

PMI market trends and highlights: 1Q 2026

Increased refinances drove higher NIW, credit performance normalizes, and increased discussion of non-MI capital deployment

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First-quarter 2026 NIW rose year-over-year across all six PMIs as mortgage rate volatility early in the quarter spurred refinance activity. The seasonal first-quarter improvement in delinquency and cure metrics was less pronounced than in recent years as the 2021–2023 vintages season into their peak default years. In-force policy persistency continued to moderate from its post-pandemic peak but remains elevated by historical standards.

The U.S. private mortgage insurer (PMI) market comprises six insurers: Arch, Enact, NMI, Radian, MGIC, and Essent. As part of their financial disclosures, the PMIs summarize new insurance written (NIW) during a given reporting period, the size and performance of their insurance in force (IIF), and other financial items.

Milliman has compiled this data to build a view of the quarter for each insurer and an aggregate for the industry as a whole. Furthermore, key statements from the PMIs' earnings calls are summarized to provide additional insight into industry trends and developments. The following update highlights key trends Milliman identified during the most recent quarter.

The PMIs reported first-quarter (1Q) 2026 earnings in May 2026. NIW increased year-over-year, with growth coming from refinance volume rather than increased purchase activity, consistent with a decline in mortgage rates over the preceding two quarters. IIF for the industry continues to grow slowly—limited by low mortgage originations but buoyed by high in-force policy persistency (remaining in low 80% range). Credit performance remained strong in absolute terms, but the weighted-average (WA) delinquency rate stayed elevated relative to recent years, and the typical 1Q seasonal strength was muted.

No capital market insurance-linked note (ILN) issuance took place since last release of this report. Additional information on the PMIs' ILN issuances and performance (e.g., collateral composition and cash flow estimates from the collateral and securities) can be obtained from [Milliman Mortgage Platform for Investments and Reinsurance™ \(M-PIRe™\)](#).

For 1Q 2026, this report provides a:

- Summary of NIW
- Summary of IIF
 - Volume, policy count, and persistency
 - Performance
- Summary of capital markets ILN issuances
- Appendix: Additional excerpts from earnings calls

Introduction

Milliman provides consulting services and an analytic platform ([Milliman M-PIRe](#)) to mortgage investors. Both Milliman M-PIRe and our consulting services provide fundamental analysis on the risk profile and valuations of mortgage investments, including government-sponsored enterprise (GSE) credit risk transfer (CRT) securities, ILNs, and whole loans. Many of our clients either insure mortgage credit risk (direct or through reinsurance) and/or are investors in CRT and ILNs. This report summarizes key trends in the mortgage insurance (MI) industry to help our clients make informed decisions on their participation in the sector.

Quarterly NIW results and IIF trends

SUMMARY OF QUARTERLY RESULTS

Supported by an increase in refinance activity, 1Q 2026 NIW of \$78.8 billion was the highest 1Q total since 2022. Mortgage originations exhibit seasonality, with 1Q typically having lower volume relative to 2Q and 3Q.

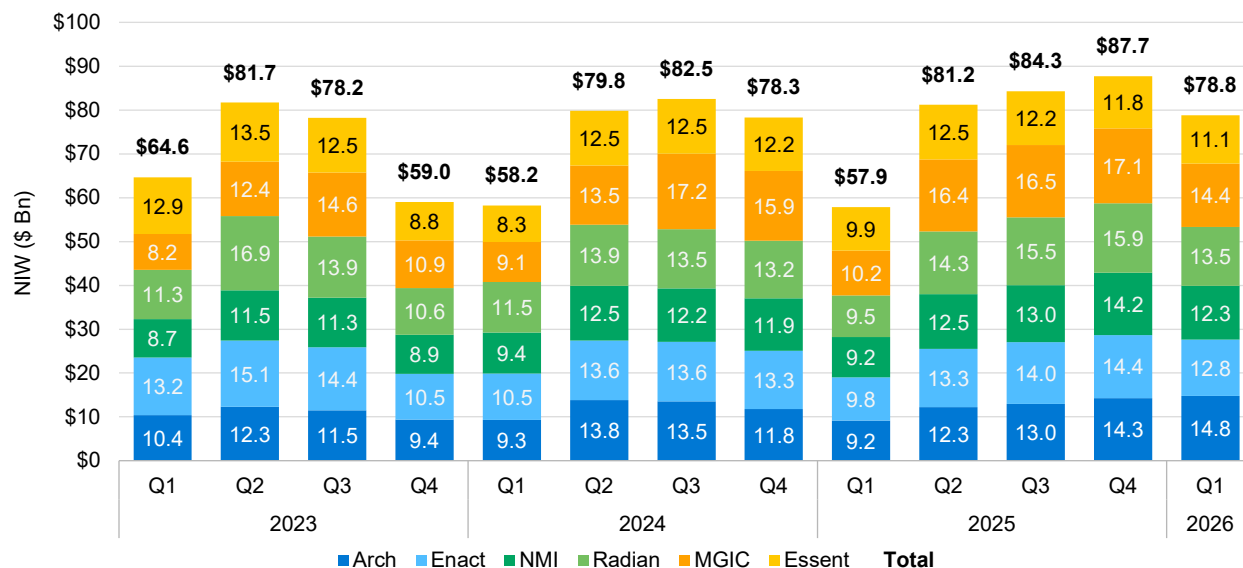
The refinance share of industry NIW, 23%, was the highest of any quarter since 2021 and continued an upward trajectory Milliman identified through 2025 (19% in 4Q 2025). This shift is consistent with a decline in mortgage rates over late 2025 and early 2026, which opened a modest refinance window for borrowers who financed at higher rates in 2023 and 2024. However, the 30-year mortgage rate has risen from 5.98% on February 26th to 6.51% as of May 21st, likely reducing future refinance volume for as long as rates stay near current levels.¹

NIW VOLUME AND PMI MARKET SHARE

Primary NIW in 1Q 2026 was \$78.8 billion, a decrease of 10% quarter-over-quarter and an increase of 36% year-over-year. The \$78.8 billion comprises \$60.9 billion of purchase mortgages (77%) and \$17.9 billion of refinance mortgages (23%).

Arch reported the largest market share in the quarter, writing \$14.8 billion (18.8%), followed by MGIC (\$14.4 billion, 18.3%), Radian (\$13.5 billion, 17.1%), Enact (\$12.8 billion, 16.2%), NMI (\$12.3 billion, 15.6%), and Essent (\$11.1 billion, 14.1%).

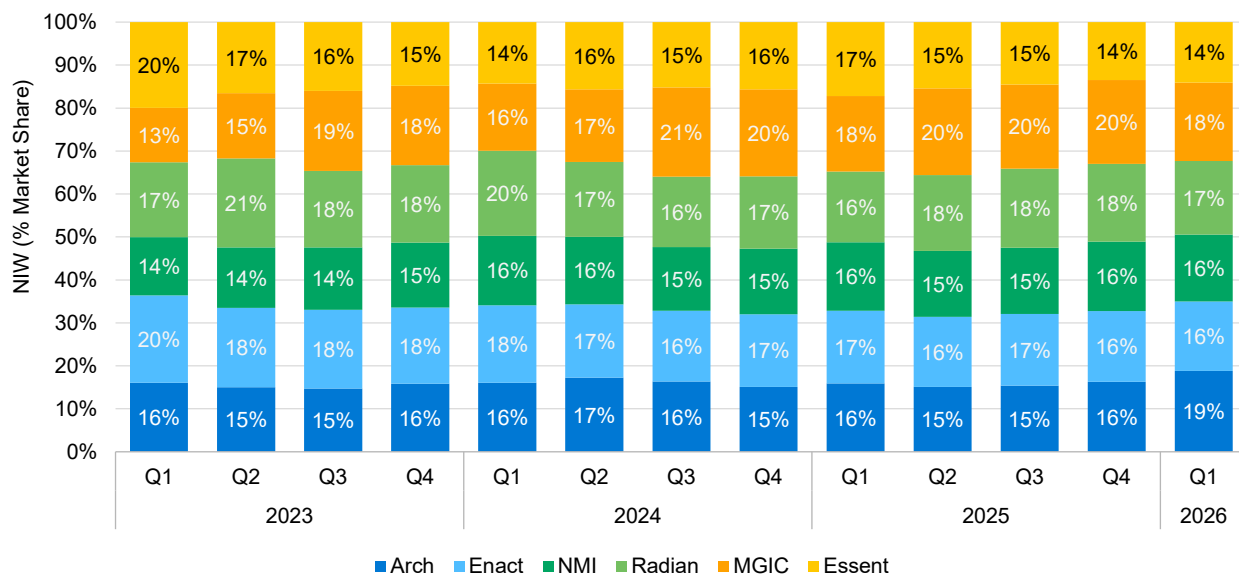
FIGURE 1: QUARTERLY NIW \$ BILLIONS BY PMI, 2023–2026



Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

1. Freddie Mac. (2026, May 21). Mortgage rates. Retrieved May 27, 2026, from <https://www.freddiemac.com/pmms>.

FIGURE 2: QUARTERLY NIW, % MARKET SHARE BY PMI, 2023–2026



Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

Arch's 1Q 2026 NIW included a single \$2.2 billion non-GSE bulk transaction, which Arch disclosed represented approximately 15% of its quarter's NIW; this volume drove Arch to an 18.8% market share in 1Q 2026. By comparison, in 1Q 2025, Arch was tied for the smallest share at 15.9%, and in 4Q 2025, it ranked fourth at 16.3%; MGIC had led both of those quarters.

Industry observers and competitors have flagged this transaction as outside the normal flow of business. We provide both insurers' framing of the transaction below for reader reference. This report does not normalize for this impact and reports US MI segments as stated in the insurers' financial statements. To the extent that more non-GSE business is covered by MI, it could represent an industry catalyst, providing an opportunity in a segment of the mortgage market that has traditionally not utilized MI post-GFC.

ARCH 1Q 2026 EARNINGS CALL

(From prepared remarks)

A - Francois Morin

Of note, this quarter, new insurance written at USMI reflects a large non-GSE transaction of \$2.2 billion in NIW. Absent this transaction, which increased our NIW by 15%, we would expect our market share of the PMI market to remain relatively unchanged from the prior quarter.

NMI 1Q 2026 EARNINGS CALL

Q - Mihir Bhatia

Got it. Maybe just starting to NIW first. I think it's down a little bit quarter-over-quarter. I know everyone hasn't reported yet, so we don't have, like, market share. But I'm sure you do some ongoing monitoring. Maybe just decompose some of that for us. Like, what are some of the key factors driving it? I imagine a little bit smaller market, but did you see any shift in market share? Is there any mix-shift going on, whether it's from the bulk market or what have you, that's driving—well, that would make you think your results will be different than some of your peers?

