment to devote the time and effort required to serve effectively on our board, including preparation for and attendance at board and committee meetings; (iv) the ability to draw upon relevant experience and expertise in contributing to board and committee discussions; and (v) freedom from interests or affiliations that could give rise to a biased approach to directorship responsibilities and/or a conflict of interest, actual or perceived.

Although the board does not have a formal diversity policy, the board and the Governance Committee consider diversity as a factor in identifying and evaluating director nominees. The Company considers diversity in a broad sense to mean differences of viewpoint, background, professional experience, and skill resulting in naturally varying perspectives, as well as diversity of race, gender, national origin and age. The

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Corporate Governance and Board Matters

board values diversity and believes it helps to generate comprehensive discussion of issues from multiple perspectives, which contributes to effective decision making.

Identifying and Evaluating Director Nominees. In evaluating candidates for the board, the Governance Committee and the board of directors seek to foster a board that collectively possesses the qualifications discussed above and the appropriate mix of skills, experience and diversity to oversee the Company's businesses. The Governance Committee does not aim to find directors who represent a single category or trait, but seeks nominees that supplement and complement the breadth and depth of board expertise.

When seeking and evaluating candidates for the board, the Governance Committee considers all qualified candidates identified by members of the Governance Committee, by other members of the board, by senior management, by stockholders (so long as such stockholders recommendations of candidates are submitted in accordance with the procedures described below), and, if necessary, by national search firms. In all cases, the Governance Committee will facilitate several interviews of a candidate if it believes the candidate to be suitable after an initial evaluation, and will perform a comprehensive background investigation on such candidate. The Governance Committee also may discuss a candidate at multiple meetings and have the candidate meet with members of senior management and the full board.

Stockholder Nominations and Recommendations. Our By-Laws describe the procedures for stockholders to follow in nominating candidates to our board of directors. For our 2017 annual meeting of stockholders, stockholders may nominate a candidate for election to our board of directors by sending written notice to our Corporate Secretary at our principal office, which must be received on or before February 10, 2017, but no earlier than January 11, 2017 (except that if the date of the 2017 annual meeting of stockholders is more than 30 days before or more than 60 days after the anniversary date of the 2016 Annual Meeting, notice by the stockholder must be received between the close of business on the 120th day before and the close of business on the 90th day before the date of the 2017 annual meeting or, if the first public announcement of the date of the 2017 annual meeting is less than 100 days before the date of the meeting, then the notice by the stockholder must be received by the 10th day after the public announcement).

The notice to our Corporate Secretary must contain or be accompanied by the information required by Section 4.13 of our By-Laws, which includes, among other things: (i) the name, age, principal occupation, and business and residence address of each person nominated; (ii) the class and number of shares of our capital stock which are directly or indirectly beneficially owned by each person nominated; (iii) the name and record address of the stockholder making the nomination and the beneficial owner, if any, on whose behalf the nomination is made; (iv) the class and number of shares of our capital stock owned directly or indirectly by the stockholder making the nomination or the beneficial owner, if any, on whose behalf the nomination is made; and (v) a description of any direct or indirect compensation or other monetary agreements, arrangements or understandings, or any other material relationships (including any familial relationships) between the stockholder giving notice (or the beneficial owner) and the nominee or any respective affiliates, associates or others with whom they are acting, as well as certain other information. A copy of the full text of the relevant By-Law provisions, which includes the complete list of the information that must be submitted to nominate a director, may be obtained upon written request directed to our Corporate Secretary at our principal office. A copy of our By-Laws is also posted on the Corporate Governance section of our website (www.radian.biz).

In addition to a stockholder's ability to nominate candidates to serve on our board of directors as described above, stockholders also may recommend candidates to the Governance Committee for its consideration. The Governance Committee is pleased to consider recommendations from stockholders regarding director nominee candidates that are received in writing and accompanied by sufficient information to enable the Governance Committee to assess the candidate's qualifications, along with confirmation of the candidate's consent to serve as a director if elected.

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Such recommendations should be sent to our Corporate Secretary at our principal office. Any recommendation received from a stockholder after January 1 of any year is not assured of being considered for nomination in that year.

Evaluations of Board Performance

The board recognizes that constructive board evaluation is a component of good governance practices and promotes board effectiveness. In accordance with our Guidelines of Corporate Governance, the Governance

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Corporate Governance and Board Matters

Committee conducts an annual assessment of each director's board performance and reviews the performance of the board as a whole as well as the performance of each of its committees. The board and each standing committee of the board also perform an annual self-assessment. As part of its annual assessment, the board typically engages an independent governance expert to facilitate the assessment process and provide an unbiased perspective on the effectiveness of the board and its committees as well as director performance and board dynamics. The contributions of individual directors were considered by the Governance Committee as part of its determination of whether to recommend their nomination for re-election to our board of directors.

Audit Committee Report

The functions of the Audit Committee are outlined in its charter posted on the Corporate Governance section of our website (www.radian.biz) and include general responsibilities within the categories of oversight, audit and financial reporting, compliance and risk. The Audit Committee is directly responsible for the appointment, retention, compensation and oversight of a registered independent public accounting firm to audit our financial statements each year. The committee is also assigned other responsibilities, including, without limitation, to: (1) monitor the auditor's independence; (2) monitor the professional services provided by the independent auditor, including pre-approving all audit and permissible non-audit services provided by the independent auditor in accordance with federal law and the rules and regulations of the SEC; (3) review audit results with the independent auditor; (4) review and discuss with management and the independent auditor our financial statements and other financial disclosures in our filings with the SEC; (5) establish procedures for receiving, retaining and treating complaints regarding our accounting and internal accounting controls or other auditing matters; (6) review with management, the independent auditor and our internal audit department our accounting and reporting principles, practices and policies and the adequacy of our internal control over financial reporting; and (7) provide oversight regarding certain significant risks or exposures facing the Company, including in particular, financial risk exposures.

The Audit Committee discusses with the independent auditors and the Company's Chief Audit Executive the overall scope and plans for their audits and meets with them, with and without management present, to discuss their audits. Further, the Audit Committee meets in separate, private sessions periodically with management, the independent auditors and the Chief Audit Executive to discuss the adequacy and effectiveness of internal accounting and financial controls of the Company. In determining whether to reappoint PwC as the Company's independent auditor, the Audit Committee took into consideration a number of factors, including the length of time PwC had been engaged, PwC's independence and objectivity, PwC's capability and expertise, information with respect to audit quality, including recent PCAOB inspection reports of PwC, and the appropriateness of PwC's fee.

Before our Annual Report on Form 10-K for the year ended December 31, 2015 was filed with the SEC, the Audit Committee reviewed and discussed with management our audited Consolidated Financial Statements for the year ended December 31, 2015 and the notes thereto and other financial information included in the report, including the section of the report entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Audit Committee also discussed with PwC, our independent registered public accounting firm for 2015, the matters required to be discussed by PCAOB Auditing Standard 16 including, among other things, matters related to the conduct of the audit of our financial statements. The Audit Committee has received the written disclosures and the letter from PwC required by applicable requirements of the Public Company Accounting Oversight Board regarding PwC's communications with the Audit Committee concerning independence, and has discussed with PwC their independence from us.

Based on its reviews and discussions described in this report, the Audit Committee recommended to our board of directors that our audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2015 for filing with the SEC.

Members of the Audit Committee

David C. Carney (Chair)

Lisa W. Hess

Gregory V. Serio

Noel J. Spiegel

Table of Contents**EXECUTIVE OFFICERS**

The following information is provided with respect to each of our current executive officers. Our executive officers are appointed by our board of directors to serve in their respective capacities until their successors are duly appointed and qualified or until their earlier resignation or removal.

| | |
|------------------------------|---|
| Teresa Bryce Bazemore | Ms. Bazemore, 56, President of Radian Guaranty, was appointed President of our mortgage insurance business in July 2008. She joined Radian in October 2006 as Executive Vice President, General Counsel and Corporate Secretary and also served as Radian's Chief Risk Officer from January 2007 to July 2008. Before joining Radian, Ms. Bazemore served as General Counsel, Senior Vice President and Secretary of Nexstar Financial Corporation, a provider of mortgage outsourcing solutions to financial institutions. Prior to that, she was General Counsel for Bank of America Mortgage and held other senior legal leadership roles for PNC Mortgage Corporation and Prudential Home Mortgage Company. Ms. Bazemore serves as a member of the Board of Directors of U.S. Mortgage Insurers and as a member of both the Board of Directors and the Residential Board of Governors of the Mortgage Bankers Association. In the past, Ms. Bazemore has served on the Consumer Advisory Council of the Federal Reserve, as the President of Mortgage Insurance Companies of America and on the Fannie Mae National Advisory Council. |
| J. Franklin Hall | Mr. Hall, 48, Executive Vice President and Chief Financial Officer of Radian, joined Radian in December 2014 and became Radian's Chief Financial Officer on January 1, 2015. Prior to joining Radian, Mr. Hall served in a number of different roles with First Financial Bancorp, a bank holding company based in Cincinnati, Ohio, including serving as Executive Vice President and Chief Financial Officer from 2005 until 2012, and then as Executive Vice President, Chief Financial Officer and Chief Operating Officer from 2012 until 2013. Mr. Hall began his career at Ernst & Young LLP. |
| Richard I. Altman | Mr. Altman, 49, was appointed Executive Vice President and Chief Information Officer in January 2016. Before this, he served as Executive Vice President and Chief Operating Officer of Radian Guaranty from June 2012 to December 2015. Mr. Altman joined Radian in July 2003 as Vice President, Operations, Finance and Planning and has held several positions while at Radian, including Chief Risk Officer and Chief Administrative Officer. Before joining Radian, Mr. Altman served as Vice President of Sales and Operations for the International Group at Pearson Education, a global publisher of educational, financial and technical materials. Prior to that, Mr. Altman held other senior operational and strategy roles at American Express and Citibank, and also served as a Change Management Consultant with Accenture, a global management consulting, technology services and outsourcing company. |
| Derek V. Brummer | Mr. Brummer, 45, Executive Vice President, Chief Risk Officer of Radian, was appointed to this role in June 2013. Mr. Brummer joined Radian in 2002 and served in several positions with Radian Asset Assurance, our former financial guaranty business that was sold to Assured Guaranty Corp. in April 2015 prior to assuming his current role with Radian. Most recently, Mr. Brummer served as Senior Vice President, Chief Risk Officer and General Counsel for Radian Asset Assurance, where he managed all risk and legal matters for the financial guaranty company and its insured portfolio. Prior to joining Radian, Mr. Brummer was a corporate associate at Allen & Overy, and Cravath, Swaine & Moore, both in New York. |
| Edward J. Hoffman | Mr. Hoffman, 42, Executive Vice President, General Counsel and Corporate Secretary of Radian, was appointed General Counsel and Corporate |

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Executive Officers

Secretary in July 2008. Since April 2011, Mr. Hoffman also has provided executive oversight for the Company's compensation and human resources function. Mr. Hoffman joined Radian in August 2005 as Vice President, Assistant General Counsel and was promoted to Senior Vice President, Assistant General Counsel in February 2008. Prior to joining Radian, Mr. Hoffman practiced in the Corporate and Securities Group of Drinker Biddle & Reath LLP in Philadelphia. Mr. Hoffman also currently serves as our Corporate Responsibility Officer.

