

MGIC INVESTMENT CORP
Form DEF 14A
March 26, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

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

MGIC INVESTMENT CORPORATION
(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:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

MGIC
Investment
Corporation
Notice
of 2012
Annual
Meeting
and
Proxy
Statement

MGIC Investment Corporation

March 26, 2012

Dear Shareholder:

It is my pleasure to invite you to attend our Annual Meeting of Shareholders to be held on Thursday, April 26, 2012, in the Bradley Pavilion of the Marcus Center for the Performing Arts in Milwaukee, Wisconsin.

At our meeting this year, we will ask shareholders to:

- elect five directors,
- approve an amendment to our Articles of Incorporation to increase our authorized Common Stock from 460,000,000 shares to 680,000,000 shares,
- conduct an advisory vote to approve our executive compensation, and
- ratify for 2012 the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm.

We will also report on our business.

Your vote is important. Even if you plan to attend the meeting, we encourage you to vote as soon as possible. You may vote by telephone, over the Internet or by mail. Please read our proxy statement for more information about our meeting and the voting process.

Our Annual Report to Shareholders, which follows the proxy statement in this booklet, is a separate report and is not part of this proxy statement.

Sincerely,

2011
Annual
Report
to
Shareholders

Curt S. Culver
Chairman and
Chief Executive Officer

IMPORTANT VOTING INFORMATION

If you hold your shares in “street name,” meaning your shares are held in a stock brokerage account or by a bank or other nominee, you will have received a voting instruction form from that nominee containing instructions that you must follow in order for your shares to be voted. If you do not transmit your voting instructions before the Annual Meeting, your nominee can vote on your behalf on only the matter considered to be routine, which is the ratification of the appointment of our independent registered public accounting firm.

The following matters are NOT considered routine: election of directors, approval of an amendment to our Articles of Incorporation to increase our authorized Common Stock, and the advisory vote to approve our executive compensation. Your nominee is not permitted to vote on your behalf on such matters unless you provide specific instructions by following the instructions from your nominee about voting your shares and by completing and returning the voting instruction form. For your vote to be counted on such matters, you will need to communicate your voting decisions to your bank, broker or other nominee before the date of the Annual Meeting.

Your Participation in Voting the Shares You Own is Important

Voting your shares is important to ensure that you have a say in the governance of your company and to fulfill the objectives of the majority voting standard that we apply in the election of directors. Please review the proxy materials and follow the relevant instructions to vote your shares. We hope you will exercise your rights and fully participate as a shareholder in the future of MGIC Investment Corporation.

More Information is Available

If you have any questions about the proxy voting process, please contact the bank, broker or other nominee through which you hold your shares. The SEC also has a website (www.sec.gov/spotlight/proxymatters.shtml) with more information about voting at annual meetings. Additionally, you may contact our Investor Relations personnel at (414) 347-6480.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 26, 2012

Our proxy statement and 2011 Annual Report to Shareholders are available at <http://mtg.mgic.com/proxyinfo>. Your vote is very important. Whether or not you plan to attend the Annual Meeting, we hope you will vote as soon as possible. You may vote your shares via a toll-free telephone number, over the Internet, or by completing, signing, dating and returning your proxy card or voting instruction form in the pre-addressed envelope provided. No postage is required if your proxy card or voting instruction form is mailed in the United States. If you attend the meeting, you may vote in person, even if you have previously voted by telephone, over the Internet or by mailing your proxy card. If you hold your shares through an account with a brokerage firm, bank or other nominee, please follow the instructions you receive from them to vote your shares.

MGIC INVESTMENT CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 26, 2012

To Our Shareholders:

The Annual Meeting of Shareholders of MGIC Investment Corporation will be held in the Bradley Pavilion of the Marcus Center for the Performing Arts, 929 North Water Street, Milwaukee, Wisconsin, on April 26, 2012, at 9:00 a.m., to vote on the following matters:

- (1) Election of the five directors named in the proxy statement, each for a one-year term;
- (2) Approval of an amendment to our Articles of Incorporation to increase our authorized Common Stock from 460,000,000 shares to 680,000,000 shares;
- (3) An advisory vote to approve our executive compensation;
- (4) Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2012; and
- (5) Any other matters that properly come before the meeting.

Only shareholders of record at the close of business on March 2, 2012, will be entitled to vote at the Annual Meeting and any postponement or adjournment of the meeting.

