

RADIAN GROUP INC
Form DEF 14A
April 13, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

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

Radian Group Inc.

(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):

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(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

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Radian Group Inc.

1601 Market Street

Philadelphia, Pennsylvania

19103-2337

800 523.1988

215 231.1000

April 13, 2009

Dear Stockholder:

You are cordially invited to attend the 2009 Annual Meeting of Stockholders of Radian Group Inc., which will be held at The Westin Philadelphia, 99 South 17th Street, Philadelphia, Pennsylvania 19103, at 9:00 a.m. local time on May 13, 2009. The accompanying Notice of 2009 Annual Meeting of Stockholders and Proxy Statement describe the items to be considered and acted upon by the stockholders at the meeting.

Whether or not you plan to attend the annual meeting, please sign, date and return the enclosed proxy card as soon as possible so that your shares can be voted in accordance with your instructions. If you attend the meeting, you may revoke your proxy, if you wish, and vote personally. Because the representation of stockholders at the meeting is very important, we thank you in advance for your participation.

Sincerely,

Edward J. Hoffman
General Counsel and Corporate Secretary

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RADIAN GROUP INC.

1601 Market Street

Philadelphia, Pennsylvania 19103

NOTICE OF 2009 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON

May 13, 2009

Radian Group Inc. (Radian) will hold its annual meeting of stockholders at The Westin Philadelphia, 99 South 17th Street, Philadelphia, Pennsylvania 19103, at 9:00 a.m. local time, on May 13, 2009 to consider and vote upon the following matters:

To elect ten directors, each for a one-year term, to serve until their successors have been duly elected and qualified;

To amend the Radian Group Inc. 2008 Equity Compensation Plan;

To approve the Radian Group Inc. 2008 Employee Stock Purchase Plan;

To ratify the appointment of PricewaterhouseCoopers LLP as Radian s independent registered public accounting firm for the year ending December 31, 2009; and

To transact such other business as may properly come before the annual meeting or any adjournment or postponement of the meeting.

Radian s board of directors has fixed the close of business on March 27, 2009 as the record date for the annual meeting. Radian stockholders of record at such time are entitled to notice of, and to vote at, the annual meeting or any adjournment or postponement of the annual meeting. A list of stockholders entitled to vote at the meeting will be available for inspection during normal business hours at our corporate headquarters beginning May 2, 2009.

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Whether or not you plan to attend Radian's annual meeting, please submit your proxy with voting instructions. To submit your proxy by mail, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope. Any stockholder as of the record date who is present at the Radian annual meeting may vote in person instead of by proxy, thereby canceling any previous proxy. Also, a proxy may be revoked in writing at any time before the Radian annual meeting.

By Order of the Board of Directors,

Edward J. Hoffman
General Counsel and Corporate Secretary

Philadelphia, Pennsylvania

April 13, 2009

Important Notice Regarding the Availability of Proxy Materials for the 2009 Annual Meeting of Stockholders to Be Held on May 13, 2009:

This proxy statement and our 2008 Annual Report to security holders are available at www.radian.biz/StockholderReports.

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RADIAN GROUP INC.

1601 Market Street

Philadelphia, Pennsylvania 19103-2337

www.radian.biz

PROXY STATEMENT

FOR

2009 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON

May 13, 2009

Radian's board of directors is furnishing this proxy statement to solicit proxies for use at the 2009 Annual Meeting of Stockholders of Radian Group Inc. ("Radian"). A copy of the Notice of 2009 Annual Meeting of Stockholders accompanies this proxy statement. These materials are also available on the internet at www.radian.biz/StockholderReports. This proxy statement and the accompanying proxy card are being mailed to stockholders beginning approximately April 13, 2009 in order to furnish information relating to the business to be transacted at the meeting.

INFORMATION ABOUT VOTING

Who Can Vote

March 27, 2009 is the record date for the annual meeting (the "Record Date"). Only holders of record of our common stock as of the close of business on the Record Date are entitled to notice of and to vote at the meeting. On the Record Date, 81,419,731 shares of our common stock were outstanding. Each stockholder is entitled to one vote for each share of common stock owned of record as of the close of business on the Record Date. No other class of our stock is outstanding, so no other class is entitled to vote at the meeting.