Catherine M. Jackson

Ms. Jackson, 54, Senior Vice President, Controller and Chief Accounting Officer of Radian, joined Radian in this role in January 2008. Before joining Radian, Ms. Jackson served eight years with Capmark Financial Group Inc., a financial services company, including as Chief Accounting Officer from June 2004 to August 2007. Prior to Capmark, she served eight years with Salomon Smith Barney as manager of accounting policy. She began her career in the audit practice at KPMG in Philadelphia.

Table of Contents**BENEFICIAL OWNERSHIP OF COMMON STOCK****Security Ownership of Management**

The following table shows all shares of our common stock that were beneficially owned, as of March 15, 2016, by: (1) each of our current directors, nominees for director at the annual meeting and our named executive officers, or NEOs, for purposes of the 2015 Summary Compensation Table below; and (2) all of our current directors and executive officers as a group. In general, a person beneficially owns shares if he or she has, or shares with others, the right to vote or dispose of them, or if he or she has the right to acquire them within 60 days of March 15, 2016 (such as by exercising options).

| Name (1) | Shares Beneficially Owned (2) | Percent of Class |
|--|-------------------------------|------------------|
| Herbert Wender | 513,293 | * |
| David C. Carney | 208,141 | * |
| Howard B. Culang | 210,158 | * |
| Lisa W. Hess | 75,388 | * |
| Stephen T. Hopkins | 212,108 | * |
| Sanford A. Ibrahim | 1,396,571 | * |
| Brian D. Montgomery | 54,592 | * |
| Gaetano Muzio | 59,592 | * |
| Gregory V. Serio | 54,592 | * |
| Noel J. Spiegel | 119,545 | * |
| J. Franklin Hall | 10,000 | * |
| Teresa Bryce Bazemore | 346,836 | * |
| Derek V. Brummer | 34,257 | * |
| Joseph D. Urso | 0 | * |
| All current directors and executive officers as a group (16 persons) | 3,608,676 | 1.83% |

* Less than one percent of class. Percentages are calculated in accordance with Rule 13d-3 under the Securities Exchange Act of 1934.

- (1) The address of each person listed is c/o Radian Group Inc., 1601 Market Street, Philadelphia, Pennsylvania 19103-2337.
- (2) Each individual (including each current executive officer) has or is entitled to have within 60 days of March 15, 2016, sole voting or dispositive power with respect to the shares reported as beneficially owned, other than: (i) Mr. Hopkins, who shares voting and dispositive power with his spouse with respect to 10,000 of the shares reported as beneficially owned; (ii) Mr. Spiegel, whose spouse owns 10,000 of the shares reported as beneficially owned and as to which shares Mr. Spiegel disclaims beneficial ownership; and (iii) one current executive officer who shares voting and dispositive power with his spouse with respect to 19,500 of the shares reported as beneficially owned by all current directors and executive officers as a group. In addition to shares owned outright, the amounts reported include:

Shares of our common stock allocable to our NEOs based on their holdings in the Radian Group Inc. Stock Fund under the Radian Group Inc. Savings Incentive Plan as of March 15, 2016.

Shares that may be acquired within 60 days of March 15, 2016 through the exercise of non-qualified stock options, as follows: Mr. Ibrahim 677,660 shares; Ms. Bazemore 216,305 shares; and all current directors and executive officers as a group 1,035,035 shares.

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Shares that may be acquired within 60 days of March 15, 2016 upon the conversion of stock-settled restricted stock units awarded to our non-employee directors as follows: Mr. Wender 268,265 shares; Mr. Carney 143,491 shares; Mr. Culang 143,491 shares; Ms. Hess 75,388 shares; Mr. Hopkins 143,491 shares; Mr. Montgomery 54,592; Mr. Muzio 54,592; Mr. Serio 54,592; Mr. Spiegel 89,545 shares; and all current directors and executive officers as a group 1,027,447 shares. The restricted stock units vest three years from the date of grant or earlier

Table of Contents**Beneficial Ownership of Common Stock**

upon a director's retirement, death or disability. All vested, stock-settled restricted stock units granted to a non-employee director will be converted into shares of our common stock upon the director's departure from our board. The amounts reported in the above table include all shares payable upon retirement to those directors who are or will be eligible to retire within 60 days of March 15, 2016.

Shares that may be issued within 60 days of March 15, 2016 upon the conversion of phantom stock awards granted to our non-employee directors as follows: Mr. Wender 57,358 shares; Mr. Carney 59,450 shares; Mr. Culang 58,617 shares; Mr. Hopkins 58,617 shares; and all current directors and executive officers as a group 234,042 shares. All vested phantom stock awards granted to a director will be converted into shares of our common stock upon the director's departure from our board. The amounts reported in the above table include all shares payable upon retirement to those directors who are or will be eligible to retire within 60 days of March 15, 2016, including dividend equivalents to be settled in shares of our common stock upon conversion of a director's phantom shares.

500,000 shares owned by a trust for the benefit of Mr. Ibrahim's son as to which Mr. Ibrahim retains voting and investment control.

Security Ownership of Certain Stockholders

The following table provides information concerning beneficial ownership of our common stock by the only persons shown by our records or the SEC's public records as beneficially owning more than 5% of our common stock. For purposes of determining the existence and identity of, and the amount of common stock owned by, any stockholder, we rely on filings with the SEC of Schedules 13D, 13F and 13G (or any similar filings) as of any date, subject to our actual knowledge of the ownership of our common stock.

| Name and Business Address | Shares Beneficially Owned | Percent of Class* |
|---|---------------------------------|----------------------|
| FMR LLC (1) 245 Summer Street Boston, MA 02110 | 18,597,678 | 8.989% |
| The Vanguard Group (2) 100 Vanguard Blvd. Malvern, PA 19355 | 16,364,946 | 7.910% |
| Maverick Capital, Ltd. (3) 300 Crescent Court, 18 th Floor Dallas, TX 75201 | 14,848,241 | 7.200% |
| Senator Investment Group LP (4) 510 Madison Avenue, 28 th Floor New York, NY 10022 | 11,500,000 | 5.560% |
| BlackRock, Inc. (5) 55 East 52 nd Street New York, NY 10055 | 10,794,829 | 5.200% |

* Based on shares of common stock outstanding at December 31, 2015.

- (1) Based on a Schedule 13G/A filed with the SEC on February 12, 2016. These securities are beneficially owned by FMR LLC and various investment management subsidiaries and affiliates of FMR LLC. FMR LLC reports that it has sole dispositive power with respect to

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18,597,678 shares and sole voting power with respect to 643,085 shares. Members of the Johnson family, including Abigail P. Johnson, a Director, Vice Chairman, Chief Executive Officer and President of FMR LLC, may be deemed to control FMR LLC.

- (2) Based on a Schedule 13G/A filed with the SEC on February 10, 2016, The Vanguard Group reports that it has sole dispositive power with respect to 16,117,374 shares, sole voting power with respect to

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Beneficial Ownership of Common Stock

250,172 shares, shared dispositive power with respect to 247,572 shares and shared voting power with respect to 8,800 shares. These shares are beneficially owned by funds and accounts managed by The Vanguard Group, Inc. and its subsidiaries.

- (3) Based on a Schedule 13G/A filed with the SEC on February 16, 2016, Maverick Capital, Ltd. (Maverick) reports that it has sole dispositive and voting powers with respect to these shares. These shares are beneficially owned by accounts for which Maverick is an investment adviser. Lee S. Ainslie III is manager of Maverick Capital Management, LLC, the general partner of Maverick. Andrew H. Warford serves as Chairman of the Stock Committee of Maverick.
- (4) Based on a Schedule 13G/A filed with the SEC on February 16, 2015, Senator Investment Group LP reports that it has shared voting and dispositive powers with respect to these shares. These shares are beneficially owned by funds for which Senator Investment Group LP is an investment manager. Alexander Klabin and Douglas Silverman have control of a Delaware limited liability company that may be deemed to control Senator Investment Group LP.
- (5) Based on a Schedule 13G/A filed with the SEC on February 10, 2016, BlackRock, Inc. reports that it has sole dispositive power with respect to 10,794,829 shares and sole voting power with respect to 10,369,194 shares. These shares are beneficially owned by funds and accounts managed by BlackRock, Inc. and its subsidiaries.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who own more than ten percent of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC and to furnish copies of these reports to us. Based on our review of the copies of the reports we have received, and written representations received from our executive officers and directors with respect to the filing of reports on Forms 3, 4 and 5, we believe that all filings required to be made during 2015 were made on a timely basis.

Table of Contents**Compensation of Executive Officers and Directors****COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS****Compensation Discussion and Analysis**

The following Compensation Discussion and Analysis includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the U.S. Private Securities Litigation Reform Act of 1995. These statements, which may include, without limitation, projections regarding our future performance and financial condition, are made on the basis of management's current views and assumptions with respect to future events, and are not a guarantee of future performance. For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Cautionary Note Regarding Forward Looking Statements Safe Harbor Provisions and the Risk Factors detailed in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2015. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date of this Compensation Discussion and Analysis. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason.

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Compensation of Executive Officers and Directors

I. Executive Summary

The following is a review of our executive compensation programs and policies, including the material decisions affecting 2015 compensation under these programs with respect to our NEOs.

Highlights of our

Executive Compensation Program

- Strong emphasis on performance-based, variable compensation, with 84% of our CEO's total target compensation in 2015 subject to performance-based metrics
- All long-term incentives are performance-based with rigorous performance metrics, including restricted stock units (RSUs) requiring both relative outperformance of peer companies and strong absolute returns to vest
- Strong correlation between pay and performance, with our three year TSR outperforming 89% of our primary compensation peer group and our CEO's total compensation representing 1.27 times the multiple of median of this group (based on most recently available information)
- Strong governance and pay practices (e.g., limited prerequisites; no single-trigger vesting of equity upon change-of-control; no tax gross-ups; strong clawback policy; and no speculative transactions in our stock permitted)
- Executive compensation of our NEOs supported by approximately 98% of votes cast at our 2015 annual meeting of stockholders

Highlights of

2015 Performance

- Increased consolidated adjusted pretax operating income* by 49% over 2014 and exceeded our 2015 financial plan by 30%; Increased pretax income from continuing operations by 8% over 2014
- Grew our mortgage insurance-in-force to \$175.6 billion by insuring loans with excellent risk characteristics, resulting in an insured portfolio that now comprises predominantly (84% at December 31, 2015 including HARP refinancings) loans insured in the strong underwriting years of 2009 to the present
- Achieved compliance with the government-sponsored entities (Fannie Mae and Freddie Mac) (the GSEs) new financial requirements of the Private Mortgage Insurer Eligibility Requirements (PMIERS) through the sale of our financial guaranty business and other actions that have strengthened our capital position and increased our financial flexibility
- Opportunistically expanded the reach of our Mortgage and Real Estate Services (Services) business through acquisitions of Red Bell Real Estate, a real estate brokerage, valuation and technology company, and ValuAmerica, a national title insurance agency and appraisal management company, furthering our strategic objective of being positioned to provide services throughout the mortgage and real estate value chain
- Faced a heightened competitive environment for mortgage insurance, with market share falling below targeted levels due primarily to increased pricing competition, the loss of customers as a result of prior loss mitigation activities and our decision not to

Our Named Executive Officers

Sanford A. Ibrahim, Chief Executive Officer

(our principal executive officer)

J. Franklin Hall, Chief Financial Officer

(our principal financial officer)

Teresa Bryce Bazemore, President Radian Guaranty

Joseph D Urso, Former President, Clayton Holdings LLC

Derek V. Brummer, Executive Vice President and Chief Risk Officer

Please see Executive Officers for additional information regarding our NEOs.

participate in the deeply discounted single premium market; Services business produced operating results below plan primarily due to underperformance in our loan review and consulting businesses

· Despite the overall success of our businesses in 2015, the macroeconomic environment and other factors resulted in a one-year TSR of negative 19%; however, TSR for the three-year period 2013 through 2015 was 119%

Please see 2015 Short-Term Incentive Analysis for additional information regarding our 2015 performance.