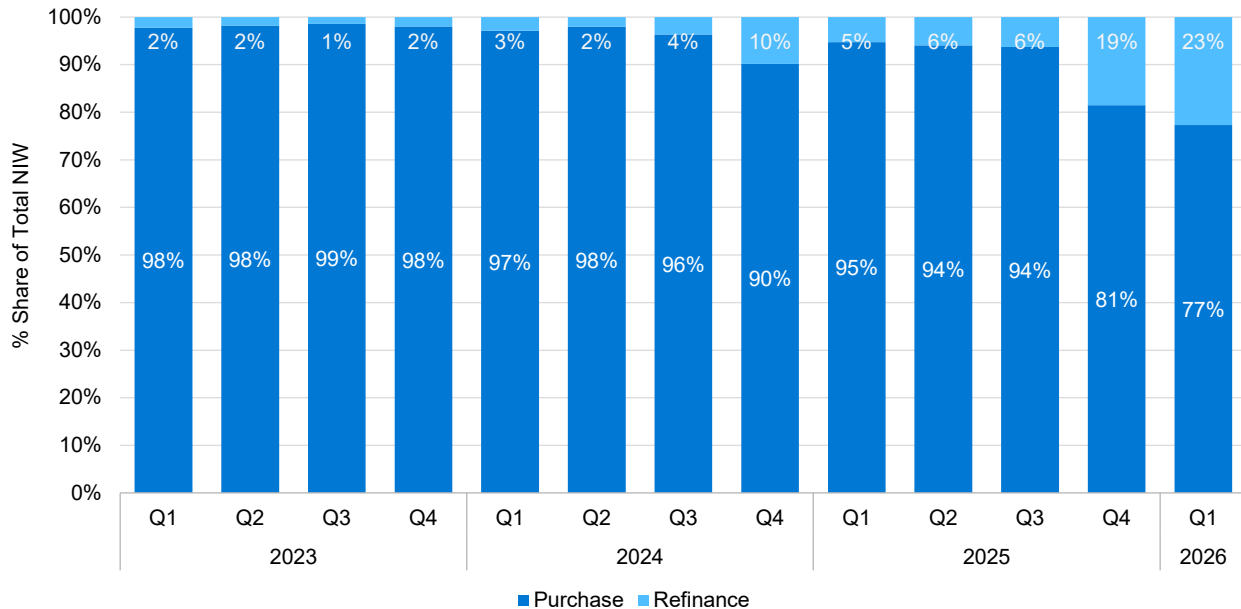
A - Adam Pollitzer

No. When we look at it, we—again, we don't—because we're talking share, I feel the need to give the caveat. We don't manage to market share at all, right? But we never have, and that certainly remains the case today. But in terms of our performance in the quarter, we didn't see any significant moves. There obviously was a bulk transaction that one of our competitors announced over the last few days. So that will just skew the headline number, and you need to normalize for that because that's not business that really traces to share. But there were no significant moves.

Our expect—our NIW was up 33% year-on-year. Rough estimate, we think market is probably up about 35% year-on-year, so right in line with market growth, which is where we want to be, right? We're in a terrific position with our customer franchise. As we continue to perform from a new business flow standpoint at that level, we'll just naturally—we've got this embedded growth engine in terms of our share of industry insurance and force continuing to accrete higher.

Figure 3 shows the percentage makeup of purchase versus refinance originations.

FIGURE 3: QUARTERLY NIW, PURCHASE VS. REFINANCE SHARE, 2023–2026

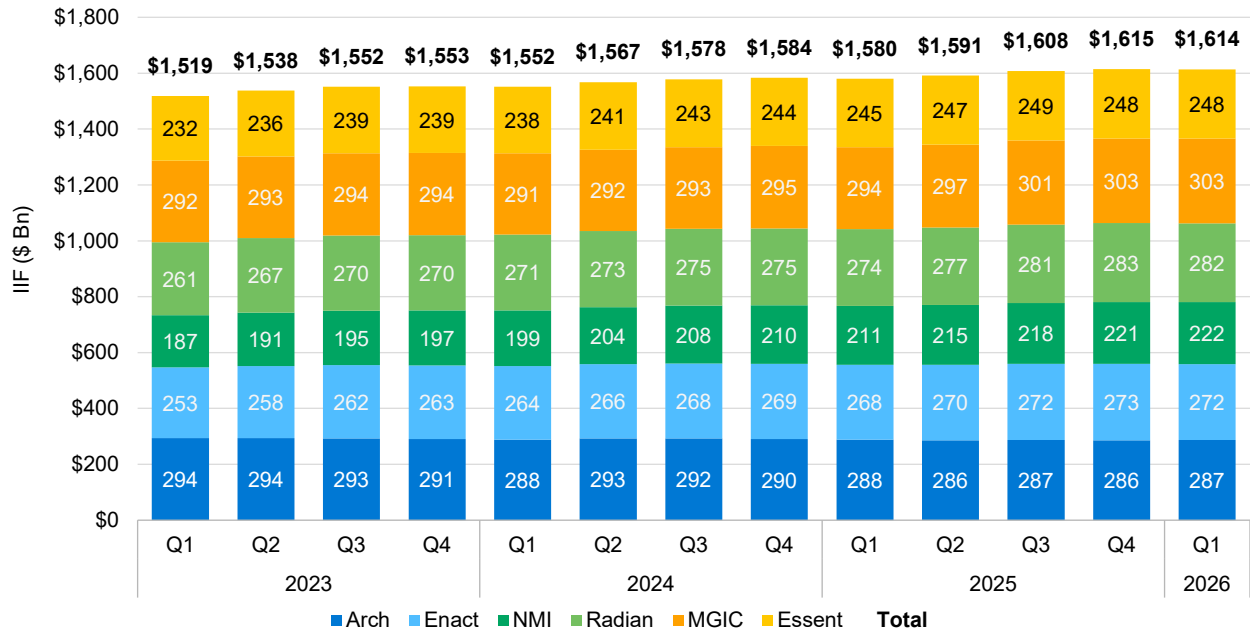


Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

INSURANCE IN FORCE

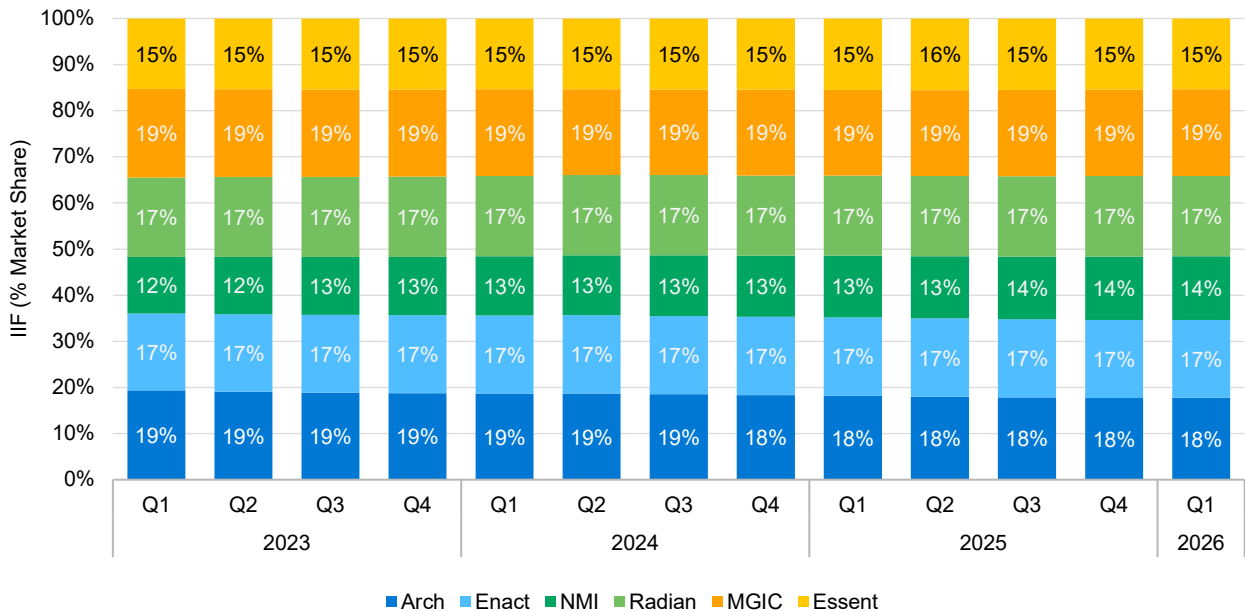
Primary IIF in 1Q 2026 was \$1,614 billion, a decrease of 0.1% quarter-over-quarter and an increase of 2.1% year-over-year. Two of the six insurers increased IIF from the prior quarter—NMI rose 0.4%, and Arch rose 0.1%. MGIC fell 0.1%, Essent fell 0.2%, Enact fell 0.2%, and Radian fell 0.3%. IIF market share in 1Q 2026 was MGIC 18.8%, Arch 17.8%, Radian 17.5%, Enact 16.9%, Essent 15.4%, and NMI 13.8%.

FIGURE 4: REPORTED IIF, BY QUARTER, 2023–2026



Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

FIGURE 5: REPORTED IIF, % MARKET SHARE BY PMI, 2023–2026

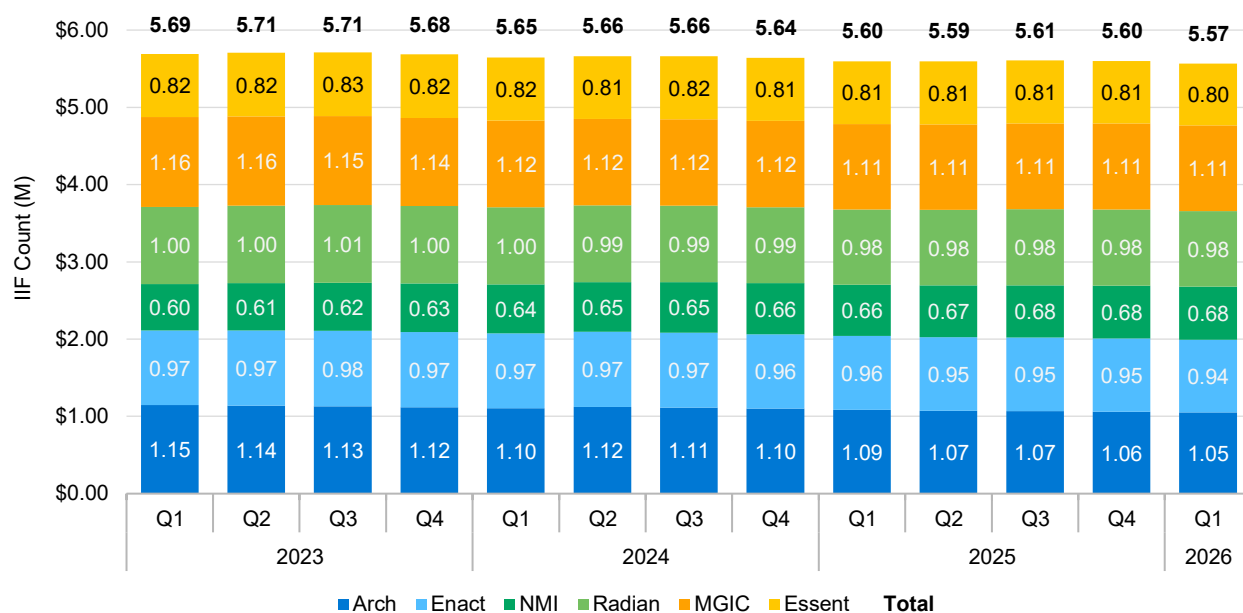


Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

Through 1Q 2026, approximately 5.57 million primary policies were in force across the six insurers, down roughly 0.5% from both the prior quarter and the prior year.