How Voting Works

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The only way your shares can be voted on any of the proposals to be considered at the meeting is if you vote your shares in person at the meeting or authorize the voting of your shares by proxy. If you hold your shares through a broker (in street name), your broker will have provided you with instructions for voting your shares. The shares represented by a validly completed proxy card will be voted at the meeting in accordance with the instructions given on the proxy card. If you complete your proxy card properly, but do not give instructions on your proxy card as to how to vote your shares, your shares will be voted For the election of all directors nominated by our board of directors (Proposal 1) (and, if unforeseen circumstances make it necessary for our board of directors to substitute another person for any of the nominees, your shares will be voted for that other person), For the amendment to Radian's 2008 Equity Compensation Plan (Proposal 2), For the approval of Radian's 2008 Employee Stock Purchase Plan (Proposal 3) and For the ratification of the selection of PricewaterhouseCoopers LLP as Radian's independent registered public accounting firm for 2009 (Proposal 4).

You may revoke your proxy at any time before it is voted by providing to our Corporate Secretary a written instrument revoking it or a duly executed proxy bearing a later date. You also may revoke your proxy by attending the annual meeting and giving notice of revocation. Attendance at the meeting, by itself, will not constitute revocation of a proxy.

Your vote is important to Radian. We encourage you to complete, sign and return the proxy card accompanying this proxy statement even if you plan to attend the meeting. You can always change your vote before the meeting or at the meeting, as described above.

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Participants in Savings Incentive Plan

Participants in the Radian Group Inc. Savings Incentive Plan, please note that the enclosed proxy card also constitutes the voting instruction form for shares allocated to you under the plan and covers all shares you are entitled to vote under the plan, in addition to shares you may hold directly. Signing and returning the proxy card will enable all of the shares owned by a stockholder as of the Record Date to be voted, including those held under the plan.

Voting by Telephone or the Internet

Many of our stockholders who hold their shares in street name through a brokerage firm, bank or other nominee have the option to submit their proxies or voting instructions electronically by telephone or the internet. Such stockholders should review the voting instructions forwarded by their broker, bank or other holder of record to see which options are available. Our stockholders of record may not vote by telephone or the internet.

Votes Required for Approval

A quorum is necessary to conduct the business of the meeting. This means that holders of at least a majority of the shares entitled to vote must be present at the meeting, either in person or represented by proxy.

In November 2008, we adopted majority voting for the election of our directors. This means that in an uncontested election of directors, assuming a quorum is present, each director must be elected by a majority of the votes cast, meaning that the number of shares voted For a director must exceed the number of shares voted Against that director (Proposal 1). In an uncontested election of directors, votes may be cast For or Against a nominee, or the person voting such share may abstain with respect to such nominee. Abstentions and broker non-votes (as discussed below) will be counted as present for purposes of determining whether a quorum exists, but will not be counted as votes cast with respect to Proposal 1. If a sitting director fails to receive a majority of the votes cast, our board of directors will determine within 90 days of the annual meeting whether to accept the resignation of such director. Alternatively, the director may choose to retire from the board of directors during this 90 day period.

In a contested election of directors, where the number of nominees exceeds the number of directorships to be filled, assuming a quorum is present, the ten nominees for director receiving the highest number of For votes will be elected. In a contested election of directors, votes may only be cast For or Withheld. Any vote other than a For vote will be considered Withheld. Votes that are withheld will be considered present for determining whether a quorum exists, but will be excluded entirely from the vote and will have no effect on the outcome.

Assuming a quorum is present, the approval of the amendment to Radian's 2008 Equity Compensation Plan (Proposal 2), the approval of Radian's 2008 Employee Stock Purchase Plan (Proposal 3), and the ratification of the selection of Radian's independent registered public accounting firm (Proposal 4) each require the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on such proposal. In addition, with respect to Proposals 2 and 3, under the listing requirements of the New York Stock Exchange (the NYSE), (1) at least a majority of the common stock outstanding and entitled to vote at the meeting must actually be voted on the proposal, and (2) votes in favor must constitute a majority of the votes cast.

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A stockholder may abstain on any of the proposals being presented at the meeting. With respect to Proposal 2, Proposal 3 and Proposal 4, abstentions will be considered present for purposes of determining whether a quorum exists, and will be counted as shares entitled to vote. Accordingly, because they will not be counted as votes cast For Proposal 2, Proposal 3 or Proposal 4, abstentions will have the same effect as votes Against

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such proposals, because, in order to pass, these proposals require an affirmative vote of the majority of the shares present in person or by proxy at the meeting and entitled to vote on the subject matter.