* On a consolidated basis, adjusted pretax operating income is a non-GAAP financial measure. Please see pages 84 to 85 of our Annual Report on Form 10-K for the year ended December 31, 2015 for a definition of adjusted pretax operating income, including a reconciliation of adjusted pretax operating income to the most comparable GAAP measure, pretax income from continuing operations.

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Compensation of Executive Officers and Directors

OUR PERFORMANCE-BASED COMPENSATION PROGRAM

In 2015, our executive compensation program again included a heavy focus on performance-based variable compensation; challenging LTI metrics based on traditional measures of performance; and Committee discretion only when coupled with disciplined decision making and transparency. We particularly note the following with respect to our 2015 executive compensation program:

Ø ***NEO Compensation is Heavily Weighted Towards Performance-Based, Variable Compensation.***

Fixed compensation continues to represent a limited portion of our NEOs' total compensation. Base salary represented only 16% of Mr. Ibrahim's 2015 total target compensation and, on average, only 26% of the total target compensation for our other NEOs. The remaining target compensation is tied to, and contingent upon, Company and individual performance. The following charts highlight, for the CEO and the other NEOs, the percentage of 2015 total target compensation attributable to each primary component of compensation (average of each component for the other NEOs):

CEO Percentage of Total Target Compensation*

Other NEOs' Percentage of Total Target Compensation*

* Based on target components of compensation, and therefore, not directly comparable to amounts set forth in the 2015 Summary Compensation Table.

Ø ***Our Compensation Program Demonstrates a Strong Correlation between Pay and Performance.***

The Committee funded 2015 STI Awards below target due to areas of underperformance in our core businesses.

While the Company's overall financial performance was strong in 2015, our core businesses performed below our expectations in certain areas. For example, our share of the private mortgage insurance market of 19.2% was below our target range of 22% to 24%, and the adjusted pretax operating income of our Services business came in below our plan by \$7.7 million. On the other hand, our capital and liquidity management results significantly exceeded expectations, with the Company achieving PMIERS compliance in 2015 while also improving our financial position and flexibility. Balancing these results, the independent directors awarded Mr. Ibrahim an STI award of 90% of target and the Committee awarded STI Awards to our other NEOs of between 74% and 95% of target. See 2015 Short-Term Incentive Analysis for additional information regarding the 2015 STI Awards.

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We believe our decisions regarding STI awards have consistently demonstrated a strong correlation between pay and performance. As demonstrated in the following table, with the exception of the 2015 awards, Mr. Ibrahim and our other NEOs generally have received above target awards in more recent years, which reflects our 2014 return to operating profitability for the first time in many years, the positioning of Radian Guaranty to comply with the new PMIERS (including the sale of Radian Asset Assurance) and the launch of a new mortgage and real estate services business segment. In contrast, for the performance years during and following the financial crisis (from 2007 through 2011), the NEOs received, on average, STI awards of 49% of target, with Mr. Ibrahim receiving no STI award in three of those years.

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Compensation of Executive Officers and Directors

The Committee funded 2014 MTI Awards above target given the strong credit performance and projected profitability of our 2014 insured portfolio.

Immediately following the financial crisis, the Committee reflected upon the various lessons learned from the period leading up to the crisis and focused on more closely aligning compensation to reinforce an appropriate mindset among our NEOs with respect to risk-taking. As a result, in 2009, the Committee replaced our short-term bonus plan with a program consisting of short-term and medium-term cash incentive awards. This plan, the Radian Group Inc. Short-Term and Medium-Term Incentive Plan for Executive Employees (the STI/MTI Plan), enhanced our pay-for-performance and risk-based approach to compensation by reducing cash awards for short-term (one-year) performance periods and introducing a medium-term (two-year) performance period during which our executive officers continue to have pay at risk associated with: (i) the credit performance and projected profitability of insurance written during the short-term performance period; and (ii) the on-going integrity of our financial results. The 2014 MTI award was based on the credit performance and projected profitability of our 2014 mortgage insurance portfolio through the end of 2015. Based on the credit performance and the expected strong profitability of this portfolio, we believe this portfolio represents one of the strongest performing portfolios that we have ever written. As a result, the Committee awarded the maximum payout of 125% of target for the 2014 MTI awards.

Table of Contents**Compensation of Executive Officers and Directors*****Our pay and performance are well-aligned when compared against our primary peer group.***

When considering our CEO compensation against our financial performance over the last three years, we believe our pay for performance results compare very favorably against the companies included in the primary compensation peer group used by the Committee for evaluating our NEO compensation. This is demonstrated in the following table, which compares our *performance* (by ranking as a percentile the Company's three-year TSR through 2015 against the three-year TSR of each of the peer companies) and our *pay* (by ranking as a percentile our CEO's average total reported compensation for the three years 2013 through 2015 against the average total reported compensation for chief executives of our peer companies over the same three-year period):

- * For those peers for which 2015 total reported compensation was not yet available, we assumed 2015 total reported compensation was equal to 2014 total reported compensation; and therefore, the pay percentiles referenced above do not fully reflect all potential changes in chief executive compensation between 2014 and 2015.

Ø ***We Use Limited Discretion in our Compensation Program and only when Coupled with Disciplined Decision Making and Transparency.***

Our executive compensation program is predominantly formulaic, with the discretionary components of our program (STI and MTI) representing only 29% and 34% of the total compensation of our CEO and the other NEOs (on average), respectively. Each year, the Committee considers the level of Committee discretion that is appropriate in determining the amount to be awarded to the NEOs under the STI/MTI Plan, and in particular, whether a more formulaic approach to the STI payouts would be appropriate. The Committee has determined that while a more formulaic approach could bring greater predictability to the level of potential payouts, it also has the potential to ignore the multitude of variables that influence our NEOs' decision-making throughout any given annual period, and most importantly, the potential to limit the Committee's ability to appropriately recognize factors that were not apparent to the Committee when setting corporate goals at the beginning of an annual performance period. As a result, the Committee currently imposes a limited, but appropriate, level of discretion in which clear metrics are established for each major area of focus, but with the payouts remaining subject to the Committee's discretion to take into consideration factors that are not possible to capture and weight appropriately in a limited set of metrics. We recognize the potential negative impact of discretion on transparency, and therefore, we disclose in detail not only the quantitative performance metrics established for evaluating performance, but also the qualitative

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Compensation of Executive Officers and Directors

factors considered by the Committee in evaluating each of the major areas of focus and the Committee's assigned payout percentage for each such area. See 2015 Short-Term Incentive Analysis below.

Ø *Our Annual LTI Awards Consist Solely of Performance-Based Equity Awards that Require Both Relative Outperformance and Strong Absolute Returns.*

As in prior years, 2015 LTI awards provide for meaningful payouts only if the Company outperforms both the market *and* produces meaningful returns to stockholders. The 2015 performance-based restricted stock units (Performance-Based RSUs) incorporate measures of absolute performance in addition to performance relative to the Company's peers. The 2015 Performance-Based RSUs require the Company to achieve at least a 25% increase in TSR (on an absolute basis) over a three-year performance period for a NEO to be eligible to receive an award at or above 125% of target. Also, regardless of the extent to which the Company may be outperforming its peer group, if the Company's TSR is negative over this three-year performance period, the NEO's maximum payout will be reduced to 50% of target or, under certain circumstances, will be reduced to 0%. The 2015 performance-based stock options (Performance-Based Options) will vest only if the closing price of the Company's common stock exceeds 125% of the option exercise price for ten consecutive trading days ending on or after the third anniversary of the grant date.

For 2015, the Committee granted a lesser amount of LTI awards to the NEOs compared to prior years. The value of the 2015 LTI awards (measured based on grant date fair value), was on average approximately 10% less than the value of awards granted to the same NEOs in 2014 and 10% lower than their target LTI compensation for 2015 (resulting in LTI awards granted at approximately 90% of the NEOs' target LTI compensation for 2015).

Ø *We Have Implemented Strong Governance and Compensation Practices; We Do Not Engage in Problematic Pay Practices.*

Consistent with our strong governance and compensation practices, we:

Apply double-trigger vesting for change-of-control payments Beginning in 2010, our termination pay strategy eliminated any payments to the NEOs based solely upon a change of control without termination of employment;

Do not provide any tax gross-ups For 2015, the Committee eliminated gross-ups related to premiums paid by us for long-term disability insurance and life insurance for the benefit of the NEOs;

Prohibit speculative transactions in our stock In 2015, we amended Our Code of Conduct and Ethics to specifically prohibit all hedging and other speculative transactions in Radian securities that could have the effect of mitigating the full risk of ownership of our shares;

Impose a strong compensation clawback policy In 2014, the board of directors adopted a clawback policy that provides for the recoupment of incentive compensation in the event of a material restatement of the Company's financial results and/or a determination that the level of achievement of an objectively quantifiable financial performance measure or goal was materially overstated;

Impose rigorous stock ownership requirements and have instituted share retention requirements Our CEO is required to hold Radian shares equal to seven times his salary and our other NEOs are also held to meaningful stock ownership requirements. In addition, the 2015 Performance-Based RSU awards include a one-year, post-vest share retention period applicable to all NEOs; and

Provide limited perquisites We provided no perquisites to our CEO in 2015 and, in the ordinary course, perquisites to our other NEOs have been de minimis.

II. Compensation Principles and Objectives

Our executive compensation program is designed under the direction of the Committee to attract, motivate and retain high quality executive officers and to align our pay-for-performance philosophy with

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sound risk management practices and our overall business and strategic objectives. This pay-for-performance philosophy is intended to align our NEOs' interests with those of our stockholders, while not encouraging inappropriate actions, including unnecessary or excessive risk taking. We have developed the following set of principles and objectives for executive compensation. We use these principles and objectives to make decisions about how to compensate executive officers appropriately for their contributions toward achieving our strategic, operational and financial objectives.

We believe our executive compensation program should:

Support the execution of our business strategy and performance;

Maintain an appropriate balance between short-term and long-term compensation, while weighting total compensation in favor of variable pay;

Focus executives on long-term performance that aligns with stockholders' interests;

Manage risk with appropriate protection/controls;

Maintain pay practices that are externally competitive and reasonable; and

Remain flexible to respond to current market developments.

III. Compensation Process and Oversight

A. Committee Process and Role

The Committee provides direction and oversight for our compensation and human resources programs, processes and functions. The Committee is supported by our Head of Human Resources and our General Counsel, who serve as liaisons between management and the Committee. The Committee has the sole authority to engage and terminate consulting firms and legal counsel as it deems appropriate to advise it and the board with respect to executive compensation and human resources matters, including the sole authority to approve the compensation and other terms related to their engagement. The Committee currently retains Pay Governance as its sole independent compensation consultant. Pay Governance provides compensation advisory services to the Company relating to the compensation of executive officers and non-employee directors. Other than this work, Pay Governance performs no additional services for the Company. The Committee chair approves the payment of all work performed by the independent compensation consultant for the Company, and the Committee annually reviews the performance of Pay Governance. The Committee also engages, from time to time, external legal counsel to provide legal advice in connection with executive compensation matters. In 2015, the Committee assessed the independence of Pay Governance and the Committee's primary external counsel and concluded that the work performed by these advisors does not raise any conflict of interest. For a complete discussion of the responsibilities

delegated by our board to the Committee, please see the Committee charter, which is available on our website at www.radian.biz.

