

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

MERRILL LYNCH & CO., INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE 13-2740599
(STATE OR OTHER JURISDICTION OF (I.R.S. EMPLOYER
INCORPORATION OR ORGANIZATION) IDENTIFICATION NO.)

WORLD FINANCIAL CENTER
NORTH TOWER
NEW YORK, NEW YORK 10281-1334
(212) 449-1000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER,
INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

ROSEMARY T. BERKERY, ESQ.
ASSOCIATE GENERAL COUNSEL
MERRILL LYNCH & CO., INC.
WORLD FINANCIAL CENTER
NORTH TOWER
NEW YORK, NEW YORK 10281-1334
(212) 449-6990
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER,
INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

NORMAN D. SLONAKER, ESQ.
BROWN & WOOD
ONE WORLD TRADE CENTER
NEW YORK, NEW YORK 10048

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as
practicable after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered
pursuant to dividend or interest reinvestment plans, please check the
following box.

If any of the securities being registered on this Form are to be offered on
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of
1933, check the following box.

If this Form is filed to register additional securities for an offering
pursuant to Rule 462(b) under the Securities Act, please check the following
box and list the Securities Act registration statement number of the earlier
effective registration statement for the same offering. _____

If this Form is a post-effective amendment filed pursuant to Rule 462(c)
under the Securities Act, check the following box and list the Securities Act
registration statement number of the earlier effective registration statement
for the same offering. _____

If delivery of the prospectus is expected to be made pursuant to Rule 434,
please check the following box.

CALCULATION OF REGISTRATION FEE

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TITLE OF EACH CLASS OF	AMOUNT TO BE	PROPOSED MAXIMUM OFFERING PRICE	PROPOSED MAXIMUM AGGREGATE OFFERING	AMOUNT OF
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SECURITIES TO BE REGISTERED	REGISTERED	PER UNIT (1) (2)	PRICE (1) (2)	REGISTRATION FEE
<S> % STRYPES Due 1998(3)..	<C> 5,750,000 STRYPES(4)	<C> \$47.125	<C> \$270,968,750	<C> \$93,438

- (1) Estimated pursuant to Rule 457 solely for the purpose of calculating the registration fee.
- (2) Exclusive of accrued interest, if any.
- (3) The shares of Common Stock, par value \$1.00 per share, of MGIC Investment Corporation ("MGIC Investment") deliverable at maturity of such STRYPES (including such indeterminate number of shares as may be deliverable as a result of the anti-dilution provisions thereof) are registered pursuant to a separate registration statement on Form S-3 filed concurrently herewith by MGIC Investment.
- (4) Includes 750,000 STRYPES that the Underwriter has the option to purchase from Merrill Lynch & Co., Inc. to cover over-allotments, if any.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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 +INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
 +REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +
 +SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
 +OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +
 +BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +
 +THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +
 +SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +
 +UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +
 +ANY SUCH STATE. +
 +++++

SUBJECT TO COMPLETION
 PRELIMINARY PROSPECTUS DATED , 1995

PROSPECTUS
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LOGO
 5,000,000 STRYPES
 MERRILL LYNCH & CO., INC.
 % STRYPES SM DUE , 1998

PAYABLE WITH SHARES OF COMMON STOCK OF MGIC INVESTMENT CORPORATION
 (OR CASH WITH AN EQUAL VALUE)

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The issue price of each Structured Yield Product Exchangeable for Stock SM, % STRYPES SM Due , 1998 (each, a "STRYPES") of Merrill Lynch & Co., Inc. (the "Company") being offered hereby is \$, which amount is equal to the last sale price of the common stock, par value \$1.00 per share (the "MGIC Common Stock"), of MGIC Investment Corporation, a Wisconsin corporation ("MGIC Investment"), on , 1995, as reported on the New York Stock Exchange Composite Tape (the "Initial Price"). The STRYPES will mature on , 1998 (the "Maturity Date"). Interest on the STRYPES, at the rate of % of the issue price per annum, is payable in cash quarterly in arrears on January 15, April 15, July 15 and October 15, beginning , 1995, and on the Maturity Date. The STRYPES are not subject to redemption or any sinking fund prior to maturity. The STRYPES will be unsecured obligations of the Company ranking pari passu with all of its other unsecured and unsubordinated indebtedness.

On the Maturity Date, the Company will pay and discharge each STRYPES by delivering to the holder thereof a number of shares of MGIC Common Stock (or, at the Company's option, which may be exercised with respect to all, but not less than all, shares of MGIC Common Stock deliverable on the Maturity Date, cash with an equal value) based on the Payment Rate. The Payment Rate is equal to, subject to certain adjustments, (a) if the Maturity Price is greater than or equal to \$ per share of MGIC Common Stock (the "Threshold Appreciation Price"), shares of MGIC Common Stock per STRYPES, (b) if the Maturity Price is less than the Threshold Appreciation Price but is greater than the Initial Price, a fractional share of MGIC Common Stock per STRYPES so that the value thereof (determined at the Maturity Price) equals the Initial Price and (c) if the Maturity Price is less than or equal to the Initial Price, one share of MGIC Common Stock per STRYPES. The "Maturity Price" means the average Closing Price (as defined herein) per share of MGIC Common Stock on the 20 Trading Days (as defined herein) immediately prior to the Maturity Date. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE AMOUNT RECEIVABLE BY HOLDERS OF THE STRYPES ON THE

MATURITY DATE WILL BE EQUAL TO OR GREATER THAN THE ISSUE PRICE OF THE STRYPES.
See "Description of the STRYPES."

Reference is made to the accompanying prospectus of MGIC Investment covering the shares of MGIC Common Stock which may be received by a holder of the STRYPES at Maturity.

MGIC Investment is not affiliated with the Company, will not receive any of the proceeds from the sale of the STRYPES and will have no obligations with respect to the STRYPES.

SEE "RISK FACTORS" ON PAGE 6 OF THIS PROSPECTUS FOR CERTAIN CONSIDERATIONS RELEVANT TO AN INVESTMENT IN THE STRYPES.

For a discussion of certain United States Federal income tax consequences for holders of the STRYPES, see "Certain United States Federal Income Tax Considerations."

The MGIC Common Stock is listed on the New York Stock Exchange ("NYSE") under the trading symbol "MTG." Application will be made to list the STRYPES on the NYSE.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS.
ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
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	PRICE TO PUBLIC (1)	UNDERWRITING DISCOUNT (2)	PROCEEDS TO COMPANY (1) (3)
<S>	<C>	<C>	<C>
Per STRYPES.....	\$	\$	\$
Total (4).....	\$	\$	\$

- (1) Plus accrued interest, if any, from , 1995 to the date of delivery.
(2) The Company, MGIC Investment and The Northwestern Mutual Life Insurance Company have agreed to indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act of 1933. See "Underwriting."
(3) Before deducting expenses payable by the Company estimated at \$.
(4) The Company has granted the Underwriter an option for 30 days to purchase up to an additional 750,000 STRYPES at the initial public offering price per STRYPES, less the underwriting discount, solely to cover over-allotments. If such over-allotment option is exercised in full, the total Price to Public, Underwriting Discount and Proceeds to Company will be \$, \$ and \$, respectively. See "Underwriting."

The STRYPES are offered by the Underwriter, subject to prior sale, when, as and if issued to and accepted by the Underwriter and subject to certain other conditions. The Underwriter reserves the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the STRYPES will be made in New York, New York, on or about , 1995.

This Prospectus may be used by the Underwriter in connection with offers and sales related to market-making transactions in the STRYPES. The Underwriter may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing market prices at the time of sale.

SM Service Mark of Merrill Lynch & Co., Inc.
MERRILL LYNCH & CO.

The date of this Prospectus is , 1995.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE STRYPES AND THE MGIC COMMON STOCK AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy and information statements and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: Chicago Regional Office, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511 and New York Regional Office, Seven World Trade Center, New York, New York 10048. Copies of such material can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Reports, proxy and information statements and other information concerning the Company may also be inspected at the offices of the New York Stock Exchange, the American Stock Exchange, the Chicago Stock Exchange and the Pacific Stock Exchange.

The Company has filed a Registration Statement on Form S-3 (the "Registration Statement") with the Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act"), covering the STRYPES. This Prospectus does not contain all the information set forth in the Registration Statement and the exhibits thereto, to which reference is hereby made.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company's Annual Report on Form 10-K for the year ended December 30, 1994, Quarterly Report on Form 10-Q for the period ended March 31, 1995, and Current Reports on Form 8-K dated January 12, 1995, January 23, 1995, February 8, 1995, February 9, 1995, March 3, 1995, March 9, 1995, April 18, 1995, May 2, 1995 and May 23, 1995 filed pursuant to Section 13 of the Exchange Act, are hereby incorporated by reference into this Prospectus.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the STRYPES shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH PERSON TO WHOM THIS PROSPECTUS IS DELIVERED, ON THE WRITTEN OR ORAL REQUEST OF SUCH PERSON, A COPY (WITHOUT EXHIBITS OTHER THAN EXHIBITS SPECIFICALLY INCORPORATED BY REFERENCE) OF ANY OR ALL DOCUMENTS INCORPORATED BY REFERENCE INTO THIS PROSPECTUS. REQUESTS FOR SUCH COPIES SHOULD BE DIRECTED TO MR. GREGORY T. RUSSO, SECRETARY, MERRILL LYNCH & CO., INC., 100 CHURCH STREET, 12TH FLOOR, NEW YORK, NEW YORK 10080-6512; TELEPHONE NUMBER (212) 602-8435.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF INSURANCE FOR THE STATE OF NORTH CAROLINA, NOR HAS THE COMMISSIONER OF INSURANCE RULED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS.

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PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the information incorporated by reference in this Prospectus and by the more detailed information included elsewhere in this Prospectus. Unless otherwise indicated, the information contained in this Prospectus assumes that the Underwriter's over-allotment option is not exercised.

MERRILL LYNCH & CO., INC.

Merrill Lynch & Co., Inc. is a holding company that, through its subsidiaries and affiliates, provides investment, financing, insurance, and related services on a global basis. Its principal subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), one of the largest securities firms in the world, is a leading broker in securities, options contracts, and commodity and financial futures contracts; a leading dealer in options and in corporate and municipal securities; a leading investment banking firm that provides advice to, and raises capital for, its clients; and an underwriter of selected insurance products. Other subsidiaries provide financial services on a global basis similar to those of MLPF&S and are engaged in such other activities as international banking, lending, and providing other investment and financing services. Merrill Lynch International Incorporated, through subsidiaries and affiliates, provides investment, financing, and related services outside the United States and Canada. Merrill Lynch Government Securities Inc. is a primary dealer in obligations issued or guaranteed by the U.S. Government and by

Federal agencies or instrumentalities. Merrill Lynch Capital Services, Inc., Merrill Lynch Derivative Products, Inc., and Merrill Lynch Capital Markets PLC are the Company's primary derivative product dealers and enter into interest rate and currency swaps and other derivative transactions as intermediaries and as principals. Merrill Lynch Asset Management L.P., with its related affiliates, is one of the largest mutual fund managers in the world and provides investment advisory services. The Company's insurance underwriting operations consist of the underwriting of life insurance and annuity products. Banking, trust, and mortgage lending operations conducted through subsidiaries of the Company include issuing certificates of deposit, offering money market deposit accounts, making secured loans, and providing foreign exchange facilities and other related services.

The principal executive office of the Company is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; its telephone number is (212) 449-1000.

MGIC INVESTMENT CORPORATION

MGIC Investment Corporation is a holding company which, through its indirect wholly owned subsidiary, Mortgage Guaranty Insurance Corporation, is a leading provider of private mortgage insurance coverage in the United States to mortgage bankers, savings institutions, commercial banks, mortgage brokers, credit unions and other lenders. Private mortgage insurance covers residential first mortgage loans and expands home ownership opportunities by enabling people to purchase homes with less than 20% down payments. If the home owner defaults, private mortgage insurance reduces and, in some instances, eliminates the loss to the insured institution. Private mortgage insurance also facilitates the sale of low down payment mortgage loans in the secondary mortgage market, principally to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. In addition to mortgage insurance, MGIC Investment, through other subsidiaries, provides various underwriting and contract services related to home mortgage lending.

Reference is made to the accompanying prospectus of MGIC Investment covering the shares of MGIC Common Stock which may be received by a holder of STRYPES on the Maturity Date. MGIC Investment is not affiliated with the Company, will not receive any of the proceeds from the sale of the STRYPES and will have no obligations with respect to the STRYPES. The prospectus of MGIC Investment is being attached hereto and delivered to prospective purchasers of STRYPES together with this Prospectus for convenience of reference only. The prospectus of MGIC Investment does not constitute a part of this Prospectus, nor is it incorporated by reference herein.

THE STRYPES

Offering.....	5,000,000 STRYPES
Issue Price.....	\$ per STRYPES
Maturity Date.....	, 1998
Interest Rate.....	% of the issue price per annum, or \$ per STRYPES per quarter, payable in cash quarterly in arrears
Interest Payment Dates....	January 15, April 15, July 15 and October 15, beginning , 1995, and the Maturity Date.
Payment at Maturity.....	On the Maturity Date, the Company will pay and discharge each STRYPES by delivering to the holder thereof a number of shares of MGIC Common Stock (or, at the Company's option, which may be exercised with respect to all, but not less than all, shares of MGIC Common Stock deliverable on the Maturity Date, cash with an equal value) based on the Payment Rate. The Payment Rate is equal to, subject to certain adjustments, (a) if the Maturity Price is greater than or equal to \$ per share of MGIC Common Stock (the "Threshold Appreciation Price"), shares of MGIC Common Stock per STRYPES, (b) if the Maturity Price is less than the Threshold Appreciation Price but is greater than the Initial Price, a fractional share of MGIC Common Stock per STRYPES so that the value thereof (determined at the Maturity Price) equals the Initial Price and (c) if the Maturity Price is less than or equal to the Initial Price, one share of MGIC Common Stock per STRYPES. The "Maturity Price" means the average Closing Price per share of MGIC Common Stock on the 20 Trading Days immediately prior to the Maturity Date. ACCORDINGLY,

THERE CAN BE NO ASSURANCE THAT THE AMOUNT RECEIVABLE BY HOLDERS OF THE STRYPES ON THE MATURITY DATE WILL BE EQUAL TO OR GREATER THAN THE ISSUE PRICE OF THE STRYPES. See "Description of the STRYPES--General."

- No Redemption, Sinking Fund or Payment prior to Maturity..... The STRYPES are not subject to redemption by the Company prior to the Maturity Date and do not contain any sinking fund or other mandatory redemption provisions. The STRYPES are not subject to payment prior to the Maturity Date at the option of the holder.
- Ranking..... The STRYPES will be unsecured obligations of the Company ranking pari passu with all of its other unsecured and unsubordinated indebtedness.
- Relationship to MGIC Common Stock..... The STRYPES will bear interest at % of the issue price per annum, a yield substantially in excess of the % dividend yield of MGIC Common Stock based on the last sale price of the MGIC Common Stock on , 1995, as reported on the NYSE Composite

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Tape, and the current \$ per share quarterly dividend payable on the MGIC Common Stock. However, the opportunity for equity appreciation afforded by an investment in the STRYPES is less than the opportunity for equity appreciation afforded by a direct investment in the MGIC Common Stock because the amount receivable by a holder of a STRYPES on the Maturity Date will only exceed the issue price of such STRYPES if the Maturity Price of the MGIC Common Stock exceeds the Threshold Appreciation Price (which represents an appreciation of % over the Initial Price). Moreover, holders of the STRYPES will only be entitled to receive on the Maturity Date % (the percentage equal to the Initial Price divided by the Threshold Appreciation Price) of any appreciation of the value of MGIC Common Stock in excess of the Threshold Appreciation Price. Holders of the STRYPES will not be entitled to any rights with respect to the MGIC Common Stock (including, without limitation, voting rights and rights to receive any dividends or other distributions in respect thereof) unless and until such time, if any, as the Company shall have delivered shares of MGIC Common Stock for STRYPES on the Maturity Date and unless the applicable record date, if any, for the exercise of such rights occurs after such delivery.

- Use of Proceeds..... For general corporate purposes. The net proceeds will be temporarily invested by the Company or applied by the Company to the reduction of short-term indebtedness pending their application. See "Use of Proceeds."

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RISK FACTORS

COMPARISON TO OTHER DEBT SECURITIES; RELATIONSHIP TO MGIC COMMON STOCK

The terms of the STRYPES differ from those of ordinary debt securities in that the value of the MGIC Common Stock (or, pursuant to the option of the Company, the amount of cash) that a holder of a STRYPES will receive on the Maturity Date is not fixed, but is based on the Maturity Price of the MGIC Common Stock (see "Description of the STRYPES"). THERE CAN BE NO ASSURANCE THAT SUCH AMOUNT RECEIVABLE BY THE HOLDER ON THE MATURITY DATE WILL BE EQUAL TO OR GREATER THAN THE ISSUE PRICE OF THE STRYPES. IF THE MATURITY PRICE OF THE MGIC COMMON STOCK IS LESS THAN THE INITIAL PRICE, SUCH AMOUNT RECEIVABLE ON THE MATURITY DATE WILL BE LESS THAN THE ISSUE PRICE PAID FOR THE STRYPES, IN WHICH CASE AN INVESTMENT IN STRYPES WILL RESULT IN A LOSS. ACCORDINGLY, A HOLDER OF STRYPES ASSUMES THE RISK THAT THE MARKET VALUE OF THE MGIC COMMON STOCK MAY DECLINE, AND THAT SUCH DECLINE COULD BE SUBSTANTIAL. REFERENCE IS MADE TO THE ACCOMPANYING PROSPECTUS OF MGIC INVESTMENT, INCLUDING THE INFORMATION UNDER THE CAPTION "RISK FACTORS" THEREIN.

In addition, the opportunity for equity appreciation afforded by an

investment in the STRYPES is less than the opportunity for equity appreciation afforded by a direct investment in the MGIC Common Stock, because the amount receivable by a holder of a STRYPES on the Maturity Date will only exceed the issue price of such STRYPES if the Maturity Price of the MGIC Common Stock exceeds the Threshold Appreciation Price (which represents an appreciation of % over the Initial Price). Moreover, holders of the STRYPES will only be entitled to receive on the Maturity Date % (the percentage equal to the Initial Price divided by the Threshold Appreciation Price) of any appreciation of the value of MGIC Common Stock in excess of the Threshold Appreciation Price. Because the price of the MGIC Common Stock is subject to market fluctuations, the value of the MGIC Common Stock (or, pursuant to the option of the Company, the amount of cash) received by a holder of a STRYPES on the Maturity Date, determined as described herein, may be more or less than the issue price of the STRYPES.

The trading prices of the STRYPES in the secondary market will be directly affected by the trading prices of the MGIC Common Stock in the secondary market. It is impossible to predict whether the price of MGIC Common Stock will rise or fall. Trading prices of MGIC Common Stock will be influenced by MGIC Investment's operating results and prospects and by economic, financial and other factors and market conditions that can affect the capital markets generally, including the level of, and fluctuations in, the trading prices of stocks generally and sales of substantial amounts of MGIC Common Stock in the market subsequent to the offering of the STRYPES or the perception that such sales could occur.

Holders of the STRYPES will not be entitled to any rights with respect to the MGIC Common Stock (including, without limitation, voting rights and rights to receive any dividends or other distributions in respect thereof) unless and until such time, if any, as the Company shall have delivered shares of MGIC Common Stock for STRYPES on the Maturity Date and, unless the applicable record date, if any, for the exercise of such rights occurs after such date. For example, in the event that an amendment is proposed to the Articles of Incorporation or By-Laws of MGIC Investment and the record date for determining the stockholders of record entitled to vote on such amendment occurs prior to such delivery, holders of the STRYPES will not be entitled to vote on such amendment.

NO AFFILIATION BETWEEN THE COMPANY AND MGIC INVESTMENT

The Company has no affiliation with MGIC Investment, and MGIC Investment has no obligations with respect to the STRYPES or amounts to be paid to holders thereof, including any obligation to take the needs of the Company or of holders of the STRYPES into consideration for any reason. MGIC Investment will not receive any of the proceeds of the offering of the STRYPES made hereby and is not responsible for, and has not participated in, the determination of the timing of, prices for or quantities of the STRYPES to be issued or the determination or calculation of the amount receivable by holders of the STRYPES at maturity. MGIC Investment is not involved with the administration or trading of the STRYPES and has no obligations with respect to the amount receivable by holders of the STRYPES at maturity.

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PURCHASE FROM THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

The Company has entered into a contract (the "Purchase Contract") to purchase from The Northwestern Mutual Life Insurance Company ("NML") immediately prior to the Maturity Date of the STRYPES a number of shares of MGIC Common Stock equal to the number required by the Company to pay and discharge all of the STRYPES (including any STRYPES issued pursuant to the over-allotment option granted by the Company to the Underwriter) at an aggregate purchase price equal to the total issue price for the STRYPES, less the total underwriting discount, plus an adjustment for an interest differential factor. See "Certain Arrangements With NML." NML will be obligated to deliver such shares of MGIC Common Stock pursuant to the Purchase Contract only upon payment by the Company of the consideration therefor. The net proceeds from the sale of the STRYPES will be used by the Company for general corporate purposes. See "Use of Proceeds."

The Company has no affiliation with NML, and NML has no obligations with respect to the STRYPES or amounts to be paid to holders thereof, including any obligation to take the needs of the Company or of holders of the STRYPES into consideration for any reason. NML is not responsible for the determination or calculation of the amount receivable by holders of the STRYPES at maturity. The Purchase Contract between the Company and NML is a commercial transaction and does not create any rights in, or for the benefit of, any third party, including any holder of STRYPES.

TAX MATTERS

Because of an absence of authority as to the proper characterization of the STRYPES, their ultimate tax treatment is uncertain. Accordingly, no assurances can be given that any particular characterization and treatment of the STRYPES will be accepted by the Internal Revenue Service ("IRS") or upheld by a court.

However, it is the opinion of Brown & Wood, counsel to the Company, that the characterization and tax treatment of the STRYPES described herein (and described in greater detail under "Certain United States Federal Income Tax Considerations"), while not the only reasonable characterization and tax treatment, is based on reasonable interpretations of law currently in effect and, even if successfully challenged by the IRS, will not result in the imposition of penalties. The Indenture will require that any holder subject to U.S. Federal income tax include currently in income, for U.S. Federal income tax purposes, payments denominated as interest that are made with respect to a STRYPES in accordance with such holder's regular method of tax accounting. The Indenture also requires the Company and holders to treat each STRYPES for tax purposes as a unit (a "Unit") consisting of (i) a debt instrument (the "Debt Instrument") with a fixed principal amount unconditionally payable on the Maturity Date equal to the issue price of the STRYPES and bearing interest at the stated interest rate on the STRYPES and (ii) a forward purchase contract (the "Forward Contract") pursuant to which the holder agrees to use the principal payment due on the Debt Instrument to purchase on the Maturity Date the MGIC Common Stock which the Company is obligated under the STRYPES to deliver at that time (subject to the Company's right to deliver cash with an equal value in lieu of the MGIC Common Stock). The Indenture also requires that upon the acquisition of a STRYPES and upon a holder's sale or other disposition of a STRYPES prior to the Maturity Date, the amount paid or realized by the holder be allocated between the Debt Instrument and the Forward Contract based upon their relative fair market values (as determined on the date of acquisition or disposition). For these purposes, with respect to acquisitions of STRYPES in connection with the original issuance thereof, the Company and each holder agrees, pursuant to the terms of the Indenture, to allocate \$ of the entire initial purchase price of a STRYPES (i.e., the issue price of a STRYPES) to the Debt Instrument and to allocate the remaining \$ of the entire initial purchase price of a STRYPES to the Forward Contract. As previously mentioned, the appropriate character and timing of income, gain or loss to be recognized on a STRYPES is uncertain and investors are urged to consult their own tax advisers as to the proper tax treatment of the STRYPES. The tax consequences of investing in the STRYPES are described in greater detail under "Certain United States Federal Income Tax Considerations."

DILUTION OF MGIC COMMON STOCK

The number of shares of MGIC Common Stock (or cash with an equal value) that holders of the STRYPES are entitled to receive on the Maturity Date is subject to adjustment for certain events arising from stock splits

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and combinations, stock dividends and certain other actions of MGIC Investment that modify its capital structure. See "Description of the STRYPES--Dilution Adjustments." Such number of shares of MGIC Common Stock (or cash amount) to be received by such holders on the Maturity Date will not be adjusted for other events, such as offerings of MGIC Common Stock for cash or in connection with acquisitions, that may adversely affect the price of the MGIC Common Stock and, because of the relationship of the number of shares (or cash amount) to be received on the Maturity Date to the price of the MGIC Common Stock, such other events may adversely affect the trading price of the STRYPES.

POSSIBLE ILLIQUIDITY OF THE SECONDARY MARKET

It is not possible to predict how the STRYPES will trade in the secondary market or whether such market will be liquid or illiquid. The STRYPES are novel securities and there is currently no secondary market for the STRYPES. Application will be made to list the STRYPES on the NYSE. However there can be no assurance that an active trading market for the STRYPES will develop, that such listing will provide the holders of the STRYPES with liquidity of investment, or that the STRYPES will not later be delisted or that trading of the STRYPES on the NYSE will not be suspended. In the event of a delisting or suspension of trading on the NYSE, the Company will apply for listing of the STRYPES on another national securities exchange or for quotation on another trading market. If the STRYPES are not listed or traded on any securities exchange or trading market, or if trading of the STRYPES is suspended, pricing information for the STRYPES may be more difficult to obtain and the liquidity of the STRYPES may be adversely affected.

MERRILL LYNCH & CO., INC.

Merrill Lynch & Co., Inc. is a holding company that, through its subsidiaries and affiliates, provides investment, financing, insurance, and related services on a global basis. Its principal subsidiary, MLPF&S, one of the largest securities firms in the world, is a leading broker in securities, options contracts, and commodity and financial futures contracts; a leading dealer in options and in corporate and municipal securities; a leading investment banking firm that provides advice to, and raises capital for, its clients; and an underwriter of selected insurance products. Other subsidiaries provide financial services on a global basis similar to those of MLPF&S and are engaged in such other activities as international banking, lending, and

providing other investment and financing services. Merrill Lynch International Incorporated, through subsidiaries and affiliates, provides investment, financing, and related services outside the United States and Canada. Merrill Lynch Government Securities Inc. is a primary dealer in obligations issued or guaranteed by the U.S. Government and by Federal agencies or instrumentalities. Merrill Lynch Capital Services, Inc., Merrill Lynch Derivative Products, Inc., and Merrill Lynch Capital Markets PLC are the Company's primary derivative product dealers and enter into interest rate and currency swaps and other derivative transactions as intermediaries and as principals. Merrill Lynch Asset Management L.P., with its related affiliates, is one of the largest mutual fund managers in the world and provides investment advisory services. The Company's insurance underwriting operations consist of the underwriting of life insurance and annuity products. Banking, trust, and mortgage lending operations conducted through subsidiaries of the Company include issuing certificates of deposit, offering money market deposit accounts, making secured loans, and providing foreign exchange facilities and other related services.

The principal executive office of the Company is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; its telephone number is (212) 449-1000.

SUMMARY FINANCIAL INFORMATION

The following summary of consolidated financial information was derived from, and is qualified in its entirety by reference to, the financial statements, condensed financial statements and other information and data contained in the Company's Annual Report on Form 10-K for the year ended December 30, 1994 and Quarterly Report on Form 10-Q for the period ended March 31, 1995 (the "Quarterly Report"). See "Incorporation of Certain Documents by Reference." The condensed consolidated financial statements contained in the Company's Quarterly Report are unaudited; however, in the opinion of management of the Company, all adjustments (consisting only of normal recurring accruals) necessary for a fair statement of the results of operations have been included. The year-end results include 52 weeks for 1990, 1991, 1992 and 1994 and 53 weeks for 1993.

The Company conducts its business in highly volatile markets. Consequently, the Company's results can be affected by many factors, including general market conditions, the liquidity of secondary markets, the level and volatility of interest rates and currency values, the valuation of securities positions, competitive conditions, and the size, number, and timing of transactions. In periods of unfavorable market activity, profitability can be adversely affected because certain expenses remain relatively fixed. As a result, net earnings and revenues can vary significantly from period to period. Thus, interim results may not necessarily be representative of the full year results of operations.

