

RADIAN GROUP INC
Form 11-K
June 24, 2016

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

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK REPURCHASE SAVINGS AND SIMILAR PLANS
PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number 1-11356

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

RADIAN GROUP INC. SAVINGS INCENTIVE PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

RADIAN GROUP INC.
1601 Market Street
Philadelphia, PA 19103

RADIAN GROUP INC.
SAVINGS INCENTIVE PLAN
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Exhibits:

Exhibit 23.1—Consent of Independent Registered Public Accounting Firm—GRANT THORNTON LLP

All other schedules required by Section 2520-103-10 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

To the Participants and Administrator of
Radian Group Inc. Savings Incentive Plan

We have audited the accompanying statements of net assets available for benefits of the Radian Group Inc. Savings Incentive Plan (the "Plan") as of December 31, 2015 and 2014, and the related statement of changes in net assets available for benefits for the year ended December 31, 2015. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Radian Group Inc. Savings Incentive Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the year ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America.

The supplemental information in the accompanying schedule of assets (held at end of year) as of December 31, 2015 has been subjected to audit procedures performed in conjunction with the audit of the Radian Group Inc. Savings Incentive Plan's financial statements. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplementary information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the basic financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information in the accompanying schedule, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information referred to above is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ GRANT THORNTON LLP
Chicago, IL
June 24, 2016

Radian Group Inc. Savings Incentive Plan
Statements of Net Assets Available for Benefits
December 31, 2015 and 2014

	December 31,	
	2015	2014
Assets		
Investments (at fair value)	\$ 136,762,962	\$ 140,201,429
Receivables:		
Employer contributions receivable	1,014,531	1,043,302
Notes receivable from participants	1,609,952	1,463,466
Total receivables	2,624,483	2,506,768
Net assets available for benefits	\$ 139,387,445	\$ 142,708,197

The accompanying notes are an integral part of these statements.

Radian Group Inc. Savings Incentive Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2015

	Year Ended December 31, 2015
Investment Activity:	
Net depreciation in fair value of investments	\$(7,780,903)
Interest	235,395
Dividends	3,591,287
Net investment loss	(3,954,221)
Contributions:	
Participants	5,995,651
Employer	3,921,142
Rollover	933,587
Total contributions	10,850,380
Other Additions:	
Interest income on notes receivable from participants	64,111
Total additions	6,960,270
Deductions:	
Benefits paid to participants	10,259,792
Administrative expenses	21,230
Total deductions	10,281,022
Net decrease in net assets available for benefits	(3,320,752)
Net assets available for benefits, beginning of year	142,708,197
Net assets available for benefits, end of year	\$ 139,387,445
The accompanying notes are an integral part of this statement.	

RADIAN GROUP INC. SAVINGS INCENTIVE PLAN
NOTES TO FINANCIAL STATEMENTS

A. Plan Description

The following description of the Radian Group Inc. Savings Incentive Plan (the “Radian Plan”) provides only general information. Participants should refer to the Radian Plan documents for a complete description of the Radian Plan’s provisions.

General

The Radian Plan is a defined contribution plan designed to allow eligible employees of Radian Group Inc. (“Radian Group” or the “Company”) and its participating subsidiaries (collectively with Radian Group, the “Company”) to save for their retirement. Each eligible employee may participate in the Radian Plan as of his or her date of hire. As defined in the Radian Plan, generally eligible employees are individuals employed by the Company or a participating subsidiary who are not classified as independent contractors, subject to certain other conditions set forth in the Plan. The Radian Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. On June 30, 2014, Radian Group acquired all of the outstanding equity interests of Clayton Holdings LLC (“Clayton”). Employees of Clayton were not eligible to participate in the Radian Plan prior to January 1, 2016. Prior to January 1, 2016, Clayton had its own 401(k) Plan (the “Clayton Plan”) for its eligible employees (as defined in the Clayton Plan). Effective January 1, 2016, the assets of the Clayton Plan were merged into the Radian Plan. See Note K.