B. Consideration of Stockholder Input Regarding our Executive Compensation Program

At our 2015 Annual Meeting of Stockholders held on May 13, 2015, in the advisory vote on our executive compensation program, approximately 98% of the votes cast were in support of the overall compensation of the NEOs. We appreciate the support we received from our stockholders at last year's annual meeting.

As part of our commitment to engaging with our stockholders, management frequently meets with stockholders to discuss matters of significance to them, including our executive compensation program. In addition, to the extent stockholders indicate a concern with respect to our executive compensation program (through negative say-on-pay votes or otherwise), management will seek to contact those stockholders to better understand their concerns. This may occur as part of our solicitation efforts in connection with our annual meeting of stockholders.

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Through our stockholder engagement process, we have learned about our stockholders' voting considerations, influences and processes, as well as their perspectives and priorities with respect to executive compensation. Management shares this information with the Committee. Management and the Committee consider the outcome of the most recent say-on-pay vote and the information we learn from our solicitation and outreach efforts. In response to the feedback we have received:

We have continued with a total executive compensation program that is heavily weighted towards performance-based compensation;

We have maintained a strong focus on credit performance, with 50% of each NEO's STI award remaining at risk for a second year and subject to the credit performance and projected profitability of the insurance we wrote during such period;

We have continued to provide significant transparency regarding our compensation decisions, including importantly, those decisions that involve Committee discretion; and

We have maintained exceptional rigor in our LTI program, with payments for the 2015 LTI awards dependent on both our relative and absolute performance, including a meaningful increase in our stock price for our NEOs to achieve a payout above 125%.

In addition, we have designed this Compensation Discussion and Analysis to fully explain the Committee's implementation of its pay-for-performance philosophy in the context of the past and current economic and operating environments.

C. Setting Compensation

To set compensation for the NEOs, we utilize different compensation tools, including external benchmarking, internal equity, and wealth accumulation analyses. These collectively represent our primary compensation tools for establishing an appropriate compensation level for our NEOs. In addition, when evaluating a NEO's compensation, the Committee typically will assess the NEO's overall performance, as well as current and potential future responsibilities within the Company. For the compensation of the NEOs other than the CEO, the main participants in our compensation process are the Committee, its independent compensation consultant and three members of management—the CEO, Head of Human Resources and General Counsel (except with respect to their own compensation). The Committee has ultimate authority over compensation decisions for the NEOs other than the CEO. The process for establishing the compensation of our NEOs other than the CEO is as follows:

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We believe that management's participation in the compensation process is critical to an equitably-tailored program that is effective in motivating our NEOs, and to ensure that the process appropriately reflects our pay-for-performance culture, current strategies and risk management. Our NEOs annually develop a set of shared performance goals and associated metrics, which are predominantly based on the Company's annual operating plan that is approved by our board of directors. In addition, each NEO develops a set of individual performance goals and presents them to the CEO, who adjusts and approves them and presents them to the Committee. These shared and individual performance goals and metrics serve as the primary basis for determining a NEO's STI award. The process for assessing performance against these objectives is discussed in greater detail below.

With respect to the CEO, the independent directors of our board have the ultimate authority over compensation decisions. The process for establishing the compensation of our CEO is as follows:

Benchmarking Compensation

We consider external benchmarking to be an important analytical tool for helping us establish a market competitive point of reference for evaluating executive compensation. However, benchmarking is not the sole factor used in setting compensation, and the Committee regularly assesses how and the extent to which benchmarking is used. We benchmark each executive officer position annually and, if necessary, when a search for a new executive officer position is undertaken. It has been our practice to collaborate with the independent compensation consultant in this process in order to apply a consistent and disciplined approach in our benchmarking methodology and philosophy.

For 2015 compensation, we benchmarked each of the primary components of our 2015 compensation program, as well as the 2015 total target cash and direct compensation for each NEO. In benchmarking an executive officer's total target *cash* compensation, we consider base salary plus cash-based short-term and medium-term incentives. Total target *direct* compensation consists of target cash compensation plus the annualized accounting value of long-term incentives.

To the extent information was available, our NEOs' compensation was benchmarked against similarly situated executive positions at other companies using one or all of the following three reference points (collectively referred to as the benchmark references), as appropriate:

(1) Data from a primary compensation peer group approved by the Committee and comprising the following companies:

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| | |
|-----------------------------------|--|
| Assured Guaranty Ltd. | National Mortgage Insurance Corporation |
| Essent Group Ltd. | Ocwen Financial Corporation |
| Fidelity National Financial, Inc. | Old Republic International Corporation |
| First American Corporation | PHH Corporation |
| Genworth Financial, Inc. | Stewart Information Services Corporation |
| MBIA Inc. | Walter Investment Management |
| MGIC Investment Corporation | |

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(2) Financial services data from 150 organizations that participate in Towers Watson's Financial Services Executive Compensation Database; and

(3) General industry data from 400 organizations across a range of industries that participate in Towers Watson's General Industry Executive Compensation Database.

We use benchmarking to identify a competitive compensation range for each executive officer position. From a quantitative perspective, we generally consider an executive officer's compensation to be market competitive if it is within a 15% range of the median of the applicable benchmark references. However, because executive officer roles and responsibilities often vary within the industries in which we participate or in the broader financial services segment, our benchmarking process is tailored for each executive officer position, with an emphasis on benchmark data for comparable positions and, in particular, comparable positions in our primary compensation peer group. For each executive officer, we may use one or more of the three benchmark references or, in some cases, a subset of the primary compensation peer group of companies, depending on the Committee's judgment concerning the comparability of executive officer roles to these benchmark references. As a result, our assessment of market competitiveness, in addition to the quantifiable benchmark data, may take into consideration other factors such as the scale and scope of the companies as well as specific roles against which our executive officer positions are being compared and the potential market demand for such positions.

Primary Compensation Peer Group. Management prepares, and the Committee reviews and approves, appropriate compensation peer companies to serve as the primary compensation peer group that is relevant for evaluating current executive officer compensation. For 2015 benchmarking, the Committee evaluated our existing primary compensation peer group and concluded that it remained appropriate for benchmarking purposes. As a result, no changes to this group were made for 2015. In general, we believe the roles and responsibilities of our NEOs are sufficiently similar to the equivalent executive positions within the primary compensation peer group such that relevant benchmarks are assessed in evaluating their executive compensation levels. The Committee also evaluates the relevance of the companies in our peer group to the Company based on measures such as revenue, market capitalization and total assets. Where appropriate, the Committee has excluded companies that may be competitors of the Company, but do not represent a good benchmark for compensation given their relative size and complexity compared to the Company.

From time to time, third parties such as proxy advisory institutions have established what they purport to be comparable peer groups for the Company for the purpose of assessing the Company's relative performance and compensation. The Committee does not utilize these peer groups for the purpose of evaluating our NEOs' compensation, in part because the companies that often are included within such groups tend to be concentrated in sectors of the financial services industry, such as banking, that are not sufficiently similar to the Company. It has been our experience that the companies included within these groups (especially banks) frequently differ from the Company with respect to regulatory requirements, capital standards, customers, measures of performance, and importantly, compensation form and amount, so that they are not comparable peers of the Company. While the Committee may use these companies as a secondary benchmark point of reference (see *Financial Services and General Industry Reference Points*), it does not consider them to be appropriate primary peers of the Company.

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The use of different groups for benchmarking purposes can significantly change the perceived competitiveness of our NEOs' compensation. For example, when measured against the total compensation paid to chief executive officers in our primary compensation peer group, our CEO's 2015 total paid compensation was 1.27 times the median (Multiple of Median) of the total compensation paid to the CEOs in this group (based on the most recent year for which information was publicly reported). In contrast, when using a comparison group assigned to us by an independent proxy advisor in a widely distributed report in 2015, our CEO's Multiple of Median increased significantly to 2.88 times. Only six of our 13 primary peer companies were included among the 24 companies identified by the independent proxy advisor as Radian's peers. This independent proxy advisor primarily relies on Global Industry Classification Standard (GICS) codes to assign peer groups for companies. Our GICS code Thrifts and

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Mortgage Finance Companies primarily consists of community banks and other lending institutions and not insurers. For the reasons discussed above, we do not consider the significant majority of companies included in our GICS code to be appropriate peers for evaluating our NEOs compensation.

Financial Services and General Industry Reference Points. The companies that comprise our primary compensation peer group vary in terms of size and relative complexity. Because we may compete for talent in markets other than those in which we compete for business, although they are less directly relevant, we also use, as necessary, the broader financial services and general industry reference points.

The financial services data and the general industry data are compiled annually by Towers Watson, an independent third-party. For these two reference points, we use pre-established subsets of companies contained in the databases of Towers Watson, so that we compare companies of reasonably similar size to us. The subsets are based on standard revenue ranges that are provided in published compensation surveys, and we do not select or have any influence over the companies that participate in these surveys. The subset of companies we use consists of a broad array of companies in the financial services industry, including property/casualty insurance, life/health insurance, and investment, brokerage, retail and commercial bank organizations. The financial services data focus on companies with assets of less than \$20 billion, while the general industry data are composed of companies with revenues of less than \$3 billion. We do not participate in the selection of the companies for inclusion in these reference points and are not made aware of the companies that constitute these reference points.

For each of the NEOs, the results of the benchmarking conducted by the independent compensation consultant in October 2014 for the purpose of setting 2015 target compensation (expressed as a percentile of the benchmarked group) were as follows:

| Executive Officer | Primary | | |
|-------------------|-----------------------|--------------------------|--------------------------|
| | Compensation | Financial | General |
| | Peer Group* | Services Reference Point | Industry Reference Point |
| Mr. Ibrahim | Between 50th and 75th | Between 50th and 75th | Between 50th and 75th |
| Mr. Hall | Between 50th and 75th | Between 50th and 75th | Aligned with Median |
| Ms. Bazemore | Above Median | Between 50th and 75th | Not Applicable |
| Mr. Brummer | Above Median | Aligned with 75th | Not Applicable |
| Mr. D Urso | Not Applicable | Above 75th | Not Applicable |

* Median reference point used when only three or fewer data points were available.

As our benchmarking process for 2015 illustrates, while the Committee considers benchmarking a valuable reference point for assessing the competitiveness of the NEOs compensation, the Committee does not set compensation for the NEOs to adhere strictly to any specific benchmarked reference point.

Internal Equity

While external benchmarking is critical in assessing the overall competitiveness of our compensation program, we believe that our compensation program also must be internally consistent and equitable to reflect an executive's responsibilities and contributions to value creation and to ensure teamwork and coordination across the organization. As a result, in addition to benchmarking, our Chief Executive Officer and the Committee also consider internal equity among our executive officer group and other members of senior management when setting the components of compensation.

Our review of internal equity involves comparing the compensation of positions within a given level of the organization as well as comparing the differences in compensation among various organizational levels. For 2015 compensation, the Committee compared the compensation for each NEO (other than the CEO) against his/her peers in the executive officer group. Although we monitor the difference in pay between

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the Chief Executive Officer and the other executive officers, given the uniqueness of the CEO position and its breadth of responsibilities, we do not perform a formal internal equity analysis of the CEO relative to other executive officer positions.

Wealth Accumulation

The Committee regularly reviews total reward tally sheets for each of the NEOs and considers the current value and potential future value of existing equity awards as factors in evaluating a NEO's compensation.