<TABLE>
<CAPTION>

	YEAR ENDED LAST FRIDAY IN DECEMBER					THREE MONTHS ENDED	
	1990	1991	1992	1993	1994	APRIL 1, 1994	MARCH 31, 1995
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT INFORMATION							
(In thousands, except ratios)							
Revenues.....	\$11,147,229	\$12,352,812	\$ 13,412,668	\$ 16,588,177	\$ 18,233,091	\$ 4,738,811	\$ 5,203,877
Net revenues(1).....	\$ 5,783,329	\$ 7,246,468	\$ 8,577,401	\$ 10,558,230	\$ 9,624,521	\$ 2,831,828	\$ 2,420,485
Earnings before income taxes and cumulative effect of changes in accounting principles(2).....	\$ 282,328	\$ 1,017,418	\$ 1,621,389	\$ 2,424,808	\$ 1,729,604	\$ 652,208	\$ 378,792
Cumulative effect of changes in accounting principles (net of applicable income taxes)(2).....	--	--	\$ (58,580)	\$ (35,420)	--	--	--
Net earnings(2).....	\$ 191,856	\$ 696,117	\$ 893,825	\$ 1,358,939	\$ 1,016,761	\$ 371,759	\$ 227,275
Ratio of earnings to fixed charges(3).....	1.1	1.2	1.3	1.4	1.2	1.3	1.1
BALANCE SHEET INFORMATION							
(In thousands)							
Total assets(4).....	\$68,129,527	\$86,259,343	\$107,024,173	\$152,910,362	\$163,749,327	\$179,683,796	\$176,732,993
Long-term borrowings(5).....	\$ 6,341,559	\$ 7,964,424	\$ 10,871,100	\$ 13,468,900	\$ 14,863,383	\$ 14,852,894	\$ 14,484,523
Stockholders' equity....	\$ 3,225,430	\$ 3,818,088	\$ 4,569,104	\$ 5,485,913	\$ 5,817,545	\$ 5,603,067	\$ 5,704,148

</TABLE>

- - - - -

- (1) Net revenues are revenues net of interest expense.
- (2) Net earnings for 1992 were reduced by \$58,580,000 to reflect the adoption of Statement of Financial Accounting Standards ("SFAS") No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and SFAS No. 109, "Accounting for Income Taxes." Net earnings for 1993 were reduced by \$35,420,000 to reflect the adoption of SFAS No. 112, "Employers' Accounting for Postemployment Benefits."
- (3) For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consists of earnings from continuing operations before income taxes and fixed charges. "Fixed charges" consists of interest costs and that portion of rentals estimated to be representative of the interest factor.
- (4) In 1994, the Company adopted Financial Accounting Standards Board ("FASB") Interpretation No. 39, "Offsetting of Amounts Related to Certain Contracts," and FASB Interpretation No. 41, "Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements," which increased assets and liabilities at December 30, 1994 by approximately \$8,500,000,000.
- (5) To finance its diverse activities, the Company and certain of its subsidiaries borrow substantial amounts of short-term funds on a regular basis. Although the amount of short-term borrowings significantly varies with the level of general business activity, on March 31, 1995, \$538,157,000 of bank loans and \$14,821,594,000 of commercial paper were outstanding. In addition, certain of the Company's subsidiaries lend securities and enter into repurchase agreements to obtain financing. At March 31, 1995, cash deposits for securities loaned and securities sold under agreements to repurchase amounted to \$5,406,241,000 and \$57,110,193,000, respectively. From April 1, 1995 to June 12, 1995, long-term borrowings, net of repayments and repurchases, increased by approximately \$1,268,680,000.

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FISCAL YEAR 1994

Financial markets, strong from 1991 through the first six weeks of 1994, changed significantly after inflationary fears prompted the Federal Reserve to increase short-term interest rates in February 1994. As the U.S. economy continued to expand, the Federal Reserve acted to further curb inflation and to moderate growth by increasing short-term interest rates five additional times during the year. The combination of rising interest rates, a falling U.S. dollar, unsettled global stock, bond, and currency markets, reduced foreign investment in U.S. financial markets, and overall investor caution contributed to lower earnings for most U.S. securities firms. These conditions affected the Company's 1994 fourth quarter and full year results. Net earnings for the 1994 fourth quarter were \$161.6 million, down 30% from the 1994 third quarter and down 53% from the 1993 fourth quarter.

Net earnings for 1994 were \$1,016.8 million, down 25% from record 1993 earnings of \$1,358.9 million. Net earnings for 1993 included a \$35.4 million cumulative effect charge (net of \$25.1 million of applicable income tax benefits) related to the adoption of Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits." Earnings for 1993 before the cumulative effect of the change in accounting principle were \$1,394.4 million. Earnings per common share in 1994 were \$4.75 primary and \$4.74 fully diluted, compared with \$5.98 primary and \$5.95 fully diluted (\$6.14 primary and \$6.11 fully diluted before the accounting change) in 1993. As previously reported, 1993 results included a non-recurring pretax lease charge totaling \$103.0 million (\$59.7 million after income taxes) related to the Company's decision not to occupy certain space at the World Financial Center Headquarters ("Headquarters") facility. This space was sublet in 1994.

Total revenues were \$18,233 million, up 10% from 1993. Net revenues (revenues after interest expense) totaled \$9,625 million in 1994, down 9% from 1993.

Commission revenues were \$2,871 million, virtually unchanged from \$2,894 million in 1993. Higher commission revenues from mutual funds and commodity transactions were offset by lower revenues from money market instruments, particularly medium-term notes, and listed securities transactions. Sales of mutual funds, particularly front-end funds, declined as investors were less active due to uncertain markets and rising interest rates. For the first time since 1974, both stock and bond funds fell in value industrywide, on average, in the same year. Distribution fees from deferred charge funds benefited from strong mutual fund sales in prior periods, while redemption fees increased as investors repositioned their portfolios primarily from fixed-income funds to stock and money market funds. Commissions on listed securities transactions decreased due to a decline in the relative amount of business by retail clients versus institutional clients. Other commission revenues declined principally as a result of lower commissions from money market instruments, partially offset by higher revenues from commodity transactions.

Interest and dividend revenues increased 35% to \$9,578 million from \$7,099 million in 1993. Interest expense, which includes dividend expense, rose 43%

to \$8,609 million from \$6,030 million in 1993. Net interest and dividend profit decreased 9% to \$969 million as a significant increase in short-term interest rates, year over year, led to a substantial flattening of the yield curve. The change in the yield curve, the relationship between interest rates and maturities, resulted from short-term interest rates rising faster than long-term interest rates in 1994. As a result, interest spreads declined, while financing and hedging costs increased from 1993.

Principal transactions revenues fell 20% to \$2,335 million from the 1993 record \$2,920 million due to rising interest rates, a declining U.S. dollar, and volatile world financial markets. Revenues from taxable fixed-income securities, equities and equity derivatives, and foreign exchange and commodities decreased, while interest rate and currency swaps, and municipal securities revenues increased. Taxable fixed-income revenues declined 52% to \$462 million as higher interest rates, wider credit spreads, and uncertainty in emerging markets led to reduced demand and lower inventory values. Equities and equity derivatives trading revenues decreased 28% to \$627 million, reflecting lower trading results in virtually all categories, including a loss in convertible securities. Foreign exchange and commodities revenues, in the aggregate, declined 31% to \$109 million. Weakness in the

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U.S. dollar versus other major currencies depressed foreign exchange trading, while commodities trading revenues benefited from increased volume. Interest rate and currency swaps revenues advanced 24% to \$749 million reflecting higher revenues from U.S. dollar-denominated swap trading activities, particularly those related to structured financing transactions. Municipal securities trading revenues increased 20% to \$388 million due to strong retail investor demand for tax-exempt investments.

Investment banking revenues were \$1,239 million, down 32% from \$1,831 million in 1993 due primarily to the effects of rising interest rates and reduced demand. Underwriting revenues declined in almost all categories, with significant decreases in equities, corporate bonds and preferred stock, and convertible securities. Strategic services revenues, which include fees for debt restructuring, merger and acquisition activity, and other advisory services, benefited from increased merger and acquisition advisory assignments in various industries.

Asset management and portfolio services fees rose 12% from \$1,558 million in 1993 to a record \$1,739 million. Asset management fees advanced due primarily to an increase in stock funds under management. Portfolio service fees advanced due to the continued growth in the number of Asset Power(R) accounts, a product with fees and transaction limits based on asset levels, and increased revenues from the ML Consults(R) product.

Other revenues were \$471 million, up 65% from \$285 million in 1993. The increase in other revenues was attributable to net realized investment gains related to merchant banking activities of \$81 million, compared with unrealized losses of \$133 million in 1993.

Non-interest expenses were \$7,895 million, down 3% from \$8,133 million in the year-ago period. Excluding the 1993 non-recurring lease charge totaling \$103.0 million, non-interest expenses declined 2%.

Compensation and benefits expense, which represented approximately 63% of total non-interest expenses, declined 6% due principally to lower incentive and production-related compensation. Compensation and benefits expense, as a percentage of net revenues, was 51.5% in 1994, compared with 49.8% in 1993.

Occupancy costs declined 24% (7% excluding the 1993 non-recurring lease charge) benefiting from continued relocation of support staff to lower-cost facilities and reduced space requirements at the Headquarters facility. Other facilities costs, which include communications and equipment rental, and depreciation and amortization, were up 9% due to increased use of market data, news, and statistical services and higher depreciation expense from the acquisition of technology-related equipment.

Advertising and market development expenses were down 1% with discretionary costs decreasing as business conditions became less favorable. Lower sales promotion and a reduction in advertising campaigns were partially offset by increased travel related to international business activities. Professional fees increased 26% due primarily to the use of system and management consultants to upgrade technology and processing capabilities in trading, credit, and customer services, as well as higher legal fees. Brokerage, clearing, and exchange fees increased 20% reflecting higher international equity volume and expanded risk management activities related to volatile global market conditions. Other expenses increased 1% from 1993, due to an increase in office supplies and postage costs.

Income tax expense totaled \$713 million in 1994, down 31% from \$1,030 million in 1993. The effective tax rate was 41.2% in 1994 versus 42.5% in 1993 as a result of lower state income taxes.

The Company's Annual Report on Form 10-K for the year ended December 30, 1994 describes an action commenced against the Company by Orange County, California (the "County") and the Orange County Investment Pools (the "Pools"). See "Incorporation of Certain Documents by Reference." The County and the Pools seek relief in excess of \$2 billion in connection with various securities transactions between the County and/or the Pools and the Company and its subsidiaries. Other actions have also been commenced against the Company and its subsidiaries arising out of the Company's dealings with the County Treasurer and the Pools.

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The Company will vigorously contest these actions and believes it has meritorious defenses. Although the ultimate outcome of these actions cannot be ascertained at this time and the results of legal proceedings cannot be predicted with certainty, it is the opinion of management that the resolution of these actions will not have a material adverse effect on the consolidated financial condition or results of operations of the Company for the year ended December 30, 1994.

The Company has also received inquiries from various governmental entities examining the underlying events and is cooperating with these inquiries.

CERTAIN BALANCE SHEET INFORMATION AS OF DECEMBER 30, 1994

On January 1, 1994, the Company adopted Financial Accounting Standards Board Interpretation No. 39 ("Interpretation No. 39"), "Offsetting of Amounts Related to Certain Contracts." Interpretation No. 39 affects the financial statement presentation of balances related to swap, forward, and other similar exchange or conditional type contracts, and unconditional type contracts. To offset unconditional contracts, such as resale and repurchase agreements, net cash settlement of the related receivable and payable balances is also required by Interpretation No. 39, as modified by Interpretation No. 41, "Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements." Prior to the adoption of these Interpretations, the Company followed industry practice in reporting balances related to certain types of contracts on a net basis. Unrealized gains and losses for swap, forward, and other similar contracts were reported net on the balance sheet by contract type, while certain receivables and payables related to resale and repurchase agreements were reported net by counterparty. The effect of these Interpretations increased assets and liabilities at December 30, 1994 by approximately \$8.5 billion.

The Company believes that its equity base is adequate relative to the level and composition of its assets and the mix of its business.

In the normal course of business, the Company underwrites, trades, and holds non-investment grade securities in connection with its market-making, investment banking, and derivative structuring activities. These activities are subject to risks related to the creditworthiness of the issuers and the liquidity of the market for such securities, in addition to the usual risks associated with investing in, extending credit, underwriting, and trading in investment grade instruments.

At December 30, 1994, the fair value of long and short non-investment grade trading inventories amounted to \$3,309 million and \$456 million, respectively, and in the aggregate (i.e., the sum of long and short trading inventories) represented 4.3% of aggregate consolidated trading inventories.

At December 30, 1994, the carrying value of extensions of credit provided to corporations entering into leveraged transactions aggregated \$257 million (excluding unutilized revolving lines of credit and other lending commitments of \$50 million), consisting primarily of senior term and subordinated financings to 35 medium-sized corporations. At December 30, 1994, the Company had no bridge loans outstanding. Loans to highly leveraged corporations are carried at unpaid principal balance less a reserve for estimated losses. The allowance for loan losses is estimated based on a review of each loan, and consideration of economic, market, and credit conditions. Direct equity investments made in conjunction with the Company's investment and merchant banking activities aggregated \$289 million at December 30, 1994, representing investments in 80 enterprises. Equity investments in privately-held corporations for which sale is restricted by government or contractual requirements are carried at the lower of cost or estimated net realizable value. At December 30, 1994, the Company held interests in partnerships, totaling \$93 million (recorded on the cost basis), that invest in highly leveraged transactions and non-investment grade securities. Prior to July 1, 1994, the Company had a co-investment arrangement to enter into direct equity investments. At December 30, 1994, the Company also committed to invest an additional \$80 million in partnerships that invest in leveraged transactions.

The Company's insurance subsidiaries hold non-investment grade securities. As a percentage of total insurance investments, non-investment grade securities were 5.5% at December 30, 1994. Non-investment grade

securities of insurance subsidiaries were classified as available-for-sale and were carried at fair value at December 30, 1994.

At December 30, 1994, the largest non-investment grade concentration consisted of various issues of a South American sovereign totaling \$235 million, of which \$60 million represented on-balance-sheet hedges for off-balance-sheet instruments. No one industry sector accounted for more than 21% of total non-investment grade positions. At December 30, 1994, the Company held an aggregate carrying value of \$292 million in debt and equity securities of issuers in various stages of bankruptcy proceedings. Approximately 71% of this amount resulted from the Company's market-making activities in such securities.

RESULTS OF OPERATIONS FOR THE QUARTER ENDED MARCH 31, 1995

Financial markets, which steadily weakened throughout 1994, improved in the first quarter of 1995 on the prospects of a slowing U.S. economy, relatively stable interest rates, and heightened investor activity. Net earnings were \$227 million in the 1995 first quarter, down 39% from the record \$372 million in the 1994 first quarter, but up 41% from \$162 million in the 1994 fourth quarter. Total revenues in the 1995 first quarter were \$5,204 million, up 10% and 16% from the 1994 first and fourth quarters, respectively. Net revenues in the 1995 first quarter were \$2,420 million, down 15% from the 1994 first quarter, but up 16% from the 1994 fourth quarter. Non-interest expenses were \$2,042 million, down 6% from the 1994 first quarter, but up 11% from the 1994 fourth quarter.

Commission revenues were \$685 million, down 21% from the 1994 first quarter, primarily as a result of lower mutual fund and listed securities transactions revenues. Mutual fund commissions were affected by lower volumes due to declines in value experienced by most stock and bond mutual funds throughout 1994. Commission on listed securities transactions also decreased, primarily reflecting a change in the mix of transactions between institutional and retail clients.

Interest and dividend revenues rose 38% from the 1994 first quarter to \$3,029 million. Interest expense, which includes dividend expense, increased 46% to \$2,783 million. Net interest profit declined 16% to \$246 million as a result of a significant increase in short-term interest rates, quarter over quarter, and the continued flattening of the yield curve, which is the difference between short-term and long-term interest rates. As a result, interest spreads declined, while financing and hedging costs increased from the 1994 first quarter.

Principal transactions revenues increased 1% from the first quarter of 1994 to \$675 million. Taxable fixed-income trading revenues increased as a result of higher revenues from corporate bonds and preferred stock and money market instruments. Trading results were negatively affected by higher interest rates, leading to a modest loss in mortgage-backed products and lower revenues from U.S. Government and agencies securities. Net trading results from mortgage-backed products were positive, however, when combined with related net interest income. Revenues from interest rate and currency swaps increased due to higher trading revenues from non-U.S. dollar and U.S. dollar denominated swap transactions. Municipal securities revenues advanced due to continued demand for tax-exempt investments. Equities and equity derivatives trading revenues decreased primarily as a result of lower revenues from international equities. Foreign exchange and commodities trading revenues decreased due primarily to lower commodity trading volume.

Investment banking revenues were \$248 million, down 44% from the first quarter of 1994, as domestic and global underwriting volumes industrywide declined 50% and 44%, respectively, compared to volumes in the 1994 first quarter. Underwriting activity continued at low levels as relatively higher interest rates and increased cash flows from strong corporate earnings continued to decrease demand for debt and equity issuances. Lower underwriting revenues were reported in most categories, including equities, high yield securities, and corporate debt and preferred stock. Strategic services revenues, which include merger and acquisition fees and advisory fees, benefited from increased merger and acquisition advisory assignments in various industries.

Asset management and portfolio service fees increased 1% from the 1994 first quarter to \$448 million principally as a result of increased fees earned from certain mutual fund investor services, variable annuity products, and asset management activities. Other revenues rose 1% from the 1994 first quarter to \$117 million, reflecting higher income from partnership investments partially offset by net losses on certain other investments.

Non-interest expenses were \$2,042 million, down 6% from the 1994 first quarter. Compensation and benefits expenses, which represented approximately

62% on non-interest expenses, decreased 11% from the 1994 first quarter, due primarily to lower levels of variable incentive compensation. Compensation and benefits expense as a percentage of net revenues was 52.5% in the first quarter of 1995, compared with 50.5% in the year-ago period.

Occupancy costs decreased 3% from the 1994 first quarter, benefiting from continued relocation of support staff to lower cost facilities and reduced space requirements at the headquarters facility. Other facilities-related costs, which include communications and equipment rental expense and depreciation and amortization expense, rose 11% primarily due to increased usage of market information services, as well as higher depreciation expense from the purchase of technology-related equipment over the past year.

Advertising and market development expenses decreased 12% from the 1994 first quarter due to lower discretionary travel costs and reduced production-related recognition costs. Professional fees increased 5% from the year-ago quarter, due primarily to higher legal fees, partially offset by lower systems and management consulting fees. Brokerage, clearing, and exchange fees decreased 3% from the 1994 first quarter as a result of lower commodity exchange fees related to reduced trading volume. Other expenses increased 9% from the 1994 first quarter due primarily to a \$26 million charge for the write-off of an asset related to a technology contract.

Income tax expense totaled \$152 million in the 1995 first quarter. The effective tax rate in the 1995 first quarter was 40.0%, compared with 43.0% in the year-ago period. The decrease in the effective tax rate was attributable to lower state income taxes and higher tax-exempt interest and dividend income.

CERTAIN BALANCE SHEET INFORMATION AS OF MARCH 31, 1995

The Company believes that its equity base is adequate relative to the level and composition of its assets and the mix of its business.

In the normal course of business, the Company underwrites, trades, and holds non-investment grade securities in connection with its investment banking, market-making, and derivative structuring activities. These activities are subject to risks related to the creditworthiness of the issuers of, and the liquidity of the market for, such securities, in addition to the usual risks associated with investing in, financing, underwriting, and trading in investment grade instruments.

At March 31, 1995, the fair value of long and short non-investment grade trading inventories amounted to \$3,446 million and \$471 million, respectively, and in the aggregate (i.e. the sum of long and short trading inventories), represented 4.1% of aggregate consolidated trading inventories.

At March 31, 1995, the carrying value of extensions of credit provided to corporations entering into leveraged transactions aggregated \$225 million (excluding unutilized revolving lines of credit and other lending commitments of \$45 million), consisting primarily of senior term and subordinated financings to 34 medium-sized corporations. Subsequent to March 31, 1995, the Company extended financing to a non-investment grade counterparty totaling \$15 million. At March 31, 1995, the Company had no bridge loans outstanding. Loans to highly leveraged corporations are carried at unpaid principal balances less a reserve for estimated losses. The allowance for loan losses is estimated based on a review of each loan, and consideration of economic, market, and credit conditions. Direct equity investments made in conjunction with the Company's investment and merchant banking activities aggregated \$261 million at March 31, 1995, representing investments in 76 enterprises. Equity investments in privately-held companies for which sale is restricted by government or

contractual requirements are carried at the lower of cost or estimated net realizable value. At March 31, 1995, the Company held interests in partnerships, totaling \$102 million (recorded on the cost basis), that invest in highly leveraged transactions and non-investment grade securities. At March 31, 1995, the Company also committed to invest an additional \$91 million in partnerships that invest in leveraged transactions.

The Company's insurance subsidiaries hold non-investment grade securities. As a percentage of total insurance investments, non-investment grade securities were 4.5% at March 31, 1995. Non-investment grade securities of insurance subsidiaries are classified as available-for-sale and are carried at fair value.

At March 31, 1995, the largest non-investment grade concentration consisted of government and corporate obligations of a Latin American sovereign totaling \$307 million, of which \$38 million represented on-balance-sheet hedges for off-balance-sheet financial instruments. No one industry sector accounted for more than 23% of total non-investment grade positions. At March 31, 1995, the Company held an aggregate carrying value of \$227 million in debt and equity securities of issuers in various stages of bankruptcy proceedings or in

default, of which 75% of this amount resulted from the Company's market-making activities in such securities.

MGIC INVESTMENT CORPORATION

MGIC Investment Corporation is a holding company which, through its indirect wholly owned subsidiary, Mortgage Guaranty Insurance Corporation, is a leading provider of private mortgage insurance coverage in the United States to mortgage bankers, savings institutions, commercial banks, mortgage brokers, credit unions and other lenders. Private mortgage insurance covers residential first mortgage loans and expands home ownership opportunities by enabling people to purchase homes with less than 20% down payments. If the home owner defaults, private mortgage insurance reduces and, in some instances, eliminates the loss to the insured institution. Private mortgage insurance also facilitates the sale of low down payment mortgage loans in the secondary mortgage market, principally to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. In addition to mortgage insurance, MGIC Investment, through other subsidiaries, provides various underwriting and contract services related to home mortgage lending.

MGIC Investment is subject to the informational requirements of the Exchange Act. Accordingly, MGIC Investment files reports, proxy and information statements and other information with the Commission. Copies of such material can be inspected and copied at the public reference facilities maintained by the Commission at the addresses specified under "Available Information." Reports, proxy and information statements and other information concerning MGIC Investment may also be inspected at the offices of the NYSE.

THE COMPANY IS NOT AFFILIATED WITH MGIC INVESTMENT, AND MGIC INVESTMENT HAS NO OBLIGATIONS WITH RESPECT TO THE STRYPES. THIS PROSPECTUS RELATES ONLY TO THE STRYPES OFFERED HEREBY AND DOES NOT RELATE TO MGIC INVESTMENT OR THE MGIC COMMON STOCK. MGIC INVESTMENT FILED A REGISTRATION STATEMENT ON FORM S-3 WITH THE COMMISSION ON JUNE 20, 1995, COVERING THE SHARES OF MGIC COMMON STOCK THAT MAY BE RECEIVED BY A HOLDER OF STRYPES ON THE MATURITY DATE. THE PROSPECTUS OF MGIC INVESTMENT (THE "MGIC PROSPECTUS") CONSTITUTING A PART OF SUCH REGISTRATION STATEMENT INCLUDES INFORMATION RELATING TO MGIC INVESTMENT AND THE MGIC COMMON STOCK, INCLUDING CERTAIN RISK FACTORS RELEVANT TO AN INVESTMENT IN MGIC COMMON STOCK. THE MGIC PROSPECTUS IS BEING ATTACHED HERETO AND DELIVERED TO PROSPECTIVE PURCHASERS OF STRYPES TOGETHER WITH THIS PROSPECTUS FOR CONVENIENCE OF REFERENCE ONLY. THE MGIC PROSPECTUS DOES NOT CONSTITUTE A PART OF THIS PROSPECTUS, NOR IS IT INCORPORATED BY REFERENCE HEREIN.

PRICE RANGE OF MGIC COMMON STOCK AND DIVIDENDS

MGIC Common Stock is listed on the NYSE under the trading symbol "MTG." The following table sets forth the high and low sales prices of the MGIC Common Stock for the periods indicated as reported on the NYSE Composite Tape and the cash dividends per share of MGIC Common Stock paid during such periods. Data reflected in the table for periods prior to MGIC Investment's 100% stock dividend paid in December 1993 have been adjusted to reflect such stock dividend.

The future payment of cash dividends is subject to the discretion of the Board of Directors of MGIC Investment and will be dependent on MGIC Investment's results of operations, financial condition, cash requirements and other relevant factors. MGIC Investment is a holding company whose principal source of cash flow is dividends from its subsidiaries, including Mortgage Guaranty Insurance Corporation.

<TABLE>
<CAPTION>

PERIOD - - - - -	HIGH		LOW		DIVIDENDS
	<C>	<C>	<C>	<C>	PER SHARE
1993:					
First Quarter.....	\$30.375	\$24.750			\$.035
Second Quarter.....	29.813	26.563			.035
Third Quarter.....	35.688	28.438			.035
Fourth Quarter.....	35.375	28.125			.040
1994:					
First Quarter.....	\$32.875	\$27.500			\$.040
Second Quarter.....	31.500	25.000			.040
Third Quarter.....	31.125	26.125			.040
Fourth Quarter.....	34.250	28.500			.040
1995:					
First Quarter.....	\$42.375	\$32.750			\$.040
Second Quarter (through , 1995).....					

</TABLE>

For a recent closing price of the MGIC Common Stock, see the cover page of this Prospectus.

The Company makes no representation as to the amount of dividends, if any, that MGIC Investment will pay in the future. In any event, holders of STRYPES will not be entitled to receive any dividends that may be payable on MGIC Common Stock until such time as the Company, if it so elects, delivers MGIC Common Stock at the Maturity Date of the STRYPES, and then only with respect to dividends having a record date on or after the date of delivery of such MGIC Common Stock. See "Description of the STRYPES."

USE OF PROCEEDS

The Company intends to use the net proceeds from the sale of the STRYPES for general corporate purposes. Such uses may include the funding of investments in, or extensions of credit to, its subsidiaries, the funding of assets held by the Company or its subsidiaries, including securities inventories, customer receivables and loans (including business loans, home equity loans, and loans in connection with investment banking-related merger and acquisition activities), and the refunding of maturing indebtedness. The precise amount and timing of investments in, and extensions of credit to, its subsidiaries will depend upon their funding requirements and the availability of other funds to the Company and its subsidiaries. Pending such applications, the net proceeds will be temporarily invested or applied to the reduction of short-term indebtedness. Management of the Company expects that it will, on a recurrent basis, engage in additional financings as the need arises to finance the growth of the Company or to lengthen the average maturity of its borrowings. To the extent that STRYPES being purchased for resale by MLPF&S are not resold, the aggregate proceeds to the Company and its subsidiaries would be reduced.

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DESCRIPTION OF THE STRYPES

The STRYPES are a series of Senior Debt Securities to be issued under an indenture, dated as of April 1, 1983, as amended and supplemented as of , 1995 (the indenture dated as of April 1, 1983, as amended and supplemented from time to time, the "Indenture") between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as trustee (the "Trustee"). The following summary of certain provisions of the Indenture does not purport to be complete and is qualified in its entirety by reference to the Indenture, a copy of which is filed as an exhibit to the Registration Statement of which this Prospectus is a part. All capitalized terms not otherwise defined herein have the meanings specified in the Indenture. Whenever defined terms of the Indenture are referred to herein, such defined terms are incorporated by reference herein.

GENERAL

The aggregate number of STRYPES to be issued under the Indenture will be limited to 5,000,000, plus such additional number of STRYPES as may be issued pursuant to the over-allotment option granted by the Company to the Underwriter. See "Underwriting." No fractional STRYPES will be issued. The STRYPES will be unsecured obligations and will rank pari passu with all other unsecured and unsubordinated indebtedness of the Company. Since the Company is a holding company, the right of the Company, and hence the right of creditors of the Company (including the holders of the STRYPES), to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of the Company itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to the Company are restricted by net capital requirements under the Exchange Act and under rules of certain exchanges and other regulatory bodies.

Each STRYPES, which will be issued at a price of \$, will bear interest at the annual rate of % of the issue price per annum (or \$ per annum) from , 1995, or from the most recent Interest Payment Date to which interest has been paid or provided for until such STRYPES is paid and discharged on the Maturity Date pursuant to the terms thereof. Interest on the STRYPES will be payable in cash quarterly in arrears on January 15, April 15, July 15 and October 15, commencing , 1995, and on the Maturity Date (each, an "Interest Payment Date"), to the persons in whose names the STRYPES are registered at the close of business on the last day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date. Interest on the STRYPES will be computed on the basis of a 360-day year of twelve 30-day months. If an Interest Payment Date falls on a day that is not a Business Day, the interest payment to be made on such Interest Payment Date will be made on the next succeeding Business Day with the same force and effect as if made on such Interest Payment Date, and no additional interest will accrue as a result of such delayed payment.