Contributions

Eligible employees may elect to contribute to the Radian Plan on a pretax and/or after-tax (Roth) basis up to 100% of their eligible compensation, subject to limits set pursuant to the Radian Plan (not to exceed the indexed limitations contained in the Internal Revenue Code of 1986 (the “Code”). The limits under the Radian Plan were \$18,000 and \$17,500 for 2015 and 2014, respectively. Participants who attain age 50 or older before the close of the Radian Plan year (December 31) are also entitled to make catch-up contributions in accordance with, and subject to the limitations of, the Code. The maximum catch-up contribution under the Code was \$6,000 and \$5,500 for 2015 and 2014, respectively. Participants may also roll over amounts into the Radian Plan, representing distributions from other eligible retirement plans.

Eligible employees are automatically enrolled in the Radian Plan (subject to their right to elect not to participate or to participate at a different contribution level) at a beginning participant contribution rate of 3% of eligible compensation. If a participant is automatically enrolled in the Radian Plan and does not elect to discontinue or change such participant’s contribution rate, such participant’s contribution rate will be automatically increased by one percent each year until the contribution rate reaches 6%. Effective January 1, 2016, the one percent per year automatic increases to participants’ contribution rates were extended to continue until the contribution rate reaches 10%. The Company makes a “matching contribution” with respect to 100% of the salary reduction contributions of each participant (for 2015, the matching contribution was up to 6.0% of a participant’s annual eligible compensation). Matching contributions are contributed (subject to the discretion of the Radian Plan administrator): (i) in cash in accordance with the participants’ current investment elections, except to the extent that a participant has elected to invest all or a portion of his or her matching contribution in the Radian Group Inc. Common Stock Fund (the “Radian Common Stock Fund”); and (ii) in the Company’s common stock, to the extent a participant has elected to invest all or a portion of his or her matching contribution in the Radian Common Stock Fund. Effective January 1, 2016, the matching contribution was decreased from 6.0% of a participant’s annual eligible compensation to 4.5%. The Company may make discretionary contributions to the Radian Plan in amounts determined annually by the Company’s Board of Directors (the “Board”). Any such contribution may be made in a fixed dollar amount or may be made as a percentage of the Company’s net profits, percentage of a participant’s eligible compensation, or any other method determined by the Board. Discretionary contributions are allocated pro rata among the participant’s investment elections at the time the discretionary contribution is made. The Company did not make any discretionary contributions for the year ended December 31, 2015.

Participant Accounts

The Vanguard Group (“TVG”), the record keeper for the Radian Plan, maintains an account in the name of each participant that is comprised of the sum of: (i) such participant’s contributions; (ii) Company matching, discretionary

and transition credit contributions; (iii) rollover contributions; (iv) share of the net earnings, losses and expenses of the various investment funds, less; and (v) any loans and withdrawals. Allocations are based on participant earnings, account balances, or specific participant transactions. Each participant is entitled to the vested benefit of his or her account.

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Vesting

Participants are at all times fully vested in: (i) amounts they contribute to the Radian Plan; (ii) amounts received as transition credits, including any earnings on such amounts; (iii) rollover amounts; and (iv) matching contributions. Discretionary contributions to participants vest upon the completion of three years of eligible service with the Company. Participants also have a 100% non-forfeitable interest in their discretionary contribution amounts upon attainment of normal retirement (age 65), total disability, or death prior to termination of service.

Forfeited Accounts

Participants forfeit any discretionary contributions made to them, and any earnings thereon, that are unvested at the time of their termination of service. Forfeitures are used to reduce employer contributions. As of December 31, 2015 and 2014, the remaining forfeiture account balance was \$10,285 and \$22,109, respectively. The December 31, 2015 forfeiture balance includes \$4,387 that was forfeited in 2015 and also reflects a reduction of \$20,000, which represents the amount that was utilized in January 2015 to fund the employer match for 2014. See Vesting above for information regarding the vesting of discretionary contributions.

Trustee

Vanguard Fiduciary Trust Company (“Vanguard”) serves as trustee (the “Trustee”) for the Radian Plan.