IV. Primary Components of Compensation

Our executive compensation program provides a balanced mix of pay through the following primary direct compensation components: base salary and short-term, medium-term, and long-term incentives. As discussed in greater detail below, the incentive-based portions of our program are tied to: (i) our short-term and medium-term corporate performance; (ii) achievement of strategic and individual performance goals; and (iii) our long-term business performance and growth in stockholder value. The short-term incentives have been designed to recognize the achievement of annual objectives, while the medium-term and long-term incentives have been designed to ensure that decisions made in achieving short-term objectives have an appropriate impact on the Company in supporting our longer-term goals.

A. Base Salary

Base salaries are paid to executive officers to provide them with a competitive level of compensation for the day-to-day performance of their job responsibilities. As discussed above, base salaries for the NEOs are based on competitive market compensation data and internal equity. The following table compares the base salaries for each of the NEOs at year-end 2015 and 2014:

| Named Executive | Year-end 2015 Salary (1) | Year-end 2014 Salary |
|-----------------|-----------------------------|-------------------------|
| Mr. Ibrahim | \$ 950,000 | \$ 900,000 |
| Mr. Hall | \$ 400,000 | \$ 400,000 |
| Ms. Bazemore | \$ 550,000 | \$ 500,000 |
| Mr. Brummer | \$ 415,000 | \$ 390,000 |
| Mr. D'Urso | \$ 500,000 | \$ 500,000 |

(1) Also represents each NEO's current base salary as no changes were made to base salaries for the NEOs in 2016.

B. Short-Term and Medium-Term Incentive Program

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This discussion refers to the 2015 performance objectives for the Company and the NEOs as well as to the Company's and NEOs' actual 2015 performance results. These objectives and results are disclosed in the limited context of our compensation programs. We specifically caution investors not to apply these statements to other contexts.

The STI/MTI Plan enhances the Company's approach to compensation by recognizing that not all decisions made by our NEOs in the short-term can be evaluated fully at the end of an annual performance period. Thus, the STI/MTI Plan provides the NEOs with the opportunity to earn cash incentive awards during a two-year performance period, with the STI period covering the first calendar year in which the award is granted and the MTI period covering the full two-year performance period (from January 1 of the year of grant through December 31 of the second performance year). Pursuant to this approach, the Committee has the ability to reward NEOs for (among other items) new insurance originations in any short-term performance period, but it also retains discretion to pay a significant portion of the overall award only after it is apparent that such originations are likely to satisfy targeted profitability expectations. Consequently, the STI/MTI Plan serves to protect against inappropriate risk-taking with respect to mortgage insurance originations.

The amount of STI awarded to an NEO is based on the NEO's achievement of specified performance goals for the applicable year. Corporate and business unit/departmental goals are established each year in the

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context of our annual business planning process and are approved by our board. Using these objectives, individual performance goals are established by each NEO and adjusted and approved by the CEO and the Committee, as discussed in III. Compensation Process and Oversight above.

At the end of each performance year, each NEO provides a performance self-assessment to the CEO (and the CEO provides a similar self-assessment to the Committee), including his or her level of attainment of the specified performance goals. The CEO reviews the performance of each NEO (other than himself) against his or her respective performance goals and makes specific recommendations to the Committee regarding the amount of STI, if any, to be awarded. Maximum achievement can result in an STI award of up to 200% of the target amount, while performance below expectations can result in a below-target award or no award.

The Committee (the independent directors in the case of the CEO) retains ultimate authority with respect to amounts awarded to the NEOs under the STI/MTI Plan. Although actual performance measured against the performance goals is the primary consideration for the STI awards, the Committee (or the independent directors) may, depending on the circumstances, exercise discretion in determining the amount to be awarded to each NEO. For each NEO, the Committee (or the independent directors) may weigh the various performance goals differently in light of the NEO's role, giving appropriate consideration to the degree to which each NEO impacted our performance.

Once the amount of STI is determined for each NEO, only 50% of this amount is actually paid to the NEO as an STI bonus. For 2015, these amounts are set forth in the Bonus column of our 2015 Summary Compensation Table. The remaining 50% of each executive's STI award then becomes that executive officer's target MTI award for the full two-year MTI performance period. Therefore, the MTI targets for the NEOs, which impact the amounts ultimately paid to our NEOs, can vary significantly from year to year, depending on the NEOs' performance and the corresponding amounts earned for STI in any given performance period. Because our NEOs earned above-target STI awards for 2014 performance, their 2014 MTI targets were also larger than in prior years, resulting in comparably higher amounts paid for MTI and reported within the Non-Equity Incentive Plan Compensation column of our 2015 Summary Compensation Table.

At the end of the MTI performance period, the Committee determines what percentage, if any, of the target MTI awards will be paid to the NEOs based on the Company's achievement of certain pre-established business and financial performance metrics and goals (as illustrated below for the 2015 MTI award). Other than for determining the MTI target amount (which is derived based on each individual's STI performance), individual officer performance is not evaluated for purposes of determining or paying the MTI awards, and all NEOs receive the same percentage payout relative to target. The Committee has set a maximum payout of 125% of target for the 2015 MTI award. The following diagram illustrates the award process under our STI/MTI Plan for the 2015 STI/MTI awards:

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2015 SHORT-TERM INCENTIVE ANALYSIS

For 2015, the NEOs' STI awards were determined based on the Committee's assessment of the Company's performance in three primary areas: Mortgage Insurance, Services and Shared Corporate. The following table highlights (i) the metrics (and corresponding targets) for each of these performance areas, (ii) the Company's actual performance against these targets (as applicable), and (iii) the Committee's assessment of management's performance against each metric:

- (1) For each NEO, the target performance areas were weighted as follows:

- (2) Measured based on the total percentage of new mortgage insurance originations or claim submissions being processed as of December 31, 2015 through the Company's recently deployed automation functionality.

- (3) Strategic priorities for our mortgage insurance business focused on integrating with Clayton, including the cross-selling of Services and the transfer of third-party vendor services to Clayton, as well as providing risk management services to various lenders. Strategic priorities for our Services business focused on expanding our existing offerings to service customers in adjacent markets and to develop or acquire property appraisal capabilities and title brokerage expertise.

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- (4) Measured based on the number of claims processed within 60 days of claim perfection, the average hold time for customer calls and turnaround times for requests for mortgage insurance coverage.
- (5) Measured as a percentage of mortgage insurance operating expenses (excluding the impact of changes in our stock price on LTI awards, net deferred policy acquisition costs, costs related to contract underwriting for third-parties and other growth initiatives) to net premiums written on mortgage insurance policies in 2015.
- (6) Net cash provided by operating activities is a GAAP measure representing the amount of cash generated by Services business operations prior to investing and financing activities. It is measured as net income before any non-cash expenses (such as depreciation and amortization) adjusted for the impact of changes in working capital.

Shared Corporate Performance

(50% above target)

The Committee determined that the Company significantly exceeded expectations with respect to the Shared Corporate goals, assigning a payout of 50% above target. In 2015, ***adjusted pretax operating income**** grew to \$510.9 million, increasing \$168.5 million over 2014 and exceeding our 2015 target by \$119 million or 30%. The increased profitability in 2015 reflects the Company's large and growing mortgage insurance portfolio, which has been transformed so that legacy insured loans (originated prior to 2009 including HARP refinancings) now represent only 16% of the total portfolio; better than anticipated loss experience; reduced compensation expenses; and a reduced cost of capital due to our proactive capital management efforts.

With respect to ***capital and liquidity management***, the Committee determined that performance was exceptional. In 2015, we completed the sale of Radian Asset, providing significant liquidity and PMIERS-compliant assets to Radian Guaranty. We followed this with a series of actions, culminating in the issuance of a surplus note from Radian Guaranty to Radian Group to satisfy the PMIERS. We believe the surplus note represents a thoughtful solution that addresses Radian Guaranty's immediate need for capital, but also allows Radian Guaranty greater potential flexibility than would be available had we employed a capital contribution to return liquidity to Radian Group when, as expected, such capital is no longer needed for PMIERS compliance due to projected organic growth of Radian Guaranty's capital position.

With respect to Radian Group, in 2015, we developed and executed a recapitalization plan for the Company focused on improving our debt maturity profile, reducing our cost of capital and moving us closer to achieving investment grade ratings. The initial phase of this program was very successful, as we raised new debt at an attractive cost of capital, eliminated a large portion of our outstanding convertible debt and reduced the potential dilution from these actions through an accelerated share repurchase program. We believe our recently completed \$100 million stock repurchase program represents a milestone in our financial improvement and serves as strong evidence of the success of our 2015 capital and liquidity actions.

- * On a consolidated basis, adjusted pretax operating income is a non-GAAP financial measure. Please see pages 84 to 85 of our Annual Report on Form 10-K for the year ended December 31, 2015 for a definition of adjusted pretax operating income, including a reconciliation of adjusted pretax operating income to the most comparable GAAP measure, pretax income from continuing operations.

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Mortgage Insurance Performance

(53% below target)

The Committee determined that the Company's mortgage insurance business significantly underperformed expectations, assigning a payout of 53% below target. *Market share* results were below target, primarily as a result of heightened competition, the loss of certain business due to previous disputes with customers regarding loss mitigation activities, and our overall approach to price-discipline, including our decision not to participate in significantly discounted single-premium business (which we estimate represented approximately 5% of the private mortgage insurance market in 2015). We launched a number of new marketing strategies to mitigate our share loss, and continued our efforts to land *new customers*. While we fell short of our target on new customers, over 218 potential new customers were submitting new insurance written (NIW) as of the end of 2015 and 17 of them had achieved more than 75% of the amounts that we require for them to be classified as new customers.

With respect to *positioning for the future*, while we began to realize the benefits of our *modernization* efforts, the roll-out of our origination automation platform was slower than anticipated. Strategically, while we progressed in integrating Clayton, including the establishment of a *cross-sell framework* that is gaining momentum, we did not produce our target sales for 2015. In 2015, Radian Guaranty completed the transfer of all *third-party vendor work* to Clayton and also took steps to explore other forms of offering our insurance.

Despite the various challenges that negatively impacted market share, *NIW* still exceeded target by \$2.2 billion (due to the larger than expected size of the insurable market) and insurance-in-force grew from \$171.8 billion to \$175.6 billion. The *credit* characteristics of 2015 NIW remained excellent, with 100% of new business comprising prime loans and producing an early default ratio well below target. We made significant progress in enhancing our *operational effectiveness*, which ensured our ability to comply with the PMIERS operational requirements and improved our scorecard with customers. This progress was achieved despite a reduction in *expenses* below targeted levels as we continue to focus on returning the business to a more normalized operating environment.

Services Performance

(45% below target)

The Committee determined that the Company's Services business significantly underperformed expectations, assigning a payout of 45% below target. *Adjusted pretax operating income* and *net cash provided by operating activities* for the Services business in 2015 were below target, primarily due to lower than anticipated income from our loan review and due diligence businesses and our consulting services. On the positive

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side, revenues from Services were \$157 million in 2015, up 11% from 2014 on a full-year basis (including prior to acquisition) and exceeding our 2015 financial plan. Services had a strong performance year with respect to *positioning for the future*, including by significantly *growing the customer base*, purchasing and integrating two strategic acquisitions (both of which enhance our Services suite of products), maintaining a leading market share in the securitization market, and continuing to create innovative product offerings such as serving as the asset representations reviewer (a role mandated under new securities rules) in various securitizations.