The STRYPES will mature on , 1998. On the Maturity Date, the Company will pay and discharge each STRYPES by delivering to the holder thereof a number of shares of MGIC Common Stock (or, at the Company's option, which may be exercised with respect to all, but not less than all, shares of all MGIC

Common Stock deliverable on the Maturity Date, cash with an equal value) based on the Payment Rate (as defined below). ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE AMOUNT RECEIVABLE BY HOLDERS OF THE STRYPES ON THE MATURITY DATE WILL BE EQUAL TO OR GREATER THAN THE ISSUE PRICE OF THE STRYPES.

The "Payment Rate" is equal to, subject to adjustment as a result of certain dilution events, (a) if the Maturity Price (as defined below) per share of MGIC Common Stock is greater than or equal to the Threshold Appreciation Price, shares of MGIC Common Stock per STRYPES, (b) if the Maturity Price is less than the Threshold Appreciation Price but is greater than the Initial Price, a fractional share of MGIC Common Stock per STRYPES so that the value thereof (determined at the Maturity Price) is equal to the Initial Price and (c) if the Maturity Price is less than or equal to the Initial Price, one share of MGIC Common Stock per STRYPES. Notwithstanding the foregoing, the Company may, at its option, in lieu of delivering shares of MGIC Common Stock, deliver cash in an amount equal to the value of such number of shares of MGIC Common Stock at the Maturity Price. Such option, if exercised by the Company, must be exercised with respect to all shares of MGIC

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Common Stock otherwise deliverable on the Maturity Date in payment of all outstanding STRYPES. On or prior to the fifth Business Day prior to the Maturity Date, the Company will notify the Trustee and publish a notice in The Wall Street Journal or another daily newspaper of national circulation stating whether the STRYPES will be paid and discharged with shares of MGIC Common Stock or cash. If the Company elects to deliver shares of MGIC Common Stock, holders of the STRYPES will be responsible for the payment of any and all brokerage costs upon their subsequent sale of such stock.

The "Maturity Price" is defined as the average Closing Price per share of MGIC Common Stock on the 20 Trading Days immediately prior to, but not including, the Maturity Date. The "Closing Price" of any security on any date of determination means the closing sale price (or, if no closing price is reported, the last reported sale price) of such security on the NYSE on such date or, if such security is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which such security is so listed, or if such security is not so listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System, or, if such security is not so reported, the last quoted bid price for such security in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of such security on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company. In the event that the Payment Rate is adjusted as described under "--Dilution Adjustments" below, the Maturity Price is subject to adjustment to reflect the average Closing Price per share of MGIC Common Stock on a pre-adjusted basis. A "Trading Day" is defined as a day on which the security the Closing Price of which is being determined (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of such security.

For illustrative purposes only, the following chart shows the number of shares of MGIC Common Stock or the amount of cash that a holder of STRYPES would receive for each STRYPES at various Maturity Prices. The table assumes that there will be no dilution adjustments to the Payment Rate as described below. There can be no assurance that the Maturity Price will be within the range set forth below. Given the Initial Price of \$ and the Threshold Appreciation Price of \$, a STRYPES holder would receive on the Maturity Date the following number of shares of MGIC Common Stock or amount of cash (if the Company elects to pay and discharge the STRYPES with cash) per STRYPES:

<TABLE>
<CAPTION>

MATURITY PRICE OF MGIC COMMON STOCK ----- <S> \$	NUMBER OF SHARES OF MGIC COMMON STOCK ----- <C>	AMOUNT OF CASH ----- <C> \$
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</TABLE>

DILUTION ADJUSTMENTS

The Payment Rate is subject to adjustment if MGIC Investment shall: (i) pay a stock dividend or make a distribution with respect to MGIC Common Stock in shares of such stock; (ii) subdivide or split the outstanding shares of MGIC Common Stock into a greater number of shares; (iii) combine the outstanding shares of MGIC Common Stock into a smaller number of shares; (iv) issue by reclassification of shares of MGIC Common Stock any shares of common stock of

MGIC Investment; (v) issue rights or warrants to all holders of MGIC Common Stock entitling them to subscribe for or purchase shares of MGIC Common Stock at a price per share less than the then current market price of the MGIC Common Stock (other than rights to purchase MGIC Common Stock pursuant to a plan for the reinvestment of dividends or interest); or (vi) pay a dividend or make a distribution to all holders of MGIC Common Stock of evidences of its indebtedness or other assets (excluding any stock dividends or distributions referred to in clause (i) above or any cash dividends other than any Extraordinary Cash

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Dividends (as defined below) or issue to all holders of MGIC Common Stock rights or warrants to subscribe for or purchase any of its securities (other than those referred to in clause (v) above). In the case of the events referred to in clauses (i), (ii), (iii) and (iv) above, the Payment Rate shall be adjusted so that each holder of any STRYPES shall thereafter be entitled to receive, upon payment and discharge of such STRYPES on the Maturity Date, the number of shares of MGIC Common Stock which such holder would have owned or been entitled to receive immediately following any event described above had such STRYPES been paid and discharged immediately prior to such event or any record date with respect thereto. Nevertheless, the Maturity Price shall equal the average Closing Price per share of MGIC Common Stock on the 20 Trading Days immediately prior to, but not including, the Maturity Date. In the case of the event referred to in clause (v) above, the Payment Rate shall be adjusted by multiplying the Payment Rate in effect immediately prior to the date of issuance of the rights or warrants referred to in clause (v) above, by a fraction, of which the numerator shall be the number of shares of MGIC Common Stock outstanding on the date of issuance of such rights or warrants, immediately prior to such issuance, plus the number of additional shares of MGIC Common Stock offered for subscription or purchase pursuant to such rights or warrants, and of which the denominator shall be the number of shares of MGIC Common Stock outstanding on the date of issuance of such rights or warrants, immediately prior to such issuance, plus the number of additional shares of MGIC Common Stock which the aggregate offering price of the total number of shares of MGIC Common Stock so offered for subscription or purchase pursuant to such rights or warrants would purchase at the market price (determined as the average Closing Price per share of MGIC Common Stock on the 20 Trading Days immediately prior to the date such rights or warrants are issued), which shall be determined by multiplying such total number of shares by the exercise price of such rights or warrants and dividing the product so obtained by such market price. To the extent that shares of MGIC Common Stock are not delivered after the expiration of such rights or warrants, the Payment Rate shall be readjusted to the Payment Rate which would then be in effect had such adjustments for the issuance of such rights or warrants been made upon the basis of delivery of only the number of shares of MGIC Common Stock actually delivered. In the case of the event referred to in clause (vi) above, the Payment Rate shall be adjusted by multiplying the Payment Rate in effect on the record date, by a fraction of which the numerator shall be the market price per share of the MGIC Common Stock on the record date for the determination of stockholders entitled to receive the dividend or distribution referred to in clause (vi) above (such market price being determined as the average Closing Price per share of MGIC Common Stock on the 20 Trading Days immediately prior to such record date), and of which the denominator shall be such market price per share of MGIC Common Stock less the fair market value (as determined by the Board of Directors of the Company, whose determination shall be conclusive, and described in a resolution adopted with respect thereto) as of such record date of the portion of the assets or evidences of indebtedness so distributed or of such subscription rights or warrants applicable to one share of MGIC Common Stock. An "Extraordinary Cash Dividend" means, with respect to any consecutive 12-month period, all cash dividends on the MGIC Common Stock during such period to the extent such dividends exceed on a per share basis 10% of the average Closing Price of the MGIC Common Stock over such period (less any such dividends for which a prior adjustment to the Payment Rate was previously made). All adjustments to the Payment Rate will be calculated to the nearest 1/10,000th of a share of MGIC Common Stock (or if there is not a nearest 1/10,000th of a share to the next lower 1/10,000th of a share). No adjustment in the Payment Rate shall be required unless such adjustment would require an increase or decrease of at least one percent therein; provided, however, that any adjustments which by reason of the foregoing are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

In the event of (A) any consolidation or merger of MGIC Investment, or any surviving entity or subsequent surviving entity of MGIC Investment (a "MGIC Successor"), with or into another entity (other than a merger or consolidation in which MGIC Investment is the continuing corporation and in which the MGIC Common Stock outstanding immediately prior to the merger or consolidation is not exchanged for cash, securities or other property of MGIC Investment or another corporation), (B) any sale, transfer, lease or conveyance to another corporation of the property of MGIC Investment or any MGIC Successor as an entirety or substantially as an entirety, (C) any statutory exchange of securities of MGIC Investment or any MGIC Successor with another corporation (other than in connection with a merger or acquisition) or (D) any liquidation, dissolution or winding up of MGIC Investment or any MGIC

"Reorganization Event"), the Payment Rate used to determine the amount payable on the Maturity Date for each STRYPES will be adjusted to provide that each holder of STRYPES will receive on the Maturity Date for each STRYPES cash in an amount equal to (a) if the Transaction Value (as defined below) is greater than or equal to the Threshold Appreciation Price, multiplied by the Transaction Value, (b) if the Transaction Value is less than the Threshold Appreciation Price but greater than the Initial Price, the Initial Price and (c) if the Transaction Value is less than or equal to the Initial Price, the Transaction Value. "Transaction Value" means (i) for any cash received in any such Reorganization Event, the amount of cash received per share of MGIC Common Stock, (ii) for any property other than cash or securities received in any such Reorganization Event, an amount equal to the market value on the Maturity Date of such property received per share of MGIC Common Stock as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company and (iii) for any securities received in any such Reorganization Event, an amount equal to the average Closing Price per unit of such securities on the 20 Trading Days immediately prior to the Maturity Date multiplied by the number of such securities received for each share of MGIC Common Stock. Notwithstanding the foregoing, in the event that property or securities, or a combination of cash, on the one hand, and property or securities, on the other, are received in such Reorganization Event, the Company may, at its option, in lieu of delivering cash as described above, deliver the amount of cash, securities and other property, received per share of MGIC Common Stock in such Reorganization Event determined in accordance with clause (i), (ii) or (iii) above, as applicable. If the Company elects to deliver securities or other property, holders of the STRYPES will be responsible for the payment of any and all brokerage and other transaction costs upon any subsequent sale of such securities or other property. The kind and amount of securities with which the STRYPES shall be paid and discharged after consummation of such transaction shall be subject to adjustment as described in the immediately preceding paragraph following the date of consummation of such transaction.

No adjustments will be made for certain other events, such as offerings of MGIC Common Stock by MGIC Investment for cash or in connection with acquisitions. Likewise, no adjustments will be made for any sales of MGIC Common Stock by NML.

The Company is required, within ten Business Days following the occurrence of an event that requires an adjustment to the Payment Rate (or if the Company is not aware of such occurrence, as soon as practicable after becoming so aware), to provide written notice to the Trustee and to the holders of the STRYPES of the occurrence of such event and a statement in reasonable detail setting forth the method by which the adjustment to the Payment Rate was determined and setting forth the revised Payment Rate.

FRACTIONAL SHARES

No fractional shares of MGIC Common Stock will be delivered if the Company pays and discharges the STRYPES by delivering shares of MGIC Common Stock. In lieu of any fractional share otherwise deliverable in respect of all STRYPES of any holder on the Maturity Date, such holder shall be entitled to receive an amount in cash equal to the value of such fractional share at the Maturity Price.

REDEMPTION, SINKING FUND AND PAYMENT PRIOR TO MATURITY

The STRYPES are not subject to redemption by the Company prior to the Maturity Date and do not contain sinking fund or other mandatory redemption provisions. The STRYPES are not subject to payment prior to the Maturity Date at the option of the holder.

SECURITIES DEPOSITORY

Upon issuance, all STRYPES will be represented by one or more fully registered global securities (the "Global Notes"). Each such Global Note will be deposited with, or on behalf of, The Depository Trust Company, as Securities Depository, registered in the name of the Securities Depository or a nominee thereof. Unless and until it is exchanged in whole or in part for STRYPES in definitive form under the limited circumstances described below, no Global Note may be transferred except as a whole by the Securities Depository to a nominee of such Securities Depository or by a nominee of such Securities Depository to such Securities Depository or another nominee of such Securities Depository or by such Securities Depository or any such nominee to a successor of such Securities Depository or a nominee of such successor.

The Securities Depository has advised the Company as follows: The Securities Depository is a limited-purpose trust company organized under the Banking Law of the State of New York, a member of the Federal Reserve System, a "clearing

corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. The Securities Depository was created to hold securities of its participants ("Participants") and to facilitate the clearance and settlement of securities transactions among its Participants in such securities through electronic book-entry changes in accounts of the Participants, thereby eliminating the need for physical movement of securities certificates. The Securities Depository's Participants include securities brokers and dealers (including MLPF&S), banks, trust companies, clearing corporations, and certain other organizations.

The Securities Depository is owned by a number of Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the Securities Depository book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("Indirect Participants").

Purchases of STRYPES must be made by or through Participants, which will receive a credit on the records of the Securities Depository. The ownership interest of each actual purchaser of each STRYPES ("Beneficial Owner") is in turn to be recorded on the Participants' or Indirect Participants' records. Beneficial Owners will not receive written confirmations from the Securities Depository of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Ownership of beneficial interest in such Global Note will be shown on, and the transfer of such ownership interests will be effected only through, records maintained by the Securities Depository (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons held through Participants). The laws of some states may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to own, transfer or pledge beneficial interests in Global Notes.

So long as the Securities Depository, or its nominee, is the registered owner of a Global Note, the Securities Depository or its nominee, as the case may be, will be considered the sole owner or holder of the STRYPES represented by such Global Note for all purposes under the Indenture. Except as provided below, Beneficial Owners in a Global Note will not be entitled to have the STRYPES represented by such Global Notes registered in their names, will not receive or be entitled to receive physical delivery of the STRYPES in definitive form and will not be considered the owners or holders thereof under the Indenture. Accordingly, each Person owning a beneficial interest in a Global Note must rely on the procedures of the Securities Depository and, if such Person is not a Participant, on the procedures of the Participant through which such Person owns its interest, to exercise any rights of a holder under the Indenture. The Company understands that under existing industry practices, in the event that the Company requests any action of holders or that an owner of a beneficial interest in such a Global Note desires to give or take any action which a holder is entitled to give or take under the Indenture, the Securities Depository would authorize the Participants holding the relevant beneficial interests to give or take such action, and such Participants would authorize Beneficial Owners owning through such Participants to give or take such action or would otherwise act upon the instructions of beneficial owners. Conveyance of notices and other communications by the Securities Depository to Participants, by Participants to Indirect Participants, and by Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of any amount with respect to STRYPES registered in the name of the Securities Depository or its nominee will be made to the Securities Depository or its nominee, as the case may be, as the holder of the Global Notes representing such STRYPES. None of the Company, the Trustee or any other agent of the Company or agent of the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests or for supervising or reviewing any records relating to such beneficial ownership interests. The Company expects that the Securities Depository, upon receipt of any payment

in respect of a Global Note, will credit the accounts of the Participants with payment in amounts proportionate to their respective holdings of beneficial interest in such Global Note as shown on the records of the Securities Depository. The Company also expects that payments by Participants to Beneficial Owners will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants.

If (x) the Securities Depository is at any time unwilling or unable to

continue as Securities Depository and a successor depository is not appointed by the Company within 60 days, (y) the Company executes and delivers to the Trustee a Company Order to the effect that the Global Notes shall be exchangeable or (z) an Event of Default has occurred and is continuing with respect to the STRYPES, the Company will issue STRYPES in definitive form in exchange for all of the Global Notes representing the STRYPES. Such definitive STRYPES shall be registered in such name or names as the Securities Depository shall instruct the Trustee. It is expected that such instructions may be based upon directions received by the Securities Depository from Participants with respect to ownership of beneficial interests in such Global Notes.

MERGER AND CONSOLIDATION

The Company may consolidate or merge with or into any other corporation, and the Company may sell, lease or convey all or substantially all of its assets to any corporation, provided that (i) the corporation (if other than the Company) formed by or resulting from any such consolidation or merger or which shall have received such assets shall be a corporation organized and existing under the laws of the United States of America or a state thereof and shall assume the due and punctual delivery or payment of the shares of MGIC Common Stock (or cash with an equal value) in respect of, and interest on, the STRYPES and the due and punctual performance and observance of all of the covenants and conditions of the Indenture to be performed or observed by the Company, and (ii) the Company or such successor corporation, as the case may be, shall not immediately thereafter be in default under the Indenture.

Except as provided above, there are no "event risk" or similar provisions of the Indenture or the STRYPES that are intended to afford protection to holders in the event of a merger or other significant corporate event involving the Company.

LIMITATIONS UPON LIENS

The Indenture provides that the Company may not, and may not permit any Subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance (except for certain liens specifically permitted by the Indenture) on the Voting Stock owned directly or indirectly by the Company of any Subsidiary (other than a Subsidiary which, at the time of incurrence of such secured indebtedness, has a net worth of less than \$3,000,000) without making effective provision whereby the Outstanding STRYPES will be secured equally and ratably with such secured indebtedness.

LIMITATIONS ON DISPOSITION OF VOTING STOCK OF, AND MERGER AND SALE OF ASSETS BY, MLPF&S

The Indenture provides that the Company may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary (defined in the Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by the Company). In addition, the Indenture provides that the Company may not permit MLPF&S to (i) merge or consolidate, unless the surviving company is a Controlled Subsidiary, or (ii) convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

EVENTS OF DEFAULT

Each of the following will constitute an Event of Default under the Indenture with respect to the STRYPES: (a) failure to pay and discharge the STRYPES with MGIC Common Stock or, if the Company so elects, to pay

an equivalent amount in cash in lieu thereof when due; (b) failure to pay any interest on any STRYPES when due, continued for 30 days; (c) failure to perform any other covenant of the Company in the Indenture, continued for 60 days after written notice has been given to the Company by the Trustee, or to the Company and the Trustee by the holders of at least 10% of the aggregate issue price of the Outstanding STRYPES, as provided in the Indenture; and (d) certain events in bankruptcy, insolvency or reorganization of the Company.

If an Event of Default (other than an Event of Default described in clause (d) of the immediately preceding paragraph) with respect to the STRYPES shall occur and be continuing, either the Trustee or the holders of at least 25% of the aggregate issue price of the Outstanding STRYPES by notice as provided in the Indenture may declare an amount equal to the issue price of all the STRYPES to be due and payable immediately. If an Event of Default described in said clause (d) shall occur, an amount equal to the issue price of all the STRYPES will become immediately due and payable without any declaration or other action on the part of the Trustee or any holder. After such acceleration, but before a judgment or decree based on acceleration, the holders of a majority of the aggregate issue price of the Outstanding STRYPES may, under certain circumstances, rescind and annul such acceleration if all

Events of Default, other than the non-payment of the amount equal to the issue price of all the STRYPES due by reason of such acceleration, have been cured or waived as provided in the Indenture. See "Modification and Waiver" below.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default shall occur and be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders of STRYPES, unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. Subject to such provisions for the indemnification of the Trustee, the holders of a majority of the aggregate issue price of the STRYPES will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the STRYPES.

The Company will be required to furnish to the Trustee annually a statement by certain of its officers as to whether or not the Company, to their knowledge, is in default in the fulfillment of any of its obligations under the Indenture and, if so, specifying all such known defaults.

MODIFICATION AND WAIVER

Modifications of and amendments to the Indenture affecting the STRYPES may be made by the Company and the Trustee with the consent of the holders of 66 2/3% of the aggregate issue price of the Outstanding STRYPES; provided, however, that no such modification or amendment may, without the consent of the holder of each Outstanding STRYPES affected thereby, (a) change the Maturity Date or the Stated Maturity of any installment of interest on any STRYPES or reduce the amount of MGIC Common Stock payable with respect to any STRYPES (or reduce the amount of cash payable in lieu thereof), (b) reduce the amount of interest payable on any STRYPES or reduce the amount of cash payable with respect to any STRYPES upon acceleration of the Maturity thereof, (c) change the place or currency of payment of interest on, or any amount of cash payable with respect to, any STRYPES, (d) impair the right to institute suit for the enforcement of any payment on or with respect to any STRYPES, including the payment of MGIC Common Stock with respect to any STRYPES, (e) reduce the percentage of the aggregate issue price of Outstanding STRYPES, the consent of whose holders is required to modify or amend the Indenture, (f) reduce the percentage of the aggregate issue price of Outstanding STRYPES necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults or (g) modify such provisions with respect to modification and waiver.

The holders of a majority of the aggregate issue price of the STRYPES may waive compliance by the Company with certain restrictive provisions of the Indenture. The holders of a majority of the aggregate issue price of the STRYPES may waive any past default under the Indenture, except a default in the payment of MGIC Common Stock with respect to any STRYPES, or the payment of cash payable in lieu thereof, or in the payment of interest and certain covenants and provisions of the Indenture which cannot be amended without the consent of the holder of each Outstanding STRYPES affected.

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GOVERNING LAW

The Indenture and the STRYPES will be governed by, and construed in accordance with, the laws of the State of New York.

LISTING

Application will be made to list the STRYPES on the NYSE.

CERTAIN ARRANGEMENTS WITH NML

Pursuant to the Purchase Contract, the Company is obligated to purchase from NML immediately prior to maturity of the STRYPES a number of shares of MGIC Common Stock equal to the number required by the Company to pay and discharge all of the STRYPES (including any STRYPES issued pursuant to the over-allotment option granted by the Company to the Underwriter) at an aggregate purchase price equal to the total issue price for the STRYPES, less the total underwriting discount, plus an adjustment for an interest differential factor. NML has the option, exercisable in its sole discretion, to require that obligations under the Purchase Contract be satisfied by a cash payment or net cash settlement based upon the value of such number of shares of MGIC Common Stock at the Maturity Price. Such option, if exercised by NML, must be exercised with respect to all shares of MGIC Common Stock deliverable pursuant to the Purchase Contract. The Company has agreed with NML that, without the prior consent of NML, it will not amend the Indenture to increase the consideration that NML is obligated to deliver pursuant to the Purchase Contract.

The Purchase Contract does not contain any restriction on the ability of NML

to sell, pledge or otherwise convey all or any portion of the MGIC Common Stock held by it, and no such shares of MGIC Common Stock will be pledged or otherwise held in escrow for use at maturity of the STRYPES. In the event of a significant sale, pledge or conveyance by NML, or an insolvency or liquidation of NML (in which case the MGIC Common Stock, if any, owned by NML will be subject to the claims of policyholders and/or creditors of NML), the Company may be more likely to deliver to a holder of STRYPES cash in lieu of MGIC Common Stock.

Until such time, if any, as NML shall have delivered shares of MGIC Common Stock to the Company at maturity of the STRYPES pursuant to the terms of the Purchase Contract, NML will retain all ownership rights with respect to the MGIC Common Stock held by it (including, without limitation, voting rights and rights to receive any dividends or other distributions in respect thereof).

For more information regarding the relationship between NML and MGIC Investment, see the MGIC Prospectus which accompanies this Prospectus.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Set forth in full below is the opinion of Brown & Wood, counsel to the Company, as to certain United States Federal income tax consequences of the purchase, ownership and disposition of the STRYPES. Such opinion is based upon laws, regulations, rulings and decisions now in effect (or, in the case of certain regulations, in proposed form), all of which are subject to change (including retroactive changes in effective dates) or possible differing interpretations. The discussion below deals only with STRYPES held as capital assets and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, dealers in securities or currencies, tax-exempt entities, or persons holding STRYPES as a hedge against currency risks or as a position in a "straddle" for tax purposes. It also does not deal with holders of STRYPES other than original purchasers thereof (except where otherwise specifically noted herein). The following discussion also does not address the tax consequences of investing in the STRYPES

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arising under the laws of any state, local or foreign jurisdiction. Persons considering the purchase of the STRYPES should consult their own tax advisors concerning the application of the United States Federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the STRYPES arising under the laws of any other taxing jurisdiction.

As used herein, the term "U.S. Holder" means a beneficial owner of a STRYPES that is for United States Federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate or trust the income of which is subject to United States Federal income taxation regardless of its source or (iv) any other person whose income or gain in respect of a STRYPES is effectively connected with the conduct of a United States trade or business. As used herein, the term "non-U.S. Holder" means a beneficial owner of a STRYPES that is not a U.S. Holder.

GENERAL

There are no statutory provisions, regulations (except possibly the Proposed Regulations as described below), published rulings or judicial decisions addressing or involving the characterization, for United States Federal income tax purposes, of the STRYPES or securities with terms substantially the same as the STRYPES. Accordingly, the proper United States Federal income tax characterization and treatment of the STRYPES is uncertain. Pursuant to the terms of the Indenture, the Company and any holder of a STRYPES agree to treat each STRYPES as a unit (a "Unit") consisting of (i) a debt instrument (the "Debt Instrument") with a fixed principal amount unconditionally payable on the Maturity Date equal to the issue price of the STRYPES and bearing interest at the stated interest rate on the STRYPES and (ii) a forward purchase contract (the "Forward Contract") pursuant to which the holder agrees to use the principal payment due on the Debt Instrument to purchase on the Maturity Date the MGIC Common Stock which the Company is obligated to deliver at that time (subject to the Company's right to deliver cash with an equal value in lieu of the MGIC Common Stock). Therefore, the Company currently intends to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract for United States Federal income tax purposes and, where required, intends to file information returns with the Internal Revenue Service ("IRS") in accordance with such treatment, in the absence of any change or clarification in the law, by regulation or otherwise, requiring a different characterization and treatment of the STRYPES for United States Federal income tax purposes. In the opinion of Brown & Wood, counsel to the Company, such characterization and tax treatment of the STRYPES, although not the only reasonable characterization and tax treatment, is based on reasonable interpretations of law currently in effect and, even if successfully challenged by the IRS, will not result in the imposition of penalties.

Prospective investors in the STRYPES should be aware, however, that no ruling is being requested from the IRS with respect to the STRYPES, the IRS is not bound by the characterization of each STRYPES by the Company and the holders thereof as a Unit consisting of the Debt Instrument and the Forward Contract, and the IRS could possibly assert a different position as to the proper United States Federal income tax characterization and treatment of the STRYPES. For instance, it is possible that the IRS could assert that each STRYPES should be treated entirely as a single debt instrument of the Company for United States Federal income tax purposes. Except where otherwise specifically provided herein, the following discussion of the principal United States Federal income tax consequences of the purchase, ownership and disposition of the STRYPES is based upon the assumption that each STRYPES will be characterized and treated as a Unit consisting of the Debt Instrument and the Forward Contract for United States Federal income tax purposes. As discussed in greater detail herein, if the STRYPES are not in fact ultimately characterized and treated as a Unit consisting of the Debt Instrument and the Forward Contract for United States Federal income tax purposes, then the United States Federal income tax treatment of the purchase, ownership and disposition of the STRYPES could significantly differ from the treatment discussed immediately below with the result that the timing and character of income, gain or loss recognized on a STRYPES could significantly differ from the timing and character of income, gain or loss recognized on a STRYPES had each STRYPES in fact been characterized and treated as a Unit consisting of the Debt Instrument and the Forward Contract for United States Federal income tax purposes.

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U.S. HOLDERS

As previously discussed, pursuant to the terms of the Indenture, the Company and any holder of a STRYPES agree to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract. Consistent with this treatment of the STRYPES, pursuant to the terms of the Indenture, a U.S. Holder of a STRYPES will be required to include currently in income payments denominated as interest that are made with respect to a STRYPES in accordance with such U.S. Holder's regular method of tax accounting. Furthermore, pursuant to the agreement contained in the Indenture to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, any holder of a STRYPES agrees to allocate the purchase price paid by such holder to acquire the STRYPES between the two components of the Unit (i.e., the Debt Instrument and the Forward Contract) based upon their relative fair market values (as determined on the purchase date). The portion of the total purchase price so allocated by the holder to each component of the Unit will generally constitute the holder's initial tax basis for each such component of the Unit. Accordingly, in the event that the fair market value of the Debt Instrument (as determined on the purchase date) exceeds the purchase price paid by the holder to acquire the STRYPES, the holder would be deemed to have acquired the Debt Instrument for an amount equal to the fair market value of the Debt Instrument (as determined on the purchase date) and would be deemed to have assumed the Forward Contract component of the STRYPES in exchange for a payment in an amount equal to the excess of the fair market value of the Debt Instrument (as determined on the purchase date) over the purchase price paid by the holder to acquire the STRYPES. In such event, such deemed payment received by the holder in respect of the Forward Contract should only be includible in income by the holder as an additional amount realized with respect to the Forward Contract on the earlier of the sale or other disposition of the STRYPES by the holder or the Maturity Date. Pursuant to the terms of the Indenture, with respect to acquisitions of STRYPES in connection with the original issuance thereof, the Company and the holders agree to allocate \$ of the entire initial purchase price of a STRYPES (i.e., the issue price of a STRYPES) to the Debt Instrument component and to allocate the remaining \$ of the entire initial purchase price of a STRYPES to the Forward Contract component. Based upon the foregoing, pursuant to the agreement to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, a holder who acquires a STRYPES in connection with the original issuance thereof, will have agreed to treat such acquisition of the STRYPES by the holder as a purchase of the Debt Instrument by the holder for \$ and the making of an initial payment by the holder with respect to the Forward Contract of \$.