By Order of the Board of Directors

Jeffrey H. Lane, Secretary
March 26, 2012

YOUR VOTE IS IMPORTANT
PLEASE PROMPTLY VOTE VIA TOLL-FREE TELEPHONE NUMBER, OVER THE
INTERNET OR BY COMPLETING, SIGNING, DATING AND RETURNING
YOUR PROXY CARD OR VOTING INSTRUCTION FORM

MGIC INVESTMENT CORPORATION
PROXY STATEMENT
TABLE OF CONTENTS

ABOUT THE MEETING AND PROXY MATERIALS	1
<u>What is the purpose of the Annual Meeting?</u>	1
<u>Who is entitled to vote at the meeting?</u>	1
<u>What is a proxy?</u>	1
<u>How do I vote my shares?</u>	1
<u>Can I change my vote after I return my proxy card?</u>	2
<u>How are the votes counted?</u>	2
<u>What are the Board's recommendations?</u>	3
<u>Will any other items be acted upon at the Annual Meeting?</u>	3
<u>What are the deadlines for submission of shareholder proposals for the next Annual Meeting?</u>	3
<u>Who pays to prepare, mail and solicit the proxies?</u>	3
<u>STOCK OWNERSHIP</u>	3
<u>ITEM 1 – ELECTION OF DIRECTORS</u>	4
<u>Shareholder Vote Required</u>	5
<u>Information About Our Directors</u>	5
<u>CORPORATE GOVERNANCE AND BOARD MATTERS</u>	11
<u>Corporate Governance Guidelines and Code of Business Conduct</u>	11
<u>Director Independence</u>	11
<u>Board Leadership</u>	12
<u>Communicating with the Board</u>	13
<u>Board Attendance</u>	13
<u>Committees</u>	13

<u>Audit Committee</u>	14
<u>Audit Committee Report</u>	14
<u>Management Development, Nominating and Governance Committee</u>	14
<u>Risk Management Committee</u>	15
<u>Securities Investment Committee</u>	15
<u>Executive Committee</u>	16
<u>Board Oversight of Risk</u>	16
<u>COMPENSATION OF DIRECTORS</u>	16
<u>2011 Director Compensation</u>	18

Table of Contents

<u>ITEM 2 – APPROVAL OF AN AMENDMENT TO OUR ARTICLES OF INCORPORATION TO INCREASE OUR AUTHORIZED COMMON STOCK</u>	19
<u>Shareholder Vote Required</u>	20
<u>ITEM 3 – ADVISORY VOTE TO APPROVE OUR EXECUTIVE COMPENSATION</u>	20
<u>Shareholder Vote Required</u>	20
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	21
<u>Executive Summary</u>	21
<u>Objectives of our Executive Compensation Program</u>	23
<u>Impact of Stock Price on Value of Restricted Stock and Stock Options</u>	25
<u>Benchmarking</u>	26
<u>Our 2011 Executive Compensation</u>	27
<u>Other Aspects of Our Executive Compensation Program</u>	32
<u>No Stock Option Repricing</u>	33
<u>“Clawback” Policy</u>	34
<u>Independent Compensation Consultant</u>	34
<u>Other Aspects of Our Compensation Practices</u>	34
<u>Appendix</u>	34
<u>Compensation Committee Report</u>	36
<u>COMPENSATION AND RELATED TABLES</u>	38
<u>Summary Compensation Table</u>	38
<u>Annual Bonus</u>	39
<u>2011 Grants Of Plan-Based Awards</u>	40
<u>Outstanding Equity Awards At 2011 Fiscal Year-End</u>	41
<u>2011 Option Exercises And Stock Vested</u>	42
<u>Pension Benefits At 2011 Fiscal Year-End</u>	43

<u>Potential Payments Upon Termination or Change-in-Control</u>	45
<u>OTHER MATTERS</u>	48
<u>Related Person Transactions</u>	48
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	48
<u>ITEM 4 – RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	48
<u>Audit and Other Fees</u>	49
<u>Shareholder Vote Required</u>	49
<u>HOUSEHOLDING</u>	50

Table of Contents

MGIC Investment Corporation
P.O. Box 488
MGIC Plaza, 250 East Kilbourn Avenue
Milwaukee, WI 53201

Proxy Statement

Our Board of Directors is soliciting proxies for the Annual Meeting of Shareholders to be held at 9:00 a.m., Thursday, April 26, 2012, in the Bradley Pavilion of the Marcus Center for the Performing Arts, 929 North Water Street, Milwaukee, Wisconsin, and at any postponement or adjournment of the meeting. In this proxy statement we sometimes refer to MGIC Investment Corporation as “the Company,” “we” or “us.” This proxy statement and the enclosed form of proxy are being mailed to shareholders beginning on March 26, 2012. Our Annual Report to Shareholders for the year ended December 31, 2011, which follows the proxy statement in this booklet, is a separate report and is not part of this proxy statement. If you have any questions about attending our Annual Meeting, you can call our Investor Relations personnel at (414) 347-6480.