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The following table sets forth, for each NEO: (i) the maximum amount that could have been awarded under the STI/MTI Plan for 2015 short-term performance (column a); (ii) the NEO's target 2015 STI award (column b); (iii) the total amount actually awarded to the NEO based on 2015 short-term performance (column c); (iv) the total amount paid as a bonus to the NEO for 2015 STI (50% of amount awarded) (column d); and (v) the NEO's 2015 MTI target (the remaining 50% of amount awarded) (column e):

| Named Executive | (a) 2015 Maximum STI Award | (b) 2015 Target STI Award | (c) | (d) | (e) |
|------------------|----------------------------------|---------------------------------|--|----------------------------|--------------------|
| | | | 2015 Total Amount Awarded (\$ and % of Target) | 2015 STI Amount Paid | 2015 MTI Target |
| Mr. Ibrahim (1) | \$ 3,325,000 | \$ 1,662,500 | \$ 1,500,000 90.2% | \$ 750,000 | \$ 750,000 |
| Mr. Hall (2) | \$ 800,000 | \$ 400,000 | \$ 340,000 85.0% | \$ 170,000 | \$ 170,000 |
| Ms. Bazemore (3) | \$ 1,650,000 | \$ 825,000 | \$ 645,000 78.2% | \$ 322,500 | \$ 322,500 |
| Mr. Brummer (4) | \$ 913,000 | \$ 456,500 | \$ 435,000 95.3% | \$ 217,500 | \$ 217,500 |
| Mr. D. Urso (5) | \$ 1,500,000 | \$ 750,000 | \$ 555,000 74.0% | \$ 277,500 | \$ 277,500 |

- (1) The Committee believes that the CEO's performance largely is reflected by the Company's overall performance against the STI metrics. As a result, the independent directors determined that Mr. Ibrahim had an exceptional performance year with respect to capital and liquidity management, in particular with respect to the sale of our financial guaranty business, and in positioning the Company for future success through the growth of our Services suite of products, but failed to achieve certain target results with respect to our mortgage insurance and Services businesses, as discussed above.
- (2) In assessing Mr. Hall's performance, the Committee noted that he had achieved a number of critical objectives in furtherance of the Company's performance, including: (a) the successful execution of a capital plan to reduce the overall cost of capital, increase earnings-per-share and reduce the Company's share count; (b) improvement in the Company's financial flexibility through the use of a surplus note to achieve PMIERS compliance; (c) the continued enhancement of the Company's systems of internal controls; and (d) supporting the development of an integration office and corporate development function for the organization. Mr. Hall's STI payment compared to target was negatively impacted by the failure of our core businesses to achieve certain core objectives as discussed above.
- (3) Given her role, the Committee evaluated Ms. Bazemore's performance primarily in light of the performance of our mortgage insurance business as discussed above. As a result, the Committee determined that Ms. Bazemore exceeded expectations with respect to improving the operational effectiveness of the business and in continuing the strong credit performance of NIW, but fell short of expectations with respect to market share and the Company's modernization initiative. Ms. Bazemore's STI payment was favorably impacted by the Company's operating results and liquidity and capital management actions in achieving PMIERS compliance.
- (4) In assessing Mr. Brummer's performance, the Committee noted his role in influencing the discussion regarding the final form of the PMIERS and in ensuring that the Company's risk management principles and risk culture were further embedded throughout the organization. The Committee especially noted: (a) the development of an enhanced proprietary model to serve as a foundation for credit evaluation and analysis; (b) the high credit quality of our 2015 NIW; (c) the reduction of our legacy mortgage insurance exposure; and (d) the further development of our Enterprise Risk Management program. Mr. Brummer's STI payment compared to target was negatively

impacted by the failure of our core businesses to achieve certain core objectives as discussed above.

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Compensation of Executive Officers and Directors

- (5) Given his role, Mr. D'Urso's performance was evaluated primarily in light of the performance of our Services business as discussed above. As a result, the Committee determined that Mr. D'Urso exceeded expectations with respect to achieving long-term strategic objectives such as the acquisition of Red Bell and ValuAmerica, but underachieved with respect to the Services' operating income relative to target. Mr. D'Urso's STI payment was favorably impacted by the Company's operating results and liquidity and capital management actions.

2014 MEDIUM-TERM INCENTIVE ANALYSIS

Pursuant to our STI/MTI Plan, the 2014 MTI target awards were established in March 2015 at the time that the 2014 STI awards were paid to the NEOs. Performance under the 2014 MTI award is measured based on the Company's credit default rate and projected profitability (based on performance through the end of 2015) for mortgage insurance written by Radian Guaranty in 2014. We believe that the credit default rate for the first two years of an insured portfolio is an important indicator of that portfolio's current and future projected credit performance and ultimate profitability. We supplement our evaluation of credit performance by also reviewing the early-default experience (the EDE rate) for a particular book of business as further discussed below.

The Committee does not directly correlate payments under MTI awards with specific, quantified performance metrics, primarily because of the significant number of variables that affect both the credit performance and profitability of NIW, many of which are outside of management's control. The Committee does, however, use business targets established by management in the ordinary course of business as a point of reference in assessing the strength of a particular NIW vintage, primarily by evaluating the actual two-year default rates (supplemented with EDE rates) and the projected return on equity of such vintage after two years in light of the business targets.

The two-year credit default rate for the 2014 portfolio was 0.59%, a very favorable rate compared to historical rates for our mortgage insurance business. As demonstrated in the following chart, with respect to credit default rate, the 2014 portfolio is similar to the 2009 through 2013 portfolios (average credit default rate of 0.41%) and is significantly better than the 2001 through 2003 portfolios at the same point of development.

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We find early default experience, which we define as the frequency of defaults occurring during the first six months following loan origination, to be a strong indicator of the underwriting quality of an insured portfolio. As demonstrated in the following chart, the performance of the 2014 portfolio of flow (loan-by-loan) insurance is consistent with the recent trend of extremely low EDE rates (well below historical experience), indicating that the underwriting quality for this book of business is very strong.

In addition to credit performance, the Committee evaluates the projected profitability of an insured portfolio to assess its overall strength of performance and potential value creation. As demonstrated in the following table, as of December 31, 2015, the 2014 portfolio yielded a loss ratio of 4.1%, comparing very favorably to the 2009 through 2013 portfolios average of 4.4% despite modest pricing reductions and an expansion of credit with respect to the 2014 portfolio. As a result, similar to these recent vintages, the 2014 insured portfolio is expected to produce strong profitability.

To date, the credit performance of the 2014 insured portfolio has been stronger than originally anticipated, with the total unlevered return estimate for this portfolio (i.e., after-tax underwriting returns plus projected investment income) as of December 31, 2015 falling within our targeted return range and having increased by over 6% from our initial expectation. This has translated to better than anticipated projected profitability for the portfolio, with the projected lifetime after-tax net income for the 2014 portfolio increasing by approximately \$35 million from our original estimates.

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In light of the strong credit performance and better than projected profitability of our 2014 portfolio of flow insurance, this portfolio is expected to generate significant economic value for the Company. As a result, the Committee awarded the maximum payout of 125% of target for the 2014 MTI awards. These amounts are included in the Non-Equity Incentive Plan Compensation column of our 2015 Summary Compensation Table, and the following table illustrates for each NEO the target award amount and the amount awarded under the 2014 MTI award.

| Executive Officers | 2014 MTI Target | Approved Payout at 125% |
|---------------------------|------------------------|--------------------------------|
| Mr. Ibrahim | \$ 1,150,000 | \$ 1,437,500 |
| Mr. Hall (1) | N/A | N/A |
| Ms. Bazemore | \$ 500,000 | \$ 625,000 |
| Mr. Brummer | \$ 310,000 | \$ 387,500 |
| Mr. D Urso (1) | N/A | N/A |

(1) Based on the dates on which they joined the Company, neither Mr. Hall nor Mr. D Urso was eligible to receive a 2014 MTI award.

C. Long-Term Incentive Program

The contributions of the NEOs to the creation of stockholder value are primarily recognized through our LTI program. This program consists of a series of annual grants with overlapping performance and vesting periods and varying performance metrics. As a result, in any given period, the NEOs are motivated to perform based on their:

Outstanding Performance-Based Options, which are designed to motivate the NEOs to drive performance that will lead to stock price growth and wealth creation for our stockholders; and

Performance-Based RSUs, which focus the NEOs on outperforming our primary industry competitors as well as other financial services companies.

LTI Awards Granted in 2015

Each year, in designing the annual LTI awards for the NEOs, the Committee reviews and assesses the type of awards that would best complement our existing LTI program in aligning the interests of the NEOs with those of our stockholders and enhancing long-term stockholder value. In addition, the Committee also considers, among other things: (1) whether the awards effectively motivate the NEOs to achieve rigorous, performance-based objectives, while also supporting retention of the NEOs; (2) the potential financial, accounting and tax impact of awards; (3) whether the award objectives are clear to the NEOs, stockholders and other constituencies; (4) the potential impact of the awards on risk behavior; and (5) as discussed above, input from our stockholders with respect to the form and performance metrics for our awards.

For the 2015 annual LTI grant, the Committee granted performance-based equity awards, consisting of stock-settled Performance-Based RSUs and Performance-Based Options. For each of the NEOs, the Performance-Based RSUs and Performance-Based Options represent approximately 75% and 25%, respectively, of the total value of his/her 2015 LTI award.

For 2015, the Committee granted a lesser amount of LTI awards to the NEOs compared to prior years. The value of the 2015 LTI awards (measured based on grant date fair value), was on average approximately 10% less than the value of awards granted to the same NEOs in 2014 and 10% lower than their target LTI compensation for 2015 (resulting in LTI awards granted at approximately 90% of the NEOs' target LTI compensation for 2015).

2015 Performance-Based RSU Awards. The Performance-Based RSU awards generally vest on July 9, 2018, upon the conclusion of a three-year performance period. As further described below, at the end of the performance period, each NEO will be entitled to receive a number of RSUs (from 0 to 200% of his/her

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Compensation of Executive Officers and Directors

target Performance-Based RSU award) based on the Company's absolute and relative total TSR over the three-year performance period, subject to a maximum cap (the Maximum Cap) of six times the value of his/her award on the grant date. Each vested Performance-Based RSU will be payable in one share of common stock, subject to the Maximum Cap. In addition, for the 2015 Performance-Based RSUs, the Committee instituted a one-year, post-vesting share retention period, such that the vested Performance-Based RSUs will not be convertible into shares (other than such shares withheld to pay taxes due at vesting) until the one-year anniversary following the vesting date of the Performance Based RSUs. However, the post-vesting share retention period will not apply in certain limited circumstances, such as the NEO's death or disability.

The Company's TSR will be determined based on the change in market value of the Company's common stock during the three-year performance period, as measured by comparing the average closing price of the Company's common stock on the NYSE for the 20 consecutive trading days preceding and including July 9, 2015 and the average closing price for the 20 consecutive trading days preceding and including the last day of the performance period. The Company's relative TSR will be measured against the median TSR of a peer group consisting of the companies listed on the NASDAQ Financial-100 Index and MGIC Investment Corporation, NMI Holdings Inc. and Essent Group Ltd. (collectively, the Peer Group).

The payout for the Performance-Based RSU awards will be determined based on an analysis of both the Company's relative TSR and absolute TSR, beginning with an assessment of Company's relative TSR. The Company's TSR initially will be compared to the median TSR of the companies included in the Peer Group (the Median Peer Group TSR). The starting point for the payout determination (the Relative Payout Percentage) will be 100% of target. For every 1% that the Company's TSR exceeds the Median Peer Group TSR, the Relative Payout Percentage will increase by 2 percentage points above 100% of target. For every 1% that the Company's TSR is below the Median Peer Group TSR, the Relative Payout Percentage will decrease by 3 percentage points below 100% of target.