Under general principles of current United States Federal income tax law, payments of interest on a debt instrument (e.g., the Debt Instrument) generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting). In addition, a debt instrument will be treated as having been issued with original issue discount for United States Federal income tax purposes to the extent that the stated redemption price at maturity of the debt instrument (generally the debt instrument's stated principal amount) exceeds the debt instrument's issue price, if such excess equals or exceeds a de minimis amount (generally 1/4 of 1% of the debt instrument's stated redemption price at maturity multiplied by the number of complete years to maturity from its issue date). Pursuant to the agreement to

treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, each such Debt Instrument component will be treated for these purposes as having an issue price equal to \$. Since the stated redemption price at maturity of each such Debt Instrument component (i.e., \$) does not exceed its issue price (i.e., \$) by an amount that is equal to or greater than \$ (i.e., the applicable de minimis amount), the Debt Instrument component of each Unit will not be treated as having been issued with any original issue discount.

Under the foregoing principles and in accordance with the agreement to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, the quarterly interest payments payable with respect to the STRYPES at the stated interest rate of % of the issue price of the STRYPES per annum (the "Interest Payments") generally will be taxable to a U.S. Holder as ordinary interest income on the respective dates that such Interest Payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting). On the Maturity Date, pursuant to the agreement to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, a U.S. Holder will recognize capital gain or loss with respect to the Debt Instrument in an amount equal to the difference, if any, between the principal amount of the Debt

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Instrument (i.e., the issue price of the STRYPES) and such U.S. Holder's adjusted tax basis in the Debt Instrument. Such capital gain or loss will generally be long-term capital gain or loss if the STRYPES has been held by the U.S. Holder for more than one year as of the Maturity Date. In addition, pursuant to the agreement to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, on the Maturity Date, if the Company delivers MGIC Common Stock upon payment of the STRYPES, a U.S. Holder will generally not realize any taxable gain or loss on the exchange, pursuant to the Forward Contract, of the principal amount of the Debt Instrument for the MGIC Common Stock. However, a U.S. Holder will generally be required to recognize taxable gain or loss with respect to any cash received in lieu of fractional shares. The amount of such gain or loss recognized by a U.S. Holder will be equal to the difference, if any, between the amount of cash received by the U.S. Holder and the portion of the sum of the principal amount of the Debt Instrument and the U.S. Holder's tax basis in the Forward Contract that is allocable to the fractional shares. Any such taxable gain or loss will be treated as short-term capital gain or loss. A U.S. Holder will have an initial tax basis in any MGIC Common Stock received on the Maturity Date in an amount equal to the sum of the principal amount of the Debt Instrument and the U.S. Holder's tax basis in the Forward Contract less the portion of such sum that is allocable to any fractional shares (as described above) and will realize taxable gain or loss with respect to such MGIC Common Stock received on the Maturity Date only upon the subsequent sale or disposition by the U.S. Holder of such MGIC Common Stock. In addition, a U.S. Holder's holding period for any MGIC Common Stock received by such U.S. Holder on the Maturity Date will begin on the day immediately following the Maturity Date and will not include the period during which the U.S. Holder held such STRYPES.

Alternatively, pursuant to the agreement to treat the STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, if the Company pays the STRYPES in cash on the Maturity Date, a U.S. Holder will recognize taxable gain or loss on the Maturity Date with respect to the Forward Contract (in addition to any gain or loss recognized with respect to the Debt Instrument as described above) in an amount equal to the difference, if any, between the total amount of cash received by such U.S. Holder on the Maturity Date and an amount equal to the sum of the principal amount of the Debt Instrument and the U.S. Holder's tax basis in the Forward Contract. It is uncertain whether such gain or loss would be treated as capital or ordinary. If such gain or loss is properly treated as capital, then such gain or loss will be treated as long-term capital gain or loss if the STRYPES has been held by the U.S. Holder for more than one year as of the Maturity Date. If such gain or loss is properly treated as ordinary gain or loss, it is possible that the deductibility of any loss recognized on the Maturity Date with respect to the Forward Contract by a U.S. Holder who is an individual could be subject to the limitations applicable to miscellaneous itemized deductions provided for under Section 67(a) of the Internal Revenue Code of 1986, as amended (the "Code"). In general, Section 67(a) of the Code provides that an individual may only deduct miscellaneous itemized deductions for a particular taxable year to the extent that the aggregate amount of the individual's miscellaneous itemized deductions for such taxable year exceed two percent of the individual's adjusted gross income for such taxable year (although, the miscellaneous itemized deductions allowable to high-income individuals are generally subject to further limitations). Prospective investors in the STRYPES are urged to consult their own tax advisors concerning the character of any gain or loss realized on the Maturity Date with respect to the Forward Contract in the event that the Company elects to pay the STRYPES in cash on the Maturity Date as well as the deductibility of any such loss.

Pursuant to the agreement to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, upon the sale or other disposition of a STRYPES prior to the Maturity Date, a U.S. Holder generally will be

required to allocate the total amount realized by such U.S. Holder upon such sale or other disposition between the two components of the Unit (i.e., the Debt Instrument and the Forward Contract) based upon their relative fair market values (as determined on the date of disposition). Accordingly, in the event that the fair market value of the Debt Instrument (as determined on the date of disposition) exceeds the actual amount realized by the U.S. Holder upon the sale or other disposition of a STRYPES prior to the Maturity Date, the U.S. Holder would be deemed to have sold the Debt Instrument for an amount equal to the fair market value of the Debt Instrument (as determined on the date of disposition) and would be deemed to have made a payment to the purchaser of the STRYPES in exchange for such purchaser's assumption of the Forward Contract in an amount equal to the excess of the fair market value of the Debt Instrument (as determined on the date of disposition) over the actual amount realized by the U.S. Holder upon such sale or disposition of the STRYPES.

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A U.S. Holder will be required to recognize taxable gain or loss with respect to each such component in an amount equal to the difference, if any, between the amount realized (or paid) with respect to each such component upon the sale or disposition of the STRYPES (as determined in the manner described above) and the U.S. Holder's adjusted tax basis in each such component. Any such gain or loss will generally be treated as long-term capital gain or loss if the U.S. Holder has held the STRYPES for more than one year at the time of disposition.

As previously discussed, prospective investors in the STRYPES should be aware that the IRS is not bound by the characterization of the STRYPES by the Company and the holders thereof as a Unit consisting of the Debt Instrument and the Forward Contract, and the IRS could possibly assert a different position as to the proper United States Federal income tax characterization and treatment of the STRYPES. For instance, it is possible that the IRS could assert that each STRYPES should be treated entirely as a single debt instrument of the Company for United States Federal income tax purposes.

If the STRYPES were ultimately characterized and treated entirely as debt instruments of the Company for United States Federal income tax purposes, then the timing and character of income, gain or loss recognized on a STRYPES would differ from the timing and character of income, gain or loss recognized on a STRYPES had each STRYPES in fact been characterized and treated for United States Federal income tax purposes as a Unit consisting of the Debt Instrument and the Forward Contract. If the STRYPES were ultimately characterized and treated entirely as indebtedness of the Company for United States Federal income tax purposes, under general principles of current United States Federal income tax law, the Interest Payments generally would be taxable to a U.S. Holder as ordinary interest income on the respective dates that such Interest Payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting). Under this same analysis and treatment of each STRYPES as a single debt instrument of the Company for United States Federal income tax purposes, under general principles of current United States Federal income tax law, if the fair market value (as determined on the Maturity Date) of the amount of MGIC Common Stock or cash payable on the Maturity Date with respect to a STRYPES exceeds the issue price thereof, such excess would be treated as contingent interest and generally would be includible in income by a U.S. Holder as ordinary interest on the Maturity Date (regardless of the U.S. Holder's regular method of tax accounting). In addition, if the fair market value (as determined on the Maturity Date) of the amount of MGIC Common Stock or cash payable on the Maturity Date with respect to a STRYPES exceeds the issue price thereof, then such STRYPES would be treated as having been retired on the Maturity Date in exchange for an amount equal to the issue price thereof. If, however, the fair market value (as determined on the Maturity Date) of the amount of MGIC Common Stock or cash payable on the Maturity Date with respect to a STRYPES is equal to or less than the issue price thereof, then such STRYPES would be treated as having been retired on the Maturity Date in exchange for an amount equal to the fair market value (as determined on the Maturity Date) of the entire amount payable on the Maturity Date with respect to such STRYPES and no portion of the amount payable on the Maturity Date with respect to such STRYPES would be treated as contingent interest. A U.S. Holder's initial tax basis in any MGIC Common Stock received by such U.S. Holder on the Maturity Date of a STRYPES would equal the fair market value (as determined on the Maturity Date) of the MGIC Common Stock received by such U.S. Holder. Furthermore, a U.S. Holder's holding period for any MGIC Common Stock received by such U.S. Holder on the Maturity Date of a STRYPES would begin on the day immediately following the Maturity Date and would not include the period during which the U.S. Holder held such STRYPES.

Moreover, under this analysis and treatment of each STRYPES as a single debt instrument of the Company for United States Federal income tax purposes, upon the sale, exchange or retirement of a STRYPES, a U.S. Holder generally would recognize taxable gain or loss in an amount equal to the difference, if any, between the amount realized on the sale, exchange or retirement (other than amounts representing accrued and unpaid Interest Payments) and such U.S. Holder's adjusted tax basis in the STRYPES. A U.S. Holder's adjusted tax basis

in a STRYPES generally would equal such U.S. Holder's initial investment in the STRYPES (as adjusted pursuant to the market discount and bond premium rules described below). Such gain or loss generally would be long-term capital gain or loss if the STRYPES were held by the U.S. Holder for more than one year (subject to the market discount rules, as discussed below). It is possible, however, that under this analysis and treatment of the STRYPES the IRS could assert that any amounts realized upon the sale or exchange of a STRYPES prior to the

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Maturity Date in excess of the STRYPES's issue price constitutes ordinary interest income (subject to the bond premium rules, as discussed below). Nonetheless, if the STRYPES were ultimately characterized and treated entirely as indebtedness of the Company for United States Federal income tax purposes, although the matter is not free from doubt, in the opinion of Brown & Wood, counsel to the Company, under current law, any gain realized upon the sale or exchange of a STRYPES prior to the Maturity Date should be treated entirely as capital gain (subject to the market discount rules, as discussed below).

Prospective investors in the STRYPES should also be aware that on December 15, 1994, the Treasury Department issued proposed regulations (the "Proposed Regulations") concerning the proper United States Federal income tax treatment of contingent payment debt instruments. In the event that the STRYPES were characterized and treated entirely as debt instruments of the Company for United States Federal income tax purposes, the STRYPES would be treated as contingent payment debt instruments. The Proposed Regulations, however, are proposed to only be effective 60 days after the date on which the Proposed Regulations are published as final Treasury regulations. Accordingly, due to the proposed prospective effective date of the Proposed Regulations, if ultimately adopted in their current form, the Proposed Regulations would not apply to the STRYPES even if the STRYPES were characterized and treated entirely as debt instruments of the Company for United States Federal income tax purposes. Furthermore, proposed Treasury regulations are not binding upon either the IRS or taxpayers prior to becoming effective as temporary or final regulations. In general, if ultimately adopted in their current form, the Proposed Regulations would cause the timing and character of income, gain or loss reported on a contingent payment debt instrument to substantially differ from the timing and character of income, gain or loss reported on a contingent payment debt instrument under general principles of current United States Federal income tax law (as described immediately above). Prospective investors in the STRYPES are urged to consult their own tax advisers concerning the effect, if any, of the Proposed Regulations on their investment in the STRYPES.

Prospective investors in the STRYPES should also be aware that it is possible that the ultimate characterization and treatment of the STRYPES for United States Federal income tax purposes could differ from the possible characterizations and treatments described herein with the result that the ultimate United States Federal income tax treatment of the purchase, ownership and disposition of the STRYPES could significantly differ from any of the treatments described herein.

Despite the foregoing, as previously discussed, pursuant to the agreement contained in the Indenture to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, the Company, where required, currently intends to file information returns with the IRS treating each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract for United States Federal income tax purposes (as described above), in the absence of any change or clarification in the law, by regulation or otherwise, requiring another characterization and treatment of the STRYPES for United States Federal income tax purposes.

MARKET DISCOUNT AND PREMIUM

In general, if a U.S. Holder purchases a debt instrument (e.g., the Debt Instrument component of a Unit) for an amount that is less than the principal amount thereof, the amount of the difference will be treated as "market discount," unless such difference is less than a specified de minimis amount (generally 1/4 of 1% of the debt instrument's stated principal amount multiplied by the number of complete years to maturity from the date the U.S. Holder purchased such debt instrument).

Under the market discount rules, a U.S. Holder will be required to treat any gain realized on the sale, exchange, retirement or other disposition of a debt instrument as ordinary income to the extent of the lesser of (i) the amount of such realized gain or (ii) the market discount which has not previously been included in income and is treated as having accrued on such debt instrument at the time of such payment or disposition. Market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity of the debt instrument, unless the U.S. Holder elects to accrue market discount on the basis of semiannual compounding.

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A U.S. Holder may be required to defer the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a debt instrument with market discount until the maturity of the debt instrument or its earlier disposition in a taxable transaction and certain nontaxable transactions, because a current deduction is only allowed to the extent that the interest expense exceeds an allocable portion of the market discount. A U.S. Holder may elect to include market discount in income currently as it accrues (on either a ratable or semiannual compounding basis), in which case the rules described above regarding the deferral of interest deductions will not apply. Generally, such currently included market discount is treated as ordinary interest income for United States Federal income tax purposes and a U.S. Holder would increase its tax basis in a debt instrument by the amount of any such currently included market discount. Such an election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

In general, if a U.S. Holder purchases a debt instrument for an amount that is greater than the principal amount thereof, such U.S. Holder will be considered to have purchased the debt instrument with "amortizable bond premium" equal in amount to such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of the debt instrument and may offset ordinary interest otherwise required to be included in respect of the debt instrument during any taxable year by the amortized amount of such premium for such year (or, prior years, if such amortized premium for prior years has not yet offset interest) and would reduce its tax basis in the debt instrument by the amount of any such interest offset taken. Such election, if made, would apply to all debt instruments held by the U.S. Holder at the beginning of the taxable year to which such election applies and to all debt instruments acquired by the U.S. Holder thereafter. Such election would also be irrevocable once made, unless the U.S. Holder making such an election obtains the express written consent of the IRS to revoke such election.

MISCELLANEOUS TAX MATTERS

Special tax rules may apply to persons holding a STRYPES as part of a "synthetic security" or other integrated investment, or as part of a straddle, hedging transaction or other combination of offsetting positions. For instance, Section 1258 of the Code may possibly require certain U.S. Holders of the STRYPES who enter into hedging transactions or offsetting positions with respect to the STRYPES to treat all or a portion of any gain realized on the STRYPES as ordinary income in instances where such gain may have otherwise been treated as capital gain. U.S. Holders hedging their positions with respect to the STRYPES or otherwise holding their STRYPES in a manner described above should consult their own tax advisors regarding the applicability of Section 1258 of the Code, or any other provision of the Code, to their investment in the STRYPES.

NON-U.S. HOLDERS

Based on the treatment of each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, in the case of a non-U.S. Holder, payments made with respect to the STRYPES should not be subject to United States withholding tax, provided that such non-U.S. Holder complies with applicable certification requirements. Any capital gain realized upon the sale or other disposition of a STRYPES by a non-U.S. Holder will generally not be subject to United States Federal income tax if (i) such gain is not effectively connected with a United States trade or business of such non-U.S. Holder and (ii) in the case of an individual non-U.S. Holder, such individual is not present in the United States for 183 days or more in the taxable year of the sale or other disposition, or the gain is not attributable to a fixed place of business maintained by such individual in the United States and such individual does not have a "tax home" (as defined for United States Federal income tax purposes) in the United States.

As discussed above, alternative characterizations of the STRYPES for United States Federal income tax purposes are possible. Should an alternative characterization of the STRYPES, by reason of a change or clarification of the law, by regulation or otherwise, cause payments with respect to the STRYPES to become subject to withholding tax, the Company will withhold tax at the statutory rate. Prospective non-U.S. Holders of the STRYPES should consult their own tax advisors in this regard.

BACKUP WITHHOLDING AND INFORMATION REPORTING

A beneficial owner of a STRYPES may be subject to information reporting and to backup withholding at a rate of 31 percent of certain amounts paid to the beneficial owner unless such beneficial owner provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with applicable requirements of the backup withholding rules.

Any amounts withheld under the backup withholding rules from a payment to a

beneficial owner would be allowed as a refund or a credit against such beneficial owner's United States Federal income tax provided the required information is furnished to the IRS.

UNDERWRITING

Subject to the terms and conditions set forth in the Underwriting Agreement, the Company has agreed to sell to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter"), and the Underwriter has agreed to purchase from the Company, 5,000,000 STRYPES. Under the terms and conditions of the Underwriting Agreement, the Underwriter is committed to take and pay for all of the STRYPES, if any are taken.

The Underwriter has advised the Company that it proposes initially to offer the STRYPES directly to the public at the public offering price set forth on the cover page of this Prospectus, and to certain dealers at such price less a concession not to exceed \$ per STRYPES. The Underwriter may allow, and such dealers may reallocate, a discount not to exceed \$ per STRYPES to certain other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The Company has granted the Underwriter an option exercisable for 30 days after the date of this Prospectus to purchase up to an aggregate of 750,000 additional STRYPES at the public offering price set forth on the cover page of this Prospectus, less the underwriting discount. The Underwriter may exercise this option only to cover over-allotments, if any, made on the sale of the STRYPES offered hereby.

MGIC Investment and its executive officers have agreed not to offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any shares of MGIC Common Stock, securities convertible into, exchangeable for or repayable with such shares or rights or warrants to acquire such shares, for a period of 90 days after the date of this Prospectus without the prior written consent of the Underwriter. The foregoing agreement of MGIC Investment does not apply to MGIC Common Stock offered to MGIC Investment's employees under its existing employee benefit plans nor does it apply to rights with respect to MGIC Common Stock under a shareholder rights plan. NML has agreed not to offer, sell, contract to sell or otherwise dispose of, directly or indirectly, or cause to be filed a registration statement under the Securities Act with respect to, any shares of MGIC Common Stock, securities convertible into, exchangeable for or repayable with such shares or rights or warrants to acquire such shares, for a period of 90 days after the date of this Prospectus without the prior written consent of the Underwriter.

The underwriting of the STRYPES will conform to the requirements set forth in the applicable sections of Schedule E to the By-Laws of the National Association of Securities Dealers, Inc.

Application will be made to list the STRYPES on the NYSE.

The Company has agreed to indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act relating to this Prospectus (including the documents incorporated by reference herein).

VALIDITY OF THE STRYPES

The validity of the STRYPES offered hereby will be passed upon for the Company and for the Underwriter by Brown & Wood, New York, New York.

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EXPERTS

The consolidated financial statements and related financial statement schedules of the Company and its subsidiaries included or incorporated by reference in the Company's 1994 Annual Report on Form 10-K, and incorporated by reference in this Prospectus, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports incorporated by reference herein. The information under the caption "Summary Financial Information" for each of the five years in the period ended December 30, 1994 included in this Prospectus and the Selected Financial Data under the captions "Operating Results," "Financial Position" and "Common Share Data" for each of the five years in the period ended December 30, 1994 included in the 1994 Annual Report to Stockholders of the Company, and incorporated by reference herein, has been derived from consolidated financial statements audited by Deloitte & Touche LLP, as set forth in their reports incorporated by reference herein. Such consolidated financial statements and related financial statement schedules, such Summary Financial Information and Selected Financial Data appearing or incorporated by reference in this Prospectus and the Registration Statement of which this Prospectus is a part, have been included or incorporated herein by reference in reliance upon such reports of Deloitte & Touche LLP given upon their authority as experts in accounting and auditing.

With respect to unaudited interim financial information for the periods

included in any of the Quarterly Reports on Form 10-Q which may be incorporated herein by reference, Deloitte & Touche LLP have applied limited procedures in accordance with professional standards for a review of such information. However, as stated in their report included in any such Quarterly Report on Form 10-Q and incorporated by reference herein, they did not audit and they do not express an opinion on such interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. Deloitte & Touche LLP are not subject to the liability provisions of Section 11 of the Securities Act for any such report on unaudited interim financial information because any such report is not a "report" or a "part" of the registration statement prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Securities Act.

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFERING DESCRIBED HEREIN, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE UNDERWRITER. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THOSE SPECIFICALLY OFFERED HEREBY OR OF ANY SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

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5,000,000 STRYPES

LOGO

MERRILL LYNCH & CO., INC.

§ STRYPES SM
DUE , 1998

PAYABLE WITH SHARES OF COMMON STOCK
OF MGIC INVESTMENT CORPORATION
(OR CASH WITH AN EQUAL VALUE)

PROSPECTUS

MERRILL LYNCH & CO.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth all expenses in connection with the issuance and distribution of the securities being registered. All the amounts shown are estimates, except the registration fee and the NASD fee.

<S>	<C>
Registration fee.....	\$93,438
Fees and expenses of accountants.....	*
Fees and expenses of counsel.....	*
NASD fee.....	27,597
Listing fees.....	*
Blue Sky fees and expenses.....	*
Printing expenses.....	*
Printing and engraving of Securities.....	*
Rating agency fees.....	*
Miscellaneous.....	*

Total.....	\$ *
	=====

</TABLE>

* To be filed by amendment.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of the State of Delaware, as amended, provides that under certain circumstances a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at its request in such capacity in another corporation or business association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Article XIII, Section 2 of the Restated Certificate of Incorporation of the Registrant provides in effect that, subject to certain limited exceptions, the Registrant shall indemnify its directors and officers to the extent authorized or permitted by the General Corporation Law of the State of Delaware.

The Form of Underwriting Agreement filed as Exhibit 1(a) provides for the indemnification of the Registrant, its controlling persons, its directors and certain of its officers by the Underwriter against certain liabilities, including liabilities under the Securities Act of 1933, as amended. The Form of Registration Agreement filed as Exhibit 1(b) provides for the indemnification of the Registrant and its controlling persons by MGIC Investment against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The directors and officers of the Registrant are insured under policies of insurance maintained by the Registrant, subject to the limits of the policies, against certain losses arising from any claim made against them by reason of being or having been such directors or officers. In addition, the Registrant has entered into contracts with all of its directors providing for indemnification of such persons by the Registrant to the full extent authorized or permitted by law, subject to certain limited exceptions.

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ITEM 16. LIST OF EXHIBITS.

1(a) *--Form of Underwriting Agreement.

1(b) *--Form of Registration Agreement.

4(a) --Senior Indenture, dated as of April 1, 1983, as amended and restated, between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company) incorporated herein by reference to Exhibit 99(c) to Registrant's Registration Statement on

4(b)---Seventh Supplemental Indenture to the Senior Indenture, dated as of
, 1995, between the Company and Chemical Bank (successor by
merger to Manufacturers Hanover Trust Company).

4(c)---Form of certificate representing the STRYPES.

5+---Opinion of Brown & Wood.

10+---Form of Purchase Agreement between the Company and The Northwestern
Mutual Life Insurance Company relating to shares of MGIC Common
Stock.

12*---Computation of Ratio of Earnings to Fixed Charges.

15*---Letter of Deloitte & Touche LLP regarding unaudited interim financial
information.

23(a)*---Consent of Deloitte & Touche LLP.

23(b)---Consent of Brown & Wood (included in Exhibit 5).

24*---Powers of Attorney.

25+---Form T-1 Statement of Eligibility under the Trust Indenture Act of
1939 of Chemical Bank.

99*---Report of Deloitte & Touche LLP with respect to certain financial data
appearing in the Registration Statement.

- -----

+ To be filed by amendment.

* Filed herewith.

ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a
post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the
Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after
the effective date of the registration statement (or the most recent
post-effective amendment thereof) which, individually or in the
aggregate, represent a fundamental change in the information set forth
in the registration statement;

(iii) To include any material information with respect to the plan of
distribution not previously disclosed in the registration statement or
any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if
the registration statement is on Form S-3 and the information required to
be included in a post-effective amendment by those paragraphs is contained
in periodic reports filed by the Registrant pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934 that are incorporated by reference
in the registration statement.

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(2) That, for the purpose of determining any liability under the
Securities Act of 1933, each such post-effective amendment shall be deemed
to be a new registration statement relating to the securities offered
therein, and the offering of such securities at the time shall be deemed to
be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment
any of the securities being registered which remain unsold at the
termination of the offering.

The undersigned Registrant hereby undertakes that, for purposes of
determining any liability under the Securities Act of 1933, each filing of the
Registrant's annual report pursuant to sections 13(a) or 15(d) of the
Securities Exchange Act of 1934 that is incorporated by reference in this
registration statement shall be deemed to be a new registration statement
relating to the securities offered therein and the offering of such securities
at the time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act
of 1933 may be permitted to directors, officers and controlling persons of the
Registrant pursuant to the provisions referred to in Item 15 of this
registration statement, or otherwise, the Registrant has been advised that in

the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in such Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that: (1) for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective; and (2) for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, MERRILL LYNCH & CO., INC. CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED IN THE CITY OF NEW YORK AND STATE OF NEW YORK ON THE 20TH DAY OF JUNE, 1995.

Merrill Lynch & Co., Inc.

/s/ Daniel P. Tully

By _____
 Daniel P. Tully
 (Chairman of the Board
 and Chief Executive Officer)

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS IN THE CAPACITIES WITH MERRILL LYNCH & CO., INC. INDICATED ON THE 20TH DAY OF JUNE, 1995.

SIGNATURE -----	TITLE -----
/s/ Daniel P. Tully ----- (Daniel P. Tully)	Chairman of the Board, Chief Executive Officer and Director
/s/ David H. Komansky ----- (David H. Komansky)	President, Chief Operating Officer and Director
/s/ Joseph T. Willett ----- (Joseph T. Willett)	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
* ----- (William O. Bourke)	Director
* ----- (Jill K. Conway)	Director
* ----- (Stephen L. Hammerman)	Director
* ----- (Earle H. Harbison, Jr.)	Director

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SIGNATURE

TITLE

-----	-----
*	Director

(George B. Harvey)	
*	Director

(William R. Hoover)	
*	Director

(Robert P. Luciano)	
*	Director

(Aulana L. Peters)	
*	Director

(John J. Phelan, Jr.)	
*	Director

(William L. Weiss)	
/s/ Joseph T. Willett	
*By _____	
Attorney-in-fact	

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EXHIBIT INDEX

<TABLE>
<CAPTION>

SEQUENTIALLY
NUMBERED
PAGE

EXHIBIT NO. -----	DESCRIPTION -----	-----
<C>	<S>	<C>
1(a)*	--Form of Underwriting Agreement.	
1(b)*	--Form of Registration Agreement.	
4(a)	--Senior Indenture, dated as of April 1, 1983, as amended and restated, between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company) incorporated herein by reference to Exhibit 99(c) to Registrant's Registration Statement on Form 8-A dated July 20, 1992.	
4(b)+	--Seventh Supplemental Indenture to the Senior Indenture, dated as of _____, 1995, between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).	
4(c)+	--Form of certificate representing the STRYPES.	
5+	--Opinion of Brown & Wood.	
10+	--Form of Purchase Agreement between the Company and The Northwestern Mutual Life Insurance Company relating to shares of MGIC Common Stock.	
12*	--Computation of Ratio of Earnings to Fixed Charges.	
15*	--Letter of Deloitte & Touche LLP regarding unaudited interim financial information.	
23(a)*	--Consent of Deloitte & Touche LLP.	
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</TABLE>

+ To be filed by amendment.
* Filed herewith.