Rising average policy sizes (tied to home price appreciation and successive increases in the GSE conforming loan limit) continue to offset a gradually shrinking policy count. The average policy size rose to \$289,900 in 1Q 2026 from \$288,500 in 4Q 2025. As in prior quarters, insurers with larger legacy portfolios (Arch, MGIC, Radian, and Enact) carry lower average policy sizes than the insurers that entered the market after the global financial crisis (Essent and NMI). Through 1Q 2026, 5.57 million primary policies were in force across the six insurers, a decrease of 0.5% both quarter-over-quarter and year-over-year.

FIGURE 6: REPORTED IIF, POLICY COUNT, MILLIONS, BY QUARTER, 2023–2026



Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

Milliman further examined the relationship between policies in force, average policy size, and total IIF. The results are shown in Figures 7 through 11.

Figure 7 shows current values (1Q 2026). Figures 8 and 9 show the absolute and relative changes, respectively, from 4Q 2025. Figures 10 and 11 show the absolute and relative changes from 3Q 2023 – the high policy count watermark for the industry.

Across the 5.57 million policies in force, the average size was \$289,900. Insurers with larger legacy portfolios (e.g., Arch, MGIC, Radian, and Enact) have lower average policy sizes than the insurers that entered the market after the global financial crisis (Essent and NMI).

As shown in Figures 8 and 9, these relationships have generally remained stable from 4Q 2025 to 1Q 2026. However, compared to 3Q 2023, industry policies in force have declined 2.5%, whereas the average policy size has increased 6.7%—more than offsetting this decline. This results in an overall increase in IIF of 4.0% for the industry since 3Q 2025. This relationship is shown in Figures 10 and 11.

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FIGURE 7: POLICY COUNT, AVERAGE POLICY SIZE, REPORTED IIF, BY PMI, 1Q 2026

	ARCH	ENACT	NMI	RADIAN	MGIC	ESSENT	TOTAL
Policy count (000s)	1,049.7	943.9	685.0	979.9	1,107.0	801.4	5,566.8
Average policy size (\$000s)	273.0	288.7	324.6	287.5	273.4	309.3	289.9
IIF (\$Bn)	286.5	272.5	222.3	281.7	302.7	247.9	1,613.6

Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

FIGURE 8: ABSOLUTE CHANGE IN POLICY COUNT, AVERAGE POLICY SIZE, REPORTED IIF, BY PMI, 4Q 2025 TO 1Q 2026

	ARCH	ENACT	NMI	RADIAN	MGIC	ESSENT	TOTAL
Change in count (000s)	(9.2)	(6.8)	0.9	(3.9)	(5.8)	(5.8)	(30.6)
Change in size (\$000s)	2.6	1.4	0.8	0.3	1.0	1.7	1.4
Change in IIF (\$Bn)	0.2	(0.7)	0.9	(0.8)	(0.4)	(0.4)	(1.3)

Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

FIGURE 9: RELATIVE CHANGE IN POLICY COUNT, AVERAGE POLICY SIZE, REPORTED IIF, BY PMI, 4Q 2025 TO 1Q 2026

	ARCH	ENACT	NMI	RADIAN	MGIC	ESSENT	TOTAL
% Change in count	-0.9%	-0.7%	0.1%	-0.4%	-0.5%	-0.7%	-0.5%
% Change size	1.0%	0.5%	0.3%	0.1%	0.4%	0.5%	0.5%
% Change in IIF	0.1%	-0.2%	0.4%	-0.3%	-0.1%	-0.2%	-0.1%

Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

FIGURE 10: ABSOLUTE CHANGE IN POLICY COUNT, AVERAGE POLICY SIZE, REPORTED IIF, BY PMI, 3Q 2023 TO 1Q 2026

	ARCH	ENACT	NMI	RADIAN	MGIC	ESSENT	TOTAL
Change in count (000s)	(79.7)	(33.9)	62.0	(25.1)	(44.5)	(23.9)	(145.1)
Change in size (\$000s)	13.6	20.7	11.9	19.3	17.8	20.1	18.1
Change in IIF (\$Bn)	(6.4)	10.5	27.5	12.2	8.4	9.2	61.5

Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

FIGURE 11: RELATIVE CHANGE IN POLICY COUNT, AVERAGE POLICY SIZE, REPORTED IIF, BY PMI, 3Q 2023 TO 1Q 2026

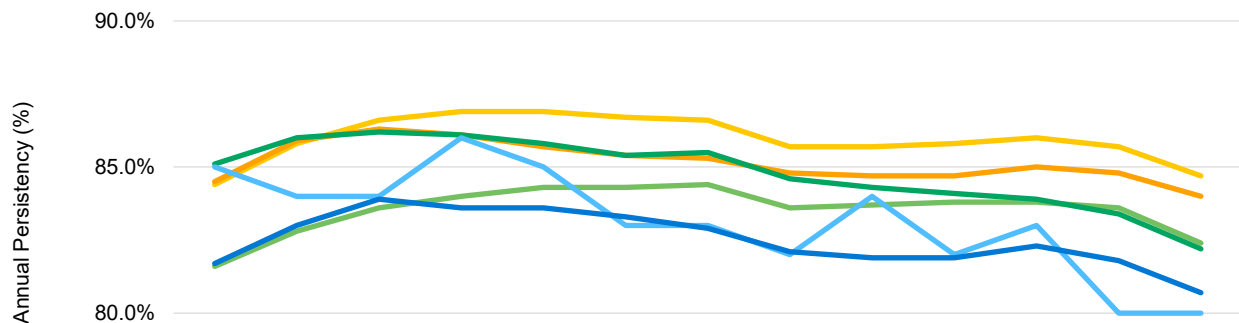
	ARCH	ENACT	NMI	RADIAN	MGIC	ESSENT	TOTAL
% Change in count	-7.1%	-3.5%	9.9%	-2.5%	-3.9%	-2.9%	-2.5%
% Change size	5.2%	7.7%	3.8%	7.2%	7.0%	7.0%	6.7%
% Change in IIF	-2.2%	4.0%	14.1%	4.5%	2.8%	3.9%	4.0%

Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

In 1Q 2026, IIF persistency measured 82.3%, an absolute decrease of 0.9% quarter-over-quarter (83.2%) and a decrease of 1.7% year-over-year (84.0%). Persistency is defined as the percentage of IIF that remained in force after the trailing 12-month period. High persistency is consistent with elevated interest rates, as there are limited refinance opportunities for existing borrowers. In this context, elevated interest rates refer to the interest rate today (i.e., 6.50%) relative to the entire in-force business for the MI industry. Loans originated prior to 2023, most of which have interest rates less than 5.00%, remain a significant portion of the IIF. It is expected that the persistency rate will remain elevated for these mortgages.

Higher persistency results in increased premiums for a group of MI policies, as premiums are paid on the in-force loan population. Potentially offsetting the benefit of increased premium levels, ultimate claim rates may increase, as the policies will be in force for longer and will possibly be exposed to financial events that could result in mortgage defaults.

FIGURE 12: ANNUAL PERSISTENCY RATES, % OF IIF REMAINING IN FORCE AFTER THE TRAILING 12-MONTH PERIOD, BY QUARTER, 2023–2026



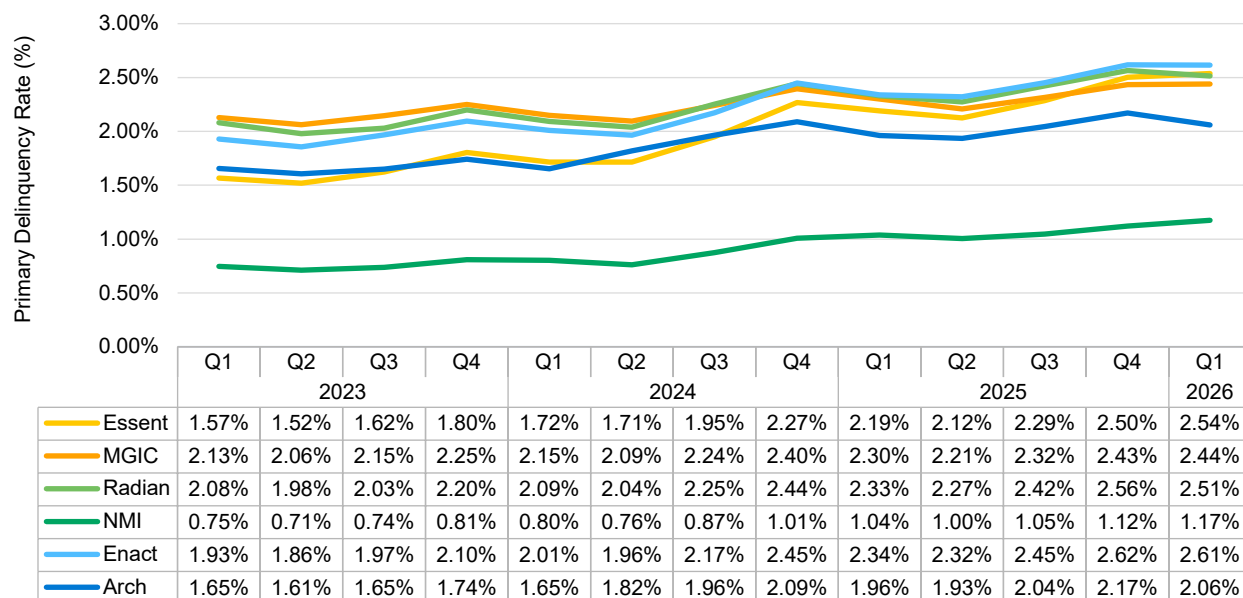
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	2023				2024				2025				2026
Essent	84.4%	85.8%	86.6%	86.9%	86.9%	86.7%	86.6%	85.7%	85.7%	85.8%	86.0%	85.7%	84.7%
MGIC	84.5%	85.9%	86.3%	86.1%	85.7%	85.4%	85.3%	84.8%	84.7%	84.7%	85.0%	84.8%	84.0%
Radian	81.6%	82.8%	83.6%	84.0%	84.3%	84.3%	84.4%	83.6%	83.7%	83.8%	83.8%	83.6%	82.4%
NMI	85.1%	86.0%	86.2%	86.1%	85.8%	85.4%	85.5%	84.6%	84.3%	84.1%	83.9%	83.4%	82.2%
Enact	85.0%	84.0%	84.0%	86.0%	85.0%	83.0%	83.0%	82.0%	84.0%	82.0%	83.0%	80.0%	80.0%
Arch	81.7%	83.0%	83.9%	83.6%	83.6%	83.3%	82.9%	82.1%	81.9%	81.9%	82.3%	81.8%	80.7%

Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

Delinquent loan performance

Figures 13 through 17 display rates that influence the primary delinquency rate, specifically, the new notice rate, cure rate, and paid claims rate. These rates provide information on the inflow of new delinquencies, the outflow of cured delinquencies, and the outflow of paid claims on delinquencies, respectively. Decomposition of the changes in the primary delinquency rate into these other rates can provide information on the drivers of the headline change (e.g., a decrease in the primary delinquency rate could be due to cures outpacing delinquencies, or it could be driven by minimal changes in the delinquent inventory and simply a rise in policies in force, leading to a decrease in the rate relative to the population).