Once the Relative Payout Percentage has been determined, the actual payout percentage under the Performance-Based RSU award (the Final Payout Percentage) will be subject to three absolute TSR hurdles (the Absolute TSR Hurdles) that are intended to ensure that regardless of the Company's relative performance against the Peer Group, the Final Payout Percentage remains correlated to the Company's stock price performance over the performance period. The Absolute TSR Hurdles will impact the Final Payout Percentage as follows:

The Final Payout Percentage will be capped at 125% if the Company fails to achieve an absolute TSR of at least 25%;

The Final Payout Percentage will be capped at 50% if the Company's absolute TSR is negative; and

The Final Payout Percentage will be 0% if (1) the Company's absolute TSR is negative 25% or lower, and (2) the Company's TSR does not equal or exceed the Median Peer Group TSR.

If the NEO retires before the end of the three-year performance period, the award will remain outstanding and will vest at the end of the performance period to the extent that the performance criteria discussed above have been satisfied (or will vest at the target level in the event of a change of control) and generally will become payable subject to the one-year share retention period discussed above.

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2015 Performance-Based Option Awards. Each Performance-Based Option has a per share exercise price of \$18.42 (the closing price of the Company's common stock on the NYSE on the date of grant) and a ten-year term, with 50% of the award vesting on or after the third anniversary of the grant date (i.e., July 9, 2018) and the remaining 50% of the award vesting on or after the fourth anniversary of the grant date (i.e., July 9, 2019); provided, however, that the Performance-Based Options will vest only if the closing price of the Company's common stock on the NYSE exceeds \$23.03 (125% of the Performance Based Option exercise price) for ten consecutive trading days ending on or after the third anniversary of the grant date (the Stock Price Vesting Hurdle).

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The Performance-Based Options and Performance-Based RSUs provide for double trigger vesting in the event of a change of control. Except as provided below, upon a change of control, the Performance-Based Options will continue to vest 50% on the third and fourth anniversaries of the grant date, regardless of whether the Stock Price Vesting Hurdle has been satisfied, as long as the NEO remains employed by the Company through such date. In the event of a change of control of the Company, the Performance-Based RSUs will become payable at target upon the vesting of the awards on July 9, 2018, provided that the NEO remains employed by the Company through such date. However, if a NEO's employment is terminated by the Company without cause, or the NEO terminates employment for good reason, in each case within 90 days before or one year after a change of control, the Performance-Based Options and Performance-Based RSUs will become fully vested at target and exercisable upon such termination (or the date of the change of control, if later).

The Performance-Based Options and Performance-Based RSUs also include a provision that prohibits the executive officer from competing with the Company and from soliciting the Company's employees or customers during the Restricted Period following termination of the executive officer's employment for any reason.

Additionally, the Performance-Based Options and Performance-Based RSUs will become fully vested at target and exercisable in the event of a NEO's death, disability or retirement. However, if Mr. Ibrahim retires before the Performance-Based Options are otherwise exercisable, his Performance-Based Options will remain outstanding and become exercisable in accordance with the three- and four-year vesting schedule and the Stock Price Vesting Hurdle for such Performance-Based Options, or as provided above in the event of a change of control.

Equity awards are not coordinated with the release of material nonpublic information. The Committee does not take the release of such information into account as an element of when to make grants.

Stock Ownership

Consistent with our compensation philosophy, we believe that senior management, including the NEOs, should have a significant equity investment in Radian in order to further align their interests and actions with the interests of our stockholders and to further focus the NEOs on sustained performance.

Under our stock ownership guidelines, within three years of being designated an executive officer, the NEOs are required to hold shares with an aggregate market value equal to at least the following values:

| Officer | Ownership Guidelines |
|-------------|----------------------|
| Mr. Ibrahim | 7 times salary |
| Mr. Hall | 3 times salary |

| | |
|--------------|------------------|
| Ms. Bazemore | 4 times salary |
| Mr. Brummer | 3 times salary |
| Mr. D Urso | 3.5 times salary |

As of December 31, 2015, each of our NEOs was in compliance with our stock ownership guidelines. A NEO's failure to comply with the guidelines will be considered by the Committee in determining subsequent equity compensation awards to such NEO, including potentially reducing or eliminating future equity awards and making awards otherwise paid in cash, such as short-term incentive awards, payable in stock and subject to these guidelines. Willful or intentional violations may also be considered cause for purposes of termination from employment.

V. Compensation Includes Awards Related to Prior Roles

Mr. Brummer joined our executive compensation program upon becoming Chief Risk Officer of Radian in June 2013. Prior to assuming this role, Mr. Brummer served as Senior Vice President, General Counsel and Chief Risk Officer for Radian Asset Assurance (his Prior Role) and was compensated under a compensation program established for Radian Asset Assurance executives.

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Compensation of Executive Officers and Directors

Given how critical Mr. Brummer's Prior Role was for the successful run-off of our financial guaranty business, the Company previously provided him with cash retention awards (the Legacy Retention Awards) if he remained employed in good standing with the Company through certain dates. The amount of the Legacy Retention Awards was calculated as a percentage of the STI award (100%) and LTI award (150%) earned by Mr. Brummer in his Prior Role in various performance years. Legacy Retention Awards granted to Mr. Brummer in 2012 and 2013 vested in March 2015 (\$312,000), May 2015 (\$135,000) and December 2015 (\$385,000). In connection with his acceptance of his current role, the Company agreed to continue to honor Mr. Brummer's Legacy Retention Awards, subject to the existing terms (and potential forfeitures) of the awards. All Legacy Retention Awards have been paid to Mr. Brummer; he is not entitled to receive any additional such payments in the future.

Prior to the Company's acquisition of Clayton in 2014, Mr. D'Urso and other members of the Clayton senior management team were incented to sell or conduct an initial public offering (IPO) of Clayton through participation in the Clayton Holdings LLC Management Incentive Plan (the Clayton Incentive Plan). This plan provided for cash payments to participants in connection with a sale or IPO of Clayton, with the payment amounts derived formulaically based on the amount of proceeds derived from any such monetization transaction, among other factors. As a result of the Company's acquisition of Clayton, Mr. D'Urso was entitled to a cash payment under the Clayton Incentive Plan of which \$448,070 was paid to him in June 2015, one-year following the acquisition. Mr. D'Urso is not entitled to receive any additional such payments in the future.

VI. Other Compensation

In addition to the primary components of their compensation, the NEOs receive additional compensation through their participation in our benefit plans as well as, to a limited extent, through perquisites.

A. Retirement Compensation

We are committed to providing all of the Company's employees with competitive benefits, including retirement benefits, that make sense for their financial security, while positioning us for future growth and improved profitability.

Savings Incentive Plan

The Radian Group Inc. Savings Incentive Plan (the Savings Plan) serves as a retirement vehicle for the NEOs and other employees. The Savings Plan, among other things, provides for quarterly matching contributions by Radian equal to 100% of employee contributions (up to 6% of eligible pay for 2015). Each of the NEOs participated in the Savings Plan in 2015 other than Mr. D'Urso, who participated in the Clayton Holdings LLC 401(k) Plan and received a matching contribution equal to \$0.25 for each dollar contributed up to 6% of eligible compensation. Beginning in 2016, the Clayton Holdings LLC 401(k) Plan has been combined with the Savings Plan and all participants are entitled to a quarterly matching contribution equal to 100% of employee contributions up to 4.5% of eligible pay.

Benefit Restoration Plan

We maintain the Radian Group Inc. Benefit Restoration Plan (BRP) to provide additional retirement benefits to our employees who are eligible to participate in the Savings Plan and whose benefits under the Savings Plan are limited by applicable IRS limits on eligible compensation. See Nonqualified Deferred Compensation below. We believe the BRP is an appropriate plan for employees and stockholders for the following reasons:

Participation is predominately based on compensation earned rather than an employee s title or position. All employees whose eligible pay exceeds the IRS compensation limit (\$265,000 for 2015) are eligible to participate in the BRP in the same year in which they exceed the IRS limit. The Company makes annual contributions to each participant s account based on eligible compensation;

The same formula for calculating benefits under the BRP is used for all participants, creating alignment throughout the organization;

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Compensation of Executive Officers and Directors

Based on plan design, the BRP is dependent on Company contributions each year, which makes it more flexible and fiscally responsible for Radian;

In determining benefits under the BRP, bonus and commissions will affect a participant's contribution only for the year in which they occur. As a result, compensation in one year is not locked into the benefit formula; and

The BRP permits the investment of contributions in the Radian common stock fund, thus permitting participants to invest in Radian.

B. Deferred Compensation

We maintain a voluntary deferred compensation plan for the Company's executive officers. The deferred compensation plan allows executive officers to defer (or if amounts were previously deferred, to re-defer subject to certain limitations) all or a portion of cash received under their STI/MTI awards and the cash or shares associated with the vesting of RSUs. Deferring compensation allows executive officers to earn on the deferred amounts a rate of return calculated under different options available to participating executive officers. The deferred compensation program complies with the requirements of applicable IRS regulations. See "Nonqualified Deferred Compensation" below.

C. Perquisites

In the ordinary course, perquisites generally represent an immaterial component of our NEOs' compensation. In 2015, Mr. Ibrahim received no perquisites, and the perquisites for each of our other NEOs (other than Mr. Hall) represented less than 1% of his or her total salary. Mr. Hall received a relocation benefit in 2015, which was not subject to a tax gross-up, in connection with his relocation to the Company's headquarters in Philadelphia, Pennsylvania.

VII. Change of Control and Severance Agreements

The Committee believes that maintaining severance arrangements on a limited basis is a necessary means for recruiting, motivating and retaining executive officers in the competitive industries in which we participate. Having previously experienced the dislocation caused by a proposed merger, and given the current volatile operating and regulatory environment, we want the NEOs' sole focus to be on our business and the interests of our stockholders. Further, we believe it is important to be transparent with respect to amounts that the NEOs could receive in the event of their termination. We believe our existing termination pay agreements, including the amounts provided for, are consistent with, and in some cases more conservative than, current market practice.

The Committee regularly evaluates the on-going need for change of control and severance agreements for the NEOs. We have designed and implemented a termination pay strategy for the Company with the primary purposes of:

Responsibly tailoring termination payment levels based on current market standards;

Providing clarity regarding future potential severance payments to the NEOs;

Applying a consistent approach to severance among the Company's executive officers;

Imposing certain restrictive covenants that are important to the Company; and

Avoiding excessive payouts on an executive officer's termination in connection with a change of control of the Company.

As part of this strategy, we replaced various prior severance and change of control agreements for each of the NEOs (each of which had different terms) with a consistent and reasonable severance-based approach. In general, these agreements provide the covered executive with between one and two times the sum of his or her base salary and target incentive award under our STI/MTI Plan as well as a pro-rated target STI/MTI incentive award for the year of termination. Under these agreements, there is no accelerated or enhanced payment in the event of a change of control, no accelerated vesting of equity awards and no gross-up for taxes.

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Compensation of Executive Officers and Directors

Mr. Ibrahim's 2014 employment agreement provides Mr. Ibrahim with a severance provision at two times his base salary and target incentive under the STI/MTI Plan, as well as a pro-rated target incentive award under the STI/MTI Plan for the year of termination. Upon a change of control, there is no accelerated or enhanced payment, no accelerated vesting of equity awards and no gross-up for taxes under Mr. Ibrahim's 2014 employment agreement.