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DRAFT

MERRILL LYNCH & CO., INC.
 (A DELAWARE CORPORATION)

_____% STRYPES/SM/ DUE _____, 1998

UNDERWRITING AGREEMENT

_____, 1995

Merrill Lynch & Co.
 Merrill Lynch, Pierce, Fenner & Smith
 Incorporated
 World Financial Center
 North Tower
 New York, New York 10281-1201

Dear Sirs:

Merrill Lynch & Co., Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") an aggregate of 5,000,000 of the Company's Structured Yield Product Exchangeable for Stock/SM/, ____% STRYPES/SM/ Due _____, 1998 (each, a "STRYPES"), payable at maturity by the delivery of common stock, par value \$1.00 per share (the "MGIC Common Stock"), of MGIC Investment Corporation ("MGIC Investment"), and, at the option of the Underwriter, all or any part of 750,000 additional STRYPES to cover over-allotments. The aforesaid 5,000,000 STRYPES (the "Initial Securities") to be purchased by the Underwriter and all or any part of the 750,000 additional STRYPES subject to the option described in Section 2(b) hereof (the "Option Securities") are hereinafter collectively referred to as the "Securities". The Securities are to be issued under an indenture, dated as of April 1, 1983, as supplemented as of _____, 1995 (the "Indenture"), between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as trustee (the "Trustee").

Prior to the purchase and public offering of the Securities by the Underwriter, the Company and the Underwriter shall enter into an agreement substantially in the form of Exhibit A hereto (the "Pricing Agreement"). The Pricing Agreement may take the form of an exchange of any standard form of written telecommunication between the Company and the Underwriter and shall specify such applicable information as is indicated in Exhibit A hereto. The offering of the Securities shall be governed by this Agreement, as supplemented by the Pricing Agreement. From and after the date of the execution and delivery of the Pricing Agreement, this Agreement shall be deemed to incorporate the Pricing Agreement.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (No. 33-_____) and related preliminary prospectus for the registration of the Securities under the Securities Act of 1933, as amended (the "1933 Act"), has filed such amendments thereto, if any, and such amended preliminary prospectuses as may have been required to the date hereof, and will file such additional amendments thereto and such amended prospectuses as may hereafter be required. Such registration statement (as amended, if applicable) at the time it becomes effective and the prospectus constituting a part thereof (including the information, if any, incorporated by reference therein and the information, if any, deemed to be part thereof pursuant to Rule 430A(b) of the rules and regulations of the Commission under the 1933 Act (the "1933 Act

/SM/ Service Mark of Merrill Lynch & Co., Inc.

Regulations))), as from time to time amended or supplemented pursuant to the 1933 Act, the Securities Exchange Act of 1934, as amended (the "1934 Act"), or otherwise, are hereinafter referred to as the "ML&Co. Registration Statement" and the "ML&Co. Prospectus", respectively, except that if any revised prospectus shall be provided to the Underwriter by the Company for use in connection with the offering of the Securities which differs from the ML&Co. Prospectus on file at the Commission at the time the ML&Co. Registration Statement becomes effective (whether or not such revised prospectus is required to be filed by the Company pursuant to Rule 424(b) of the 1933 Act Regulations), the term "ML&Co. Prospectus" shall refer to such revised prospectus (excluding any MGIC Prospectus (as defined below) included therein) from and after the time it is first provided to the Underwriter for such use and if the Company files any documents pursuant to Section 13 or 14 of the 1934 Act, after the ML&Co. Registration Statement becomes effective and prior to the termination of the offering of the Securities by the Underwriter, which documents are deemed to be

incorporated by reference into the ML&Co. Prospectus, the term "ML&Co. Prospectus" shall refer to said prospectus as supplemented by the documents so filed from and after the time said documents are filed with the Commission.

MGIC Investment has filed with the Commission a registration statement on Form S-3 (No. 33-_____) and related preliminary prospectus for the registration of the MGIC Common Stock deliverable upon payment and discharge of the Securities under the 1933 Act, has filed such amendments thereto, if any, and such amended preliminary prospectuses as may have been required to the date hereof, and will file such additional amendments thereto and such amended prospectuses as may hereafter be required. Such registration statement (as amended, if applicable) at the time it becomes effective and the prospectus constituting a part thereof (including the information, if any, incorporated by reference therein), as from time to time amended or supplemented pursuant to the 1933 Act, the 1934 Act, or otherwise, are hereinafter referred to as the "MGIC Registration Statement" and the "MGIC Prospectus", respectively, except that if any revised prospectus shall be prepared by MGIC Investment for use by the Underwriter which differs from the MGIC Prospectus on file at the Commission at the time the MGIC Registration Statement becomes effective (whether or not such revised prospectus is required to be filed by MGIC Investment pursuant to Rule 424(b) of the 1933 Act Regulations), the term "MGIC Prospectus" shall refer to such revised prospectus from and after the time it is first provided to the Underwriter for use and if MGIC Investment files any documents pursuant to Section 13 or 14 of the 1934 Act after the MGIC Registration Statement becomes effective and prior to the termination of the offering of the Securities by the Underwriter, which documents are deemed to be incorporated by reference into the MGIC Prospectus, the term "MGIC Prospectus" shall refer to said prospectus as supplemented by the documents so filed from and after the time said documents are filed with the Commission. The ML&Co. Registration Statement and the MGIC Registration Statement are hereinafter collectively referred to as the "Registration Statements"; and the ML&Co. Prospectus and the MGIC Prospectus are hereinafter collectively referred to as the "Prospectuses".

The Company understands that the Underwriter proposes to make a public offering of the Securities as soon as it deems advisable after the Registration Statements become effective and the Pricing Agreement has been executed and delivered.

Prior to the closing under this Agreement, the Company will enter into a contract (the "Forward Purchase Contract") with The Northwestern Mutual Life Insurance Company, a Wisconsin corporation ("NML"), pursuant to which NML will agree to sell, and the Company will agree to purchase, immediately prior to maturity of the Securities, a number of shares of MGIC Common Stock equal to the number of shares required by the Company to pay and discharge the Securities at maturity as described in the ML&Co. Prospectus or NML will deliver cash with an equal value (the "Forward Purchase").

Section 1. Representations and Warranties. (a) The Company represents and warrants to the Underwriter as of the date hereof and as of the date of the Pricing Agreement (such later date being hereinafter referred to as the "Representation Date") as follows:

(i) At the time the ML&Co. Registration Statement and any post-effective amendments thereto become effective and at the Representation Date, the ML&Co. Registration Statement will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and the Trust Indenture Act of 1939, as amended (the "1939 Act"), and the rules and regulations of the Commission under the 1939 Act, and will not contain any untrue statement of a material fact or omit to state any

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material fact required to be stated therein or necessary to make the statements therein not misleading. The ML&Co. Prospectus, at the Representation Date (unless the term "ML&Co. Prospectus" refers to a prospectus that has been provided to the Underwriter by the Company for use in connection with the offering of the Securities that differs from the ML&Co. Prospectus on file at the Commission at the time the ML&Co. Registration Statement first becomes effective, in which case at the time such prospectus is first provided to the Underwriter for such use) and at Closing Time and each Date of Delivery referred to in Section 2, will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall not apply to (A) statements in or omissions from the ML&Co. Registration Statement or ML&Co. Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by the Underwriter expressly for use in the ML&Co. Registration Statement or ML&Co. Prospectus, (B) that part of the ML&Co. Registration Statement which shall constitute the Statement of Eligibility under the 1939 Act (Form T-1) of the Trustee and (C) information contained in or omitted from the MGIC Prospectus.

(ii) The Company meets the requirements for the use of Form S-3 under

the 1933 Act.

(iii) The accountants who certified the financial statements and supporting schedules of the Company and its subsidiaries included or incorporated by reference in the ML&Co. Registration Statement are independent public accountants as required by the 1933 Act and the 1933 Act Regulations.

(iv) The consolidated financial statements of the Company and its consolidated subsidiaries included or incorporated by reference in the ML&Co. Registration Statement and ML&Co. Prospectus present fairly the consolidated financial position of the Company and its consolidated subsidiaries as at the dates indicated and the results of their operations for the periods specified; said financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis during the periods involved, except as indicated therein; and the supporting schedules included in the ML&Co. Registration Statement present fairly the information required to be stated therein.

(v) The documents incorporated by reference in the ML&Co. Prospectus, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the "1934 Act Regulations"), and, when read together with the other information in the ML&Co. Prospectus, at the time the ML&Co. Registration Statement and any post-effective amendments thereto become effective, will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and any further documents deemed to be incorporated by reference in the ML&Co. Prospectus will, when they are filed with the Commission, comply in all material respects with the requirements of the 1934 Act and the 1934 Act Regulations, and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall not apply to (A) statements in or omissions from the ML&Co. Registration Statement or ML&Co. Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by the Underwriter expressly for use in the ML&Co. Registration Statement or ML&Co. Prospectus, (B) that part of the ML&Co. Registration Statement which shall constitute the Statement of Eligibility under the 1939 Act (Form T-1) of the Trustee and (C) information contained in or omitted from the MGIC Prospectus.

(vi) Since the respective dates as of which information is given in the ML&Co. Registration Statement and the ML&Co. Prospectus, except as otherwise stated therein or contemplated thereby, (A) there has been no material adverse change in the condition, financial or otherwise, of the Company and its subsidiaries considered as one enterprise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, (B) there have been no transactions entered into by the Company or any of its

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subsidiaries which are material with respect to the Company and its subsidiaries considered as one enterprise, other than those in the ordinary course of business, and (C) except for regular quarterly dividends on its outstanding Common Stock and regular dividends on its preferred stock, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(vii) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware with corporate power and authority to own, lease and operate its properties and conduct its business as now being conducted and as described in the ML&Co. Prospectus and to enter into and perform its obligations under this Agreement, the Pricing Agreement, the Indenture and the Forward Purchase Contract; the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which it owns or leases substantial properties or in which the conduct of its business requires such qualification and in which failure of the Company to be so qualified and in good standing would have a material adverse effect upon the Company and its subsidiaries considered as one enterprise.

(viii) Each subsidiary of the Company listed in Exhibit No. 21 to the Form 10-K annual report of the Company filed with the Commission under Section 13 of the 1934 Act for the fiscal year ended December 30, 1994 which is a "significant subsidiary" as defined in Rule 405 of Regulation C of the 1933 Act Regulations (a "ML&Co. Significant Subsidiary") has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate

power and authority to own, lease and operate its properties and conduct its business as now being conducted and as described in the ML&Co. Prospectus and is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which it owns or leases substantial properties or in which the conduct of its business requires such qualification and in which failure of such ML&Co. Significant Subsidiary to be so qualified and in good standing would have a material adverse effect upon the Company and its subsidiaries considered as one enterprise; all of the issued and outstanding shares of capital stock of each ML&Co. Significant Subsidiary have been duly authorized and validly issued and are fully paid and non-assessable; and all of the shares of capital stock of each ML&Co. Significant Subsidiary (except for directors' qualifying shares and except as set forth in the ML&Co. Prospectus) are owned by the Company, directly or through subsidiaries, free and clear of any mortgage, pledge, lien, encumbrance, claim or equity.

(ix) Neither the Company nor any of the ML&Co. Significant Subsidiaries is in violation of its charter or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which it or any of them is a party or by which it or any of them may be bound or to which any of the property or assets of the Company or any of the ML&Co. Significant Subsidiaries is subject; the execution, delivery and performance by the Company of this Agreement, the Pricing Agreement, the Indenture and the Forward Purchase Contract and the consummation by the Company of the transactions contemplated herein and therein (including the issue and sale of the Securities, the delivery of shares of MGIC Common Stock upon payment and discharge of the Securities and the consummation of the Forward Purchase) have been duly authorized by all necessary corporate action and will not conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of the ML&Co. Significant Subsidiaries pursuant to, any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or any of the ML&Co. Significant Subsidiaries is a party or by which it or any of them may be bound or to which any of the property or assets of the Company or any of the ML&Co. Significant Subsidiaries is subject, nor will such action result in any violation of the provisions of the charter or by-laws of the Company or, to the best of its knowledge, any law, administrative regulation or administrative or court decree; and no consent, approval, authorization or order of any court or governmental authority or agency is required for the execution, delivery or performance by the Company of this Agreement, the Pricing Agreement, the Indenture or the Forward Purchase Contract or the consummation by the Company of the transactions contemplated herein or therein (including the issue and sale of the Securities, the delivery of shares of MGIC Common Stock upon payment and discharge of the

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Securities and the consummation of the Forward Purchase), except such as have been obtained under the 1933 Act or the 1933 Act Regulations or state securities or Blue Sky laws.

(x) The Company and the ML&Co. Significant Subsidiaries possess adequate certificates, authorities, permits, licenses, approvals, consents and other authorizations issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them, and neither the Company nor any of the ML&Co. Significant Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit, license, approval, consent or other authorization which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially adversely affect the conduct of the business, operations, financial condition or income of the Company and its subsidiaries considered as one enterprise.

(xi) Except as set forth in the ML&Co. Prospectus, there is no action, suit or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened against or affecting the Company or any of its subsidiaries which might, in the opinion of the Company, result in any material adverse change in the condition, financial or otherwise, of the Company and its subsidiaries considered as one enterprise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, or might materially and adversely affect the properties or assets thereof or might materially and adversely affect the consummation by the Company of the transactions contemplated by this Agreement, the Pricing Agreement, the Indenture or the Forward Purchase Contract (including the issue and sale of the Securities, the delivery of shares of MGIC Common Stock upon payment and discharge of the Securities and the consummation of the Forward Purchase); and there are no contracts or documents of the Company or any of its subsidiaries which are required to be filed as exhibits to the ML&Co. Registration Statement by the 1933 Act or by the 1933 Act Regulations which have not been so filed or

incorporated by reference.

(xii) This Agreement has been, and at the Representation Date, the Pricing Agreement will have been, duly authorized, executed and delivered by the Company.

(xiii) The Indenture has been duly authorized by the Company and, at the Closing Time, will have been duly qualified under the 1939 Act and duly executed and delivered by the Company and will constitute a valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general applicability relating to or affecting enforcement of creditors' rights or by general equity principles.

(xiv) The Securities have been duly authorized for issuance and sale pursuant to this Agreement and, when issued, authenticated and delivered pursuant to the provisions of this Agreement and the Indenture against payment of the consideration therefor specified in the Pricing Agreement, the Securities will be valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general applicability relating to or affecting enforcement of creditors' rights or by general equity principles, and will be entitled to the benefits provided by the Indenture; and the Securities, the Indenture and the Forward Purchase Contract conform in all material respects to all statements relating thereto contained in the ML&Co. Prospectus and will be in substantially the forms filed or incorporated by reference, as the case may be, as exhibits to the ML&Co. Registration Statement.

(xv) The Forward Purchase Contract has been duly authorized by the Company and, at the Closing Time, will have been duly executed and delivered by the Company and will constitute a valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general applicability relating to or affecting enforcement of creditors' rights or by general equity principles.

(xvi) The Company and its subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material with

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respect to the Company and its subsidiaries considered as one enterprise, in each case free and clear of all liens, encumbrances and defects except such as are described in the ML&Co. Prospectus or such as do not materially affect the value of such property in the aggregate and do not materially interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material to the Company and its subsidiaries considered as one enterprise and do not materially interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries.

(xvii) The Company and the ML&Co. Significant Subsidiaries own or possess, or can acquire on reasonable terms, adequate trademarks, service marks and trade names necessary to conduct the businesses now operated by them, and neither the Company nor any of its subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any trademarks, service marks or trade names which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially adversely affect the conduct of the business, operations, financial condition or income of the Company and its subsidiaries considered as one enterprise.

(xviii) No labor dispute by the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent which might be expected to have a material adverse effect upon the conduct of the business, or the earnings, operations or condition, financial or otherwise, of the Company and its subsidiaries considered as one enterprise.

(b) NML represents and warrants to each of the Company and the Underwriter as of the date hereof and as of the Representation Date as follows:

(i) NML has been duly incorporated and is validly existing as an insurance corporation under the laws of the State of Wisconsin with corporate power and authority to enter into and perform its obligations under this Agreement and the Forward Purchase Contract.

(ii) No consent, approval, authorization or order of any court or

governmental authority or agency (including all state insurance officials and bodies) is required for the execution, delivery or performance by NML of this Agreement or the Forward Purchase Contract or the consummation by NML of the transactions contemplated herein or therein, except such as may be required under the 1933 Act or the 1933 Act Regulations or state securities or Blue Sky laws; and NML has full right, power and authority to enter into this Agreement and the Forward Purchase Contract and to sell, assign, transfer and deliver shares of MGIC Common Stock pursuant to the Forward Purchase Contract.

(iii) The execution, delivery and performance by NML of this Agreement and the Forward Purchase Contract and the consummation by NML of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which NML is a party or by which NML is bound, or to which any of the property or assets of NML is subject if such conflict, breach, violation or default would impair the ability of NML to perform its obligations under this Agreement or the Forward Purchase Contract, nor will such action result in any violation of the provisions of the Articles of Incorporation or By-laws of NML, or any statute or any order, rule or regulation (other than any statute, order, rule or regulation with regard to state securities or Blue Sky laws) of any court or governmental agency or body having jurisdiction over NML or the property of NML if such violation would impair the ability of NML to perform its obligations under this Agreement or the Forward Purchase Contract.

(iv) (A) At the date hereof, NML has good and marketable title to at least 5,750,000 shares of MGIC Common Stock, free and clear of any mortgage, pledge, lien, encumbrance, claim or equity; and (B) to the extent NML elects to deliver shares of MGIC Common Stock pursuant to the Forward Purchase Contract, upon delivery of such shares of MGIC Common Stock and payment therefor pursuant to the Forward Purchase Contract, good and marketable title to such shares, free and clear of any mortgage, pledge, lien, encumbrance, claim or equity, will pass to the Company.

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(v) This Agreement has been duly authorized, executed and delivered by NML.

(vi) The Forward Purchase Contract has been duly authorized by NML and, at the Closing Time, will have been duly executed and delivered by NML and will constitute a valid and legally binding agreement of NML enforceable against NML in accordance with its terms, except as the enforcement thereof may be limited by insolvency, reorganization, moratorium or other similar laws of general applicability relating to or affecting enforcement of policyholders' or creditors' rights or by general equity principles.

(vii) To the extent that any statements in or omissions from the ML&Co. Registration Statement or ML&Co. Prospectus are made in reliance upon and in conformity with information furnished to the Company in writing by NML expressly for use in the ML&Co. Registration Statement or ML&Co. Prospectus, (A) at the time the ML&Co. Registration Statement and any post-effective amendments thereto become effective and at the Representation Date, the ML&Co. Registration Statement will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (B) the ML&Co. Prospectus, at the Representation Date (unless the term "ML&Co. Prospectus" refers to a prospectus that has been provided to the Underwriter by ML&Co. for use in connection with the offering of the Securities that differs from the ML&Co. Prospectus on file at the Commission at the time the ML&Co. Registration Statement first becomes effective, in which case at the time such prospectus is first provided to the Underwriter for such use) and at Closing Time and each Date of Delivery referred to in Section 2, will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(viii) To the extent that any statements in or omissions from the MGIC Registration Statement or MGIC Prospectus are made in reliance upon and in conformity with information furnished to MGIC Investment in writing by NML expressly for use in the MGIC Registration Statement or MGIC Prospectus, (A) at the time the MGIC Registration Statement and any post-effective amendments thereto become effective and at the Representation Date, the MGIC Registration Statement will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (B) the MGIC Prospectus, at the Representation Date (unless the term "MGIC Prospectus" refers to a prospectus that has been prepared by MGIC Investment for use by the

Underwriter that differs from the MGIC Prospectus on file at the Commission at the time the MGIC Registration Statement first becomes effective, in which case at the time such prospectus is first provided to the Underwriter for use) and at Closing Time and each Date of Delivery referred to in Section 2, will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) Any certificate signed by any officer of the Company or NML and delivered to the Underwriter or counsel for the Underwriter in connection with the offering of Securities shall be deemed a representation and warranty by the Company or NML, as the case may be, as to the matters covered thereby, to the Underwriter.

Section 2. Purchase and Sale. (a) On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby agrees to sell to the Underwriter, and the Underwriter hereby agrees to purchase from the Company, at the purchase price per STRYPES set forth in the Pricing Agreement, the Initial Securities.

(1) If the Company has elected not to rely upon Rule 430A of the 1933 Act Regulations, the initial public offering price and the purchase price per STRYPES to be paid by the Underwriter for the Securities have each been determined and set forth in the Pricing Agreement, dated the date hereof, and an amendment to the ML&Co. Registration Statement and the ML&Co. Prospectus containing such information will be filed before the ML&Co. Registration Statement becomes effective.

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(2) If the Company has elected to rely upon Rule 430A of the 1933 Act Regulations, the purchase price per STRYPES to be paid by the Underwriter for the Securities shall be an amount equal to the initial public offering price, less an amount per STRYPES to be determined by agreement between the Underwriter and the Company. The initial public offering price per STRYPES shall be a fixed price to be determined by agreement between the Underwriter and the Company. The initial public offering price and the purchase price, when so determined, shall be set forth in the Pricing Agreement. In the event that such prices have not been agreed upon and the Pricing Agreement has not been executed and delivered by all parties thereto by the close of business on the fourteenth business day following the date of this Agreement, this Agreement shall terminate forthwith, without liability of any party to any other party, unless otherwise agreed to by the Underwriter and the Company. For purposes of this Agreement, the term "business day" means a day on which the New York Stock Exchange is open for business.

(b) In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants to the Underwriter an option to purchase all or any portion of the Option Securities at the price per STRYPES set forth in the Pricing Agreement. Such option shall expire 30 days after (i) the date the Registration Statements become effective, if the Company has elected not to rely on Rule 430A of the 1933 Act Regulations, or (ii) the Representation Date, if the Company has elected to rely upon Rule 430A of the 1933 Act Regulations, and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial Securities upon notice by the Underwriter to the Company setting forth the number of Option Securities as to which the Underwriter is then exercising the option and the time and date of payment for and delivery of such Option Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by the Underwriter, but shall not be later than seven full business days and not earlier than two full business days after the exercise of said option, nor in any event prior to the Closing Time, unless otherwise agreed between the Underwriter and the Company.

(c) Payment of the purchase price for, and delivery of the certificates representing, the Initial Securities to be purchased by the Underwriter shall be made at the offices of Brown & Wood, One World Trade Center, New York, New York 10048, or at such other place as shall be agreed upon by the Underwriter and the Company, at 10:00 A.M., New York City time, on the third business day following the date the Registration Statements become effective (or, if the Company has elected to rely upon Rule 430A of the 1933 Act Regulations, the third business day (or, if priced after 4:30 P.M., the fourth business day) after the Representation Date), or such other time as shall be agreed between the Underwriter and the Company (such time and date of payment and delivery being referred to as the "Closing Time"). In addition, in the event that any or all of the Option Securities are purchased by the Underwriter, payment of the purchase price for, and delivery of the certificates representing, such Option Securities shall be made at the above-mentioned offices of Brown & Wood, or at such other place as may be agreed upon by the Underwriter and the Company, on each Date of Delivery as specified in the notice from the Underwriter to the Company. Payment shall be made to the Company by certified or official bank check or checks in New York Clearing House or similar next day funds payable to the order of the Company against delivery to the Underwriter of certificates for

such Initial Securities and Option Securities to be purchased by the Underwriter (unless such Securities are issuable only in the form of one or more global Shares registered in the name of a depository or a nominee of a depository, in which event the Underwriter's interest in such global certificate shall be noted in a manner satisfactory to the Underwriter and its counsel). Certificates for the Initial Securities and the Option Securities, if any, shall be registered in such names as the Underwriter may request in writing at least [one] business day prior to the Closing Time or the relevant Date of Delivery, as the case may be. Such certificates, which may be in temporary form, for the Initial Securities and the Option Securities, if any, will be made available for examination and packaging by the Underwriter not later than 10:00 A.M. on the business day prior to the Closing Time or the relevant Date of Delivery, as the case may be.

Section 3. Covenants.

(a) The Company covenants with the Underwriter as follows:

(i) The Company will notify the Underwriter immediately, and confirm the notice in writing, (A) of the effectiveness of the ML&Co. Registration Statement and any amendment thereto (including any post-effective amendment), (B) of the receipt of any comments from the Commission, (C) of any request from the

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Commission for any amendment to the ML&Co. Registration Statement or any amendment or supplement to the ML&Co. Prospectus or for additional information, (D) of the issuance by the Commission of any stop order suspending the effectiveness of the ML&Co. Registration Statement or any order preventing or suspending the use of any preliminary prospectus, or the initiation of any proceedings for that purpose, and (E) of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or the initiation or threatening of any proceedings for any such purpose. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(ii) The Company will give the Underwriter notice of its intention to file or prepare any amendment to the ML&Co. Registration Statement (including any post-effective amendment) or any amendment or supplement to the ML&Co. Prospectus (including any revised prospectus that the Company proposes for use by the Underwriter in connection with the offering of the Securities which differs from the prospectus on file at the Commission at the time the ML&Co. Registration Statement becomes effective, whether or not such revised prospectus is required to be filed pursuant to Rule 424(b) of the 1933 Act Regulations), will furnish the Underwriter with copies of any such amendment or supplement proposed to be filed a reasonable time in advance of such proposed filing or use, and will not file any such amendment or supplement or use any such prospectus in a form to which the Underwriter or counsel for the Underwriter shall reasonably object.

(iii) The Company will deliver to the Underwriter one signed and as many conformed copies of the ML&Co. Registration Statement (as originally filed) and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated by reference in the ML&Co. Prospectus) as the Underwriter may reasonably request.

(iv) The Company will furnish to the Underwriter, from time to time during the period when the ML&Co. Prospectus is required to be delivered under the 1933 Act or the 1934 Act, such number of copies of the ML&Co. Prospectus (as amended or supplemented) as the Underwriter may reasonably request for the purposes contemplated by the 1933 Act or the 1934 Act or the respective applicable rules and regulations of the Commission thereunder.

(v) The Company, during the period when a prospectus relating to the Securities is required to be delivered under the 1933 Act, will file promptly all documents required to be filed with the Commission pursuant to Section 13 or 14 of the 1934 Act subsequent to the time the ML&Co. Registration Statement becomes effective.

(vi) If any event shall occur or condition exist as a result of which it is necessary, in the view of counsel for the Underwriter or counsel for the Company, to amend or supplement the ML&Co. Prospectus in order that the ML&Co. Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser or if it shall be necessary, in the view of either such counsel, at any such time to amend or supplement the ML&Co. Registration Statement or the ML&Co. Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the Commission such amendment or supplement (in form and substance satisfactory to counsel for the Underwriter), whether by filing documents pursuant to the 1934 Act or otherwise, as may be necessary to correct such untrue statement or omission or to make the ML&Co. Registration Statement or ML&Co. Prospectus comply with such requirements and the Company

will furnish to the Underwriter as many copies of such amendment or supplement as the Underwriter may reasonably request.

(vii) The Company will make generally available to its security holders as soon as practicable, but not later than 90 days after the close of the period covered thereby, an earnings statement (in form complying with the provisions of Rule 158 under the 1933 Act) covering the twelve month period beginning not later than the first day of the Company's fiscal quarter next following the "effective date" (as defined in Rule 158) of the ML&Co. Registration Statement.

(viii) The Company will endeavor, in cooperation with the Underwriter, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions of the United States

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as the Underwriter may designate, and will maintain such qualifications in effect for as long as may be required for the distribution of the Securities; provided, however, that no such qualification shall be required in any jurisdiction in which, as a result thereof, the Company would be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified. The Company will file such statements and reports as may be required by the laws of each jurisdiction in which the Securities have been qualified as above provided.

(ix) The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the ML&Co. Prospectus under the caption "Use of Proceeds."

(x) If, at the time that the ML&Co. Registration Statement becomes effective, any information shall have been omitted therefrom in reliance upon Rule 430A of the 1933 Act Regulations, then immediately following the execution of the Pricing Agreement, the Company will prepare, and file or transmit for filing with the Commission in accordance with such Rule 430A and Rule 424(b) of the 1933 Act Regulations, copies of the amended ML&Co. Prospectus, or, if required by such Rule 430A, a post-effective amendment to the ML&Co. Registration Statement (including the amended ML&Co. Prospectus), containing all information so omitted.

(xi) If the Company has elected to rely upon Rule 430A, it will take such steps as it deems necessary to ascertain promptly whether the form of ML&Co. Prospectus transmitted for filing under Rule 424(b) of the 1933 Act Regulations was actually received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus.

(xii) The Company use its best efforts to effect the listing of the Securities on the New York Stock Exchange.

(b) NML covenants with the Underwriter that, during the period beginning from the date hereof and continuing to and including the date 90 days after the date of the MGIC Prospectus, NML will not, without the prior written consent of the Underwriter, (x) offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any shares of MGIC Common Stock, securities convertible into, exchangeable for or repayable with MGIC Common Stock, or rights or warrants to acquire MGIC Common Stock, or (y) cause to be filed any registration statement under the 1933 Act with respect to any shares of MGIC Common Stock, securities convertible into, exchangeable for or repayable with MGIC Common Stock, or rights or warrants to acquire MGIC Common Stock.