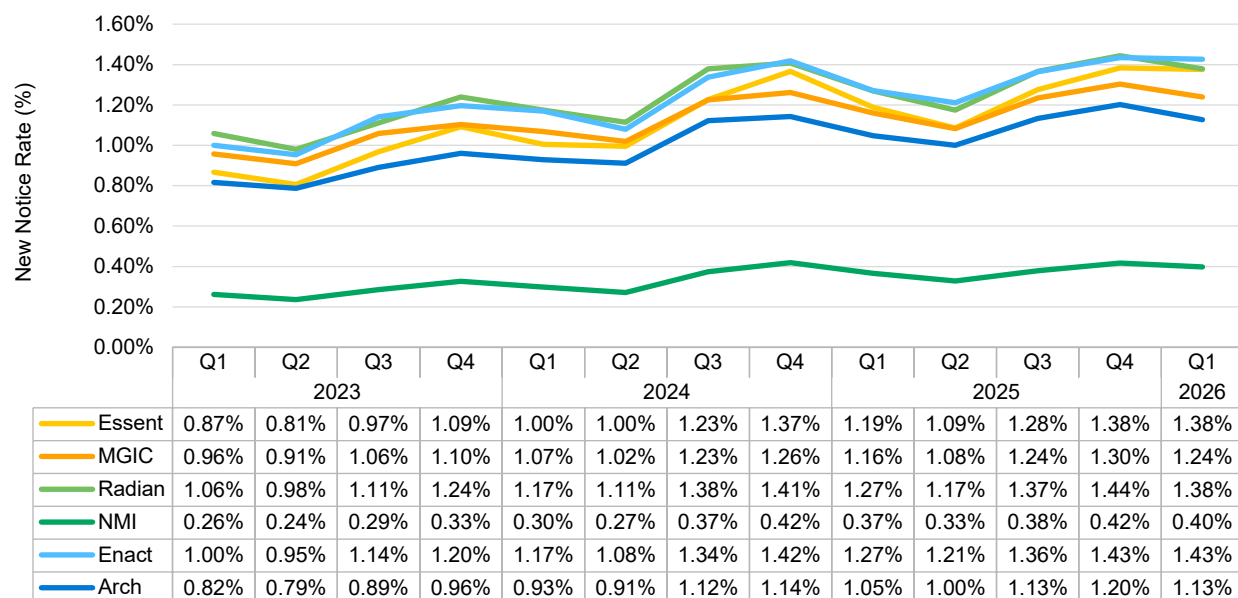
FIGURE 13: QUARTERLY PERCENTAGE OF IIF IN DELINQUENCY, PERCENTAGE OF ENDING POLICIES IN FORCE, COUNT-WEIGHTED, BY PMI, 2023–2026



Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

In 1Q 2026, the WA primary delinquency rate was 2.27% (Figure 13), down from 2.29% in 4Q 2025 and up from 2.08% in 1Q 2025. The new notice rate was 1.19% (Figure 14), down from 1.24% in 4Q 2025 and up from 1.09% in 1Q 2025.

FIGURE 14: QUARTERLY NEW NOTICE OF DEFAULT RATE, % OF STARTING POLICIES IN FORCE, COUNT-WEIGHTED, BY PMI, 2023–2026

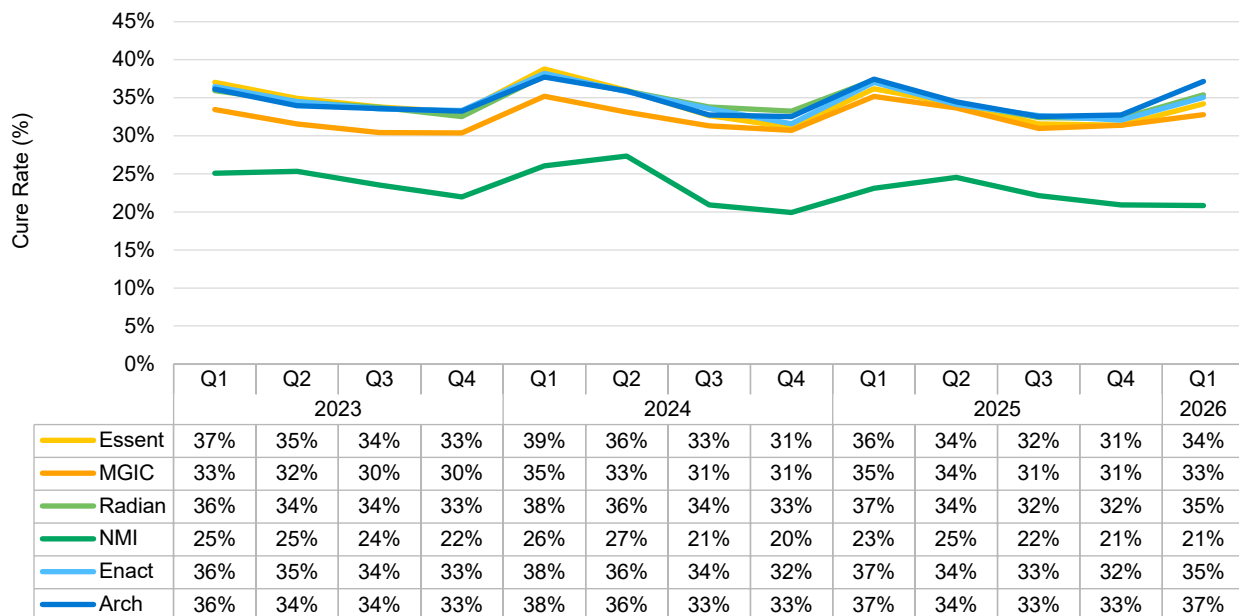


Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

Seasonality in new notice and delinquency metrics typically reflects more favorable performance in the first half of the year than in the second (with 1Q usually being the strongest). Bonus payments, tax returns, and lower levels of spending in 1Q typically strengthen borrowers' financial positions, partially driving the favorable quarterly trends noted above.

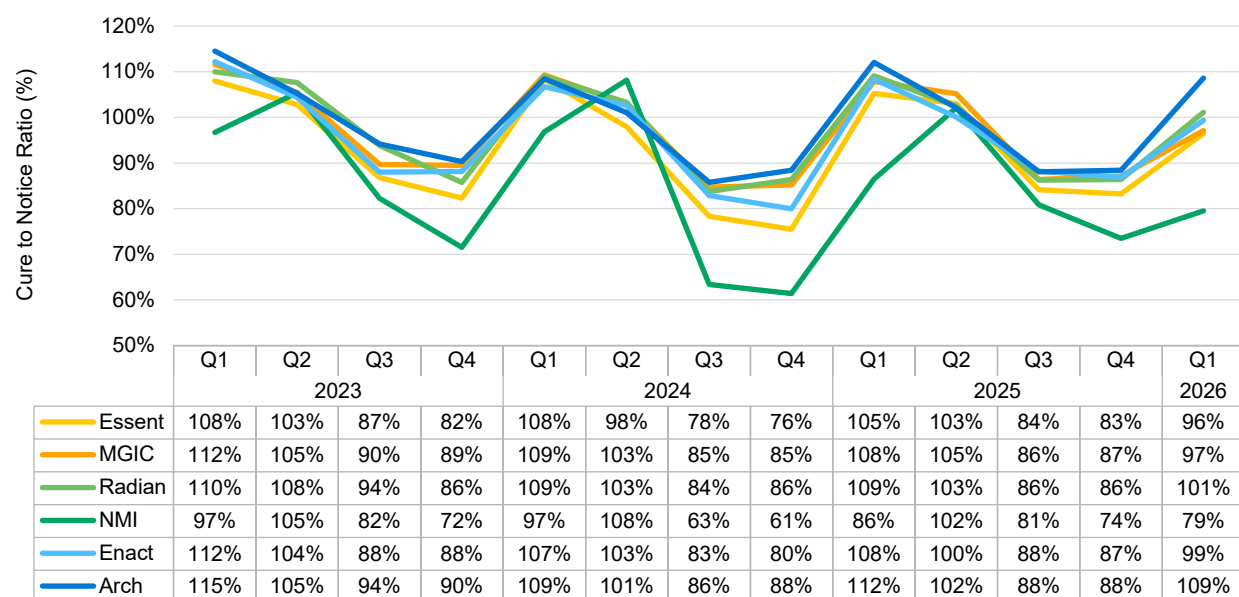
The WA cure rate was 34% in 1Q 2026 (Figure 15), up from 31% in 4Q 2025 and down from 36% in 1Q 2025. By comparing the number of loans curing to the number of new notices in the quarter, we calculate a ratio that expresses whether the delinquent inventory is growing or shrinking. Ignoring paid claims, rescissions, and denials, a ratio over 100% indicates a net decrease in the delinquent inventory over the quarter. In 1Q 2026, the ratio of cures to defaults was 100% (Figure 16), up from 86% in 4Q 2025 and down from 108% in 1Q 2025.

FIGURE 15: QUARTERLY CURE RATE, % OF STARTING DELINQUENCIES PLUS NEW NOTICES, COUNT-WEIGHTED, BY PMI, 2023–2026



Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

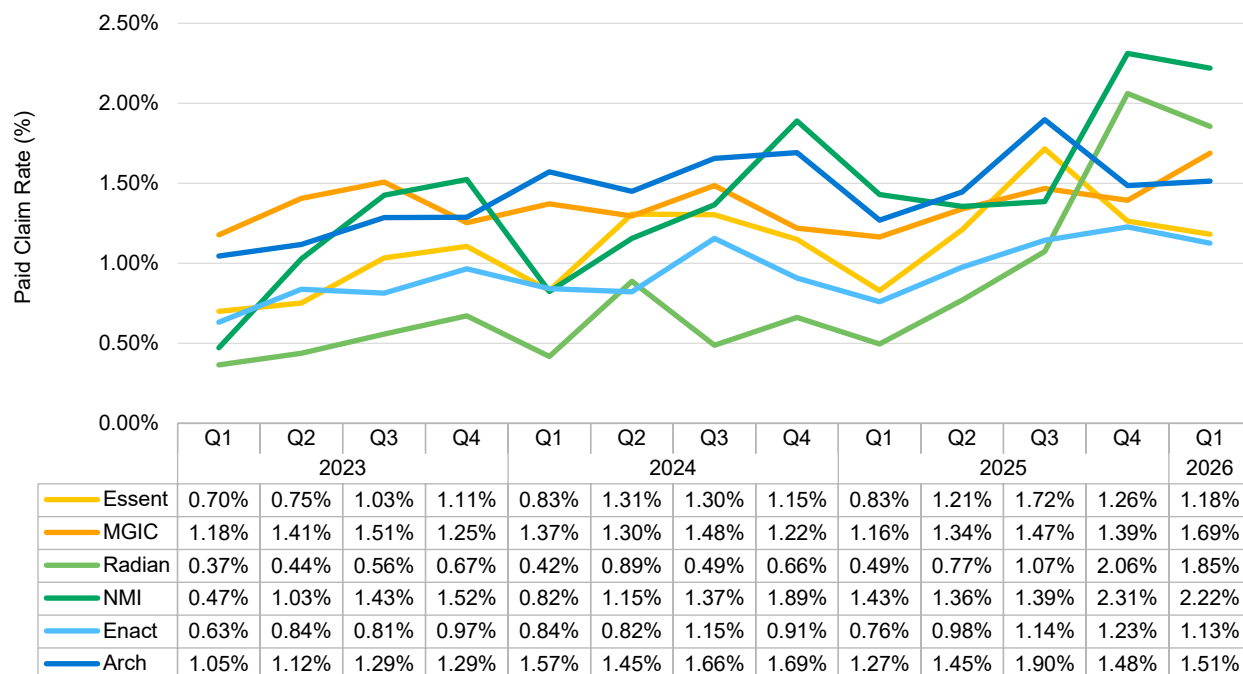
FIGURE 16: QUARTERLY CURE TO NEW NOTICE RATIO, CURE COUNT DIVIDED BY NEW NOTICE COUNT, BY PMI, 2023–2026



Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

In 1Q 2026, the WA paid claims rate was 1.53% (Figure 17). Although paid claims have risen in recent quarters, the pre-COVID-19 average was over 3% per quarter.