A broker non-vote occurs when a member firm of the NYSE that holds shares in street name for its customer votes the customer's shares on one or more, but not all, matters on the proxy card because the broker did not receive instructions from its customer as to how to vote on the unvoted matter(s) and does not have authority to vote on the matter(s) without instructions from the customer. The missing vote on each such matter is the broker non-vote. Under the Delaware General Corporation Law and our By-Laws, all broker non-votes received at the meeting would be considered present for purposes of determining a quorum, but would not be considered to represent shares entitled to vote or votes cast. Under the NYSE listing requirements, however, these shares along with all outstanding shares are counted as entitled to vote, though not as votes cast, with respect any proposal regarding the listing of additional securities, such as Proposals 2 and 3. With respect to Proposals 2 and 3, broker non-votes could have the effect of preventing the approval of a proposal where the number of affirmative votes is a majority of votes cast, but the votes cast do not constitute the number required under NYSE rules.

We believe that brokers have the authority to vote their customers' shares with respect to the election of directors (Proposal 1) and the ratification of the selection of Radian's independent registered public accounting firm (Proposal 4), even if the customers do not instruct their brokers how to vote on these matters. We believe that brokers do not have authority to vote their customers' shares with respect to the proposal to amend Radian's 2008 Equity Compensation Plan (Proposal 2), and the approval of Radian's 2008 Employee Stock Purchase Plan (Proposal 3) unless instructed how to vote. While brokers historically have voted in favor of routine matters such as Proposals 1 and 4, some brokers have begun voting shares over which they have authority but no instructions in proportion with the instructions that they receive regarding these matters from beneficial holders (e.g., if 90% of beneficial holders providing instructions to a particular broker on Proposal 4 voted for the proposal, that broker would traditionally have voted all shares which were unvoted and over which it had discretionary authority in favor of the proposal, but some would now vote 90% of such shares in favor of the proposal and 10% against the proposal, matching the proportion of the shares for which that broker received instructions). Such a proportional split could affect the results of the vote on these proposals.

Where to Find Voting Results

We will announce the voting results at the conclusion of the annual meeting, if practicable, and we will publish the voting results in our Quarterly Report on Form 10-Q for the second quarter of 2009, which we intend to file with the Securities and Exchange Commission (SEC) in August 2009.

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PROPOSAL 1

ELECTION OF DIRECTORS

Radian's Certificate of Incorporation and By-Laws provide for the annual election of directors. These organizational documents also provide that the number of directors, which shall not be less than nine or more than fourteen, be determined by our board of directors, which currently has set the number at ten. Our board of directors currently consists of Herbert Wender, David C. Carney, Howard B. Culang, Stephen T. Hopkins, Sanford A. Ibrahim, James W. Jennings, Ronald W. Moore, Jan Nicholson, Robert W. Richards, and Anthony W. Schweiger. The current terms of all of our directors will expire at the 2009 Annual Meeting of Stockholders. Upon the recommendation of the Governance Committee of our board of directors, the board has nominated each of these individuals for re-election for an annual term beginning at the 2009 annual meeting and expiring at our 2010 annual meeting, or until the election and qualification of their respective successors or their earlier removal or resignation.

The nominees have consented to be named in this proxy statement and to serve if elected. If any nominee is not available for election, proxies may be voted for another person nominated by the board, or the size of the board may be reduced.

Biographical Information

The following biographical information is provided with respect to each of our directors:

Herbert Wender

Mr. Wender, 71, has served as Non-executive Chairman of our board of directors since May 2005. He previously served in this role from August 1992 to May 1999 and as Lead Director from May 1999 until his current appointment. Mr. Wender served as Chairman of the Board and Chief Executive Officer of Radian Guaranty Inc., our principal mortgage insurance subsidiary (Radian Guaranty), from June 1983 until July 1992. He has been a director of Radian since July 1992.

David C. Carney

Mr. Carney, 71, has served as President of Carney Consulting since March 1995. He served as Executive Vice President of Jefferson Health Systems, the parent company of a regional network of health care providers, from October 1996 until May 1999. Before that, he served as Chief Financial Officer of CoreStates Financial Corp, a banking and financial services holding company. Mr. Carney is a Certified Public Accountant and served as Philadelphia Area Managing Partner for Ernst & Young LLP from 1980 through 1991. Mr. Carney served as a director of ImageMax, Inc., a provider of outsourced document management solutions, from 1997 until 2003 and served as Chairman of the Board of ImageMax, Inc. from 1999 through December 2003. Mr. Carney currently serves as a director of AAA Mid-Atlantic, Inc., AAA Mid-Atlantic Insurance Companies and Auto Club Partners and is Chairman of the board of managers of Ventana Canyon Alliance, L.L.C. He has been a director of Radian since November 1992.