Section 4. Conditions.

(a) The obligation of the Underwriter to purchase Securities pursuant hereto at the Closing Time or on the relevant Date of Delivery, as the case may be, is subject to the accuracy of the representations and warranties on the part of the Company and NML herein contained, to the accuracy of the representations and warranties on the part of MGIC Investment contained in the Registration Agreement, dated the date hereof (the "Registration Agreement") among MGIC Investment, the Company and the Underwriter, to the accuracy of the statements of the officers of the Company, NML and MGIC Investment made in any certificate furnished pursuant to the provisions hereof, to the performance by the Company and NML of all of their respective covenants and other obligations hereunder, to the performance by MGIC Investment of all of its covenants and other obligations under the Registration Agreement and to the following further conditions:

(1) The Registration Statements shall have become effective not later than 5:30 P.M. on the date hereof, or with the consent of the Underwriter, at a later time and date; and at Closing Time no stop order suspending the effectiveness of either of the Registration Statements shall have been issued under the 1933 Act or proceeding therefor initiated or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the Underwriter. If the Company has elected to rely upon Rule 430A of the 1933 Act Regulations, the price of the Securities and any price-related information previously omitted from the effective ML&Co. Registration

Statement pursuant to such Rule 430A shall have been transmitted to the Commission for filing in accordance with Rule 424(b) of the 1933 Act Regulations within the prescribed time period and prior to Closing Time the Company shall have provided evidence satisfactory to the Underwriter of such timely filing, or a post-effective

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amendment providing such information shall have been promptly filed and declared effective in accordance with the requirements of Rule 430A of the 1933 Act Regulations.

(2) At the Closing Time the Underwriter shall have received:

(A) The favorable opinion, dated as of the Closing Time, of Brown & Wood, counsel for the Company, in form and substance satisfactory to the Underwriter, to the effect that:

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware.

(ii) The Company has corporate power and authority to own, lease and operate its properties and conduct its business as described in the ML&Co. Registration Statement.

(iii) To the best of their knowledge and information, the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required.

(iv) Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, has corporate power and authority to own, lease and operate its properties and conduct its business as described in the ML&Co. Registration Statement, and is duly qualified as a foreign corporation to transact business and is in good standing in the State of New York; all of the issued and outstanding capital stock of MLPF&S has been duly authorized and validly issued and is fully paid and non-assessable, and all of such capital stock owned by the Company, to the best of their knowledge and information, is owned free and clear of any pledge, lien, encumbrance, claim or equity.

(v) This Agreement and the Pricing Agreement have been duly authorized, executed and delivered by the Company.

(vi) The Indenture has been duly authorized, executed and delivered by the Company and (assuming the due authorization, execution and delivery thereof by the Trustee) constitutes a valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general applicability relating to or affecting enforcement of creditors' rights or by general equity principles.

(vii) The Securities are in the form contemplated by the Indenture, have been duly and validly authorized by the Company for issuance and sale and, when executed by the Company and authenticated by the Trustee in the manner provided in the Indenture (assuming the due authorization, execution and delivery of the Indenture by the Trustee) and delivered against payment of the consideration therefor specified in the Pricing Agreement, will constitute valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general applicability relating to or affecting enforcement of creditors' rights or by general equity principles, and will be entitled to the benefits provided by the Indenture.

(viii) The Forward Purchase Contract has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general applicability relating to or affecting enforcement of creditors' rights or by general equity principles.

(ix) The Indenture has been qualified under the 1939 Act.

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(x) The Securities, the Indenture and the Forward Purchase Contract conform in all material respects to the descriptions thereof in the ML&Co. Prospectus.

(xi) The Registration Statements have been declared effective under the 1933 Act; any required filings of the Prospectuses pursuant to Rule 424(b) have been made in the manner and within the time period required by Rule 424(b); and, to the best of their knowledge and information, no stop order suspending the effectiveness of either of the Registration Statements has been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission.

(xii) The Registration Statements and any amendments thereto, as of their respective effective dates and as of the date hereof (other than the financial statements and other financial data included or incorporated by reference therein, as to which no opinion need be rendered) complied as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations.

(xiii) Each document, if any, filed pursuant to the 1934 Act (other than the financial statements and other financial data included therein, as to which no opinion need be rendered) and incorporated by reference in the ML&Co. Prospectus complied when so filed as to form in all material respects with the 1934 Act and the 1934 Act Regulations.

(xiv) No consent, approval, authorization or order of any court or governmental authority or agency is required in connection with the consummation by the Company of the transactions contemplated by this Agreement, the Pricing Agreement, the Indenture or the Forward Purchase Contract (including the issue and sale of the Securities to the Underwriter, the delivery of shares of MGIC Common Stock upon payment and discharge of the Securities or the consummation of the Forward Purchase), except such as have been obtained under the 1933 Act and the 1933 Act Regulations and state securities or Blue Sky laws; and to the best of their knowledge and information, the execution, delivery and performance by the Company of this Agreement, the Pricing Agreement, the Indenture and the Forward Purchase Contract and the consummation of the transactions contemplated herein and therein (including the issue and sale of the Securities, the delivery of shares of MGIC Common Stock upon payment and discharge of the Securities and the consummation of the Forward Purchase) will not conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any subsidiary pursuant to, any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such action result in any violation of the provisions of the charter or by-laws of the Company, or any law, administrative regulation or administrative or court decree.

In giving their opinion pursuant to this subsection (2)(A), Brown & Wood shall additionally state that nothing has come to their attention that would lead them to believe that either the ML&Co. Registration Statement or the MGIC Registration Statement (in each case other than the financial statements and other financial data included or incorporated by reference therein, as to which no statement need be made), at the time it became effective or at the Representation Date, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that either the ML&Co. Prospectus or the MGIC Prospectus (in each case other than the financial statements and other financial data included or incorporated by reference therein, as to which no statement need be made), at the Representation Date (unless the term "ML&Co. Prospectus" refers to a prospectus which has been provided to the Underwriter by the Company for use in connection with the offering of the Securities which differs from the ML&Co. Prospectus on file at the Commission at the time the ML&Co. Registration Statement became effective, in which case at the date of such different prospectus, and unless the term "MGIC Prospectus" refers to a prospectus which has been prepared by MGIC Investment for use by the Underwriter which differs from the MGIC Prospectus on file at the Commission at the time the MGIC Registration Statement became effective, in which case at the date of such different prospectus) or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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(B) favorable opinions of Foley & Lardner, outside counsel for MGIC Investment (other than as to subparagraph (iii) and subparagraphs (x) and (xi) insofar as such subparagraphs relate to insurance law matters), and Russell E. Van Hooser, Senior Vice President Regulatory Relations and counsel for MGIC Investment (as to subparagraph (iii) and subparagraphs (x) and (xi) insofar as such subparagraphs relate to insurance law matters), dated as of the Closing Time, in form and substance satisfactory to the Underwriter, to the effect that:

(i) MGIC Investment has been duly incorporated and is validly existing as a corporation under the laws of the State of Wisconsin, with corporate power and authority to own its properties and conduct its business as described in the MGIC Prospectus;

(ii) Mortgage Guaranty Insurance Corporation ("MGIC") has been duly incorporated and is validly existing as a corporation under the laws of the State of Wisconsin;

(iii) MGIC is duly licensed to conduct an insurance business under the insurance laws of each jurisdiction in which the conduct of its business requires such licensing and in which the failure to be so licensed would have a material adverse effect on the financial position, shareholders' equity or results of operations of MGIC Investment and its subsidiaries considered as one enterprise;

(iv) MGIC Investment has authorized equity capitalization as set forth in the MGIC Prospectus under the caption "Description of Capital Stock," and all of the issued shares of capital stock of MGIC Investment have been duly and validly authorized and issued and are fully paid and non-assessable (except to the extent provided in Section 180.0622) of the Wisconsin Business Corporation Law); and the MGIC Common Stock conforms as to legal matters to the description of the MGIC Common Stock contained in the MGIC Prospectus;

(v) MGIC Investment has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties, or conducts any business, so as to require such qualification, or is subject to no liability or disability by reason of failure to be so qualified in any such jurisdiction which is material to MGIC Investment and its subsidiaries considered as one enterprise (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel, provided that such counsel shall state that they believe that both the Underwriter and they are justified in relying upon such opinions);

(vi) Each MGIC Significant Subsidiary (other than MGIC) has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation; and all of the issued shares of capital stock of each such subsidiary and MGIC have been duly and validly authorized and issued, are fully paid and nonassessable (except to the extent provided in Section 180.0622 of the Wisconsin Business Corporation Law), and, to such counsel's knowledge, (except for directors' qualifying shares and except as otherwise set forth in the MGIC Prospectus) are owned directly or indirectly by MGIC Investment, free and clear of all perfected liens, encumbrances or adverse claims (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel, provided that such counsel shall state that they believe that both the Underwriter and they are justified in relying upon such opinions);

(vii) To such counsel's knowledge and other than as set forth in the MGIC Prospectus, there are no legal or governmental proceedings pending or threatened to which MGIC Investment or any of its subsidiaries is a party or of which any property of MGIC Investment or any of its subsidiaries is the subject which such counsel has reasonable cause to believe would individually have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of MGIC Investment and its subsidiaries;

(viii) The Registration Agreement has been duly authorized, executed and delivered by MGIC Investment;

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(ix) The compliance by MGIC Investment with all of the provisions of the Registration Agreement and the performance by MGIC Investment of its obligations therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which MGIC Investment or any of its subsidiaries is a party or by which MGIC Investment or any of its subsidiaries is bound or to which any of the property or assets of MGIC Investment or any of its subsidiaries is subject, if such conflict, breach, violation or default would have a material adverse effect on MGIC Investment and its subsidiaries taken as a whole or would impair MGIC Investment's ability to perform its obligations under the Registration Agreement nor will such compliance or performance result in any violation of the provisions of the Articles of Incorporation or By-laws of MGIC Investment;

(x) The compliance by MGIC Investment with all of the provisions of the Registration Agreement and the performance by MGIC Investment of its obligations therein contemplated will not result in any violation of any

statute or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over MGIC Investment or any of its subsidiaries or any of their properties (it being understood that such counsel need render no opinion with regard to any state or foreign Blue Sky laws);

(xi) No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required to be obtained by MGIC Investment in connection with the consummation by MGIC Investment of the transactions contemplated by the Registration Agreement, except the registration under the 1933 Act of the shares of MGIC Common Stock deliverable upon payment and discharge of the Securities, and such consents, approvals, authorizations, registration or qualifications as may be required under state or foreign securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Underwriter; and

(xii) The MGIC Registration Statement and the MGIC Prospectus and any further amendments and supplements thereto made by MGIC Investment prior to the Closing Time (other than the financial statements, financial schedules and financial data contained therein, as to which such counsel need express no opinion) appeared on their face to be appropriately responsive in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations; no facts have come to their attention that cause them to believe that the MGIC Registration Statement (other than the financial statements, financial schedules and financial data contained therein, as to which such counsel need not comment), at the time it became effective or at the Representation Date, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the MGIC Prospectus (other than the financial statements, financial schedules and financial data contained therein, as to which such counsel need not comment), at the Representation Date (unless the term "MGIC Prospectus" refers to a prospectus which has been prepared by MGIC Investment for use by the Underwriter which differs from the MGIC Prospectus on file at the Commission at the time the MGIC Registration Statement became effective, in which case at the date of such different prospectus) or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and they do not know of any contracts or other documents of a character required to be filed as an exhibit to the MGIC Registration Statement or required to be described in the MGIC Registration Statement or the MGIC Prospectus which are not filed or described as required, such counsel may state they do not assume any responsibility for the accuracy, completeness or fairness of statements contained in the MGIC Registration Statement or the MGIC Prospectus except to the extent covered by their opinions expressed pursuant to clause (iv) above.

In rendering such opinion, such counsel may state they express no opinion as to the laws of any jurisdiction other than the federal laws of the United States and the laws of the State of Wisconsin and such counsel shall be entitled to rely in respect of matters of fact on certificates of officers of MGIC

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Investment and MGIC and upon certificates of government officials provided such counsel shall state that they believe both the Underwriter and they are justified in relying upon such certificates.

(C) The favorable opinion of Chapman and Cutler, counsel for NML, dated as of the Closing Time, in form and substance satisfactory to the Underwriter, to the effect that:

(i) NML has been duly incorporated and is validly existing as an insurance corporation under the laws of the State of Wisconsin with corporate power and authority to enter into and perform its obligations under this Agreement and the Forward Purchase Contract.

(ii) The execution, delivery and performance by NML of this Agreement and the Forward Purchase Contract and the consummation by NML of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which NML is a party or by which NML is bound, or to which any of the property or assets of NML is subject if such conflict, breach, violation or default would have a material adverse effect on NML or impair the ability of NML to perform its obligations under this Agreement or the Forward Purchase Contract, nor will such action result in any violation of the provisions of the Articles of Incorporation or

By-laws of NML, or any statute or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over NML or the property of NML (it being understood that such counsel need render no opinion with regard to any state statute, rule or regulation with regard to state or foreign Blue Sky laws) (such counsel being entitled to rely in respect of the opinion in this clause, insofar as it relates to insurance law matters, upon the opinion of other counsel, provided that such counsel shall state that they believe both the Underwriter and they are justified in relying on such opinion).

(iii) No consent, approval, authorization or order of any court or governmental authority or agency (including all state insurance officials and bodies) is required for the consummation by NML of the transactions contemplated by this Agreement and the Forward Purchase Contract, except such as may be required under the 1933 Act or the 1933 Act Regulations or state securities or Blue Sky laws (such counsel being entitled to rely in respect of the opinion in this clause, insofar as it relates to insurance law matters, upon the opinion of other counsel, provided that such counsel shall state that they believe both the Underwriter and they are justified in relying on such opinion).

(iv) NML has good and marketable title to at least 5,750,000 shares of MGIC Common Stock, free and clear of all liens, encumbrances, equities or claims.

(v) This Agreement has been duly authorized, executed and delivered by NML.

(vi) The Forward Purchase Contract has been duly authorized, executed and delivered by NML and constitutes a valid and legally binding agreement of NML enforceable against NML in accordance with its terms, except as the enforcement thereof may be limited by insolvency, reorganization, moratorium or other similar laws of general applicability relating to or affecting enforcement of policyholders' or creditors' rights or by general equity principles.

(vii) With respect to information therein with respect to NML: the MGIC Registration Statement and the MGIC Prospectus and any further amendments and supplements thereto made by MGIC Investment prior to the Closing Time comply as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and no facts have come to their attention that cause them to believe that the MGIC Registration Statement, at the time it became effective or at the Representation Date, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the MGIC Prospectus, at the Representation Date (unless the term "MGIC Prospectus" refers to a prospectus which has been prepared by MGIC Investment for use by the Underwriter which differs from the MGIC Prospectus on file at the Commission at the time the MGIC Registration Statement

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became effective, in which case at the date of such different prospectus) or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In rendering such opinion, such counsel may state that they express no opinion as to the laws of any jurisdiction other than the federal laws of the United States and the laws of the State of Wisconsin and such counsel shall be entitled to rely in respect of matters of fact on certificates of officers of NML and upon certificates of government officials, provided that such counsel shall state that they believe that both the Underwriter and they are justified in relying upon such certificates.

(3) At the Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the ML&Co Registration Statement and the ML&Co. Prospectus, except as otherwise stated therein or contemplated thereby, any material adverse change in the condition, financial or otherwise, of the Company and its subsidiaries considered as one enterprise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the Underwriter shall have received a certificate of the Chairman of the Board, the President, a Vice President, the Treasurer or the Controller of the Company, dated as of the Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties of the Company contained in Section 1(a) are true and correct with the same force and effect as though made at and as of the Closing Time, and (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time.

(4) At the Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the MGIC Registration Statement and the MGIC Prospectus, except as otherwise stated therein or contemplated thereby, any material adverse change in the condition, financial or otherwise, of MGIC Investment and its subsidiaries considered as one enterprise, or in the earnings, business affairs or business prospects of MGIC Investment and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the Underwriter shall have received a certificate of the Chairman of the Board, the President, a Vice President, the Treasurer or the Controller of MGIC Investment, dated as of the Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties of the Company contained in the Registration Agreement are true and correct with the same force and effect as though made at and as of the Closing Time, and (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time pursuant to the Registration Agreement.

(5) At the Closing Time, the Underwriter shall have received a certificate of the Chairman of the Board, the President, a Vice President, the Treasurer or the Controller of NML, dated as of the Closing Time, to the effect that (i) the representations and warranties of NML contained in Section 1(b) are true and correct with the same force and effect as though made at and as of the Closing Time, and (ii) NML has complied in all material respects with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time.

(6) At the time of execution of this Agreement, the Underwriter shall have received from Deloitte & Touche LLP a letter, dated such date, in the form and substance satisfactory to the Underwriter, to the effect set forth in Annex I hereto.

(7) At the Closing Time, the Underwriter shall have received from Deloitte & Touche LLP a letter, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to Section 4(a)(6), except that any date specified in the letter furnished pursuant to this Section 4(a)(7) as of which certain procedures had been performed shall be a date not more than three days prior to Closing Time.

(8) At the time of execution of this Agreement, the Underwriter shall have received from Price Waterhouse LLP a letter, dated such date, in the form and substance satisfactory to the Underwriter, to the effect set forth in Annex II hereto.

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(9) At the Closing Time, the Underwriter shall have received from Price Waterhouse LLP a letter, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to Section 4(a)(8), except that any date specified in the letter furnished pursuant to this Section 4(a)(9) as of which certain procedures had been performed shall be a date not more than three days prior to Closing Time.

(10) In the event that the Underwriter exercises the option granted in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company and NML contained herein, the representations and warranties of MGIC Investment contained in the Registration Agreement and the statements in any certificates furnished by the Company, NML or MGIC Investment hereunder shall be true and correct as of each Date of Delivery and, at each Date of Delivery, the Underwriter shall have received:

(A) A certificate, dated such Date of Delivery, of the Chairman of the Board, the President, a Vice President, the Treasurer or the Controller of the Company confirming that the certificate delivered at the Closing Time pursuant to Section 4(a)(3) hereof remains true and correct as of such Date of Delivery.

(B) A certificate, dated such Date of Delivery, of the Chairman of the Board, the President, a Vice President, the Treasurer or the Controller of MGIC Investment confirming that the certificate delivered at the Closing Time pursuant to Section 4(a)(4) hereof remains true and correct as of such Date of Delivery.

(C) A certificate, dated such Date of Delivery, of the Chairman of the Board, the President, a Vice President, the Treasurer or the Controller of NML confirming that the certificate delivered at the Closing Time pursuant to Section 4(a)(5) hereof remains true and correct as of such Date of Delivery.

(D) The favorable opinion of Brown & Wood, counsel for the Company, in form and substance satisfactory to the Underwriter, dated such Date of Delivery, relating to the Option Securities to be purchased on the Date of Delivery and otherwise to the same effect as the opinion required by Section 4(a)(2)(A) hereof.

(E) The favorable opinions of Foley & Lardner, outside counsel for MGIC Investment, and Russell E. Van Hooser, Senior Vice President Regulatory Relations and counsel for MGIC Investment, each in form and substance satisfactory to the Underwriter, dated such Date of Delivery, to the same effect as the opinions required by Section 4(a)(2)(B) hereof.

(F) The favorable opinion of Chapman and Cutler, counsel for NML, in form and substance satisfactory to the Underwriter, dated such Date of Delivery, to the same effect as the opinion required by Section 4(a)(2)(C) hereof.

(G) A letter from Deloitte & Touche LLP, in form and substance satisfactory to the Underwriter and dated such Date of Delivery, substantially the same in scope and substance as the letter furnished to the Underwriter pursuant to Section 4(a)(6) hereof except that any date specified in the letter furnished pursuant to this Section 4(a)(10)(G) as of which certain procedures had been performed shall be a date not more than three days prior to such Date of Delivery.

(H) A letter from Price Waterhouse LLP, in form and substance satisfactory to the Underwriter and dated such Date of Delivery, substantially the same in scope and substance as the letter furnished to the Underwriter pursuant to Section 4(a)(8) hereof except that any date specified in the letter furnished pursuant to this Section 4(a)(10)(H) as of which certain procedures had been performed shall be a date not more than three days prior to such Date of Delivery.

(11) On or prior to the date hereof, each executive officer of MGIC Investment shall have furnished to the Underwriter his written agreement, in form and substance satisfactory to the Underwriter, that, during the period beginning from the date hereof and continuing to and including the date 90 days after the date of the MGIC Prospectus, he will not, without the prior written consent of the Underwriter, offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any shares of MGIC Common Stock, securities

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convertible into, exchangeable for or repayable with MGIC Common Stock, or rights or warrants to acquire MGIC Common Stock.

(12) At the Closing Time or Date of Delivery, as the case may be, counsel for the Underwriter shall have been furnished with such documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated and related proceedings or in order to evidence the accuracy and completeness of any of the representations and warranties, or the fulfillment of any of the conditions, contained herein or in the Registration Agreement; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated shall be satisfactory in form and substance to the Underwriter.

(b) The obligation of the Company to sell Securities pursuant hereto at the Closing Time or on the relevant Date of Delivery, as the case may be, is subject to the accuracy of the representations and warranties on the part of NML herein contained, to the accuracy of the representations and warranties on the part of MGIC Investment contained in the Registration Agreement, to the accuracy of the statements of the officers of NML and MGIC Investment made in any certificate furnished pursuant to the provisions hereof, to the performance by NML of all of its covenants and other obligations hereunder, to the performance by MGIC Investment of all of its covenants and other obligations under the Registration Agreement and to the following further conditions:

(1) The MGIC Registration Statement shall have become effective not later than 5:30 P.M. on the date hereof, or with the consent of the Company and the Underwriter, at a later time and date; and at Closing Time no stop order suspending the effectiveness of the MGIC Registration Statements shall have been issued under the 1933 Act or proceeding therefor initiated or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the Company.

(2) At the Closing Time the Company shall have received:

(A) A certificate, dated such Closing Time, of the Chairman of the Board, the President, a Vice President, the Treasurer or the Controller of MGIC Investment to the same effect as the certificate delivered to the Underwriter pursuant to Section 4(a)(4) hereof.

(B) A certificate, dated such Closing Time, of the Chairman of the Board, the President, a Vice President, the Treasurer or the Controller of NML to the same effect as the certificate delivered to the Underwriter pursuant to Section 4(a)(5) hereof.

(C) The favorable opinion of Brown & Wood, counsel for the Company, in form and substance satisfactory to the Company, dated as of the Closing Time, to the same effect as the opinion required by Section 4(a)(2)(A) hereof.

(D) The favorable opinions of Foley & Lardner, outside counsel for MGIC Investment, and Russell E. Van Hooser, Senior Vice President Regulatory Relations and counsel for MGIC Investment, each in form and substance satisfactory to the Company, dated as of the Closing Time, to the same effect as the opinions required by Section 4(a)(2)(B) hereof.

(E) The favorable opinion of Chapman and Cutler, counsel for NML, in form and substance satisfactory to the Company, dated as of the Closing Time, to the same effect as the opinion required by Section 4(a)(2)(C) hereof.

(3) At the time of execution of this Agreement, the Company shall have received from Price Waterhouse LLP a letter, dated such date, in form and substance satisfactory to the Company, substantially the same in scope and substance as the letter furnished to the Underwriter pursuant to Section 4(a)(8) hereof.

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(4) At the Closing Time, the Company shall have received from Price Waterhouse LLP a letter, dated as of the Closing Time, in form and substance satisfactory to the Company, substantially the same in scope and substance as the letter furnished to the Underwriter pursuant to Section 4(a)(9) hereof.

(5) In the event that the Underwriter exercises the option granted in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of NML contained herein, the representations and warranties of MGIC Investment contained in the Registration Agreement and the statements in any certificates furnished by NML or MGIC Investment hereunder shall be true and correct as of each Date of Delivery and, at each Date of Delivery, the Company shall have received:

(A) A certificate, dated such Date of Delivery, of the Chairman of the Board, the President, a Vice President, the Treasurer or the Controller of MGIC Investment confirming that the certificate delivered at the Closing Time pursuant to Section 4(b)(2)(A) hereof remains true and correct as of such Date of Delivery.

(B) A certificate, dated such Date of Delivery, of the Chairman of the Board, the President, a Vice President, the Treasurer or the Controller of NML confirming that the certificate delivered at the Closing Time pursuant to Section 4(b)(2)(B) hereof remains true and correct as of such Date of Delivery.

(C) The favorable opinion of Brown & Wood, counsel for the Company, in form and substance satisfactory to the Company, dated such Date of Delivery, relating to the Option Securities to be purchased on the Date of Delivery and otherwise to the same effect as the opinion required by Section 4(b)(2)(C) hereof.

(D) The favorable opinions of Foley & Lardner, outside counsel for MGIC Investment, and Russell E. Van Hooser, Senior Vice President Regulatory Relations and counsel for MGIC Investment, each in form and substance satisfactory to the Company, dated such Date of Delivery, to the same effect as the opinions required by Section 4(b)(2)(D) hereof.

(E) The favorable opinion of Chapman and Cutler, counsel for NML, in form and substance satisfactory to the Company, dated such Date of Delivery, to the same effect as the opinion required by Section 4(b)(2)(E) hereof.

(F) A letter from Price Waterhouse LLP, in form and substance satisfactory to the Company and dated such Date of Delivery, substantially the same in scope and substance as the letter furnished to the Underwriter pursuant to Section 4(a)(10)(H) hereof.

(c) If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Underwriter or the Company, as the case may be, by notice to the other parties hereto at any time at or prior to the Closing Time, and such termination shall be without liability of any party to any other party except as provided in Section 5.

Section 5. Payment of Expenses.

(a) The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the printing and filing of the ML&Co. Registration Statement as originally filed and all amendments thereto, and the printing of this Agreement, the Pricing Agreement, the Indenture, the

Forward Purchase Contract and any certificates representing the Securities, (ii) the preparation, issuance and delivery of the Securities to the Underwriter, (iii) the fees and disbursements of the Company's counsel and accountants, (iv) the qualification of the Securities under state securities laws in accordance with the provisions of Section 3(a) (viii), including filing fees and the fees and disbursements of the Company's counsel in connection therewith and in connection with the preparation of any Blue Sky Survey, (v) the printing and delivery to the Underwriter in quantities as hereinabove stated of copies of the ML&Co. Registration Statement and any amendments thereto, and of the ML&Co. Prospectus and any amendments or supplements thereto, (vi) the printing and delivery to the Underwriter of copies of the Blue Sky Survey, (vii) the fees of rating agencies, (viii) the fees and expenses, if any, incurred in connection

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with the listing of the Securities on the New York Stock Exchange or any other national securities exchange, and (ix) the fees and expenses incurred with respect to the filing with the National Association of Securities Dealers, Inc.

(b) NML will pay all expenses incident to the performance of its obligations under this Agreement, including the fees and disbursements of NML's counsel.

(c) If this Agreement is terminated by the Underwriter in accordance with the provisions of Section 4 or Section 9, the Company shall reimburse the Underwriter for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriter.

Section 6. Indemnification. (a) The Company agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the ML&Co. Registration Statement (or any amendment thereto), including the information deemed to be a part of the ML&Co. Registration Statement pursuant to Rule 430A(b) of the 1933 Act Regulations, if applicable, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or the ML&Co. Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Underwriter), reasonably incurred in investigating, preparing or defending against any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission (A) made in reliance upon and in conformity with written information furnished to the Company by the Underwriter expressly for use in the ML&Co. Registration Statement (or any amendment thereto) or any preliminary prospectus or the ML&Co. Prospectus (or any amendment or supplement thereto) or (B) made in any preliminary prospectus or prospectus, including the MGIC Prospectus, constituting part of the MGIC Registration Statement (or any amendment thereto).

Insofar as this indemnity may permit indemnification for liabilities under the 1933 Act of any person who controls the Underwriter within the meaning of Section 15 of the 1933 Act and who, at the date of this Agreement, is a director, officer or controlling person of the Company, such indemnity agreement is subject to the undertaking of the Company in the ML&Co. Registration Statement.

(b) NML agrees to indemnify and hold harmless (A) the Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act and (B) the Company and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act, as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue

statement of a material fact contained in the MGIC Registration Statement (or any amendment thereto) or the omission or alleged omission therefrom of a material fact required

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to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or the MGIC Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, if such settlement is effected with the written consent of NML; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Underwriter or the Company, as the case may be), reasonably incurred in investigating, preparing or defending against any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity shall apply only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the MGIC Registration Statement (or any amendment thereto) or any preliminary prospectus or the MGIC Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to MGIC Investment by NML expressly for use in the MGIC Registration Statement (or any amendment thereto) or any preliminary prospectus or the MGIC Prospectus (or any amendment or supplement thereto).

