

The following table shows the direct RIF (by form of insurance and loan type), before consideration of reinsurance, associated with our mortgage insurance segment as of December 31, 2012 and 2011:

<u>(In millions)</u>	<u>December 31,</u>	
	<u>2012</u>	<u>2011</u>
Primary:		
Prime	\$ 30,348	\$ 26,011
Alt-A	2,404	2,825
A minus and below	1,620	1,856
Total Primary	34,372	30,692
Pool	1,834	2,068
Second-lien	94	131
NIMS and other	54	83
Total Direct Mortgage Insurance RIF	<u>\$ 36,354</u>	<u>\$ 32,974</u>

The following discussion mainly focuses on our direct primary RIF, which represents approximately 94.5% of our total mortgage insurance RIF at December 31, 2012. For additional information regarding our pool and non-traditional mortgage insurance RIF, see “—Business—Mortgage Insurance—Business—Traditional Risk” and “—Business—Mortgage Insurance—Business—Non-Traditional Risk.”

We analyze our portfolio in a number of ways to identify any concentrations or imbalances in risk dispersion. We believe the performance of our mortgage insurance portfolio is affected significantly by:

- general economic conditions (in particular home prices and unemployment);
- the age of the loans insured;
- the geographic dispersion of the properties securing the insured loans and the condition of the housing market;
- the quality of underwriting decisions at loan origination; and
- the characteristics of the loans insured (including loan-to-value (“LTV”), purpose of the loan, type of loan instrument and type of underlying property securing the loan).

1. Direct Primary RIF by Year of Policy Origination

The following table shows our RIF by year of origination and selected information related to that risk as of December 31, 2012:

<u>(\$ in millions)</u>	<u>December 31, 2012</u>					
	<u>RIF</u>	<u>Number of Defaults</u>	<u>Delinquency Rate</u>	<u>Percentage of Reserve for Losses</u>	<u>Average FICO (1) at Origination</u>	<u>Original Average LTV</u>
2005 and prior	\$ 5,657	34,542	17.9%	31.9%	682	91.1%
2006	2,735	16,110	23.1	17.9	690	92.1
2007	6,059	28,476	22.3	35.8	702	93.4
2008	4,582	12,299	13.3	12.9	728	91.8
2009	2,021	1,154	2.6	1.1	756	90.4
2010	1,726	273	0.8	0.3	765	91.0
2011	2,956	205	0.4	0.1	762	91.6
2012	8,636	110	0.1	—	761	91.7
Total	<u>\$ 34,372</u>	<u>93,169</u>		<u>100.0%</u>		

(1) Fair Isaac Corporation (“FICO”).