FIGURE 17: QUARTERLY PAID CLAIMS RATE, % OF STARTING DELINQUENCIES, COUNT-WEIGHTED, BY PMI, 2023–2026



Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

LOSS RESERVES

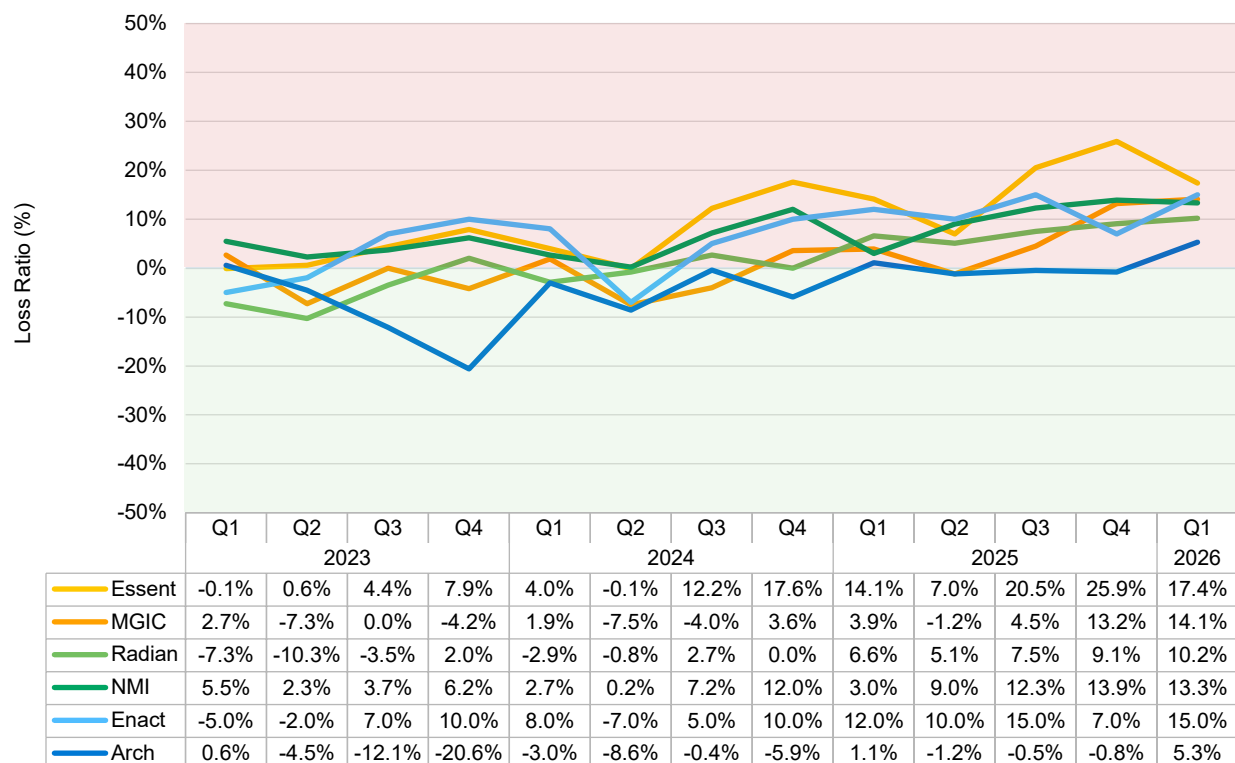
Under Generally Accepted Accounting Principles (GAAP), the loss reserves of the PMIs are established for policies only after a loan becomes delinquent. Generally, the PMIs are notified upon a 60-day delinquency, and the reserves reflect the current delinquency episode. The PMIs estimate the liability for losses related to the outstanding delinquent inventory and establish that amount as loss reserves. The underlying claim rate and claim severity estimates used in the reserving process are typically based on historical experience but can fluctuate in response to current economic circumstances (e.g., COVID-19-caused economic disruption).

Loss ratios are generally defined as losses incurred in the quarter (which are a function of the number of loans that went delinquent in the quarter, the assumed claim rate, and the assumed loss severity) divided by the premium earned in the quarter. However, when PMIs release reserves from prior periods, the released reserves are netted out of the new incurred losses established in the quarter.

Given the high level of new notices in 2Q 2020 and 3Q 2020, a large portion of the PMIs' reserves were from notices occurring in those quarters. The PMIs released reserves from COVID-19-related delinquencies in 4Q 2021 through 2023, resulting in negative incurred loss ratios. This was driven largely by the performance of the loans beginning to eclipse the PMIs' original cure rate assumptions (i.e., it had become clear that more loans would revert to "performing" than the PMIs had originally assumed).

Loss ratios have remained low due to strong house price appreciation (building borrower equity in their homes) and low unemployment rates, but are increasing for most insurers. Industry WA Loss Ratio was 12.4% in 1Q 2026 vs 11.0% in 4Q 2025 and 6.7% in 1Q 2025.

FIGURE 18: QUARTERLY REPORTED LOSS RATIO, BY PMI, 2023–2026



Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

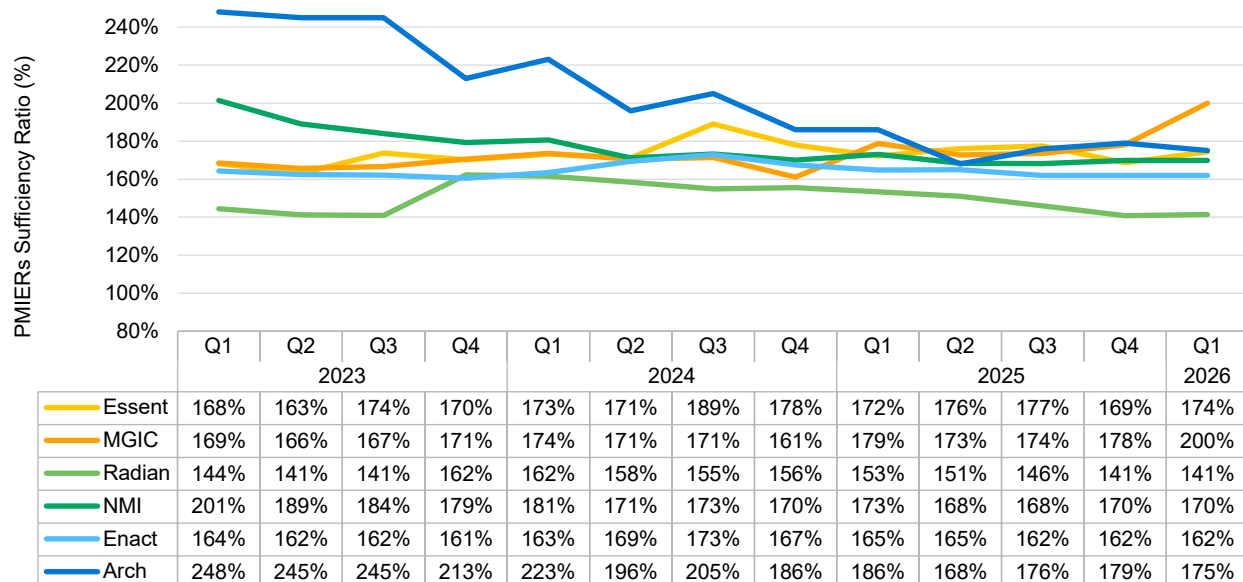
Capital

The PMIERS are risk-based standards set by the GSEs (Fannie Mae and Freddie Mac) and overseen by the Federal Housing Finance Agency (FHFA). They establish a GSE- and FHFA-dictated regulatory capital regime, requiring PMIs to hold sufficient risk-based capital and meet operational compliance standards to insure loans purchased by the GSEs. PMIERS ensure insurer solvency and align the industry's capital framework with the GSEs' credit risk management objectives.

Robust PMIER cushions across the industry have continued to support an active pace of capital return in 1Q 2026, with each of the six insurers either executing on share repurchases, raising dividends, or expanding buyback authorizations during the quarter. With aggregate IIF broadly flat year-over-year, payout ratios are above 100% of net income at several insurers, reflecting a business mix in which capital generation now outpaces organic deployment opportunities in the core MI book.

The combination of elevated persistency, favorable cure development, and constrained NIW growth has produced an environment in which excess capital is being generated more rapidly than it can be productively redeployed into the primary MI portfolio. Where this excess is not returned to shareholders, it is increasingly being directed toward franchise diversification—including Radian's acquisition of Inigo, Essent's P&C reinsurance build-out through its Lloyd's program and a casualty/specialty quota share, and Enact Re's continued scaling—or retained as Industry capital levels have been strong—with all insurers having excess capital versus the PMIERS minimum. PMIERS sufficiency ratios (Figure 19) have recently ranged from approximately 141% to 200%.

FIGURE 19: QUARTERLY REPORTED PMIERS SUFFICIENCY RATIO, BY PMI, 2023–2026



Data Source: PMI earnings releases, financial supplements, and 10-K/Qs.