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Howard B. Culang	Mr. Culang, 62, has served as President of Laurel Corporation, a financial services firm, since January 1996. He has been Managing Member of JH Capital Management, a management company for a private equity fund, since July 1998. He has served in the past as Vice Chairman of Residential Services Corporation of America, the holding company for Prudential Home Mortgage, Lender's Service, Inc. and Prudential Real Estate Affiliates, and as a Managing Director and member of the Executive Committee of the Prudential Home Mortgage Company. He has been a director of Radian since June 1999.
Stephen T. Hopkins	Mr. Hopkins, 58, is President of Hopkins and Company LLC, a management consulting business he formed in February 1999. From 1976 to January 1999, he held a number of managerial positions with Federal Home Loan Mortgage Corporation, a government sponsored enterprise that purchases and securitizes qualified mortgage loans, serving as Senior Vice President and National Sales Director from April 1994 through August 1998. He has been a director of Radian since June 1999.
Sanford A. Ibrahim	Mr. Ibrahim, 57, has served as Radian's Chief Executive Officer since May 2005. Prior to joining Radian, from 1999 until April 2005, Mr. Ibrahim was President and Chief Executive Officer of GreenPoint Mortgage Funding, Inc., a residential mortgage lender. In 1999, Mr. Ibrahim served as Chief Operating Officer of the combined mortgage businesses of GreenPoint Financial Corp., the former parent company of GreenPoint Mortgage Funding Inc., and from 1997 through 1998, served as an Executive Vice President of GreenPoint Financial Corp. He currently serves as the non-executive Chairman of the Board of MERSCORP, Inc., a company owned by several mortgage industry participants that is dedicated to implementing an industrywide electronic registry for trading and delivering mortgages in the U.S. Mr. Ibrahim has been a member of the Residential Board of Governors of the Mortgage Bankers Association of America and is a member of the board of directors of the California Mortgage Bankers Association and the Institute for International Education. He has been a director of Radian since joining us in May 2005.
James W. Jennings	Mr. Jennings, 72, was a partner in the Philadelphia office of the law firm of Morgan, Lewis & Bockius LLP from 1970 until his retirement in November 2002. He currently serves as a member of the Independent Review Committee of a family of mutual funds managed by SEI Investments Canada Company, a subsidiary of SEI Investments Company. He has been a director of Radian since January 1993.
Ronald W. Moore	Mr. Moore, 63, has been an Adjunct Professor of Business Administration at Harvard University, Graduate School of Business Administration, since 1990. Mr. Moore has been a director of Radian since November 1992.

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Jan Nicholson

Ms. Nicholson, 64, has been President of The Grable Foundation, a private, charitable foundation that is dedicated to helping children and youth through improving their educational opportunities, since 1990. From 1998 to 2000, she was Managing Director of MBIA Insurance Corporation, a financial guaranty insurer, where she oversaw Portfolio Management and Strategic Risk Assessment functions. From 1994 to 1998, Ms. Nicholson was Managing Director in charge of Research and Development for Capital Markets Assurance Corporation, a financial guaranty insurer. Ms. Nicholson has been a director of Ball Corporation, a supplier of metal and plastic packaging products and of aerospace and other technologies, since 1994. She has been a director of Radian since 2003.

Robert W. Richards

Mr. Richards, 66, was Chairman of the Board of Source One Mortgage Services Corporation, a mortgage banking company, from 1989 until his retirement in 1996. He held a number of managerial positions with Source One from 1971 through 1996, serving as President from 1987 to 1989. He has been a director of Radian since November 1992.

Anthony W. Schweiger

Mr. Schweiger, 67, is Chairman and Managing Principal of e-brilliance, LLC, a technology consulting firm. He also is President and Chief Executive Officer of the Tomorrow Group, LLC, a governance and management consulting firm. Prior to forming e-brilliance, LLC and the Tomorrow Group, LLC, he served at different times as the President and Chief Executive Officer, and the Executive Vice President/Chief Operating Officer, of Meridian Mortgage Corporation, and he holds the Certified Mortgage Banker designation. He has been a director of Radian since November 1992.