Investment Options

All investments in the Radian Plan are participant-directed. Employee and employer contributions are allocated pro rata among the investment elections that have been selected by the participant at the time the contribution is made. If a participant does not select an investment election, the initial employee and/or employer contribution will be made to the default fund, which is a Target Retirement Fund based on the participant’s anticipated retirement date. Participants may choose to have their contributions invested entirely in one, or in any combination of investment options, in whole percentage increments. Effective January 1, 2016, the Radian Plan was changed to allow participants to make changes in their contribution election investment options in one-half percentage increments. See Note K. Participants may change their contribution rate and investment selection for future contributions on any business day. Changes will take effect for the next eligible pay cycle so long as the request is completed before the respective cutoff dates. Participants may transfer part or all of their existing account balances among funds in the Radian Plan at any time. Participants are permitted to make transfers out of the Radian Common Stock Fund and into any other investment option available under the Radian Plan at any time, subject to compliance with the Company’s Policy Regarding Securities Trading. In June 2015, new investment options were added to the Radian Plan and certain previous investment options were removed from the Radian Plan, including transfers from certain funds that were collective trusts to funds classified as registered investment companies. Participant amounts in funds that were removed were automatically transferred to the corresponding new investment funds. Participants were able to transfer amounts into any other available investment options either before or after this transfer occurred.

Generally, under ordinary market conditions, all collective trust positions provide daily market liquidity to Radian Plan participants and the Radian Plan. The Radian Plan invests in collective trusts, in which participant transactions (issuances and redemptions) may occur daily. Were the Radian Plan to initiate a full redemption of these collective trusts, TVG reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner. See Note F.

Payment of Benefits and Withdrawals

On termination of service, a participant may receive a lump-sum amount equal to the value of the participant’s vested interest in his or her account.

Participants are permitted to make two hardship withdrawals and one non-hardship withdrawal in any Radian Plan year or 12-month period. The minimum withdrawal permitted is the lesser of \$500 or the full value of the participant’s applicable account. Withdrawals for financial hardship are permitted if they are necessary to satisfy an immediate financial need. A participant must exhaust the possibility of all other withdrawals under the Radian Plan and under all other retirement plans maintained by the Company, including non-taxable loans, before being eligible for a hardship withdrawal. Participants’ deferral contributions must be suspended for a period of six months following a hardship withdrawal.

Participants may also elect in-service withdrawals after reaching age 59-1/2. Rollover account balances may be withdrawn at any time. Minimum required distributions for participants who have reached age 70-1/2 also apply in accordance with Internal Revenue Service (“IRS”) regulations.

Notes Receivable from Participants

Eligible participants may borrow from the vested portion of their account balances a minimum of \$1,000 and up to a maximum equal to the lesser of \$50,000 (reduced by the excess of the highest outstanding loan balance during the 12-month period before the new loan is made over the outstanding loan balance on the date of the new loan), or 50% of their vested account balance. The maximum loan period is five years, subject to a limited exception for the purchase of a primary residence where the loan period can be up to 25 years. A participant may have only one loan outstanding at any one time. Loans bear interest at the prime rate at the time the loan is originated plus 1%. The rates on existing loans currently range from 4.25% to 9.20%, and loan payments are paid through payroll deductions. Participant loan repayments will be suspended for a participant’s bona fide leave of absence or 12 months, whichever is less. Outstanding loans are due and payable upon termination of service with the Company. The Radian Plan administrator may assess reasonable fees for participant loan origination and annual loan maintenance, with such fees to be specified in flat dollar amounts and which do not vary based on the amount of the loan.

B. Significant Accounting Policies

Basis of Presentation and Use of Estimates

The financial statements of the Radian Plan are prepared under the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”). GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the changes therein during the reporting period. Actual results may differ significantly from those estimates.

Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board (“FASB”) issued a new accounting standard update regarding disclosures for investments in certain entities that calculate net asset value (“NAV”) per share. The amendments in this update remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share as practical expedient. This update is effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years, with retrospective application required for all periods presented. Early adoption is permitted for financial statements that have not been previously issued. The Radian Plan elected to early adopt the provisions of this update as of December 31, 2015. As a result of the retrospective application, investments for which fair value is measured using the NAV per share practical expedient have not been categorized in the fair value hierarchy for any periods presented in the Plan’s financial statements.

