

John A. Chosy
Associate General Counsel
Telephone: 608-665-6474
E-mail: John.Chosy@cunamutual.com
Fax: 608-236-6474



December 6, 2013

Via Email (Kristin.Forsberg@wisconsin.gov) and U.S. Mail

Kristin L. Forsberg, CPA CFE
Insurance Financial Examiner/Licensing Specialist
Bureau of Financial Analysis and Examinations
Office of the Commissioner of Insurance
125 S. Webster St.
Madison, WI 53702

**Re: Acquisition of Control of CMG Mortgage Insurance Company ("CMG MI"),
CMG Mortgage Assurance Company ("CMG MA"), and CMG Mortgage
Reinsurance Company ("CMG Re" and collectively with CMG MI and CMG
MA, the "CMG Companies") by Arch U.S. MI Holdings Inc. ("Arch")**

Dear Ms. Forsberg:

Thank you for your letter dated November 22, 2013 regarding the above mentioned matter. In response to your follow-up request relating to the continuing agreements noted in Annex 3 to our letter dated September 25, 2013, please find below the requested explanation with respect to the treatment of these agreements assuming the proposed acquisition is effected.

With respect to the Excess Share Primary Mortgage Reinsurance Agreement between CMG MI and CMG Re (as amended, the "CMG MI/CMG Re Agreement"), the CMG MI/CMG Re Agreement provides for CMG Re to reinsure a specified percentage of certain Certificates of Insurance issued by CMG MI under First Lien Master Policies that provide mortgage guaranty insurance coverage (such reinsurance being excess of the specified percentage of the insured mortgage loan that is retained by CMG MI). The CMG MI/CMG Re Agreement was entered into in 1999 to assist with the management of capital at the CMG Companies. Arch is acquiring both CMG MI and CMG Re and has elected not to terminate the CMG MI/CMG Re Agreement, and to continue to use the Agreement to assist with the management of capital at the CMG Companies.

Pursuant to an Asset Purchase Agreement, dated February 7, 2013, between the Receiver of PMI Mortgage Insurance Co. in Rehabilitation ("PMI") and affiliates of Arch, (the "Asset Purchase Agreement"), the PMI Receiver agreed to sell certain assets of PMI to Arch. In connection with that transaction, PMI and Arch agreed that the Excess Share Primary Mortgage Reinsurance Agreement between CMG MI and PMI Insurance Co. (the "CMG MI / PIC Agreement") will be

Office of the Commissioner of Insurance
Attn: Kristin L. Forsberg, CPA CFE
December 6, 2013
Page 2

commuted effective as of the first business day after the closing of the transactions contemplated in the Asset Purchase Agreement.

With respect to the Restated CMG/CMG MA Services Agreement between CMG MA and CMG MI and the Restated CMG Reinsurance Services Agreement between CMG Re and CMG MI (collectively, the "Services Agreements"), the Services Agreements had historically provided for the CMG Companies to provide certain services to one another in connection with the operation of the businesses of the CMG Companies. It had originally been contemplated that these Services Agreements would not be terminated, and would remain in place following the closing of the acquisition. It has recently been determined that in fact these Services Agreements will not be required following the acquisition, and will therefore be terminated effectively immediately upon the closing of the acquisition.

If you have any questions, please contact the undersigned at 608.665.6474 or john.chosy@cunamutual.com. Thank you for your consideration.

Sincerely,



John Chosy,
Associate General Counsel
CUNA Mutual Group

cc: Steven J. Junior, Office of the Commissioner of Insurance
William J. Toman, Quarles & Brady
Louis T. Petrillo, Arch Capital Services, Inc.
Sean A. Dilweg, CUNA Mutual Group
Truite D. Todd, Special Deputy Receiver, PMI Mortgage Insurance Co.
Andrew D. Cameron, PMI Mortgage Insurance Co.