Risk transfer: Capital markets ILN issuances

Figure 20 provides a summary of recent PMI capital markets ILN issuances from 2022 through 2026. Row 2 indicates whether a vertical slice of the structure was executed via the reinsurance market in tandem with the bond offering.²

FIGURE 20: RECENT PMI CAPITAL MARKETS ILN TRANSACTIONS

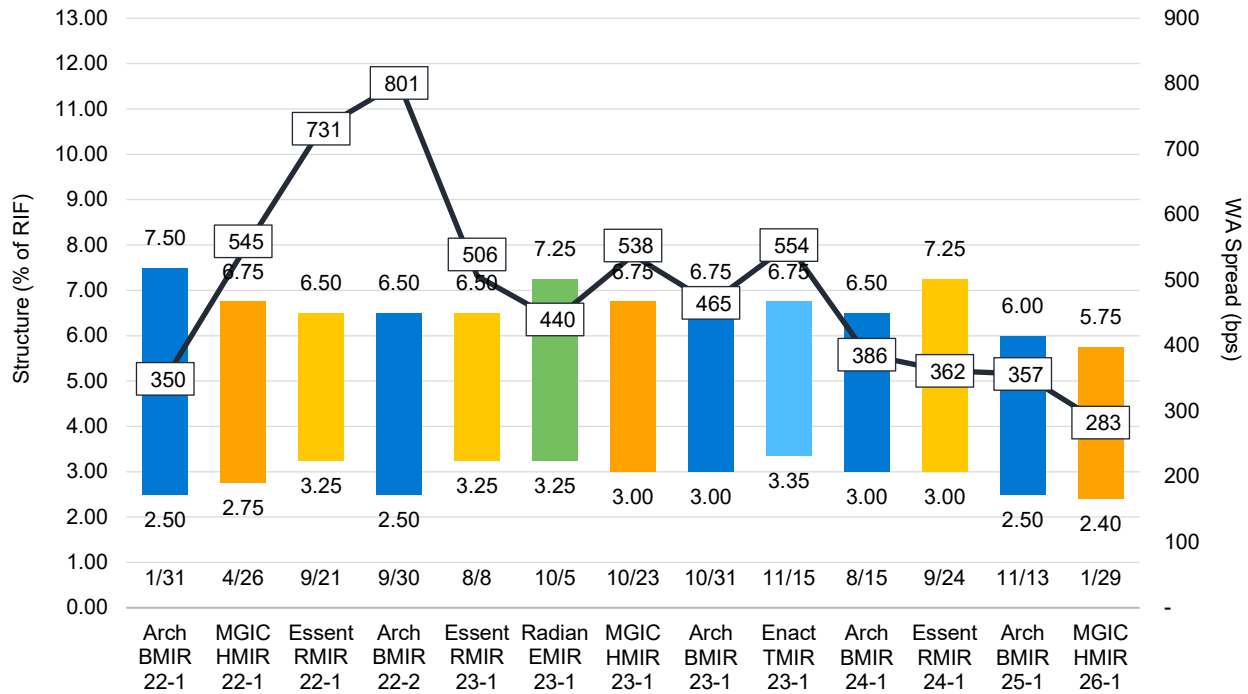
	ARCH BMIR 22-1	MGIC HMIR 22-1	ESSENT RMIR 22-1	ARCH BMIR 22-2	ESSENT RMIR 23-1	RADIAN EMIR 23-1	MGIC HMIR 23-1	ARCH BMIR 23-1	ENACT TMIR 23-1	ARCH BMIR 24-1	ESSENT RMIR 24-1	ARCH BMIR 25-1	MGIC HMIR 26-1
Settle Date	1/31	4/26	9/21	9/30	8/8	10/5	10/23	10/31	11/15	8/15	9/24	11/13	1/29
ILN Reinsurance Co-Participation?	Yes	No	No	Yes	No	No	No	Yes	No	Yes	No	Yes	No
Total Bonds Issued (\$M)	284	474	238	201	281	353	330	187	248	163	363	199	324
Coverage Attachment Point %	2.50	2.75	3.25	2.50	3.25	3.25	3.00	3.00	3.35	3.00	3.00	2.50	2.40
Coverage Detachment Point %	7.50	6.75	6.50	6.50	6.50	7.25	6.75	6.75	6.75	6.50	7.25	6.00	5.75
Min CE %	8.50	7.50	7.00	7.50	7.00	7.75	7.25	7.75	7.25	7.50	7.25	PMIERS	PMIERS
WA Spread (bps)	350	545	731	801	506	440	538	465	554	386	362	357	283
Term (yrs)	12.5	10.0	10.0	12.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Optional Call (yrs)	7	6	5	6	6	5	5	5	5	5	5	5	5

Data Source: Milliman M-PIRe, Bloomberg, DBRSMorningstar, Moody's.

2. Several PMIs have reinsurance programs that cover a portion of the risk in their ILNs. The co-participation field refers specifically to transactions in which reinsurers are offered a portion of the reference pool risk in a structure consistent with the capital markets (i.e., similar to the Freddie Mac STACR/ACIS-linked transactions).

Figure 21 displays coverage attachment and detachment points along with the WA spreads for the transactions

FIGURE 21: RECENT PMI CAPITAL MARKETS ILN TRANSACTIONS (BARS: CEDED RISK, LINE: WA SPREAD)



Data Source: Milliman M-PIRe, Bloomberg, DBRS Morningstar, Moody's.

Summary statistics of the reference pools are provided in Figure 30.

FIGURE 22: RECENT PMI CAPITAL MARKETS ILN TRANSACTIONS, REFERENCE POOL CHARACTERISTICS

	Arch BMIR 22-1	MGIC HMIR 22-1	Essent RMIR 22-1	Arch BMIR 22-2	Essent RMIR 23-1	Radian EMIR 23-1	MGIC HMIR 23-1	Arch BMIR 23-1	Enact TMIR 23-1	Arch BMIR 24-1	Essent RMIR 24-1	Arch BMIR 25-1	MGIC HMIR 26-1
Number of Loans (K)	119	219	152	153	134	131	202	99	149	92	121	153	272
UPB (\$B)	37.3	64.2	53.0	51.7	48.5	43.0	66.1	32.4	51.4	30.4	44.2	54.2	87.0
RIF (\$B)	6.3	11.8	9.3	9.0	8.7	8.8	9.1	6.2	7.9	5.8	8.5	7.1	9.7
WA Coupon (%)	3.05	3.11	4.16	4.02	6.12	5.41	5.90	6.38	6.10	6.94	6.95	6.58	5.98
WA FICO	750	749	747	753	745	746	750	751	748	751	745	759	753
WA LTV (%)	91.8	92.2	92.5	92.2	93.0	92.1	92.3	92.3	92.1	92.2	93.4	91.7	92.7
WA DTI (%)	36.3	35.7	37.6	36.8	40.2	39.1	38.3	38.7	39.8	39.5	41.4	38.9	38.6

Data Source: Milliman M-PIRe, Bloomberg, DBRS Morningstar, Moody's.

Appendix: Additional excerpts from 1Q 2026 earnings calls

CREDIT SCORE MODERNIZATION (VANTAGESCORE 4.0/FICO 10T)

FHFA announced advances in credit score modernization in late April, confirming that the GSEs are moving forward with VantageScore 4.0 and FICO Score 10T. Insurers have expressed support and operational readiness, while signaling that pricing and PMIERS treatment are pending further guidance from the GSEs.

ENACT

Q - Bose George

Okay, great. Thanks. And then actually switching over to the VantageScore rollout. Actually, a couple of things there. One, since PMIERS incorporates FICO into setting your capital standards, does PMIERS have to be revisited as part of this whole process as well? And then how do you, when you're sort of providing mortgage insurance, make the adjustments since, I guess FICO is kind of the key driver for you guys as well, I would think.

A - Rohit Gupta

Good morning Bose, this is Rohit. Thank you for the question. Absolutely. As you mentioned that PMIERS on classic FICO is a foundation of how we think about one of the pricing regimes that govern our return. So, just given that fact, as we think about Vantage, I first want to say that, as I said in my prepared remarks, we are fully supportive of initiatives that qualify more home-ready consumers to prudently get into homes. And from an implementation perspective, we have been working very constructively with FHFA and the GSEs to be operationally ready, and we stand ready today to operationally implement VantageScore 4.0.

As we think about the next step, I think it's items like PMIERS, where we just need further guidance, and we are waiting for GSEs to provide that guidance, and look forward to actually serving the market as that becomes available. And our broader mindset, as we have talked about our risk appetite and the way we price, is to always have this principle of charging the right price for the right risk at a very granular level.

So, aligned with that intent, as we get PMIERS for VantageScore 4.0, we would basically take that PMIERS guidance and incorporate that into our return calculation for loan cohorts across our Rate 360 engine, and that would generate pricing for a VantageScore loan versus a classic FICO loan. And down the road, as FICO 10T gets rolled out, our mindset would be the same. So, essentially, the intent here is to support these initiatives, but at the same time, charge the right price for the right risk across any score that is coming to us from lenders.

MGIC

A - Timothy Mattke

Housing affordability remains a challenge for many prospective homebuyers. Private mortgage insurance plays a critical role in supporting housing affordability by enabling low down payment borrowers to enter the market and achieve homeownership sooner.

We remain actively engaged in industry discussions and regularly advocate for responsible policy solutions that improve affordability. Last week, FHFA announced advances in credit score modernization and that the GSEs are moving forward with VantageScore 4.0 and FICO Score 10T with the intent of lowering costs for borrowers. We are fully supportive of these credit score modernization advances and are actively working with the GSEs, lenders, and their technology partners to operationalize these changes.

REFINANCE ACTIVITY IN 1Q 2026

Mortgage rates touched a multi-year low of 5.99% in late February before backing up to approximately 6.5% by the time of the calls, producing a Q1 refi spike followed by a March/April pullback. Insurers described a dynamic in which post-COVID vintages with higher note rates and lower embedded equity drove the lapse activity while pre-2022 books remained persistent, and several noted that MI penetration in refinance activity has risen as borrowers are less frequently able to refinance into an 80% or less LTV loan due to lower recent house price appreciation.

NMI**Q - Richard Shane**

Hey, guys. Thanks for taking my question. I apologize. I've got a few things going on here. But look, we—first quarter and we talked about this a lot with the consumer finance names. First quarter was sort of a tale of two quarters and I would describe we had January and February pre-run where now March and April, we have two months post. I am curious how that, sort of, impacted the contours of your quarter in terms of volume, and also curious if you saw anything else that we should be aware of.

A - Adam Pollitzer

Yeah, Rick. It's a good question. I think confidence obviously plays an important role in the consumer decision to purchase a home, right. For most borrowers, it's the single largest item that they'll ever—asset that they'll ever own. And not only do you need to be at a point in life where it makes sense in terms of family dynamics, and want to put down roots in a community, and know where your kids are going to go to school, and all these life events. And not only does the math have to pencil out from an affordability and a value standpoint, but you have to feel confident to make such a significant leap.

So, that does play a role in it, but even more important is the arc of interest rates. And so, it happens to be that the period you've talked about—January and February—we saw a continued rally in rates, and we touched towards the end of February, a multiyear low with a 5.99% rate. And even though it's just a touch below 6%, I think the psychological value of seeing a rate with a five-handle on it is really powerful. And since then rates have sold off, and I think today we closed something close to 6.5% on the 30-year fixed-rate mortgage. And so, we're seeing some of that come through. Where that hits most specifically is on the pace of refinancing activity.

So, the first quarter was a strong quarter for purchase volume. It was an even stronger quarter from a refinancing volume standpoint. And we've seen some of that begin to slow just as rates have moved somewhat higher, right? Fifty basis points is a pretty significant move. I think that's going to be a much more significant driver than the psychology and confidence that comes around what's happening in the Middle East.

MGIC**Q - Mihir Bhatia**

Got it. And then, just along those lines, too, as you mentioned, the refinances have ticked up. I think it's, like, up to 21% of NIW. But your premium rate, I think, is steady—that's the outlook you're calling for, and persistency has stayed elevated. Can you just talk a little bit about that? Like, I think your refinance share of NIW has gone from like 6% to 20%, but persistency is basically 84%, 85% still. So just what's driving that dynamic and where would persistency rate stay at around these levels?

