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September 24, 2013

Hand Delivered

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

Dear Ms. Forsberg:

Following up on our discussions, on behalf of Arch MI I have enclosed a manually signed original, one paper copy, and one electronic copy of a Form A in support of Arch MI's request for OCI approval, pursuant to Wis. Stat. § 611.72 and Wis. Admin. Code § Ins 40.02, of the acquisition by Arch MI of control of the CMG Companies (the "Acquisition") via the Stock Purchase Agreement attached to the Form A as Exhibit A (the "Stock Purchase Agreement"). I have delivered a copy of the Form A to the CMG Companies, as required by Wis. Admin. Code § Ins 40.02(1)(b)1., by sending a copy of this letter and the enclosed Form A to Sean Dilweg of the CMG Companies.

In addition to requesting approval of the Acquisition, we request that the submission of the affiliate agreements described in Item 5 of the Form A substitute for any Form D filings that might otherwise be required by the CMG Companies after the closing of the Acquisition under § 617.21(2) and § Ins 40.04, and that OCI permit them with approval of the Acquisition. These affiliate agreements are the proposed (1) Services Agreement between the CMG Companies and Arch U.S. MI Services Inc. attached to the Form A as Exhibit G1; (2) Services Agreement between the CMG Companies and Arch Capital Services Inc. attached to the Form A as Exhibit G2; (3) Investment Management Agreement between the CMG Companies and Arch Investment

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Management Ltd. attached to the Form A as Exhibit G3; (4) Tax Sharing Agreement between the CMG Companies and the other Arch Group U.S. subsidiaries attached to the Form A as Exhibit G4; and (5) Quota Share Reinsurance Agreement between CMG MI and Arch Reinsurance Ltd. attached to the Form A as Exhibit G5.

Finally, CMFG Life Insurance Company ("CUNA Mutual") and the Receiver of PMI Mortgage Insurance Co. in Rehabilitation ("Receiver") on behalf of PMI Mortgage Insurance Co. ("PMI"), as the Sellers under the Stock Purchase Agreement, will be requesting that OCI, as part of its response to the Form A, and in lieu of separate Form D requests by Sellers, permit the Sellers to (1) terminate existing Joint Venture Agreements and Affiliate Transactions, as required by Section 7.12 of the Stock Purchase Agreement, "Termination of Joint Venture Agreement and Affiliate Transactions," and (2) exchange existing Surplus Notes for equity in the form of paid in capital as required by Section 7.15 of the Stock Purchase Agreement. Arch MI agrees that OCI should handle this request in conjunction with its response to the Form A.

Please note that certain of the exhibits and schedules to the Stock Purchase Agreement (Exhibit A to the Form A), as well as Exhibit F and an unredacted version of Exhibit H to the Form A, are being submitted under separate cover as Confidential Supplements to the Form A. These exhibits and schedules to Exhibit A and the redacted portions of the proposed plan of operations for the CMG Companies (Exhibit H) contain confidential information that could put Arch MI at a competitive disadvantage if they are released to the public. Arch MI uses reasonable efforts to keep this information confidential. Therefore, the information is a "trade secret" under Wis. Stat. § 134.90(1)(c) because it "derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use [and] is the subject of efforts to maintain its secrecy that are reasonable under the circumstances." As you know, a trade secret is exempt from the public records law under Wis. Stat. § 19.36(5) and Wis. Admin. Code § Ins 6.13(2). Moreover, the public value of the personal information in biographical affidavits in Exhibit F is outweighed by the possible harm to persons submitting these affidavits, and, in particular, social security numbers are exempt from the public records law. See § VIII.E.4. (p. 23) of the Wisconsin Attorney General's 2010 public records compliance outline. Finally, OCI may withhold this information from public disclosure under Wis. Stat. § 601.465(1m)(a) and § Ins 40.05. In line with these provisions, we request that you do not release Exhibit F or the specified portions of Exhibits A or H to the public.

If you have any questions, please do not hesitate to contact me or Louis T. Petrillo, at (914) 872-3610 or lpetrillo@archcapservices.com. Otherwise, we would appreciate receiving a

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copy of your recommendation, and we look forward to obtaining your Office's approval of this transaction. Thank you for your consideration.

Very truly yours,

QUARLES & BRADY LLP

A handwritten signature in black ink, appearing to read 'Bill Toman', with a long horizontal flourish extending to the right.

William J. Toman

Enclosures

cc(w/enc.): Louis T. Petrillo, Arch
Sean Dilweg, CMG Companies