ABOUT THE MEETING AND PROXY MATERIALS

What is the purpose of the Annual Meeting?

At our Annual Meeting, shareholders will act on the matters outlined in our notice of meeting preceding the Table of Contents, including the election of the five directors named in the proxy statement, approval of an amendment to our Articles of Incorporation to increase our authorized Common Stock from 460,000,000 shares to 680,000,000 shares, an advisory vote to approve our executive compensation and ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2012. In addition, management will report on our performance during the last year and, after the meeting, respond to questions from shareholders.

Who is entitled to vote at the meeting?

Only shareholders of record at the close of business on March 2, 2012, the record date for the meeting, are entitled to receive notice of and to participate in the Annual Meeting. For each share of Common Stock that you held on that date, you are entitled to one vote on each matter considered at the meeting. On the record date, 202,030,282 shares of Common Stock were outstanding and entitled to vote.

What is a proxy?

A proxy is another person you legally designate to vote your shares. If you designate someone as your proxy in a written document, that document is also called a proxy or a proxy card.

How do I vote my shares?

If you are a shareholder of record, meaning your shares are registered directly in your name with Wells Fargo Bank Minnesota, N.A., our stock transfer agent, you may vote your shares in one of three ways:

- By Telephone — Shareholders of record who live in the United States or Canada may submit proxies by telephone by calling 1-800-560-1965 and following the instructions. Shareholders of record must have the control number that appears on their proxy card available when voting.
- By Internet — Shareholders may submit proxies over the Internet by following the instructions on the proxy card.

Table of Contents

TIAA – XPEΦ

c/o JPMorgan Chase & Co.
270 Park Avenue
New York, New York 10017
Crandall C. Bowles

Chairman and Chief Executive Officer
Spring Global US, Inc.
c/o JPMorgan Chase & Co.
270 Park Avenue
New York, New York 10017

Stephen B. Burke

President
Comcast Cable Communications, Inc.
c/o JPMorgan Chase & Co.
270 Park Avenue
New York, New York 10017

James S. Crown

President
Henry Crown and Company
c/o JPMorgan Chase & Co.
270 Park Avenue
New York, New York 10017

James Dimon

President and Chief Executive Officer
JPMorgan Chase & Co.
270 Park Avenue
New York, New York 10017

Ellen V. Futter

President and Trustee
American Museum of Natural History
c/o JPMorgan Chase & Co.
270 Park Avenue
New York, New York 10017

William H. Gray, III

Retired President and Chief Executive Officer
The College Fund/UNCF
c/o JPMorgan Chase & Co.
270 Park Avenue
New York, New York 10017

Laban P. Jackson, Jr.

Chairman and Chief Executive Officer
Clear Creek Properties, Inc.
c/o JPMorgan Chase & Co.
270 Park Avenue
New York, New York 10017

SCHEDULE 13G**Issuer:** 1-800 Flowers**CUSIP No.:** 68243Q106

Name	Principal Occupation or Employment; Business or Residence Address
Lee R. Raymond	Chairman of the Board and Chief Executive Officer Exxon Mobil Corporation c/o JPMorgan Chase & Co. 270 Park Avenue New York, New York 10017
John W. Kessler	Owner John W. Kessler Company c/o JPMorgan Chase & Co. 270 Park Avenue New York, New York 10017
Robert I. Lipp	Chairman The St. Paul Travelers Companies, Inc. JPMorgan Chase & Co. 270 Park Avenue New York, New York 10017
Richard A. Monoogian	Chairman and Chief Executive Officer Masco Corporation c/o JPMorgan Chase & Co. 270 Park Avenue New York, New York 10017
David C. Novak	Chairman and Chief Executive Officer Yum! Brands, Inc. c/o JPMorgan Chase & Co. 270 Park Avenue New York, New York 10017
William C. Weldon	Chairman and Chief Executive Officer Johnson & Johnson c/o JPMorgan Chase & Co. 270 Park Avenue New York, New York 10017