In July 2015, the FASB issued a three-part accounting standard update to reduce the complexity in employee benefit plan financial reporting and disclosure requirements. Part I pertains to fully benefit-responsive investment contracts (“FBRICs”), Part II pertains to plan investment disclosures and Part III provides a measurement date practical expedient. Part I eliminates the requirement to measure FBRICs at fair value, and instead establishes contract value as the only required measure for FBRICs. Part II eliminates the requirements to disclose (i) individual investments that represent 5 percent or more of net assets available for benefits; and (ii) the net appreciation or depreciation in the fair value of investments by general type, requiring only presentation of net appreciation or depreciation of the fair value of investments in the aggregate. Part II also requires that certain investments that are measured using fair value be grouped only by general type, eliminating the need to disaggregate the investments by nature, characteristics, and risks. Part III does not apply to the Radian Plan. The update is effective for fiscal years beginning after December 15, 2015, with early adoption permitted for financial statements that have not been previously issued. The Radian Plan elected to early adopt the provisions of this update as of December 31, 2015. As a result of the retrospective application of Parts I and II, the Statements of Net Assets Available for Benefits have been retrospectively adjusted to report the collective trusts at the NAV practical expedient within investments (at fair value) and to remove the

adjustment from fair value to contract value for the FBRICs maintained in the collective trusts, which are stable value funds. The FBRICs held by these collective trusts have been valued at their contract values for purposes of the NAV calculation. Additionally, these Notes to Financial Statements have been retrospectively adjusted to reflect the simplifications permitted by the update. See Notes F and J.

Investment Valuation and Income Recognition

Participants in the Radian Plan can invest in a variety of funds, including registered investment company funds, collective trusts, and the Radian Common Stock Fund.

The Radian Plan's investments are stated at fair value. With the exception of collective trusts, as described below, the Company defines fair value as the current amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Radian Plan's Retirement Plans Committee (defined below) determines the Radian Plan's valuation policies utilizing information provided by the investment advisors and Vanguard. See Note E for a discussion of fair value measurements.

TVG Retirement Savings Trust III is a stable value collective trust fund with investments in traditional investment contracts issued by insurance companies and banks, alternative contracts and short-term investments. The Radian Plan uses NAV as the practical expedient to determine the fair value of its investments in TVG Retirement Savings Trust III. See Note F. Although investment contracts held by a defined contribution plan are generally required to be reported at fair value, contract value is the relevant measurement attribute for valuing the interest in a collective trust relating to fully benefit-responsive investment contracts, such as TVG Retirement Savings Trust III, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

Dividends are recorded on the ex-dividend date and interest income is recorded when earned. Purchases and sales of securities are recorded as of the trade date. Net depreciation in fair value of investments includes the Radian Plan's gains and losses on investments bought and sold, as well as those held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred.

If a participant ceases to make loan repayments and the Radian Plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded. Therefore, no allowance for credit losses has been recorded as of December 31, 2015 or 2014.

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Radian Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net depreciation in fair value of investments.

C. Administration/Termination of the Plan

The Radian Plan administrator is a committee (the "Retirement Plans Committee") comprised of members of management that are appointed by the Board. The Radian Plan administrator has fiduciary responsibility for the general operation of the Radian Plan. The Company's Human Resources group is responsible for the administrative duties of the Radian Plan. TVG assists the Company in fulfilling some of the administrative functions of the Radian Plan. The Company does not receive compensation from the Radian Plan for services provided. Certain costs of the Radian Plan are deducted from participants' accounts, including: (i) brokerage fees and commissions, which are included in the cost of investments and in determining net proceeds on sales of investments; and (ii) investment management fees, which are paid from the assets of the respective funds. Other administrative and operational costs of the Radian Plan for the year ended December 31, 2015 were paid by the Company.

Although the Company has not expressed any intention to do so, the Company reserves the right to terminate the Radian Plan at any time. In the event the Radian Plan is terminated, all benefits would become fully vested and non-forfeitable and the net assets of the Radian Plan would be allocated as required by the Radian Plan and in accordance with ERISA.

D. Tax Status

The IRS has determined and informed the Company by letter dated November 7, 2012, that the Radian Plan and related trust is designed in accordance with applicable sections of the Code. Once qualified, the Radian Plan is required to operate in conformity with the Code to maintain its qualification. Although the Company has amended the Radian Plan since this determination, the Radian Plan administrator believes that the Radian Plan continues to be designed and operated in compliance with the applicable requirements of the Code. The Company will take any action necessary to maintain the Radian Plan's tax-qualified status. Accordingly, no provision for income taxes has been included in the financial statements.