(c) The Underwriter agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the ML&Co. Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the ML&Co. Registration Statement (or any amendment thereto) or any preliminary prospectus or the ML&Co. Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by the Underwriter expressly for use in the ML&Co. Registration Statement (or any amendment thereto) or any preliminary prospectus or the ML&Co. Prospectus (or any amendment or supplement thereto).

(d) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability which it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the defense of such action. In no event shall the indemnifying parties be liable for the fees and expenses of more than one counsel separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances.

Section 7. Contribution.

(a) In order to provide for just and equitable contribution in circumstances in which the indemnity agreements provided for in Sections 6(a) and 6(c) are for any reason held to be unenforceable by the indemnified parties although applicable in accordance with their respective terms, the Company and the Underwriter shall contribute to the aggregate losses, liabilities, claims, damages and expenses, as incurred, of the nature contemplated by said indemnity agreement incurred by the Company and the Underwriter, as incurred, in such proportions as will reflect the relative benefits from the offering of the Securities received by the Company on the one hand and by the Underwriter on the other hand, taking into account the portion of the proceeds of such offering realized by each, provided that the relative benefits shall be deemed to be such that the Underwriter shall be responsible for that portion of the aggregate losses, liabilities, claims, damages and expenses represented by the percentage that the

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underwriting discount appearing in the ML&Co. Prospectus bears to the initial public offering price appearing therein and the Company shall be responsible for the balance.

Notwithstanding the provisions of this Section 7(a), the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by the Underwriter and distributed to the public were offered to the public exceeds the amount of any damages which the Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 7(a), each person, if any, who controls the Underwriter within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as the Underwriter, and each director of the Company, each officer of the Company who signed the ML&Co. Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as the Company.

(b) In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 6(b) is for any reason held to be unenforceable by the indemnified parties although applicable in accordance with its terms, NML on the one hand and the Underwriter and the Company on the other hand shall contribute to the aggregate losses, liabilities, claims, damages and expenses, as incurred, of the nature contemplated by said indemnity agreement incurred by NML, the Underwriter and the Company, as incurred, in such proportions as will reflect the relative benefits from the offering of the Securities received by NML on the one hand and by the Underwriter and ML&Co. on the other hand, provided that the relative benefits shall be deemed to be such that the Underwriter and the Company shall be responsible for that portion of the aggregate losses, liabilities, claims, damages and expenses represented by the percentage that the underwriting discount appearing in the ML&Co. Prospectus bears to the initial public offering price appearing therein and NML shall be responsible for the balance.

Notwithstanding the provisions of this Section 7(b), (i) the Underwriter and the Company shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by the Underwriter and distributed to the public were offered to the public exceeds the amount of any damages which the Underwriter and the Company have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission and (ii) NML shall not be required to contribute any amount in excess of the amount which NML would otherwise have been required to pay if the indemnity provided in Section 6(b) were enforceable against NML by an indemnified party in respect of any loss, liability, claim, damage or expense referred to therein. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 7(b), each person, if any, who controls the Underwriter within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as the Underwriter and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as the Company.

Section 8. Representations, Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement, or contained in certificates of officers of the Company, NML or MGIC Investment submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter or controlling person, or by or on behalf of the Company or NML, and shall survive delivery of any Securities to the Underwriter.

Section 9. Termination. This Agreement may be terminated by the Underwriter, immediately upon notice to the Company and NML, at any time at or prior to the Closing Time (i) if there has been, since the date hereof or since the respective dates as of which information is given in the ML&Co. Registration Statement or the ML&Co. Prospectus, except as otherwise stated therein or contemplated thereby, any material adverse change in the condition, financial or otherwise, of the Company and its subsidiaries considered as one enterprise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has been, since the date hereof or since the respective dates as of which information is given in the MGIC Registration Statement or the MGIC Prospectus,

except as otherwise stated therein or contemplated thereby, any material adverse change in the condition, financial or otherwise, of MGIC Investment and its subsidiaries considered as one enterprise, or in the earnings, business affairs or business prospects of MGIC Investment and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (iii) if there has occurred any material adverse change in the financial markets in the United States or any outbreak or escalation of hostilities or other national

or international calamity or crisis, the effect of which is such as to make it, in the judgment of the Underwriter, impracticable to market the Securities or enforce contracts for the sale of the Securities, or (iv) if trading in the common stock of the Company or the MGIC Common Stock has been suspended by the Commission or a national securities exchange, or if trading generally on either the American Stock Exchange or the New York Stock Exchange has been suspended, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required, by either of said exchanges or by order of the Commission or any other governmental authority, if a banking moratorium in the United States generally or in the City or State of New York has been declared by either Federal or New York authorities, or (v) if the rating assigned by any nationally recognized statistical rating agency to any debt or other securities of the Company as of the date hereof shall have been lowered since the date hereof or if any such rating agency shall have publicly announced that it has placed any debt or other securities of the Company on what is commonly termed a "watch list" for possible downgrading or (vi) if the rating assigned by any nationally recognized statistical rating agency to MGIC Investment's "claims paying ability" as of the date hereof shall have been lowered since the date hereof or if any such rating agency shall have publicly announced that it has placed its rating of MGIC Investment's "claims paying ability" under surveillance or review, with possible negative implications. In the event of any such termination, the covenant set forth in Sections 3(a)(vii), the provisions of Section 5, the indemnity agreements set forth in Section 6, the contribution provisions set forth in Section 7, and the provisions of Sections 8, 11 and 13 shall remain in effect.

Section 10. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriter shall be directed to it at World Financial Center, North Tower, New York, N.Y. 10281-1201, attention of Douglas W. Squires, Managing Director; notices to the Company shall be directed to it at 100 Church St., 12th Floor, New York, New York 10007, attention of the Secretary with a copy to the Treasurer at World Financial Center, South Tower, New York, New York 10080-6107; notices to NML shall be directed to it at 720 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, attention of Securities Department c/o Gary A. Poliner.

Section 11. Parties. This Agreement shall inure to the benefit of and be binding upon each of the Underwriter, the Company and NML and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties and their respective successors and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from the Underwriter shall be deemed to be a successor by reason merely of such purchase.

Section 12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed in such State.

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If the foregoing is in accordance with your understanding of our agreement, please sign and return to us three counterparts hereof, whereupon this instrument along with all counterparts will become a binding agreement among the Underwriter, the Company and NML in accordance with its terms.

Very truly yours,

Merrill Lynch & Co., Inc.

By _____
Name:
Title:

The Northwestern Mutual
Life Insurance Company

By _____
Name:
Title:

Confirmed and Accepted,
as of the date first above written:

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

By _____
Name:
Title:

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EXHIBIT A

5,000,000 STRYPES

MERRILL LYNCH & CO., INC.
(A DELAWARE CORPORATION)

STRUCTURED YIELD PRODUCT EXCHANGEABLE FOR STOCK/SM/
_____% STRYPES/SM/ DUE , 1998

PRICING AGREEMENT

Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
World Financial Center
North Tower
New York, New York 10281-1201

Dear Sirs:

Reference is made to the Underwriting Agreement, dated _____, 1995 (the "Underwriting Agreement"), relating to the purchase by the Underwriter, of the above-referenced 5,000,000 Structured Yield Product Exchangeable for Stock, ____% STRYPES Due _____, 1998 (the "Initial Securities"), of Merrill Lynch & Co., Inc. (the "Company").

Pursuant to Section 2 of the Underwriting Agreement, the Company agrees with the Underwriter as follows:

1. The initial public offering price per STRYPES for the Initial Securities, determined as provided in said Section 2, shall be \$_____.
2. The purchase price per STRYPES for the Initial Securities to be paid by the Underwriter shall be \$_____ (the "Purchase Price"), being an amount equal to the initial public offering price set forth above less \$_____ per STRYPES.
3. The Threshold Appreciation Price with respect to the STRYPES shall be \$_____.

/SM/ Service Mark of Merrill Lynch & Co., Inc.

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If the foregoing is in accordance with our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement between the Underwriter and the Company in accordance with its terms.

Very truly yours,

Merrill Lynch & Co., Inc.

By _____
Name:
Title:

Confirmed and Accepted,
as of the date first above written:

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

By _____
Name:
Title:

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ANNEX I

DESCRIPTION OF DELOITTE & TOUCHE LLP COMFORT LETTER

Pursuant to Section 4(a)(6) of the Underwriting Agreement, the accountants shall furnish a letter to the Underwriter to the effect that:

(i) They are independent certified public accountants with respect to the Company and its subsidiaries within the meaning of the 1933 Act and the applicable published rules and regulations thereunder;

(ii) In their opinion, the consolidated financial statements and schedules examined by them and included or incorporated by reference in the ML&Co. Registration Statement comply as to form in all material respects with the applicable accounting requirements of the 1933 Act and 1934 Act and related published rules and regulations thereunder;

(iii) The selected financial information with respect to the consolidated results of operations and financial position of the Company and its subsidiaries for the five most recent fiscal years included in the ML&Co. Prospectus agrees with the corresponding amounts (after restatements where applicable) in the audited financial statements for such five fiscal years;

(iv) On the basis of limited procedures (they will not perform an examination in accordance with generally accepted auditing standards), consisting of a reading of the unaudited condensed consolidated financial statements and other information referred to below, a reading of the latest available interim financial statements of the Company and its subsidiaries, inspection of the minute books of the Company and its subsidiaries since the date of the latest audited financial statements included or incorporated by reference in the ML&Co. Prospectus, inquiries of officials of the Company and its subsidiaries responsible for financial and accounting matters and such other inquiries and procedures as may be specified in such comfort letter, nothing came to their attention that caused them to believe that:

(A) any material modification should be made to the unaudited condensed consolidated financial statements included or incorporated by reference in the ML&Co. Registration Statement for them to be in conformity with generally accepted accounting principles;

(B) the unaudited condensed consolidated financial statements included or incorporated by reference in the ML&Co. Registration Statement do not comply as to form in all material respects with the applicable accounting requirements of the 1933 Act and 1934 Act and the related published rules and regulations thereunder;

(C) any other unaudited income statement data and balance sheet items included in the ML&Co. Prospectus do not agree with the corresponding items in the unaudited consolidated financial statements from which such data and items were derived, and any such unaudited data and items were not determined on a basis substantially consistent with the basis for the corresponding amounts in the audited consolidated financial statements included or incorporated by reference in the ML&Co. Prospectus;

(D) the unaudited financial statements which were not included in the ML&Co. Prospectus but from which were derived any unaudited condensed financial statements referred to in Clause (A) and any unaudited income statement data and balance sheet items included in the ML&Co. Prospectus and referred to in Clause (C) were not determined on a basis substantially consistent with the basis for the audited consolidated financial statements included or incorporated by reference in the ML&Co. Prospectus;

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(E) as of a specified date not more than three days prior to the date of such letter, there have been any changes in the consolidated capital stock (other than issuances of capital stock upon exercise of options which were outstanding on the date of the latest financial statements included or incorporated by reference in the ML&Co. Prospectus) or any increase in the consolidated long-term debt of the Company and its subsidiaries, or any decreases in consolidated net current assets, total investment or net assets or other items specified by the Underwriter, or any increases in loss reserve or any items

specified by the Underwriter, in each case as compared with amounts shown in the latest balance sheet included or incorporated by reference in the ML&Co. Prospectus, except in each case for changes, increases, or decreases which the ML&Co. Prospectus discloses have occurred or may occur or which are described in such comfort letter; and

(F) for the period from the date of the latest financial statements included in the ML&Co. Prospectus to the specified date referred to in Clause (E), to the extent such information is reasonably available from the general accounting records of the Company and its subsidiaries, there were any decreases in consolidated revenues, operating income, net income or net income per share or other items specified by the Underwriter, or any increases in losses incurred or any items specified by the Underwriter, in each case as compared with the comparable period of the preceding year and with any other period of corresponding length specified by the Underwriter, except in each case for decreases or increases which the ML&Co. Prospectus discloses have occurred or may occur or which are described in such comfort letter; and

(v) In addition to the examination referred to in their report(s) included or incorporated by reference in the ML&Co. Prospectus and the limited procedures, inspection of minute books, inquiries and other procedures referred to in paragraph (iv) above, they have carried out certain specified procedures, not constituting an examination in accordance with generally accepted auditing standards, with respect to certain amounts, percentages and financial information specified by the Underwriter, which are derived from the general accounting records of the Company and its subsidiaries, which appear in the ML&Co. Prospectus, or in Part II of, or in exhibits and schedules to, the ML&Co. Registration Statement specified by the Underwriter, and have compared certain of such amounts, percentages and financial information with the accounting records of the Company and its subsidiaries and have found them to be in agreement.

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ANNEX II

DESCRIPTION OF PRICE WATERHOUSE LLP COMFORT LETTER

Pursuant to Section 4(a)(8) of the Underwriting Agreement, the accountants shall furnish a letter to the Underwriter to the effect that:

(i) They are independent certified public accountants with respect to MGIC Investment and its subsidiaries within the meaning of the 1933 Act and the applicable published rules and regulations thereunder;

(ii) In their opinion, the consolidated financial statements and schedules examined by them and included or incorporated by reference in the MGIC Registration Statement comply as to form in all material respects with the applicable accounting requirements of the 1933 Act and 1934 Act and related published rules and regulations thereunder;

(iii) The selected financial information with respect to the consolidated results of operations and financial position of MGIC Investment and its subsidiaries for the five most recent fiscal years included in the MGIC Prospectus agrees with the corresponding amounts (after restatements where applicable) in the audited financial statements for such five fiscal years;

(iv) On the basis of limited procedures (they will not perform an examination in accordance with generally accepted auditing standards), consisting of a reading of the unaudited interim consolidated financial statements and other information referred to below, a reading of the latest available interim financial statements of MGIC Investment and its subsidiaries, inspection of the minute books of MGIC Investment and its subsidiaries since the date of the latest audited financial statements included or incorporated by reference in the MGIC Prospectus, inquiries of officials of MGIC Investment and its subsidiaries responsible for financial and accounting matters and such other inquiries and procedures as may be specified in such comfort letter, nothing came to their attention that caused them to believe that:

(A) any material modification should be made to the unaudited interim consolidated financial statements included or incorporated by reference in the MGIC Registration Statement for them to be in conformity with generally accepted accounting principles;

(B) the unaudited interim consolidated financial statements included or incorporated by reference in the MGIC Registration Statement do not comply as to form in all material respects with the applicable accounting requirements of the 1933 Act and 1934 Act and the related published rules and regulations thereunder;

(C) any other unaudited income statement data and balance sheet items included in the MGIC Prospectus do not agree with the corresponding items in the unaudited consolidated financial statements from which such data and items were derived, and any such unaudited data and items were not determined on a basis substantially consistent with the basis for the corresponding amounts in the audited consolidated financial statements included or incorporated by reference in the MGIC Prospectus;

(D) the unaudited financial statements which were not included in the MGIC Prospectus but from which were derived any unaudited interim financial statements referred to in Clause (A) and any unaudited income statement data and balance sheet items included in the MGIC Prospectus and referred to in Clause (C) were not determined on a basis substantially consistent with the basis for the audited consolidated financial statements included or incorporated by reference in the MGIC Prospectus;

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(E) as of a specified date not more than three days prior to the date of such letter, there have been any changes in the consolidated capital stock (other than issuances of capital stock upon exercise of options which were outstanding on the date of the latest financial statements included or incorporated by reference in the MGIC Prospectus) or any increase in the consolidated long-term debt of MGIC Investment and its subsidiaries, or any decreases in consolidated total investments or total assets or total shareholders' equity or other items specified by the Underwriter, or any increases in loss reserves or any items specified by the Underwriter, in each case as compared with amounts shown in the latest balance sheet included or incorporated by reference in the MGIC Prospectus, except in each case for changes, increases, or decreases which the MGIC Prospectus discloses have occurred or may occur or which are described in such comfort letter; and

(F) for the period from the date of the latest financial statements included or incorporated by reference in the Prospectus to the specified date referred to in Clause (E), to the extent such information is reasonably available from the general accounting records of MGIC Investment and its subsidiaries, there were any decreases in consolidated net premiums written, net premiums earned, investment income or the total or per share amounts of consolidated net income or other items specified by the Underwriter, or any increases in losses incurred or any items specified by the Underwriter, in each case as compared with the comparable period of the preceding year and with any other period of corresponding length specified by the Underwriter, except in each case for decreases or increases which the MGIC Prospectus discloses have occurred or may occur or which are described in such comfort letter; and

(v) in addition to the examination referred to in their report(s) included or incorporated by reference in the MGIC Prospectus and the limited procedures, inspection of minute books, inquiries and other procedures referred to in paragraph (iv) above, they have carried out certain specified procedures, not constituting an examination in accordance with generally accepted auditing standards, with respect to certain dollar amounts, percentages and financial information specified by the Underwriter, which are derived from the general accounting records of MGIC Investment and its subsidiaries, which appear in the MGIC Prospectus, or in Part II of, or in exhibits and schedules to, the MGIC Registration Statement specified by the Underwriter, and have compared certain of such dollar amounts, percentages and financial information with the accounting records of MGIC Investment and its subsidiaries and have found them to be in agreement.

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REGISTRATION AGREEMENT

_____, 1995

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
World Financial Center
North Tower
New York, New York 10281-1201

MERRILL LYNCH & CO., INC.
World Financial Center
North Tower
New York, New York 10281-1334

Dear Sirs:

MGIC Investment Corporation, a Wisconsin corporation (the "Company"), confirms its agreements with Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") and Merrill Lynch & Co., Inc. ("ML&Co.") in connection with the proposed issue and sale by ML&Co. to the Underwriter, pursuant to an underwriting agreement, dated the date hereof ("Underwriting Agreement"), among ML&Co., The Northwestern Mutual Life Insurance Company ("NML") and the Underwriter, of an aggregate of _____ of ML&Co.'s Structured Yield Product Exchangeable for Stock/SM/, ____% STRYPES/SM/ Due _____, 1998 (each, a "STRYPES"), payable at maturity by the delivery of common stock, par value \$1.00 per share (the "MGIC Common Stock"), of the Company, and, at the option of the Underwriter, all or any part of _____ additional STRYPES to cover over-allotments. The aforesaid _____ STRYPES to be purchased by the Underwriter and all or any part of the _____ additional STRYPES subject to the over-allotment option described in Section 2(b) of the Underwriting Agreement (the "Option Securities") are hereinafter collectively referred to as the "Securities". Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Underwriting Agreement.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (No. 33-_____) and related preliminary prospectus for the registration of the MGIC Common Stock deliverable upon payment and discharge of the Securities under the Securities Act of 1933, as amended (the "1933 Act"), has filed such amendments thereto, if any, and such amended preliminary prospectuses as may have been required to the date hereof, and will file such additional amendments thereto and such amended prospectuses as may hereafter be required. Such registration statement (as amended, if applicable) at the time it becomes effective and the prospectus constituting a part thereof (including the information, if any, incorporated by reference therein), as from time to time amended or supplemented pursuant to the 1933 Act, the Securities Exchange Act of 1934, as amended (the "1934 Act"), or otherwise, are hereinafter referred to as the "MGIC Registration Statement" and the "MGIC Prospectus", respectively, except that if any revised prospectus shall be prepared by the Company for use by the Underwriter which differs from the MGIC Prospectus on file at the Commission at the time the MGIC Registration Statement becomes effective (whether or not such revised prospectus is required to be filed by the Company pursuant to Rule 424(b) of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations")), the term "MGIC Prospectus" shall refer to such revised prospectus from and after the time it

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is first provided to the Underwriter for use and if the Company files any documents pursuant to Section 13 or 14 of the 1934 Act after the MGIC Registration Statement becomes effective and prior to the termination of the offering of the Securities by the Underwriter, which documents are deemed to be incorporated by reference into the MGIC Prospectus, the term "MGIC Prospectus" shall refer to said prospectus as supplemented by the documents so filed from and after the time said documents are filed with the Commission.

The Company understands that, prior to the purchase and public offering of the Securities by the Underwriter, ML&Co. and the Underwriter shall enter into a pricing agreement (the "Pricing Agreement") as provided by the Underwriting Agreement. The Company further understands that the Underwriter proposes to make a public offering of the Securities as soon as it deems advisable after the MGIC Registration Statement and the registration statement on Form S-3 (No. 33-_____) of ML&Co. covering the STRYPES (as amended, if applicable, the "ML&Co. Registration Statement") become effective and the Pricing Agreement has been

executed and delivered.

The Company acknowledges that the execution and delivery of this Agreement is a condition to the execution and delivery of the Underwriting Agreement by the Underwriter and that, in consideration of the execution and delivery of the Underwriting Agreement by the Underwriter, the Company is willing to make the representations, warranties and covenants herein contained.

Section 1. Representations and Warranties. (a) The Company represents and warrants to each of the Underwriter and ML&Co. as of the date hereof and as of the date of the Pricing Agreement (such later date being hereinafter referred to as the "Representation Date") as follows:

(i) At the time the MGIC Registration Statement and any post-effective amendments thereto become effective and at the Representation Date, the MGIC Registration Statement will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The MGIC Prospectus, at the Representation Date (unless the term "MGIC Prospectus" refers to a prospectus that has been prepared by MGIC for use by the Underwriter that differs from the MGIC Prospectus on file at the Commission at the time the MGIC Registration Statement first becomes effective, in which case at the time such prospectus is first provided to the Underwriter for use) and at Closing Time and each Date of Delivery, will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall not apply to (x) statements in or omissions from the MGIC Registration Statement or MGIC Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by the Underwriter expressly for use in the MGIC Registration Statement or MGIC Prospectus, (y) information furnished in writing to the Company by ML&Co. expressly for use in the MGIC Registration Statement or MGIC Prospectus and (z) information furnished in writing to the Company by NML expressly for use in the MGIC Registration Statement or MGIC Prospectus.

(ii) The Company meets the requirements for the use of Form S-3 under the 1933 Act.

(iii) The accountants who certified the financial statements and supporting schedules of the Company and its subsidiaries included or incorporated by reference in the MGIC Registration Statement are independent public accountants as required by the 1933 Act and the 1933 Act Regulations.

(iv) The consolidated financial statements of the Company and its consolidated subsidiaries included or incorporated by reference in the MGIC Registration Statement and MGIC Prospectus present fairly the consolidated financial position of the Company and its consolidated subsidiaries as at the dates indicated and the results of their operations for the periods specified; said financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis during the periods involved, except as indicated therein; and the supporting schedules included or incorporated by reference in the MGIC Registration Statement present fairly the information required to be stated therein.

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(v) The documents incorporated by reference in the MGIC Prospectus, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the 1934 Act Regulations, and, when read together with the other information in the MGIC Prospectus, at the time the MGIC Registration Statement and any post-effective amendments thereto become effective, will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and any further documents deemed to be incorporated by reference in the MGIC Prospectus will, when they are filed with the Commission, comply in all material respects with the requirements of the 1934 Act and the 1934 Act Regulations, and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall not apply to (x) statements in or omissions from the MGIC Registration Statement or MGIC Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by the Underwriter expressly for use in the MGIC Registration Statement or MGIC Prospectus, (y) information furnished in writing to the Company by ML&Co. expressly for use in the MGIC Registration Statement or

MGIC Prospectus and (z) information furnished in writing to the Company by NML expressly for use in the MGIC Registration Statement or MGIC Prospectus.

(vi) Since the respective dates as of which information is given in the MGIC Registration Statement and the MGIC Prospectus, except as otherwise stated therein or contemplated thereby, (x) there has been no material adverse change in the condition, financial or otherwise, of the Company and its subsidiaries considered as one enterprise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, (y) there have been no transactions entered into by the Company or any of its subsidiaries which are material with respect to the Company and its subsidiaries considered as one enterprise, other than those in the ordinary course of business, and (z) except for regular quarterly dividends on the outstanding MGIC Common Stock, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(vii) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of Wisconsin with corporate power and authority to own, lease and operate its properties and conduct its business as now being conducted and as described in the MGIC Prospectus and to enter into and perform its obligations under this Agreement; the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which it owns or leases substantial properties or in which the conduct of its business requires such qualification and in which failure of the Company to be so qualified and in good standing would have a material adverse effect upon the Company and its subsidiaries considered as one enterprise.

(viii) Each subsidiary of the Company listed in Exhibit No. 21 to the Form 10-K annual report of the Company filed with the Commission under Section 13 of the 1934 Act for the fiscal year ended December 31, 1994 which is a "significant subsidiary" as defined in Rule 405 of Regulation C of the 1933 Act Regulations (a "MGIC Significant Subsidiary") has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and conduct its business as now being conducted and as described in the MGIC Prospectus and is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which it owns or leases substantial properties or in which the conduct of its business requires such qualification and in which failure of such MGIC Significant Subsidiary to be so qualified and in good standing would have a material adverse effect upon the Company and its subsidiaries considered as one enterprise; all of the issued and outstanding shares of capital stock of each MGIC Significant Subsidiary have been duly authorized and validly issued and are fully paid and non-assessable (except to the extent provided in Section 180.0622 of the Wisconsin Business Corporation Law); and all of the shares of capital stock of each MGIC Significant Subsidiary (except for directors' qualifying shares and except as set forth in the MGIC Prospectus) are owned by the Company, directly or through subsidiaries, free and clear of any mortgage, pledge, lien, encumbrance, claim or equity.

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(ix) The Company has an authorized equity capitalization as set forth in the MGIC Prospectus under the caption "Description of Capital Stock," and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable (except to the extent provided in Section 180.0622 of the Wisconsin Business Corporation Law) and conform to the description of the MGIC Common Stock contained in the MGIC Prospectus; and all of the MGIC Common Stock currently outstanding is duly listed on the New York Stock Exchange.

(x) Neither the Company nor any of the MGIC Significant Subsidiaries is in violation of its charter or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which it or any of them is a party or by which it or any of them may be bound or to which any of the property or assets of the Company or any of the MGIC Significant Subsidiaries is subject; and the execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated herein have been duly authorized by all necessary corporate action and will not conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of the MGIC Significant Subsidiaries pursuant to, any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or any of the MGIC Significant Subsidiaries is a party or by which it or any of them may be bound or to which any of the property or assets of the Company or any of the MGIC Significant Subsidiaries is subject, nor will such action result in any violation of the provisions of the charter or by-laws of the Company or, to the best of

its knowledge, any law, administrative regulation or administrative or court decree; and no consent, approval, authorization or order of any court or governmental authority or agency (including all state insurance officials and bodies) is required for the consummation by the Company of the transactions contemplated by this Agreement, except such as have been obtained under the 1933 Act or the 1933 Act Regulations or state securities or Blue Sky laws.

(xi) The Company and the MGIC Significant Subsidiaries possess adequate certificates, authorities, permits, licenses, approvals, consents and other authorizations issued by the appropriate federal, state, local or foreign regulatory agencies or bodies (including all state insurance officials and bodies) necessary to conduct the business now operated by them, and neither the Company nor any of the MGIC Significant Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit, license, approval, consent or other authorization which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially adversely affect the conduct of the business, operations, financial condition or income of the Company and its subsidiaries considered as one enterprise.

(xii) Except as set forth in the MGIC Prospectus, there is no action, suit or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened against or affecting the Company or any of its subsidiaries which might, in the opinion of the Company, result in any material adverse change in the condition, financial or otherwise, of the Company and its subsidiaries considered as one enterprise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, or might materially and adversely affect the properties or assets thereof or might materially and adversely affect the issue and sale of the Securities, the delivery of shares of MGIC Common Stock upon payment and discharge of the Securities or the consummation by the Company of the transactions contemplated by this Agreement; and there are no contracts or documents of the Company or any of its subsidiaries which are required to be filed as exhibits to the MGIC Registration Statement by the 1933 Act or by the 1933 Act Regulations which have not been so filed or incorporated by reference.

(xiii) This Agreement has been duly authorized, executed and delivered by the Company.

(xiv) The Company and its subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material with respect to the Company and its subsidiaries considered as one enterprise, in each case free and clear of all liens, encumbrances and defects except such as are described in the MGIC Prospectus or such as do not materially affect the value of such property in the aggregate and do not materially interfere with the use

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made and proposed to be made of such property and buildings by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material to the Company and its subsidiaries considered as one enterprise and do not materially interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries.

(b) Any certificate signed by any officer of the Company and delivered to the Underwriter or counsel for the Underwriter or ML&Co. or counsel for ML&Co. in connection with the offering of Securities shall be deemed a representation and warranty by the Company, as to the matters covered thereby, to the Underwriter and ML&Co.