Additional Information Regarding Directors

For additional information regarding our board of directors, its standing committees, and our standards for corporate governance and director independence, refer to the sections entitled **Corporate Governance and Board Matters** and **Compensation of Executive Officers and Directors** below.

Recommendation

RADIAN S BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE DIRECTOR NOMINEES. SIGNED PROXIES WILL BE VOTED FOR EACH OF THE DIRECTOR NOMINEES UNLESS A STOCKHOLDER GIVES OTHER INSTRUCTIONS ON THE PROXY CARD.

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PROPOSAL 2

**APPROVAL OF AMENDMENT TO
THE RADIAN GROUP INC. 2008 EQUITY COMPENSATION PLAN**

This section provides a description of the Radian Group Inc. 2008 Equity Compensation Plan (the "2008 Equity Plan") and the proposal that stockholders approve the amendment to (i) increase the number of shares available for grant under the plan, (ii) adjust the rate by which shares available for grant under the plan will be reduced by future grants of restricted stock, restricted stock units, phantom stock or performance shares and (iii) clarify that awards settled in cash rather than common stock will not reduce the shares available for grant under the plan. None of the provisions of the 2008 Equity Plan would be changed as a result of the amendment other than those listed in (i)-(iii) above, which are detailed below. The full text of the 2008 Equity Plan, as amended and restated, is included as *Appendix A* to this proxy statement. The description below of the 2008 Equity Plan, as amended and restated, is qualified by reference to the full text of the plan.

The Proposed Amendment

Our stockholders initially approved our 2008 Equity Plan at our 2008 annual meeting on May 22, 2008. As of the Record Date, approximately 557,893 shares of our common stock remained available for issuance under the 2008 Equity Plan. Recognizing that there are a limited number of reserved shares remaining to provide grants of equity awards under the 2008 Equity Plan and seeking to increase our flexibility in issuing awards under the plan, our board of directors adopted the proposed amendment to the 2008 Equity Plan on February 11, 2009, subject to the approval of our stockholders at the 2009 annual meeting. The amendment would:

Increase the number of shares available for issuance under the 2008 Equity Plan by 667,000 shares to an aggregate of 1,224,893 shares of our common stock available for issuance under the plan.

Reduce the rate by which shares subject to certain future grants under the 2008 Equity Plan decrease our flexible share reserve under the plan. Under the 2008 Equity Plan, the aggregate number of shares of common stock that we may issue (our share reserve) is subject to adjustment, depending on the type of grants that we make. Each grant of stock options or stock appreciation rights that we make under the 2008 Equity Plan reduces the number of shares available for future issuance under the plan by one share for every share subject to such grant, and each grant of restricted stock, restricted stock units, phantom stock or performance shares (collectively, "full value grants") that we make reduces the number of available shares by one and one third ($\frac{1}{3}$) shares for every share subject to such grant. The amendment subject to this proposal would adjust the amount by which full value grants made after the approval of this proposal reduce the share reserve from $1 - \frac{1}{3}$ shares to 1.14 shares for every share subject to such full value grant.

Clarify that any shares subject to awards under the 2008 Equity Plan that are settled in cash rather than common stock will not reduce the shares available for grant under the plan. The 2008 Equity Plan currently permits certain awards, such as stock appreciation rights, to be settled in cash at the discretion of the Compensation and Human Resources Committee.

We are asking our stockholders to approve the amendment to the 2008 Equity Plan because we believe that the ability to distribute equity grants under the plan is important to our continued growth and success. The purpose of the 2008 Equity Plan is to attract, motivate and retain highly qualified officers, directors, employees and other key individuals. We believe that providing these individuals an opportunity to acquire a direct proprietary interest in the future success of Radian will motivate these individuals to serve Radian and to expend maximum effort to improve our business and results of operations. In addition, we believe that equity awards granted under the 2008 Equity Plan will benefit stockholders by

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more closely aligning the interests of plan participants with those of our stockholders. Accordingly, we believe the amendment to the 2008 Equity Plan is critical to our overall compensation strategy and necessary to further our compensation philosophy and objectives as discussed below under Compensation of Executive Officers and Directors Compensation Discussion and Analysis Compensation Principles and Objectives.

