

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of report (Date of earliest event reported) May 12, 2021

Radian Group Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-11356
(Commission
File Number)

23-2691170
(IRS Employer
Identification No.)

1500 Market Street,
Philadelphia, Pennsylvania, 19102
(Address of Principal Executive Offices, and Zip Code)

(215) 231-1000
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	RDN	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

(e) Compensatory Arrangements of Certain Officers

Approval of Radian Group Inc. 2021 Equity Compensation Plan

On May 12, 2021, stockholders of Radian Group Inc. (“Radian” or the “Company”) approved the Radian Group Inc. 2021 Equity Compensation Plan (the “Equity Compensation Plan” or “Plan”). The Plan is described in Proposal 3 in the Company’s proxy statement for the 2021 Annual Meeting of Stockholders, filed with the Securities and Exchange Commission on April 9, 2021 (the “2021 Proxy Statement”) and is included in its entirety as Exhibit A to the 2021 Proxy Statement.

2021 Long-Term Incentive Awards

On May 12, 2021, the Compensation and Human Capital Management Committee (the “Committee”) of the Company’s Board of Directors (the “Board”) granted annual long-term incentive awards (the “2021 LTI Awards”) to the Company’s executive officers, including Richard G. Thornberry, the Company’s Chief Executive Officer, and to Derek V. Brummer, J. Franklin Hall, Edward J. Hoffman and Eric R. Ray, the Company’s other executive officers named in the 2020 Summary Compensation Table of the Company’s 2021 Proxy Statement (collectively, the “Executives”).

All of the 2021 LTI Awards granted by the Company, including those awarded to the Executives as described in more detail below, were granted under the Equity Compensation Plan.

For 2021, each Executive’s target 2021 LTI Award is comprised of the following components: (1) performance-based restricted stock units that will vest based on growth in the Company’s “LTI Book Value per Share” (as defined below) over a three-year performance period (the “BV RSUs”); and (2) time-based restricted stock units that will vest over three years in pro rata installments (“Time-Based RSUs”). Consistent with the Company’s pay-for-performance philosophy, the 2021 LTI Awards are primarily performance-based, with the BV RSUs and Time-Based RSUs comprising 60% and 40% of the Executives’ target 2021 LTI Awards, respectively.

2021 Performance-Based Awards – BV RSUs

The Committee granted BV RSUs to the Executives in the following target amounts (“BV RSU Targets”):

Executive Officer	BV RSU Target (#)
Mr. Thornberry	141,760
Mr. Brummer	51,620
Mr. Hall	36,370
Mr. Hoffman	36,370
Mr. Ray	29,130

The BV RSUs will vest on May 15, 2024, based on the attainment of specified performance goals (as described below), subject to certain conditions (as described below) that could accelerate such vesting. Each vested BV RSU will be payable in one share of the Company’s common stock.

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On the vesting date, each Executive will become vested in a number of BV RSUs (from 0 to 200% of his BV RSU Target, the “BV Performance Level”) based on how the Company’s cumulative growth in LTI Book Value per Share (as defined below) over a three-year performance period (from March 31, 2021 through March 31, 2024) compares to the following reference points:

Cumulative Growth in LTI Book Value per Share(1)	BV Performance Level(1) (Percentage of BV RSU Target)
≥40%	200%
30%	100%
<10%(2)	0%

- (1) If the Company’s cumulative growth in LTI Book Value per Share falls between two referenced percentages, the BV Performance Level will be interpolated.
- (2) If the Company’s cumulative growth in LTI Book Value per Share is less than 10%, the BV Performance Level will be 0.

The Company’s “LTI Book Value per Share” is defined as: (A) Book Value adjusted to exclude: (1) Accumulated Other Comprehensive Income; and (2) the impact, if any, during the three-year performance period from declared dividends on common shares and dividend equivalents on outstanding equity awards; **divided by** (B) basic shares of common stock outstanding.

The BV RSUs include a one-year holding period after vesting, such that the vested BV RSUs will not be convertible into shares (other than shares withheld to pay taxes due at vesting) until the one-year anniversary of the vesting date of the BV RSUs. However, as set forth in the applicable grant instrument, the post-vesting holding period will not apply in certain circumstances, such as (i) the Executive’s death or disability, (ii) an Involuntary Termination (as defined below) in connection with a change of control before the end of the performance period, or (iii) the occurrence of a change of control after the end of the performance period.

The treatment of the BV RSU awards upon the occurrence of certain employment termination events is described under “**Termination of Employment Events**” below. The BV RSU awards provide for “double trigger” vesting in the event of a change of control. In the event of a change of control of the Company before the end of the three-year performance period, absent an Involuntary Termination (as defined below), the BV RSUs will become vested on the vesting date of the BV RSUs in an amount equal to the projected BV Performance Level for the full performance period, estimated as of the end of the fiscal quarter immediately prior to the change of control (the “CoC Performance Level”).