GAAP requires Radian Plan management to evaluate tax positions taken by the Radian Plan and recognize a tax liability (or asset) if the Radian Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Radian Plan management has analyzed the tax positions taken by the Radian Plan and has concluded that as of December 31, 2015 and 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Radian Plan is subject to routine audits by taxing jurisdictions; however, there are no audits for any tax periods in progress.

E. Fair Value Measurements

GAAP has established a three-level valuation hierarchy for disclosure of fair value measurements based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements). The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the measurement in its entirety. The three levels of the fair value hierarchy are described below:

Level I — Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level II — Prices or valuations based on observable inputs other than quoted prices in active markets for identical assets and liabilities; and

Level III — Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Level III inputs are used to measure fair value only to the extent that observable inputs are not available.

The level of market activity used to determine the fair value hierarchy is based on the availability of observable inputs market participants would use to price an asset or a liability, including market value price observations. For markets in which inputs are not observable or limited, we use significant judgment and assumptions that a typical market participant would use to evaluate the market price of an asset or liability. Given the level of judgment necessary, another market participant may derive a materially different estimate of fair value. These assets and liabilities are classified in Level III of our fair value hierarchy.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one valuation hierarchy level to another. In such instances, the transfer is reported as of the beginning of the reporting period.

For the years ended December 31, 2015 and December 31, 2014, there were no transfers between levels.

The following are descriptions of our valuation methodologies for assets measured at fair value:

Registered Investment Company Funds—Shares of mutual funds are valued at quoted market prices based on the NAV of shares held by the Radian Plan on the last day of the Radian Plan year (Level I).

Common Stock Fund—The underlying investments of the Radian Common Stock Fund primarily consist of Radian Group common stock and a money market account. The Radian Group common stock is valued on the last business day of the Radian Plan year at the closing price reported on the active market on which the securities are traded. The money market account is valued based on the closing price as reported by the fund (Level I).

Collective Trusts—Collective trusts, with underlying investments in indexed funds or investment contracts, are valued based on the NAV of units held by the Radian Plan at year end, which is based on the fair market value of the underlying investments. The TVG Retirement Savings Trust III is a stable value collective trust fund that invests in FBRICs that are measured at NAV, which reflects contract value for the FBRICs held by the fund. NAV represents the value at which participant transactions occur. This practical expedient of determining fair value by using NAV would not be used if it is determined to be probable that events would occur that would cause the TVG Retirement Savings Trust III fund to be unable to execute participants' transactions at contract value. At December 31, 2015 and 2014, there were no Level II or III investments.

The following is a list of assets that are measured at fair value by hierarchy level as of December 31, 2015 and 2014:

	Assets at Fair Value as of	
	December 31, 2015	
	Level I	Total
Registered Investment Company Funds	\$ 108,705,028	\$ 108,705,028
Common Stock Fund	17,263,301	17,263,301
Collective Trust Fund (1)	—	10,794,633
Total Investments at Fair Value	\$ 125,968,329	\$ 136,762,962

	Assets at Fair Value as of	
	December 31, 2014	
	Level I	Total
Registered Investment Company Funds	\$ 74,065,164	\$ 74,065,164
Common Stock Fund	22,898,834	22,898,834
Collective Trust Funds (1)	—	43,237,431
Total Investments at Fair Value	\$ 96,963,998	\$ 140,201,429

(1) Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Net Assets Available for Benefits.

The following tables summarize investments measured at fair value based on NAV per share as of December 31, 2015 and 2014:

	December 31, 2015		Redemption Frequency (if currently eligible)	Redemption Notice Period
	Fair Value	Unfunded Commitments		
TVG Retirement Savings Trust III	\$ 10,794,633	n/a	Daily	Daily

	December 31, 2014		Redemption Frequency (if currently eligible)	Redemption Notice Period
	Fair Value	Unfunded Commitments		
Target Retirement Funds	\$ 32,057,244	n/a	Daily	Daily

TVG Retirement Savings Trust III	\$ 11,180,187	n/a	Daily	Daily
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F. Investment in TVG Retirement Savings Trust III