Table of Contents**Awards Under Our Equity Compensation Plans**

The 2008 Equity Plan, as amended, would reserve an aggregate of 2,467,000 shares of common stock for issuance, of which 1,049,530 shares (1,242,107 shares after taking into account the current reserve adjustment) have already been issued, which represents just 3% of the number of our shares of common stock outstanding as of the Record Date. As of the Record Date, a total of 3,034,219 shares of stock were subject to outstanding stock option awards under the Radian Group Inc. 1995 Equity Compensation Plan (the 1995 Equity Plan) and 471,800 shares of stock were subject to outstanding stock option awards under our 2008 Equity Plan. Together, all outstanding awards had a weighted average exercise price of \$30.01 per share and a weighted average remaining term of 4.65 years. There were also 1,044,751 shares subject to outstanding stock awards under the 1995 Equity Plan and the 2008 Equity Plan in the form of restricted stock or phantom stock. We have stated that we will not issue additional shares under the 1995 Equity Plan. On the Record Date, the closing price of our common stock on the NYSE was \$1.82 per share.

The Compensation and Human Resources Committee of our board of directors will administer the grant of awards under the 2008 Equity Plan such that the average annual burn rate for grants made during fiscal years 2009, 2010 and 2011 will not exceed 2.18% of the number of shares of common stock that we anticipate will be outstanding over such three-year period. The annual burn rate will be calculated by dividing (i) the number of shares granted under the plan in each fiscal year by (ii) the fiscal year-end weighted average of common shares outstanding. For purposes of calculating the number of shares granted in a year with respect to the burn rate, restricted stock, restricted stock units, phantom stock and performance shares will count as 1.5 shares for every one share actually issued in connection with such award. Cash-settled awards will not be taken into account for purposes of calculating the annual burn rate. This limitation is based on a review of practices of comparable companies in the financial services industry.

New Plan Benefits

Participation and the types of awards under the 2008 Equity Plan are subject to the discretion of the Compensation and Human Resources Committee of our board of directors, and as a result, the benefits or amounts that will be received by any participant or groups of participants under the 2008 Equity Plan, including from any additional shares authorized under the 2008 Equity Plan, are not currently determinable. On the Record Date, there were eight executive officers, nine non-employee directors and approximately 650 employees who were eligible to participate in the 2008 Equity Plan.

The following table sets forth (i) the aggregate number of shares of our common stock subject to options granted under the 2008 Equity Plan during 2008, (ii) the average per share exercise price of such options, (iii) the aggregate number of shares of restricted stock granted under the 2008 Equity Plan during 2008, (iv) the dollar value of such restricted stock as of the grant date, (v) the aggregate number of shares of phantom stock granted under the 2008 Equity Plan during 2008, and (vi) the dollar value of such shares of phantom stock as of the grant date. There were no shares issued pursuant to awards of stock appreciation rights, restricted stock units or performance shares granted under the 2008 Equity Plan during 2008.

Named of Individual or Group	Options Granted (#)	Average Per Share Exercise Price (\$)	Restricted Stock Shares (#)	Value of Restricted Stock (\$) (1)	Phantom	Value of Phantom Stock Shares (\$) (1)
					Stock Shares Granted (#)	
Herbert Wender	0	*	0	*	46,370	115,000
David C. Carney	0	*	0	*	46,370	115,000
Howard B. Culang	0	*	0	*	46,370	115,000
Stephen T. Hopkins	0	*	0	*	46,370	115,000

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Sanford A. Ibrahim	253,000	2.48	86,000	213,280	0	*
James W. Jennings	0	*	0	*	46,370	115,000
Ronald W. Moore	0	*	0	*	46,370	115,000
Jan Nicholson	0	*	0	*	46,370	115,000
Robert W. Richards	0	*	0	*	46,370	115,000

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Named of Individual or Group	Options Granted (#)	Average Per Share Exercise Price (\$)	Restricted Stock Shares (#)	Value of Restricted Stock (\$) (1)	Phantom Stock Shares Granted (#)	Value of Phantom Stock Shares (\$) (1)
Anthony W. Schweiger	0	*	0	*	46,370	115,000
C. Robert Quint	30,200	2.48	10,300	25,544	0	*
Teresa A. Bryce	73,800	2.48	25,100	62,248	0	*
Lawrence C. DelGatto	13,200	2.48	4,500	11,160	0	*
H. Scott Theobald	20,600	2.48	7,000	17,360	0	*
All current executive officers, as a group	432,900	2.48	147,300	365,304	0	*
All directors who are not executive officers, as a group	0	*	0	*	417,330	1,035,000
All employees who are not executive officers, as a group	38,900	2.48	13,100	32,488	0	*

* Not applicable.