Executives are entitled to receive dividend equivalents on their BV RSU awards as described below under “**Dividend Equivalents.**”

2021 Time-Based RSUs

The Committee granted Time-Based RSUs to the Executives in the following amounts: Mr. Thornberry – 84,720 RSUs; Mr. Brummer – 30,850 RSUs; Mr. Hall – 21,740 RSUs; Mr. Hoffman – 21,740 RSUs; and Mr. Ray – 17,410 RSUs.

The Time-Based RSUs are scheduled to vest in three pro rata installments on May 15, 2022, May 15, 2023 and May 15, 2024, as long as the Executive is an employee of Radian on the vesting date.

The treatment of the Time-Based RSUs upon the occurrence of certain employment termination events is described under “**Termination of Employment Events**” below.

Executives are entitled to receive dividend equivalents on their Time-Based RSU awards as described below under “**Dividend Equivalents.**”

Termination of Employment Events

Generally, the 2021 LTI Awards would be treated as follows if the Executive's employment is terminated for the following reasons:

Termination Event	BV-RSUs	Time-Based RSUs
Voluntary Termination	All unvested BV RSUs are forfeited	All unvested Time-Based RSUs are forfeited
Involuntary Termination* (No Change of Control)	<ul style="list-style-type: none"> • Except as set forth below, the target number of BV RSUs will be prorated for the number of months served between the grant date and date of termination, with vesting occurring on the original vesting date at the BV Performance Level • If terminated within six months of the grant date, the BV RSUs will be forfeited • If terminated during the six-months prior to the original vesting date, the target BV RSUs will not be prorated (Executive is eligible for full value of award) 	<ul style="list-style-type: none"> • If terminated on or before the first vesting date of the Time-Based RSUs, 33% of the Time-Based RSUs will automatically vest, and the remaining Time-Based RSUs will be forfeited • If terminated after the first vesting date of the Time-Based RSUs, any unvested Time-Based RSUs will automatically vest on the date of termination
Involuntary Termination* (Occurring 90 Days Before or One Year After Change of Control)	Accelerate vesting of BV RSUs as of the termination date (or, if later, on the date of the Change of Control) at the CoC Performance Level	Accelerate vesting of Time-Based RSUs in full on the termination date (or, if later, on the date of the Change of Control)
Death / Disability	Accelerate vesting of BV RSUs as of the date of death or disability at the BV RSU Target or CoC Performance Level if a change of control has occurred	Accelerate vesting of Time-Based RSUs in full on date of death or disability
Retirement	BV RSUs are not forfeited and vest on the original vesting date at the BV Performance Level or CoC Performance Level if a change of control has occurred	Accelerate vesting of Time-Based RSUs in full on retirement date

* An "Involuntary Termination" is generally defined as a termination of the Executive's employment by the Company other than for "cause" or an Executive's termination of employment for "good reason."

The 2021 LTI Awards include a provision that prohibits the Executive from competing with the Company and from soliciting the Company's employees or customers for a period of 18 months with respect to Mr. Thornberry and a period of 12 months for each of the other Executives following termination of the Executive's employment for any reason.

Dividend Equivalents

Executives are entitled to receive dividend equivalents on their 2021 LTI Awards. In general, the 2021 LTI Awards provide that upon the declaration and payment by the Company of a cash dividend on its common stock, each Executive will be entitled to receive a cash amount equal to the per-share cash dividend paid by the Company (a "Dividend Equivalent"), multiplied by the total number of BV RSUs and Time-Based RSUs subject to such award, with the number of BV RSUs initially measured at target and adjusted at vesting based on performance under the award. Any Dividend Equivalents credited to a 2021 LTI Award are subject to the same vesting, payment, forfeiture and other terms and conditions as the related award, including, as it relates to the BV RSUs, the requirement that certain specified performance conditions be met.

Dividend Equivalents will accrue on unvested 2021 LTI Awards in a non-interest bearing book account and will not be paid to holders prior to vesting of the 2021 LTI Awards. Unless the 2021 LTI Award is otherwise deferred under the applicable deferred compensation plan, such Dividend Equivalents, as adjusted to take into account achievement of the applicable performance goals with respect to the BV RSUs, will be paid when the 2021 LTI Awards vest. If and to the extent that the underlying 2021 LTI Awards are forfeited, all related Dividend Equivalents will be forfeited. With respect to the BV RSUs, which are subject to a one-year holding period after vesting, Dividend Equivalents will be paid following the vesting of the BV RSUs when dividends are paid on the underlying common stock of the Company.

The foregoing summary of the 2021 LTI Awards is not a complete description of all of the terms and conditions of the BV RSUs and the Time-Based RSUs, and is qualified in its entirety by reference to the full text of the form of grant instruments, which the Company plans to file as exhibits to its Quarterly Report on Form 10-Q for the quarter ended June 30, 2021.

SIGNATURES

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

RADIAN GROUP INC.

(Registrant)

Date: May 18, 2021

By: /s/ Edward J. Hoffman

Edward J. Hoffman

General Counsel and Corporate Secretary