See Potential Payments upon Termination of Employment or Change of Control below for a detailed discussion, including a quantification of, potential payments to the NEOs in connection with a termination event.

VIII. Compliance with Internal Revenue Code Section 162(m)

Section 162(m) of the Code limits the deductibility of compensation over \$1 million paid to a company's chief executive officer and three next most highly compensated executive officers (other than the chief financial officer). To qualify for deductibility under Section 162(m), compensation in excess of \$1 million per year paid to each of these executive officers generally must be performance-based compensation as determined under Section 162(m). In general, to be performance-based compensation, the material terms of the performance goals under which the compensation is to be paid must have been disclosed to and approved by our stockholders before the compensation is paid. To the extent determinable and as one of the factors in its consideration of compensation matters, the Committee considers the anticipated tax treatment to the Company and to the executive officers of various payments and benefits. The Committee may decide to provide non-deductible compensation if it determines that such action is in our best interests and those of our stockholders.

IX. Anti-Hedging, Clawbacks and Pledging of Securities

In 2015, our board of directors amended our Code of Conduct and Ethics to specifically prohibit our employees and directors from engaging in all forms of speculative transactions in Radian securities.

In 2014, the Board approved a clawback policy that: (1) requires the Committee to seek recoupment of incentive compensation in the event of a material restatement of the Company's financial results; and (2) authorizes the Committee, in its discretion, to seek recoupment in the event of a determination that the level of achievement of an objectively quantifiable financial performance measure or goal was materially overstated. The clawback policy applies to the Company's executive officers under Section 16 of the Securities Exchange Act of 1934, as amended (including the NEOs) and any other officer who engaged in fraud or other misconduct in connection with a restatement or overstatement. The clawback policy covers all incentive compensation paid to an officer during the three-year period preceding the restatement or overstatement. Currently, none of our directors or NEOs has pledged any shares of the Company's common stock as collateral for any loan or other borrowing.

Compensation and Human Resources Committee Report

The Compensation and Human Resources Committee of our board of directors has reviewed the Compensation Discussion and Analysis section included above and discussed that analysis with our management. Based on its review and discussions with management, the Committee has recommended to our board of directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated into our Annual Report on Form 10-K for the year ended December 31, 2015. This report is provided by the following independent directors, who constitute the Committee:

**Members of the Compensation and
Human Resources Committee**

Stephen T. Hopkins (Chair)

Howard B. Culang

Gaetano Muzio

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Compensation of Executive Officers and Directors

Director Compensation

The Committee annually reviews and determines the form and amount of our director compensation and recommends changes to the board when it deems appropriate. In evaluating director compensation, the Committee is guided by the following principles: (1) compensation should be made in proportion to the amount of work required of directors in companies of a comparable size and/or complexity to that of the Company, and in light of the current business environment; (2) directors' interests should be aligned with the long-term interests of our stockholders; (3) the structure of the compensation should be transparent so that it can be easily understood by our stockholders; and (4) compensation should be consistent with director independence.

Directors that are employed by us do not receive additional compensation for serving as a director.

Cash Compensation

All of our non-employee directors other than Mr. Wender receive an annual fee for their services of \$32,500. Mr. Wender receives an annual fee of \$150,000 for serving as non-executive Chairman, and the chairpersons of the following committees are paid the following additional annual fees:

Audit Committee \$25,000

Compensation and Human Resources Committee \$15,000

Credit Committee \$25,000

Governance Committee \$10,000

Finance and Investment Committee \$10,000

Each non-employee director also receives a \$2,000 fee for each board meeting attended and for each meeting of a committee on which he or she serves. All annual fees are paid quarterly in advance, and all meeting fees are paid quarterly in arrears. The fees set forth in the 2015 Director Compensation table below represent amounts paid to our directors in 2015.

As described below in Nonqualified Deferred Compensation, we maintain a voluntary deferred compensation plan for our non-employee directors. The voluntary deferred compensation plan allows non-employee directors to defer (or if amounts were previously deferred, to re-defer subject to certain limitations) receipt of all or a portion of their cash compensation and equity awards and earn a selected rate of return on such amounts. Our non-employee directors are not entitled to participate in our retirement plans.

Equity Compensation

Each of our non-employee directors is entitled to an annual equity award with a grant date fair market value of \$115,000. In addition, Mr. Wender also is entitled to an additional annual equity award with a grant date fair market value of \$100,000 for serving as non-executive Chairman. We provide annual equity awards to our non-employee directors to compensate them for services rendered as well as to further align their long-term interests with those of our stockholders.

Each year, the Committee considers and recommends to our non-employee directors the form of annual equity awards to be granted to our non-employee directors. The form of annual equity awards may include any equity instrument that is available for issuance to non-employee directors under the Radian Group Inc. 2014 Equity Compensation Plan (the 2014 Equity Plan). The awards may be settled in cash or in shares of the Company's common stock, as recommended by the Compensation and Human Resources Committee and approved by the non-employee directors. The terms of the awards (*e.g.*, vesting, change of control, retirement) are approved by the non-employee directors, following a recommendation by the Compensation and Human Resources Committee.

Since 2009, our non-employee directors have received their annual equity awards in the form of time-vested RSUs. Unless the Compensation and Human Resources Committee determines otherwise (before the beginning of the year for which equity awards are earned), we anticipate that future equity awards will

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Compensation of Executive Officers and Directors

continue to be granted in the form of time-vested RSUs, that are payable upon a non-employee director's separation from service. The directors' RSUs vest in their entirety three years from the date of grant or earlier upon the director's retirement, death or disability. Messrs. Wender, Carney, Culang, Hopkins and Spiegel currently are eligible for retirement. In addition, vesting also may be accelerated under certain circumstances if the non-employee director has a separation from service following a change of control.

Upon the conversion date of the RSUs (generally defined as a director's termination of service with us), our non-employee directors will be entitled to the equivalent number of shares of common stock awarded on the date of grant. The RSUs do not entitle our non-employee directors to voting or dividend rights.

Any director who joins the board prior to, or in connection with, the Company's annual meeting of stockholders is entitled to a full annual equity award at the regularly scheduled quarterly board meeting immediately following the Company's annual meeting. Directors who leave the board other than for cause (including in the event of retirement, death or disability) are entitled to a pro-rated cash award for the period of time served since the Company's last annual meeting of stockholders. This award will be calculated by dividing the number of days served since the last annual meeting of stockholders by 365 and multiplying this percentage by the fair market value of the annual equity award to non-employee directors (currently \$115,000). In addition, Mr. Wender is entitled to a similar pro-ration with respect to his annual equity award for serving as non-executive Chairman (currently \$215,000).

Our board of directors views equity ownership in Radian as an important means of aligning directors' and stockholders' interests, and it has adopted stock ownership guidelines for the Company's non-employee directors. In 2014, the Committee adopted a heightened standard for our stock ownership guidelines, moving from a general ownership *expectation* to a specific ownership *requirement*. In addition, in 2014, the board established a separate and significantly higher ownership threshold for the non-executive Chairman. Under the new requirements, the non-executive Chairman is required to hold a minimum direct investment equal to ten times the amount of his annual fee for serving as non-executive Chairman (\$1,500,000 for 2015), and the other non-employee directors are each required to hold a minimum direct investment in Radian equal to a market value of at least \$350,000. Unless a director holds more than the applicable threshold market value, that director is not permitted to sell shares or other holdings of the Company that he or she owns, subject to certain limited exceptions. Each of our non-employee directors satisfied our stock ownership requirements as of December 31, 2015.

In addition to the amounts reported above, we also pay for or reimburse directors for travel expenses related to attending board, committee or other company business meetings and approved educational seminars.

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The following table provides information about compensation paid to each of our non-employee directors in 2015.

2015 DIRECTOR COMPENSATION

| Name | Fees Earned or Paid in Cash (\$) | Stock Awards(1) (\$) | Change to Non-qualified Deferred Compensation Earnings(2) (\$) | Total (\$) |
|---------------------|----------------------------------|----------------------|--|------------|
| Herbert Wender | 270,000(3) | 215,000 | 0 | 485,000 |
| David C. Carney | 135,500 | 115,000 | 0 | 250,500 |
| Howard B. Culang | 137,500 | 115,000 | 0 | 252,500 |
| Lisa W. Hess | 114,500 | 115,000 | 0 | 229,500 |
| Stephen T. Hopkins | 131,500 | 115,000 | 0 | 246,500 |
| Brian D. Montgomery | 90,500 | 115,000 | 0 | 205,500 |
| Gaetano Muzio | 102,500 | 115,000 | 0 | 217,500 |
| Gregory V. Serio | 104,833 | 115,000 | 0 | 219,833 |
| Noel J. Spiegel | 110,500 | 115,000 | 0 | 225,500 |

- (1) Represents the grant date fair value of awards computed in accordance with the accounting standard regarding share-based compensation payments. Each non-employee director who was elected at our 2015 Annual Meeting of Stockholders was awarded 6,333 RSUs on May 13, 2015, with a grant date fair value of \$115,000. In addition, Mr. Wender received an additional award of 5,507 RSUs with a grant date fair value of \$100,000 for his services as non-executive Chairman. The grant date fair value of RSUs is the closing price of our common stock on the NYSE as of the grant date (\$18.16 on May 13, 2015). As of December 31, 2015, each non-employee director held the following number of shares of phantom stock and RSUs:

| Name | Shares of Phantom Stock* (#) | Restricted Stock Units (#) |
|----------------|------------------------------|----------------------------|
| Mr. Wender | 57,358 | 268,265 |
| Mr. Carney | 59,450 | 143,491 |
| Mr. Culang | 58,617 | 143,491 |
| Ms. Hess | | 89,545 |
| Mr. Hopkins | 58,617 | 143,491 |
| Mr. Montgomery | | 68,749 |
| Mr. Muzio | | 68,749 |
| Mr. Serio | | 68,749 |
| Mr. Spiegel | | 89,545 |

* Includes dividend equivalents to be issued upon conversion of the phantom shares.

(2)

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We do not pay above-market or preferential interest or earnings on amounts deferred under our voluntary deferred compensation plan for our non-employee directors.

- (3) Mr. Wender deferred 100% of his cash compensation earned in 2015 pursuant to the voluntary deferred compensation plan for our non-employee directors.

Table of Contents**Compensation of Executive Officers and Directors****Executive Compensation**

The following table describes our compensatory and other arrangements with: (1) Mr. Ibrahim, our principal executive officer; (2) Mr. Hall, our principal financial officer; and (3) Ms. Bazemore and Messrs. Brummer and D Urso, our three most highly compensated executive officers (other than our principal executive officer and principal financial officer) serving as executive officers at December 31, 2015:

2015 SUMMARY COMPENSATION TABLE

| Name and Principal Position | Year | Salary (\$) | Bonus (1) (\$) | Stock Awards (2) (\$) | Option Awards (2) (\$) | Non- Equity Incentive Plan Compen- sation (3) (\$) | All Other Compen- sation (4) (\$) | Total (\$) |
|------------------------------------|-------------|------------------------|---------------------------|--------------------------------------|---------------------------------------|---|--|-------------------|
| Sanford A. Ibrahim | 2015 | 950,000 | 750,000 | 2,128,068 | 705,721 | 1,437,500 | 94,248 | 6,065,537 |
| Chief Executive Officer | 2014 | 900,000 | 1,150,000 | 2,362,635 | 787,553 | 2,053,125 | 110,724 | 7,364,037 |
| (Principal Executive Officer) | 2013 | | | | | | | |