A - Nathaniel Colson

Yes. Mihir. It's Nathan, again. There was a slight decline in the persistency rate during the quarter, and again, this is an annual measure. And refinance activity was a little elevated in the fourth quarter, but we've seen that taper off since then. So if refinance activity remained at the 20% level of NIW, I do think that would work its way into the premium yield that we're seeing and persistency would continue to tick down.

I think if you—if we look at what we would term the persistency run rate, which would be just looking at the quarterly activity, it was closer to 80% than 84%. But our expectations now with rates where they are today, more in that 6.25% to 6.5%, we are seeing a fall-off in refinance activity, and that's more of the expectations that we were calling out in terms of, maybe, a slightly larger purchase market, but that a lot of the refinance activity for the year may be behind us.

If that's not correct, if rates do go down and there's a lot of refinance activity, then I think you'd see lower persistency, higher NIW, and, potentially, depending on how much volume it was and which loans were refinancing. You could see, maybe, slight headwinds to the in-force premium yield. But I think our expectations are more for rates in and around the area that they are now, and for moderation and refinance activity in the second quarter and the second half of the year.

ENACT**Q - Richard Shane**

Hey, guys. Thanks for taking my questions this morning. Look, we've had in the past couple quarters a few windows of lower rates. And obviously, at some point, we all expect rates to fall, although that seems to be getting pushed out. I'm curious what insights you can gather from those windows in terms of what we should anticipate for activity. Obviously, we see refs pick up, but I'm curious how that impacts the risk within the portfolio. Are there certain cohorts, either that are riskier or less risky, that are refinancing at faster rates during those windows? And what types of purchase loans are you seeing? Are they in, sort of, your risk spectrum? I'm curious to think about what we might see going forward when we get into a real lower-rate environment.

A - Rohit Gupta

Sure, Rick. Good morning. This is Rohit. I'll get started, and then Dean will chime in in terms of adding color.

So, I would say very good point in terms of we have had few refi windows, as he called it, in the market, and those refi windows, although they were short, they've given us insights into our borrower behavior and lender behavior that has worked in the last six, seven months. I would say these windows have primarily been in timeframes when the purchase market just seasonally is not expected to be super large because that's not when people are planning to buy homes. So, we have seen, obviously, more reaction from the refinance part of the market.

And what I would, kind of, share with you is the activity has been very much in line with expectations, that the books that were more in-the-money during those windows. So, you would expect post 2022 mid-year books to be more in the money when rates fall because July 2022 onwards, we've had higher rates. So, consumers who originated their loans in that high-rate environment are more likely to refinance when the rates come down to closer to that 6% level. So, that's exactly what we have seen both in Q4 and in Q1. That when rates come to that level, we basically see consumers—lenders, and consumers—take advantage of those short refi opportunities to get into a better economic condition.

And I would say the impact on lapse has been on those books. So, '23 book, 2024 book have been the ones that actually see more lapses from a risk attribute perspective. As we mentioned earlier, those books do have more purchase activity originally, but slightly higher LTVs, slightly more great cycles, and slightly higher debt to income. So, as refi activity happens, obviously, that composition changes.

One upside that we see in this business cycle is, normally, of a refinance penetration in the market is about 4% of every hundred loans that go in the market. Given the fact that some of these books have lower embedded equity, when consumers are refinancing a good number of times, those consumers are not below 80 LTV. So, as a result, they end up refinancing back into MI. So we have seen MI penetration go from that 4% number closer to 6% to 7%, and we see a boost in MI market, even coming through the refinance portion of the market.

CREDIT NORMALIZATION CONTINUES

Insurers messaged a measured pace of credit normalization. Analysts probed all six insurers on whether emerging macro headwinds—gas prices, tariffs, and the Iran conflict—are showing through in borrower behavior. Insurers messaged that a rise in unemployment—which has not materialized—would be a key driver and the embedded equity buffer remaining the dominant credit mitigant.

MGIC**Q - Terry Ma**

Hey. Thank you. Good morning. I just want to start with credit, any color you can provide on, kind of, the trends you saw this quarter, the default rate was—I think it was up one basis point quarter-over-quarter, versus the normal seasonality of down. So just curious, if you can, kind of, provide any color there?

A - Nathaniel Colson

Yes, Terry. It's Nathan. Thanks for the question. It is something that we looked into quite a bit this quarter. And while I think broad-based didn't see as much, maybe, seasonal benefit as we have in recent years in the first quarter, there were a couple of unique items that we identified just relative to the timing within the month that certain large servicers provide their delinquency information. So, as a practical matter, we get delinquency reporting beginning on the 16th of the month for loans that have two missed payments.

So the earlier in the month that servicers report, the more new notices they are likely to report just because those borrowers have had only 16 days in the month to make a payment. We had a couple of servicers that gave us reporting earlier in March than they had in prior periods, so that may have accelerated, or may have increased a little bit, the amount of new notices, and decreased the cures that we have seen. From—we don't have full April information yet—but from what we have seen so far in April, those trends look pretty favorable and more in line with what we would have expected.

So, I think time will ultimately tell, but it did seem like there were a couple, maybe, unique items in the quarter. But at the end of the day, long-term cure rates still are very attractive and haven't shown much sign of slowing down, which has led to us to consistently releasing reserves and having favorable development. So all-in-all, I think the credit picture is still quite favorable.

Q - Terry Ma

Got it. That's helpful. And then, I guess, as a follow-up, would the servicer reporting issue also, kind of, impact roll rates? Because as I look at those between the buckets, those are also a little bit worse on a year-over-year basis, and then, maybe, just taking a step back, any commentary on how you're thinking about just the level of gas and energy prices, how it may, kind of, impact your borrowers? Thank you.

A - Nathaniel Colson

Yes, Terry. It's Nathan, I'll take those. I think certainly the same reporting for new delinquencies that I talked about is also the reporting for cure activity on previously reported items, so that could definitely have an impact. We are coming off historically good levels, especially for long-term cure rates. So we've always expected some normalization, that may be happening to some degree.

But even post the COVID crisis, we have noticed that earlier period cure rates—one month, three months, six months—are little—are running at lower levels than we saw pre-COVID, but that later stage cure rates—12-months, 18, 24—are much better, which is ultimately leading to a lot of that favorable development that I mentioned, but the servicer reporting timing does impact both new notices and cures. Relative to energy prices, and just general price levels, and the impact on consumers and on borrowers that we insure, I think any macroeconomic headwind is something that we're conscious of, and something that we think a lot about. To date, I don't think we've seen a lot of direct impact.

Certainly, the power of interest rates—we saw that with refinance activity, more than 20% of our NIW with rates still not meaningfully below 6%. So, I do think that rates drive activity and behavior in our space a lot more than, maybe, higher prices for certain goods. But it's certainly something that we'll actively monitor. The rate of unemployment is a key factor for us, but wage growth has still been strong, and nominal GDP continues to be running very—excuse me—very high.

So, those are offsetting factors. But, again, always an uncertain macroeconomic environment and something that we try to maintain both from a credit policy perspective, underwriting perspective, and a balance sheet and capital position, that we have flexibility to react to whatever the macroeconomic environment is that comes next.

NMI

Q - Terry Ma

Hey, thank you. Good evening. Maybe just a follow-up on credit. Anything, kind of, notable to, kind of, call out, either within the vintages or regionally, that you're, kind of, seeing? And then, just overall, how are you thinking about the macro-environment on just the consumer with higher energy prices?

A - Adam Pollitzer

Yeah, maybe I'll take them in reverse order because I think probably useful to talk about the big picture and then to talk about anything that stood out in the quarter. I'd say we've been—we use this phrase “encourage,” right, across-the-board, but we've really been encouraged by the broad resiliency that we've seen in the housing market and the economy for a while now.

I think headline unemployment is still low, consumers are still spending, businesses are continuing to make significant investments, equity market continues to set new highs, and I think we've got a little bit of stimulus coming in just in the form of larger tax refunds under the One Big Beautiful Bill Act. But real risks do remain, right? The labor market continues to show some signs of strain with the slowdown in hiring activity. Confidence is certainly down on the consumer side.

And, sort of, getting to what you've touched on, I think the conflict in the Middle East has certainly added a new dimension to things. But I think the approach that we've generally been taking—taken all along—is to plan for the possibility that stress could emerge. And if it doesn't, we'll be happy to have planned and protected nonetheless. And I think we're in the point now of being happy, right? Being happy to have built our business with an eye towards discipline and long-term risk responsibility to make sure that we can continue to perform through all cycles. But right now, when we look at the backdrop, it's still a broadly encouraging one.

And in terms of the impact specifically from higher gas prices, I mentioned that the conflict in Iran has added a new dimension. But in terms of gas prices themselves, we really don't expect to see a notable impact. If you parse through all of the data, although oil prices are up dramatically and there is real impact for certain households, they're still below actually where they were in 2022 at the onset of the war in Ukraine. And on an inflation-adjusted basis, they're still below where they were in the late 2000s, early 2010s.

Gas today accounts for roughly 3% of household expenditures. And so, when you put all of that together, while there will certainly be pockets of the market that are impacted, and it will have an impact, perhaps, on broad consumer behavior, we don't really expect to see anything of consequence come through in our default activity or claims experience, again, in isolation related to gas prices.

As to the second question, as to whether or not there's anything that we would call out in the default population, nothing new at all, I would say, in terms of borrower risk or geographic concentrations that emerged in Q1 compared to where they've been. All the same trends that we've seen for a while, which is a little more strain in higher-risk cohorts, right? More default concentration in the geographies that we've had in focus for a while now, like Florida and Texas, and just this natural movement that Aurora mentioned in terms of the vintage composition, right? With an incremental portion of our defaults now tracing to '22, '23, '24, but none of this is new. It's just a continuation of the themes that we've been talking about and seeing for a while now.

ESSENT**Q - Bose George**

Hey, good morning, everyone. Actually, first, can we just talk about, just, your updated thoughts on what you're seeing in terms of consumer credit, any signs of early weak—early signs of weakness on higher gasoline prices, or, just, things you're keeping an eye on?

A - Mark Casale

Hey, Bose. It's Mark. I would say right now, we are not seeing any real, kind of, cracks. You're seeing it a little bit in the lower-end consumer, right? I mean, take a peek at the FHA delinquencies. But keep in mind our book—much higher FICO, so, kind of, 747 average FICO, average income \$130,000 per household. So, these are the consumers that are really driving the economy, the upper-end consumer, along with significant AI spending. So, we're not seeing it.

And clearly, we look at it. And when you think about, like, our defaults have gone up, take a step back and really look at just the seasoning of the book. Those 39 months, I believe the book is seasoned, peak default is 36 to 60. So, you're seeing there is really a normalization of the credit. We're not really seeing an acceleration of that. Again, it's roughly 20,000 defaults, and the book is not really growing in terms of policy. So, I would say the consumer is looking really good. And we're not really even seeing anything if I look at different geographies, I look at lenders, if you look at servicers, right? That's an important thing to look at when things start to bend a little bit. So, no. I would say, in general, we think the consumer is in good shape. You mentioned inflation. Again, that's much more likely to hit the lower-end consumer. So, certainly something we're watching.

