

THE PMI GROUP, INC.

CODE OF BUSINESS CONDUCT & ETHICS

This Code of Business Conduct and Ethics ("Code") applies to all directors, officers and employees of The PMI Group, Inc. and its wholly-owned subsidiaries (collectively, the "Company").

I. Compliance Standards

The Compliance Officer is responsible for applying these policies to specific situations in which questions may arise and has the authority to interpret these policies in any particular situation. Any questions relating to how these policies should be interpreted or applied should be addressed to the Compliance Officer.

Any employee, officer or director who is unsure of whether a situation violates this Code should discuss the situation with the Compliance Officer or General Counsel as soon as possible.

Any employee, officer or director who becomes aware of any existing or potential violation of laws, rules, regulations or this Code is required to notify the Compliance Officer or General Counsel promptly, either directly or through the Company's confidential telephone hotline. Failure to do so is itself a violation of this Code. To encourage employees to report any violations, the Company will not allow retaliation for reports made in good faith.

It is obviously not possible to anticipate every circumstance or situation to which this Code would apply. Accordingly, this Code cannot, and is not, intended to provide answers to every question that might arise. Nevertheless, the basic principles set forth herein can and should serve as guidance in dealings with shareholders, fellow employees, business partners, and all others with whom the Company has relationships. Ultimately, the Company must rely on each person's good sense of what is right, including a sense of when it is proper to seek guidance from others as to the appropriate course of conduct.

II. Conflicts of Interest

A "conflict of interest" occurs when an individual has a relationship, or engages in any activity, or has any personal financial interest, that might impair his or her independence of judgment or influence his or her decision or actions concerning Company business. Conflicts of interest are prohibited as a matter of Company policy, unless they have been approved by the Company in accordance with applicable law. In particular, an employee, officer or director must never use or attempt to use his or her position at the Company to obtain any improper personal benefit for himself or herself or for his or her immediate family. Any employee, officer or director who is aware of a conflict of interest or is concerned that a conflict might develop, is required to discuss the matter with the Compliance Officer or General Counsel.

III. Corporate Opportunities

Employees, officers and directors owe a duty to the Company to advance the Company's business interests when the opportunity to do so arises. Employees, officers and directors are prohibited from taking or benefiting from (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down. More generally, employees, officers and directors are prohibited from using corporate property, information or position for personal gain and from competing with the Company.

Sometimes the line between personal and Company benefits is difficult to draw, and sometimes there are both personal and Company benefits in certain activities. Employees, officers and directors who intend to make use of Company property or services in a manner not solely for the benefit of the Company should consult with the Compliance Officer or General Counsel beforehand.

IV. Confidentiality

In carrying out the Company's business, employees, officers and directors often learn confidential or proprietary information about the Company, its customers, suppliers, or joint venture parties. Employees, officers and directors must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information of our Company, and of other companies, includes any non-public information that would be harmful to the relevant company or useful or helpful to competitors if disclosed.

V. Fair Dealing

We have a history of succeeding through honest business competition. We do not seek competitive advantages through illegal or unethical business practices. Each employee, officer and director should

endeavor to deal fairly with the Company's customers, service providers, suppliers, competitors and employees. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

VI. Protection and Proper Use of Company Assets

All employees, officers and directors should protect the Company's assets and ensure their efficient use. All Company assets should be used only for legitimate business purposes.

VII. Compliance with Laws, Rules and Regulations (Including Insider Trading Laws)

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each employee, officer and director to adhere to the standards and restrictions imposed by those laws, rules and regulations.

Securities Laws and Insider Trading. It is both illegal and against Company policy for any individual to profit from material nonpublic information relating to the Company. Also, it is against Company policy for any employee, officer or director, who may have obtained inside or unpublished knowledge about any of our customers or any other company during the course of his or her employment with or service for the Company, to trade in the securities of those companies.

If you are uncertain about the legal rules involving your purchase or sale of any Company securities or any securities in companies that you are familiar with by virtue of your work for the Company, you should consult with the General Counsel before making any such purchase or sale.

VIII. Waivers of This Code

From time to time, the Company may waive some provisions of this Code. Any employee, officer or director who believes that a waiver may be called for should contact the Compliance Officer or General Counsel. Under the rules of the New York Stock Exchange, any waiver of the Code for executive officers or directors of the Company may be made only by the Board of Directors or a committee of the Board, and must promptly be disclosed to shareholders.

IX. Other Policies and Procedures

The Company's more detailed policies and procedures set forth in the Business Ethics Handbook are separate requirements applying to the Company's officers and employees, and are not part of this Code. The Business Ethics Handbook is available on the Company's Intranet.