(1) At grant date.

Description of the Plan

Shares Subject to the Plan. The 2008 Equity Plan, as originally adopted in 2008, authorizes the issuance of up to 1,800,000 shares of our common stock, and with the amendment subject to this proposal, would authorize the issuance of up to 2,467,000 shares of our common stock, including shares already issued. Any shares subject to options or stock appreciation rights (referred to as SARs) granted under the 2008 Equity Plan that terminate, expire or are cancelled without being exercised, and any shares of restricted stock or phantom stock, or restricted stock units or performance share awards, that are forfeited or otherwise terminate or are cancelled without being vested or settled in full, will become available for reissuance under the 2008 Equity Plan. Other shares, such as those tendered in payment of an option exercise price or withheld for taxes under the 2008 Equity Plan, or subject to awards that expire or are forfeited under our 1995 Equity Plan, will not be added to the number of shares reserved under the 2008 Equity Plan. Each option or SAR (other than cash-settled SARs) granted under the 2008 Equity Plan will reduce the reserve available for grant under the 2008 Equity Plan by one share for every share subject to such grant. With the amendment subject to this proposal, each grant of restricted stock, restricted stock units, phantom stock or performance share awards under the 2008 Equity Plan will reduce the reserve available for grant under the 2008 Equity Plan by 1.14 shares for every share subject to such grant (1- 1/3 shares for grants made prior to the date of stockholder approval of this proposal). The amendment subject to this proposal clarifies that any shares subject to awards that are settled in cash rather than common stock will become available for reissuance under the 2008 Equity Plan, and that awards providing for settlement solely in cash will not reduce the shares available for grant under the 2008 Equity Plan.

Administration of the Plan. The 2008 Equity Plan is administered by a committee of our board of directors, with grant decisions made by at least two non-employee directors, each of whom is an outside director as defined under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), a non-employee director as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act), and otherwise an independent director under the rules and regulations of the NYSE. The Compensation and Human Resources Committee of our board of directors has been appointed by the board to administer the 2008 Equity Plan. Subject to the plan, the committee has the sole authority to determine:

who will receive grants under the plan;

the type, size and terms of each grant;

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when the awards will be granted and the duration of any exercise or restriction period;

any restrictions on resale applicable to the shares to be issued or transferred pursuant to a grant; and

any other matters arising under the plan.

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Grants. Awards under the 2008 Equity Plan may consist of incentive stock options within the meaning of Section 422 of the Code (referred to as ISOs), non-qualified stock options (referred to as NQSOs), restricted stock grants, restricted stock units, stand-alone and tandem SARs, phantom stock and performance share awards.

Eligibility for Participation. Officers and other employees of Radian (or its affiliates) are eligible to participate in the 2008 Equity Plan. Non-employee directors and consultants and advisors are eligible to participate in the 2008 Equity Plan, but are not permitted to receive grants of ISOs or performance shares. Under the 2008 Equity Plan, no grantee may receive a grant of shares for more than 500,000 shares of our common stock for any calendar year, subject to certain adjustments as set forth in the 2008 Equity Plan.

No Repricing. Under the 2008 Equity Plan, repricing of stock options and SARs (including a reduction in the exercise price of stock options or replacement of an award with cash or another award type) without stockholder approval is prohibited, except in connection with a corporate transaction such as a merger, spin-off or reorganization.

Stock Options; Exercise Price, Term, Vesting and Method of Exercise. The 2008 Equity Plan provides that the exercise price of our common stock subject to an ISO or NQSO may not be less than its fair market value on the date the option is granted. If the grantee of an ISO owns more than 10% of the total combined voting power of all classes of our stock, the exercise price of the ISO may not be less than 110% of the fair market value of a share of our common stock on the date the option is granted. All of the outstanding options under our 1995 Equity Plan and our 2008 Equity Plan are NQSOs.

The Compensation and Human Resources Committee determines the term for each option, up to a 10-year maximum (except the term of an ISO may not exceed five years if the grantee owns more than 10% of the total combined voting power of all classes of our stock). Unless otherwise specified in the applicable grant, each option vests ratably over four years, beginning one year after the date of grant. As long as the grantee is still with Radian, if not sooner vested by its terms, each option fully vests upon the earliest of:

the grantee's retirement, as defined under the 2008 Equity Plan (see Certain Other Definitions below);