ENACT**Q - Mihir Bhatia**

Good morning, Rohit and Dean. Thank you for taking my question. I wanted to start with just on credit and the delinquency rate expectations going forward. Just any comments on that, just how you expect the delinquency rate to trend? Is there upward pressure from portfolio seasoning, etc? Just things we should be keeping in mind as we build our models and think about the credit outlook.

A - Dean Mitchell

Yeah. Mihir, it's Dean again. Thanks for the question. A very good question. I think in terms of the delinquency rate, it's a little bit hard to project. There's a lot that goes into that. It's going to be dependent upon, of course, the macroeconomic environment and changes in its potential trajectory would have a meaningful impact on delq rate, but it also is impacted by things like NIW levels. So, to the extent we write more new insurance written, that could suppress what would otherwise be the delq rate.

And then, of course, it's impacted by claim timing. And as we've seen this quarter and we've seen in prior quarters, that's been de minimis to date. I think that makes it difficult to predict with precision. At the same time, and trying to be responsive to your question, I think, given some of the aging that we're seeing in the newer purchase-heavy books, those books having slightly higher risk attributes, LTV, DTI, and a little bit lower FICO, I think it's reasonable to expect the delinquency rate could tick up from the Q1 levels.

Again, got to be caveated with all things being equal, macroeconomic, NIW claims, and etc. But I think it could tick up from the 2.6 that you see in the first quarter.

RISING NEW-NOTICE SEVERITY AND RESERVE-PER-NOD DRIVEN BY VINTAGE MIX

Average claim severity and reserve per default are rising; multiple insurers stated that this reflects the larger loan balances and reduced embedded HPA characteristic of the post-COVID vintages now flowing into default—not a deterioration in credit assumptions or frequency.

MGIC

Q - Mihir Bhatia

Got it. And then I'll just ask one last question and jump back in queue. But in terms of new notice severity, it has increased a little bit sequentially. Just wanted to check, are you seeing any regional- or vintage-specific pressures? Maybe also just talk a little bit about early performance of the '24 through '26 vintages. Anything you're seeing in there that makes you pause?

A - Nathaniel Colson

Yes. It's Nathan. I mean, the number one driver of our new notice severity assumption is the exposure, the risk associated with the new delinquencies. And as we've gotten less new delinquencies on a relative basis, relatively less delinquencies from the 2008 and prior vintages at lower loan amounts, and more from the 2023, '24, starting in 2025, that much higher loan amounts, it's just the average loan size, and thus the average exposure is higher. So, I think the changing vintage mix, just moving closer to today's values is far and away the driver of that increase, versus anything you'd see, maybe, regionally, or anything that we're seeing or changing from an assumption standpoint.

RADIAN

Q - Mihir Bhatia

Okay. And then, just, on the MI business, the claim severity has been increasing quite a bit. Just, any comments on, just, the driver and where you expect that to settle out?

A - Dan Kobell

Yeah. So on claim severity, we have seen that trend higher over the last several years and several quarters. I think what you see there is a couple of factors. One, you see more new loans that are, kind of, working their way into the default inventory, and working their way to claim. And those newer loans just have higher loan balances, higher risk in-force on a per policy basis. You also see a little bit of a change in mix of—in terms of the claims that are being paid and the mitigation benefits based on home price appreciation. Some of that has started to fluctuate and, kind of, decline a little bit over time. Still very favorable to what we would expect.

Typical severity pre-COVID was, kind of, 100% or above, and we're, kind of, in the 80% range. So, still see that favorable to our expectations, just a little bit of a fluctuation for those two factors that I mentioned.

NMI**Q - Mihir Bhatia**

Hey, good afternoon. Thanks for taking my question, Adam. I wanted to go back to the credit discussion a little bit. Maybe just on credit losses, in-period losses, in particular. I think they were up pretty materially, like, \$13 million year-over-year versus new notices up being 300. It sounded like you didn't change any assumptions. Maybe just talk a little bit about that. Is that just, like, that extra \$13 million was just from the 300 new notices?

A - Adam Pollitzer

No, it's going to be—it's going to be a combination of things. So, one, the environment is never static. And so, when we're going through, we're not applying a blanket homogeneous assumption around frequency or severity. We're actually going out and modeling each individual default, and where those defaults sit at the time that we're closing the books. So an estimation of the mark-to-market LTV, for example, of that loan. So we've got, just—there's a different set of actual experiences that go into how we're marking each of those defaults at a given point in time.

The default composition themselves, we've talked about this idea of normalizing. So if you rewind a year, there would have been fewer defaults in the overall population a year ago that trades to the post-COVID population, the '22, '23, '24, '25, for example, nothing in the—from the 2025 year. And now that more of those are coming through, they're broadly similar to the loans that have experienced default in prior periods, with the one big differential being the mark-to-market LTV position is higher because those are loans that, while they were originated in a constructive environment, didn't get the benefit of the record run of house price appreciation through the pandemic. And that has a big impact on our expectation for ultimate claim outcomes from initial default. So, that will factor through. And the other one is that over time, as we're seeing house prices continue to move higher, loan sizes themselves move higher, that the average-risk exposure—the average-risk in-force for each defaulted loan can grow a bit, and that will contribute to a different reserve per NOD that we're establishing. So it's, kind of, all of those together will drive the differences, plus, as you noted, there's a larger number of notices that we reserve for.

Q - Mihir Bhatia

Okay. And then is that the same, like, I guess, is this the mix and the mark-to-market of the loss? Is that what's also driving the reserve per default assumption higher? Or, like, I'm just trying to understand because, obviously, you released \$26 million of prior-period reserves, but the reserve per default is moving higher. Is that just the same thing that's driving that out?

A - Aurora Swithenbank

Yes, I'm sorry. It is moving nominally higher. So, if you look at our entire—I referenced the new NODs earlier. If you look at our entire population of NODs, it's 26,000 around about 300 is the average reserve, which is up approximately 2% quarter-over-quarter. And if you look at what's driving that change, it really is the larger loan size of the loans that are in default.

ARCH**Q - Ryan Tunis**

Okay. And then just a follow-up for Francois. Underlying loss ratio and the mortgage insurance segment looked a little elevated. Nothing really stood out to me, maybe a little bit higher reserve per default. Not sure if that's seasonal, but how should we interpret, yeah, that loss ratio we saw this quarter?

A - Francois Morin

Yeah. Definitely some of it is a result of the change or the growth in the average mortgage that goes into NOD. So if you think of the loans that are currently going in NOD this quarter are more—from more recent vintage years, and post-COVID effectively, right. And that's when your mortgage loans were up in size. So, as you look at the, you know, frequency assumptions have not changed, they've been flat for us the last couple of years, I want to say. But the math behind the reserve levels is such that we apply the frequency with severity per loan, and the severity has—remains stable. But it's the average size of the loan that's hitting the loss ratio.

So, I think it's a little bit, kind of like an evolving kind of thing within the loss ratios. I think it's—for mortgage, it's gone up a little bit, but still very much within what we would expect it to be..

DIVERSIFICATION BEYOND CORE MI

Non-MI activity is being increasingly discussed for some of the insurers. Radian's closing of the Inigo specialty insurance acquisition in early February and Essent Re's casualty/specialty quota share are two examples of an increasing shift towards diversification given limited organic growth in core MI.

RADIAN

Q - Mihir Bhatia

Yeah. And then just my last question, and I'll jump back in queue. Just obviously, on the specialty insurance side. So, I think a lot of us are still learning it, but we've heard a lot about softening of the pricing environment. Can you just talk about where you're seeing the most pressure how—and how you're adjusting underwriting risk, returns, and where you're doing maybe just allocating capital there? Thank you.

A - Rick Thornberry

Yeah. Thank you for the question. I think, a key point of this business is all about managing, kind of, through-the-cycle, both softening markets and hardening markets. So, I think, we've certainly seen, and we expected through our M&A due-diligence, kind of, the markets to soften. And as we come into 2026, that expectation has been consistent or, at least, the softening market has been consistent with our expectation.

So, I think as we go through and as we did our due-diligence, we spent a great deal of time with the team, kind of, walking through their approach and process for that. And, really, we're impressed by not only their track records, kind of, going through multiple cycles, but just their whole philosophy and discipline about how they think about growth, value-creation, and profitability. So, cycle management is a fundamental skill in this business, and financial discipline is critically important. So, we—I think it's important to note too that as you hear general comments about softening of market, there's still opportunities that—that can be identified. But it's also important to remember that pricing is coming off fairly high levels after the last five years.

And so we see rate adequacy is still very good in many areas, even with the pullback in pricing. But our focus is on managing the cycle well by remaining disciplined, by remaining agile and flexible and continuing to look for relative value and leveraging the data analytics that we have, not to mention our strong customer relationship. So, I think with our priority being profitability as opposed to any particular revenue growth target, we see the team working with that discipline.

And I think there are similarities to how we think and talk about our MI business where we leverage data analytics, strong underwriting with a focus on profitability and economic value to really identify the opportunities to allocate capital too, and construct our portfolio accordingly. The interesting thing, and the nice thing about the specialty business, is that there is product diversification across the business, which gives you a greater opportunity and a broader lens to, kind of, identify those opportunities and allocate capital where we see the highest risk-adjusted return.

ESSENT**Mark Casale**

On the Essent REIT front, we expanded our P&C reinsurance platform in the first quarter. Our Lloyd's program will generate approximately \$120 million of written premium in 2026 against a \$50 million deposit at returns comparable to our MI business. During the first quarter, we also executed a whole account quota-share covering Essent's casualty and specialty book, which will generate approximately \$200 million of written premium in 2026. Combined, we expect that the near-term earnings impact will be immaterial, while over the longer term, growing income and the capital benefits of rating agency diversification will be key drivers in generating shareholder value.

...

Q - Geoffrey Dunn

Thanks. I think you just said you do it offline, but I was going to ask you if you could break down the loss ratio in the reinsurance business between the P&C and the mortgage business.

A - Mark Casale

Yeah. The loss—I mean, we'll break it off offline, but, high level, the loss ratio on mortgage is basically zero. So, most of the losses are flowing through. I think from a modeling perspective, Geoff, I would look at mid to high 90s for the P&C together, right? It's Lloyd's and Quota Share, but to mix it together, it's mostly—I would say the majority of it is specialty and casualty. There's a little property in there from Lloyd's, but it's D&F, it's not property cat. So the Lloyd's combined ratio will probably be mid-90s, but the Quota Share is probably in the higher 90s.

So, it will, kind of, balance out. The key there is, like—and again for a company that writes at 35% combined ratio, we were—it was definitely an adjustment for us to write at those higher levels, but there's a different leverage, right? So, there's a lot more premium leverage within P&C. And clearly, when rates went up a couple of years ago, that really—the asset leverage in P&C makes a lot more sense. And we're fortunate that we have the franchise in Essent Re to do it. And just the way the S&P Capital model works, Geoff, as you know, I mean, I think our AAA excess that we write to is something on the order of \$800 million and, like, \$50 million. So, for us to write \$200 million is really no additional capital, and it probably helps us from a capital diversification rate.

So, it's not like we're taking capital from repurchases and putting it into P&C. It's really we're kind of double-levering the capital bit within Essent Re, which is—which will be, over time, accretive to earnings.

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