As of December 31, 2015 and 2014, the Radian Plan has applied the practical expedient of using NAV to value its investment in TVG Retirement Savings Trust III, a stable value collective trust fund. TVG Retirement Savings Trust III's investment objective is to seek the preservation of capital and to provide a competitive level of income over time that is consistent with the preservation of capital. Participants' ownership of TVG Retirement Savings Trust III is represented as units. Units are issued and redeemed daily at TVG Retirement Savings Trust III's constant NAV of \$1 per unit. TVG Retirement Savings Trust III allows for daily liquidity with no additional days notice required for redemption. It is the policy of TVG Retirement Savings Trust III to use its best efforts to maintain a stable NAV of \$1 per unit, although there is no guarantee that TVG Retirement Savings Trust III will be able to maintain this value. Participants ordinarily may direct the withdrawal or transfer of all or a portion of their investment in TVG Retirement Savings Trust III at contract value. Contract value represents contributions made to TVG Retirement Savings Trust III, plus earnings, less participant withdrawals and administrative expenses. TVG Retirement Savings Trust III imposes certain restrictions on the Radian Plan, and TVG Retirement Savings Trust III itself may be subject to circumstances that impact its ability to transact at contract value, as described in the following paragraphs. Radian Plan management believes the occurrence of events that would cause TVG Retirement Savings Trust III to transact at less than contract value is not probable.

The underlying assets of TVG Retirement Savings Trust III primarily include investment contracts that are issued by insurance companies and commercial banks and contracts that are backed by bond trusts and are selected by the Trustee. The issuers' ability to meet these obligations may be affected by economic developments in their respective companies and industries. TVG Retirement Savings Trust III is presented in the Statements of Net Assets Available for Benefits at NAV.

The trust consists of both traditional insurance contracts and synthetic investment contracts. The crediting interest rate on traditional contracts is typically fixed for the life of the investment. The crediting rate of synthetic investment contracts resets every quarter based on the performance of the underlying investment portfolio. To the extent that TVG Retirement Savings Trust III has unrealized gains and losses (that are accounted for under contract value accounting, through the value of the synthetic contract), the interest crediting rate may differ from then-current market rates.

G. Risks and Uncertainties

The Radian Plan invests in various investment securities. Investment securities are subject to various risks such as interest rate, market volatility and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Market values of the Radian Plan's investments may decline for a number of reasons, including among others, changes in prevailing market and interest rates, increases in defaults, increases in voluntary prepayments for investments that are subject to prepayment risk under normal market conditions, and widening of credit spreads.

H. Exempt Party-in-Interest and Related Party Transactions

The Radian Plan permits investments in various investment funds managed by TVG. TVG is the record keeper of the Radian Plan and an affiliate of the Radian Plan's Trustee. The Radian Plan permits notes receivable from participants. These transactions qualify as party-in-interest transactions that are exempt from the prohibited transaction rules of ERISA.

In addition, the Radian Plan held 1,289,268 and 1,369,547 shares of Radian Group common stock at December 31, 2015 and 2014, respectively, within the Radian Common Stock Fund. The cost basis of the Radian Common Stock Fund was \$11,785,904 and \$12,132,472 as of December 31, 2015 and 2014, respectively. During the year ended December 31, 2015, the Plan recorded dividend income in the Radian Common Stock Fund of \$13,156. Contributions into the Radian Common Stock Fund during the year ended December 31, 2015 totaled \$312,435, including \$125,438 in Company matching contributions. Transactions in the Radian Common Stock Fund qualify as party-in-interest

transactions that are exempt from the prohibited transaction rules of ERISA.

The Company also provides certain accounting, record-keeping and additional services to the Radian Plan for which it receives no compensation.

I. Plan Amendments

On April 16, 2015, the Radian Plan was amended to remove Radian Advisors LLC as a participating employer under the Radian Plan. Also in April, the Radian Advisors LLC employees became eligible to participate in the Clayton Plan. See Note K for a discussion of the subsequent event regarding the Clayton Plan.

J. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31, 2015 and 2014:

	December 31,	
	2015	2014
Statements of Net Assets Available for Benefits:		
Net assets available for benefits per the financial statements	\$ 139,387,445	\$ 142,708,197
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	—	332,979
Net assets available for benefits per Form 5500	\$ 139,387,445	\$ 143,041,176

The following is a reconciliation of the change in net assets available for benefits per the financial statements to Form 5500 for the year ended December 31, 2015:

	December 31,
	2015
Statement of Changes in Net Assets Available for Benefits:	
Net decrease in net assets available for benefits per the financial statements	\$(3,320,752)
Change in adjustment from contract value to fair value for fully benefit-responsive investment contracts from December 31, 2014 to December 31, 2015	(332,979)
Total decrease in net assets available for plan benefits per Form 5500	\$(3,653,731)

K. Subsequent Events

We have evaluated all events subsequent to December 31, 2015 up through the date of the filing of this report. Beginning on January 1, 2016, the Clayton Plan was merged into the Radian Plan. All Clayton Plan assets, totaling approximately \$23.4 million, were transferred into the Radian Plan as of that date. Also effective on that date, (i) the Radian Plan's employer matching contribution was decreased from 6.0% of a participant's annual eligible compensation to 4.5%; (ii) a participant who does not elect to discontinue or change his or her contribution rate will have the contribution rate automatically increased by one percent each year until the contribution reaches 10%; and (iii) participants may make changes in their contribution election investment options in one-half percentage increments.

Radian Group Inc. Savings Incentive Plan

Supplemental Schedule

Form 5500, Schedule H, Part IV Line 4i: Schedule of Assets (Held at End of Year)

December 31, 2015

EIN: 23-2691170

Plan # 001

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
*	TVG Morgan Grwth Adm	Registered Investment Company	**	\$13,205,990
*	TVG Wellington Adm	Registered Investment Company	**	11,566,142
*	TVG Inst Index Fund	Registered Investment Company	**	11,425,319
*	TVG Retirement Savings Trust III	Collective Trust	**	10,794,633
*	Inst Target Ret 2035 Fund	Registered Investment Company	**	8,943,231
*	Inst Target Ret 2025 Fund	Registered Investment Company	**	8,075,861
*	TVG Total Bond Idx Inst	Registered Investment Company	**	6,069,506
*	TVG Mid-Cap Growth Fund	Registered Investment Company	**	5,440,021
*	Inst Target Ret 2045 Fund	Registered Investment Company	**	5,047,775
*	Inst Target Ret 2015 Fund	Registered Investment Company	**	4,783,627
*	TVG Md-Cap Index Fund Ins	Registered Investment Company	**	4,628,596
*	TVG Windsor II Fund Adm	Registered Investment Company	**	3,397,316
*	Small-Cap Index Fund Adm	Registered Investment Company	**	3,389,551
*	Inst Target Ret 2020 Fund	Registered Investment Company	**	3,366,271
*	Inst Target Ret 2030 Fund	Registered Investment Company	**	3,145,074
*	Tot Intl Stock Ix Admiral	Registered Investment Company	**	2,775,350
*	Inst Target Ret 2040 Fund	Registered Investment Company	**	2,332,393
*	TVG Selected Value	Registered Investment Company	**	1,595,947
*	Target Ret Income Fund	Registered Investment Company	**	744,725
*	Inst Target Ret 2050 Fund	Registered Investment Company	**	404,191
*	Inst Target Ret 2010 Fund	Registered Investment Company	**	224,465
*	Inst Target Ret 2055 Fund	Registered Investment Company	**	164,016
*	Inst Target Ret 2060 Fund	Registered Investment Company	**	42,839
*	Radian Group Inc.	Radian Group Inc. Common Stock	**	17,263,201
*	Vanguard	Money Market Fund	**	100 (1)
	Artisan International Int	Registered Investment Company	**	4,911,380
	Met West Total Ret Bond P	Registered Investment Company	**	2,575,712
	Munder Vrcty Sm Cp Val R6	Registered Investment Company	**	223,035
	Eagle Sm Cap Gro Fd Cl R6	Registered Investment Company	**	226,695
	Total Investments at fair value			\$136,762,962
*	Notes receivable from participants	Interest rates from 4.25% to 9.20%, maturing between 2016 and 2040		\$1,609,952

*Indicates a party-in-interest to the Radian Plan.

**Cost is not required to be disclosed for participant-directed investments.

(1) Total common stock, as listed under assets measured at fair value, includes the fair value of the Vanguard Money Market Fund. See Note E.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

RADIAN GROUP INC.
SAVINGS INCENTIVE PLAN

Date: June 24, 2016 By: /s/ Anita Scott
Anita Scott
Senior Vice President, Human Resources

Exhibit Index

Exhibit
No. Description

23.1 Consent of Independent Registered Public Accounting Firm—Grant Thornton LLP

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