Section 2. Covenants. The Company covenants with each of the Underwriter and ML&Co. as follows:

(a) The Company will notify the Underwriter and ML&Co. immediately, and confirm the notice in writing, (i) of the effectiveness of the MGIC Registration Statement and any amendment thereto (including any post-effective amendment), (ii) of the receipt of any comments from the Commission, (iii) of any request from the Commission for any amendment to the MGIC Registration Statement or any amendment or supplement to the MGIC Prospectus or for additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the MGIC Registration Statement or any order preventing or suspending the use of any preliminary prospectus, or the initiation of any proceedings for that purpose, and (v) of the suspension of the qualification of the shares of MGIC Common Stock deliverable upon payment and discharge of the Securities for offering or sale in any jurisdiction, or the initiation or threatening of any proceedings for any such purpose. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any

stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) The Company will give the Underwriter and ML&Co. notice of its intention to file or prepare any amendment to the MGIC Registration Statement (including any post-effective amendment) or any amendment or supplement to the MGIC Prospectus (including any revised prospectus that the Company proposes for use by the Underwriter which differs from the prospectus on file at the Commission at the time the MGIC Registration Statement becomes effective, whether or not such revised prospectus is required to be filed pursuant to Rule 424(b) of the 1933 Act Regulations), will furnish ML&Co. and the Underwriter with copies of any such amendment or supplement proposed to be filed a reasonable time in advance of such proposed filing or use, and will not file any such amendment or supplement or use any such prospectus in a form to which the Underwriter or counsel for the Underwriter or ML&Co. or counsel for ML&Co. shall reasonably object.

(c) The Company will deliver to the Underwriter and ML&Co. one signed and as many conformed copies of the MGIC Registration Statement (as originally filed) and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated by reference in the MGIC Prospectus) as the Underwriter and ML&Co. may reasonably request.

(d) The Company will furnish to the Underwriter, from time to time during the period when the MGIC Prospectus is required to be delivered under the 1933 Act or the 1934 Act, such number of copies of the MGIC Prospectus (as amended or supplemented) as the Underwriter may reasonably request for the purposes contemplated by the 1933 Act or the 1934 Act or the respective applicable rules and regulations of the Commission thereunder.

(e) The Company, during the period when a prospectus relating to shares of MGIC Common Stock deliverable upon payment and discharge of the Securities is required to be delivered under the 1933 Act, will file promptly all documents required to be filed with the Commission pursuant to Section 13 or 14 of the 1934 Act subsequent to the time the MGIC Registration Statement becomes effective.

(f) If any event shall occur or condition exist as a result of which it is necessary, in the view of counsel for the Underwriter or counsel for ML&Co. or counsel for the Company, to amend or supplement the MGIC Prospectus in order that the MGIC Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser or if it shall be necessary, in the view of any such counsel, at any such time to amend or supplement the MGIC Registration Statement or the MGIC Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the

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Commission such amendment or supplement (in form and substance satisfactory to counsel for the Underwriter and counsel for ML&Co.), whether by filing documents pursuant to the 1934 Act or otherwise, as may be necessary to correct such untrue statement or omission or to make the MGIC Registration Statement or MGIC Prospectus comply with such requirements and the Company will furnish to the Underwriter as many copies of such amendment or supplement as the Underwriter may reasonably request.

(g) The Company will make generally available to its security holders as soon as practicable, but not later than 90 days after the close of the period covered thereby, an earnings statement (in form complying with the provisions of Rule 158 under the 1933 Act) covering the twelve month period beginning not later than the first day of the Company's fiscal quarter next following the "effective date" (as defined in Rule 158) of the MGIC Registration Statement.

(h) The Company will endeavor, in cooperation with the Underwriter, to qualify the shares of MGIC Common Stock deliverable upon payment and discharge of the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions of the United States as the Underwriter may designate, and will maintain such qualifications in effect for as long as may be required for the distribution of the Securities; provided, however, that no such qualification shall be required in any jurisdiction in which, as a result thereof, the Company would be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified. The Company will file such statements and reports as may be required by the laws of each jurisdiction in which shares of MGIC Common Stock deliverable upon payment and discharge of the Securities have been qualified as above provided.

(i) During the period beginning from the date hereof and continuing to and including the date 90 days after the date of the MGIC Prospectus, the Company will not, without the prior written consent of the Underwriter, offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any shares of MGIC Common Stock, securities convertible into, exchangeable for or repayable with MGIC Common Stock, or rights or warrants to acquire MGIC Common Stock;

provided, however, that the foregoing shall not apply to MGIC Common Stock offered to the Company's employees under its existing employee benefit plans nor shall it apply to rights to acquire MGIC Common Stock under a shareholder rights plan.

(j) The Company shall use its best efforts to cause each executive officer of the Company to furnish to the Underwriter, on or prior to the date hereof, his written agreement, in form and substance satisfactory to the Underwriter, that, during the period beginning from the date hereof and continuing to and including the date 90 days after the date of the MGIC Prospectus, he will not, without the prior written consent of the Underwriter, offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any shares of MGIC Common Stock, securities convertible into, exchangeable for or repayable with MGIC Common Stock, or rights or warrants to acquire MGIC Common Stock.

(k) At the Closing Time or Date of Delivery, as the case may be, the Company shall furnish or cause to be furnished to counsel for the Underwriter and counsel for ML&Co. such documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Securities and related proceedings or in order to evidence the accuracy and completeness of any of the representations and warranties herein contained.

Section 3. Payment of Expenses. The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the printing and filing of the MGIC Registration Statement as originally filed and all amendments thereto, (ii) the fees and disbursements of the Company's counsel and accountants, (iii) the printing and delivery to the Underwriter in quantities as hereinabove stated of copies of the MGIC Registration Statement and any amendments thereto, and of the MGIC Prospectus and any amendments or supplements thereto, (iv) the qualification of the shares of MGIC Common Stock deliverable upon payment and discharge of the Securities under state securities laws in accordance with the provisions of Section 2(h), including filing fees and the fees and disbursements of ML&Co.'s counsel in connection therewith and in connection with the preparation of any Blue Sky Survey and (v) the fees and expenses, if any, incurred with respect to the filing with the National Association of Securities Dealers, Inc.

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Section 4. Indemnification. (a) The Company agrees to indemnify and hold harmless (1) the Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act and (2) ML&Co. and each person, if any, who controls ML&Co. within the meaning of Section 15 of the 1933 Act, as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the MGIC Registration Statement (or any amendment thereto), including the information deemed to be a part of the MGIC Registration Statement pursuant to Rule 430A(b) of the 1933 Act Regulations, if applicable, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or the MGIC Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Underwriter or ML&Co., as the case may be), reasonably incurred in investigating, preparing or defending against any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with (x) written information furnished to the Company by the Underwriter expressly for use in the MGIC Registration Statement (or any amendment thereto) or any preliminary prospectus or the MGIC Prospectus (or any amendment or supplement thereto) or (y) written information furnished to the Company by ML&Co. expressly for use in the MGIC Registration Statement (or any

amendment thereto) or any preliminary prospectus or the MGIC Prospectus (or any amendment or supplement thereto); and provided, further, that the foregoing indemnity is subject to the condition that, insofar as it relates to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus of the Company but eliminated in the MGIC Prospectus (or any amendment or supplement thereto), such indemnity shall not inure to the benefit of the Underwriter if a copy of such MGIC Prospectus (or such amendment or supplement thereto), excluding documents incorporated therein by reference, was not delivered to the person asserting the claim and the delivery thereof would have constituted a complete defense to the claim of such person.

(b) The Underwriter agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the MGIC Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the MGIC Registration Statement (or any amendment thereto) or any preliminary prospectus or the MGIC Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by the Underwriter expressly for use in the MGIC Registration Statement (or any amendment thereto) or any preliminary prospectus or the MGIC Prospectus (or any amendment or supplement thereto).

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability which it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the

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defense of such action. In no event shall the indemnifying parties be liable for the fees and expenses of more than one counsel separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances.

Section 5. Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnity agreements provided for in Section 4 are for any reason held to be unenforceable by the indemnified parties although applicable in accordance with their terms, the Company on the one hand and the Underwriter and ML&Co. on the other hand shall contribute to the aggregate losses, liabilities, claims, damages and expenses, as incurred, of the nature contemplated by said indemnity agreements incurred by the Company, the Underwriter and ML&Co., as incurred, in such proportions as will reflect the relative benefits from the offering of the Securities received by the Company on the one hand and by the Underwriter and ML&Co. on the other hand. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Company on the one hand and the Underwriter and ML&Co. on the other hand shall contribute to such aggregate losses, liabilities, claims, damages and expenses in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriter and ML&Co. on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages and expenses (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriter and ML&Co. on the other hand shall be deemed to be such that the Underwriter and ML&Co. shall be responsible for that portion of the aggregate losses, liabilities, claims, damages and expenses represented by the percentage that the underwriting discount appearing in the prospectus of ML&Co. constituting part of the ML&Co. Registration Statement, as from time to time amended or supplemented, bears to the initial public offering price appearing therein and the Company shall be responsible for the balance. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or NML on the one hand or the Underwriter or ML&Co. on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Underwriter and ML&Co. agree that it would not be just and equitable if contributions pursuant to this Section 5 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 5.

Notwithstanding the provisions of this Section 5, the Underwriter and ML&Co. shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by the Underwriter and distributed to the public were offered to the public exceeds the amount of any damages which the Underwriter and ML&Co. have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

The obligations of the Company, the Underwriter and ML&Co. under this Section 5 shall be in addition to any liability which the Company, the Underwriter or ML&Co., as the case may be, may have otherwise than on account of this Section 5. For purposes of this Section 5, each person, if any, who controls the Underwriter within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as the Underwriter; each person, if any, who controls ML&Co. within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as ML&Co.; and each director of the Company, each officer of the Company who signed the MGIC Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as the Company.

Section 6. Representations, Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement, or contained in certificates of officers of the Company submitted pursuant to the Underwriting Agreement, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter or any controlling person thereof, or by or on behalf of ML&Co. or any controlling person thereof or by or on behalf of the Company and shall survive delivery of any Securities to the Underwriter pursuant to the Underwriting Agreement.

Section 7. Termination. In the event that the Underwriter terminates the Underwriting Agreement as provided in Section 9 thereof, this Agreement shall simultaneously terminate, except that the provisions of Section

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3, the indemnity agreements set forth in Section 4, the contribution provisions set forth in Section 5, and the provisions of Sections 6, 9 and 10 shall remain in effect.

Section 8. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriter shall be directed to it at World Financial Center, North Tower, New York, New York 10281-1201, attention of Douglas W. Squires, Managing Director; notices to ML&Co. shall be directed to it at 100 Church St., 12th Floor, New York, New York 10007, attention of the Secretary with a copy to the Treasurer at World Financial Center, South Tower, New York, New York 10080-6107; notices to the Company shall be directed to it at 250 East Kilbourn Avenue, Milwaukee, Wisconsin 53202, attention of Chief Financial Officer.

Section 9. Parties. This Agreement shall inure to the benefit of and be binding upon each of the Underwriter, ML&Co. and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties and their respective successors and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from the Underwriter shall be deemed to be a successor by reason merely of such purchase.

Section 10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed in such State.

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If the foregoing is in accordance with your understanding of our agreement, please sign and return to us three counterparts hereof, whereupon this instrument along with all counterparts will become a binding agreement among the Underwriter, ML&Co. and the Company in accordance with its terms.

Very truly yours,

MGIC INVESTMENT CORPORATION

By _____
Name:
Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By _____
Name:
Title:

MERRILL LYNCH & CO., INC.

By _____
Name:
Title:

MERRILL LYNCH & CO., INC. AND SUBSIDIARIES

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(IN THOUSANDS, EXCEPT RATIOS)<TABLE>
<CAPTION>

	YEAR ENDED LAST FRIDAY IN DECEMBER					FOR THE THREE MONTHS ENDED	
	1990	1991	1992	1993	1994	APRIL 1, 1994	MARCH 31, 1995
	(52 WEEKS) <C>	(52 WEEKS) <C>	(52 WEEKS) <C>	(53 WEEKS) <C>	(52 WEEKS) <C>	<C>	<C>
Pretax earnings (loss) from continuing operations.....	\$ 282,328	\$1,017,418	\$1,621,389	\$2,424,808	\$ 1,729,604	\$ 652,208	\$ 378,792
Deduct equity in undistributed net earnings of unconsolidated subsidiaries.....	(9,429)	(10,677)	(12,913)	(13,029)	(18,817)	(3,048)	--
Total pretax earnings (loss) from continuing operations.....	272,899	1,006,741	1,608,476	2,411,779	1,710,787	649,160	378,792
Add: Fixed charges:							
Interest.....	5,343,107	5,073,824	4,822,711	6,008,511	8,585,832	1,899,427	2,781,009
Amortization of debt expense.....	3,890	4,366	4,232	3,921	2,738	797	709
Capitalized interest...	555	929	--	--	--	--	--
Total interest.....	5,347,552	5,079,119	4,826,943	6,012,432	8,588,570	1,900,224	2,781,718
Interest factor in rents.....	135,038	141,438	141,546	141,654	128,744	33,564	32,355
Total fixed charges.....	5,482,590	5,220,557	4,968,489	6,154,086	8,717,314	1,933,788	2,814,073
Pretax earnings before fixed charges (excluding capitalized interest).....	\$5,754,934	\$6,226,369	\$6,576,965	\$8,565,865	\$10,428,101	\$2,582,948	\$3,192,865
Ratio of earnings to fixed charges.....	1.05	1.19	1.32	1.39	1.20	1.34	1.13

</TABLE>

June 20, 1995

Merrill Lynch & Co., Inc.
World Financial Center
North Tower, 31st Floor
New York, NY 10281

We have made a review, in accordance with standards established by the American Institute of Certified Public Accountants, of the unaudited interim consolidated financial information of Merrill Lynch & Co., Inc. and subsidiaries as of March 31, 1995 and for the three-month periods ended March 31, 1995 and April 1, 1994 as indicated in our report dated May 12, 1995; because we did not perform an audit, we expressed no opinion on that information.

We are aware that such report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended March 31, 1995, is incorporated by reference in this Registration Statement.

We are also aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ Deloitte & Touche LLP
New York, New York

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Merrill Lynch & Co., Inc. (the "Company") on Form S-3 of our reports dated February 27, 1995, appearing in or incorporated by reference in the Annual Report on Form 10-K of the Company for the year ended December 30, 1994 and to the reference to us under the heading "Experts" in the Prospectus, which is a part of this Registration Statement. We also consent to the incorporation by reference in this Registration Statement of our report dated February 27, 1995, appearing as Exhibit 99(a) in the Company's Current Report on Form 8-K dated March 9, 1995 relating to the Selected Financial Data under the captions "Operating Results," "Financial Position" and "Common Share Data" for each of the five years in the period ended December 30, 1994 included in the 1994 Annual Report to Stockholders of the Company. We also consent to the inclusion as Exhibit 99 to this Registration Statement of our report dated February 27, 1995 relating to information under the caption "Summary Financial Information," for each of the five years in the period ended December 30, 1994, appearing in the Prospectus, which is a part of this Registration Statement.

/s/ Deloitte & Touche LLP

New York, New York
June 20, 1995

POWER OF ATTORNEY

WHEREAS, Merrill Lynch & Co., Inc., a Delaware corporation (the "Corporation"), intends to file with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"), a Registration Statement on Form S-3 (the "Registration Statement"), including a prospectus and exhibits thereto, with any amendment or amendments (including post-effective amendments) and any supplement or supplements thereto, as prescribed by the Commission pursuant to the 1933 Act and the rules and regulations of the Commission promulgated thereunder, in connection with the registration of certain senior, fixed-rate debt securities of the Corporation, which by their terms will be paid and discharged by delivery of a specified number of shares of common stock of MGIC Investment Corporation, a Wisconsin corporation, or an equivalent value in cash.

NOW, THEREFORE, the undersigned hereby constitutes and appoints Daniel P. Tully, David H. Komansky, Joseph T. Willett and Stephen L. Hammerman, and each of them, his true and lawful attorneys-in-fact and agents, with full power to act with or without the others and with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities (including without limitation in any capacity on behalf of the Corporation), to execute the Registration Statement, including a prospectus and exhibits thereto, and any and all amendments (including post-effective amendments) thereto and any supplement or supplements thereto, as said attorneys-in-fact or any of them shall deem necessary or appropriate, together with all documents necessary or incidental in connection therewith, to file the same or cause the same to be filed with the Commission and to appear before the Commission in connection with any matter relating thereto. Each of said attorneys-in-fact shall have full power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act whatsoever necessary or desirable to be done in the premises as fully and to all intents and purposes as the undersigned might or could do in person, the undersigned hereby ratifying and confirming the acts that said attorneys-in-fact and each of them, or their or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this power of attorney as of the 9th day of June, 1995.

/s/ William O. Bourke

William O. Bourke

POWER OF ATTORNEY

WHEREAS, Merrill Lynch & Co., Inc., a Delaware corporation (the "Corporation"), intends to file with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"), a Registration Statement on Form S-3 (the "Registration Statement"), including a prospectus and exhibits thereto, with any amendment or amendments (including post-effective amendments) and any supplement or supplements thereto, as prescribed by the Commission pursuant to the 1933 Act and the rules and regulations of the Commission promulgated thereunder, in connection with the registration of certain senior, fixed-rate debt securities of the Corporation, which by their terms will be paid and discharged by delivery of a specified number of shares of common stock of MGIC Investment Corporation, a Wisconsin corporation, or an equivalent value in cash.

NOW, THEREFORE, the undersigned hereby constitutes and appoints Daniel P. Tully, David H. Komansky, Joseph T. Willett and Stephen L. Hammerman, and each of them, his true and lawful attorneys-in-fact and agents, with full power to act with or without the others and with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities (including without limitation in any capacity on behalf of the Corporation), to execute the Registration Statement, including a prospectus and exhibits thereto, and any and all amendments (including post-effective amendments) thereto and any supplement or supplements thereto, as said attorneys-in-fact or any of them shall deem necessary or appropriate, together with all documents necessary or incidental in connection therewith, to file the same or cause the same to be filed with the Commission and to appear before the Commission in connection with any matter relating thereto. Each of said attorneys-in-fact shall have full power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act whatsoever necessary or desirable to be done in the premises as fully and to all intents and purposes as the undersigned might or could do in person, the undersigned hereby ratifying and confirming the acts that said attorneys-in-fact

and each of them, or their or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this power of attorney as of the 8th day of June, 1995.

/s/ Jill K. Conway

Jill K. Conway

POWER OF ATTORNEY

WHEREAS, Merrill Lynch & Co., Inc., a Delaware corporation (the "Corporation"), intends to file with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"), a Registration Statement on Form S-3 (the "Registration Statement"), including a prospectus and exhibits thereto, with any amendment or amendments (including post-effective amendments) and any supplement or supplements thereto, as prescribed by the Commission pursuant to the 1933 Act and the rules and regulations of the Commission promulgated thereunder, in connection with the registration of certain senior, fixed-rate debt securities of the Corporation, which by their terms will be paid and discharged by delivery of a specified number of shares of common stock of MGIC Investment Corporation, a Wisconsin corporation, or an equivalent value in cash.

NOW, THEREFORE, the undersigned hereby constitutes and appoints Daniel P. Tully, David H. Komansky, Joseph T. Willett and Stephen L. Hammerman, and each of them, his true and lawful attorneys-in-fact and agents, with full power to act with or without the others and with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities (including without limitation in any capacity on behalf of the Corporation), to execute the Registration Statement, including a prospectus and exhibits thereto, and any and all amendments (including post-effective amendments) thereto and any supplement or supplements thereto, as said attorneys-in-fact or any of them shall deem necessary or appropriate, together with all documents necessary or incidental in connection therewith, to file the same or cause the same to be filed with the Commission and to appear before the Commission in connection with any matter relating thereto. Each of said attorneys-in-fact shall have full power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act whatsoever necessary or desirable to be done in the premises as fully and to all intents and purposes as the undersigned might or could do in person, the undersigned hereby ratifying and confirming the acts that said attorneys-in-fact and each of them, or their or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this power of attorney as of the 9th day of June, 1995.

/s/ Stephen L. Hammerman

Stephen L. Hammerman

POWER OF ATTORNEY

WHEREAS, Merrill Lynch & Co., Inc., a Delaware corporation (the "Corporation"), intends to file with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"), a Registration Statement on Form S-3 (the "Registration Statement"), including a prospectus and exhibits thereto, with any amendment or amendments (including post-effective amendments) and any supplement or supplements thereto, as prescribed by the Commission pursuant to the 1933 Act and the rules and regulations of the Commission promulgated thereunder, in connection with the registration of certain senior, fixed-rate debt securities of the Corporation, which by their terms will be paid and discharged by delivery of a specified number of shares of common stock of MGIC Investment Corporation, a Wisconsin corporation, or an equivalent value in cash.

NOW, THEREFORE, the undersigned hereby constitutes and appoints Daniel P. Tully, David H. Komansky, Joseph T. Willett and Stephen L. Hammerman, and each of them, his true and lawful attorneys-in-fact and agents, with full power to act with or without the others and with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities (including without limitation in any capacity on behalf of the Corporation), to execute the Registration Statement, including a prospectus and exhibits thereto, and any and all amendments (including post-effective amendments) thereto and any supplement or supplements thereto, as said attorneys-in-fact or any of them shall deem necessary or appropriate, together with all documents necessary or incidental in connection therewith, to file the

same or cause the same to be filed with the Commission and to appear before the Commission in connection with any matter relating thereto. Each of said attorneys-in-fact shall have full power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act whatsoever necessary or desirable to be done in the premises as fully and to all intents and purposes as the undersigned might or could do in person, the undersigned hereby ratifying and confirming the acts that said attorneys-in-fact and each of them, or their or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this power of attorney as of the 9th day of June, 1995.

/s/ Earle H. Harbison, Jr.

Earle H. Harbison, Jr.

POWER OF ATTORNEY

WHEREAS, Merrill Lynch & Co., Inc., a Delaware corporation (the "Corporation"), intends to file with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"), a Registration Statement on Form S-3 (the "Registration Statement"), including a prospectus and exhibits thereto, with any amendment or amendments (including post-effective amendments) and any supplement or supplements thereto, as prescribed by the Commission pursuant to the 1933 Act and the rules and regulations of the Commission promulgated thereunder, in connection with the registration of certain senior, fixed-rate debt securities of the Corporation, which by their terms will be paid and discharged by delivery of a specified number of shares of common stock of MGIC Investment Corporation, a Wisconsin corporation, or an equivalent value in cash.

NOW, THEREFORE, the undersigned hereby constitutes and appoints Daniel P. Tully, David H. Komansky, Joseph T. Willett and Stephen L. Hammerman, and each of them, his true and lawful attorneys-in-fact and agents, with full power to act with or without the others and with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities (including without limitation in any capacity on behalf of the Corporation), to execute the Registration Statement, including a prospectus and exhibits thereto, and any and all amendments (including post-effective amendments) thereto and any supplement or supplements thereto, as said attorneys-in-fact or any of them shall deem necessary or appropriate, together with all documents necessary or incidental in connection therewith, to file the same or cause the same to be filed with the Commission and to appear before the Commission in connection with any matter relating thereto. Each of said attorneys-in-fact shall have full power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act whatsoever necessary or desirable to be done in the premises as fully and to all intents and purposes as the undersigned might or could do in person, the undersigned hereby ratifying and confirming the acts that said attorneys-in-fact and each of them, or their or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this power of attorney as of the 12th day of June, 1995.

/s/ George B. Harvey

George B. Harvey

POWER OF ATTORNEY

WHEREAS, Merrill Lynch & Co., Inc., a Delaware corporation (the "Corporation"), intends to file with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"), a Registration Statement on Form S-3 (the "Registration Statement"), including a prospectus and exhibits thereto, with any amendment or amendments (including post-effective amendments) and any supplement or supplements thereto, as prescribed by the Commission pursuant to the 1933 Act and the rules and regulations of the Commission promulgated thereunder, in connection with the registration of certain senior, fixed-rate debt securities of the Corporation, which by their terms will be paid and discharged by delivery of a specified number of shares of common stock of MGIC Investment Corporation, a Wisconsin corporation, or an equivalent value in cash.

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IN WITNESS WHEREOF, the undersigned has executed this power of attorney as of the 9th day of June, 1995.

/s/ William R. Hoover

William R. Hoover

POWER OF ATTORNEY

WHEREAS, Merrill Lynch & Co., Inc., a Delaware corporation (the "Corporation"), intends to file with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"), a Registration Statement on Form S-3 (the "Registration Statement"), including a prospectus and exhibits thereto, with any amendment or amendments (including post-effective amendments) and any supplement or supplements thereto, as prescribed by the Commission pursuant to the 1933 Act and the rules and regulations of the Commission promulgated thereunder, in connection with the registration of certain senior, fixed-rate debt securities of the Corporation, which by their terms will be paid and discharged by delivery of a specified number of shares of common stock of MGIC Investment Corporation, a Wisconsin corporation, or an equivalent value in cash.

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IN WITNESS WHEREOF, the undersigned has executed this power of attorney as of the 8th day of June, 1995.

/s/ Robert P. Luciano

Robert P. Luciano

POWER OF ATTORNEY

WHEREAS, Merrill Lynch & Co., Inc., a Delaware corporation (the "Corporation"), intends to file with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"), a Registration Statement on Form S-3 (the "Registration Statement"), including a prospectus and exhibits thereto, with any amendment or amendments (including post-effective amendments) and any supplement or supplements thereto, as prescribed by the Commission pursuant to the 1933 Act and the rules and regulations of the Commission promulgated thereunder, in connection with the registration of certain senior, fixed-rate debt securities of the Corporation, which by their terms will be paid and discharged by delivery of a specified

number of shares of common stock of MGIC Investment Corporation, a Wisconsin corporation, or an equivalent value in cash.

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IN WITNESS WHEREOF, the undersigned has executed this power of attorney as of the 9th day of June, 1995.

/s/ Aulana L. Peters

Aulana L. Peters

POWER OF ATTORNEY

WHEREAS, Merrill Lynch & Co., Inc., a Delaware corporation (the "Corporation"), intends to file with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"), a Registration Statement on Form S-3 (the "Registration Statement"), including a prospectus and exhibits thereto, with any amendment or amendments (including post-effective amendments) and any supplement or supplements thereto, as prescribed by the Commission pursuant to the 1933 Act and the rules and regulations of the Commission promulgated thereunder, in connection with the registration of certain senior, fixed-rate debt securities of the Corporation, which by their terms will be paid and discharged by delivery of a specified number of shares of common stock of MGIC Investment Corporation, a Wisconsin corporation, or an equivalent value in cash.

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IN WITNESS WHEREOF, the undersigned has executed this power of attorney as of the 9th day of June, 1995.

/s/ John J. Phelan, Jr.

John J. Phelan, Jr.

POWER OF ATTORNEY

WHEREAS, Merrill Lynch & Co., Inc., a Delaware corporation (the "Corporation"), intends to file with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"), a

Registration Statement on Form S-3 (the "Registration Statement"), including a prospectus and exhibits thereto, with any amendment or amendments (including post-effective amendments) and any supplement or supplements thereto, as prescribed by the Commission pursuant to the 1933 Act and the rules and regulations of the Commission promulgated thereunder, in connection with the registration of certain senior, fixed-rate debt securities of the Corporation, which by their terms will be paid and discharged by delivery of a specified number of shares of common stock of MGIC Investment Corporation, a Wisconsin corporation, or an equivalent value in cash.

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IN WITNESS WHEREOF, the undersigned has executed this power of attorney as of the 9th day of June, 1995.

/s/ William L. Weiss

William L. Weiss

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Merrill Lynch & Co., Inc.:

We have audited, in accordance with generally accepted auditing standards, the consolidated financial statements of Merrill Lynch & Co., Inc. and subsidiaries as of December 30, 1994 and December 31, 1993 and for each of the three years in the period ended December 30, 1994 and have issued our report thereon dated February 27, 1995. Such financial statements and our report thereon are incorporated herein by reference.

We have also previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheets of Merrill Lynch & Co., Inc. and subsidiaries as of December 25, 1992, December 27, 1991 and December 28, 1990 and the related statements of consolidated earnings, changes in consolidated stockholders' equity and consolidated cash flows for the years ended December 27, 1991 and December 28, 1990 (none of which are presented or incorporated by reference herein); and we expressed unqualified opinions on those consolidated financial statements. In our opinion, the information set forth in the table under the caption Summary Financial Information for each of the five years in the period ended December 30, 1994, appearing on page 9 on the Prospectus, which is a part of this Registration Statement of Merrill Lynch & Co., Inc. on Form S-3, is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

/s/ Deloitte & Touche LLP

New York, New York
February 27, 1995