



ANNUAL STATEMENT
For the Year Ended December 31, 2011
OF THE CONDITION AND AFFAIRS OF THE
TRIAD GUARANTY INSURANCE CORPORATION

NAIC Group Code 0421, NAIC Company Code 24350, Employer's ID Number 56-1570971
Organized under the Laws of Illinois, State of Domicile or Port of Entry Illinois
Country of Domicile United States
Incorporated/Organized 07/30/1987, Commenced Business 08/07/1987
Statutory Home Office 111 South Wacker Street, Chicago, IL 60606
Main Administrative Office 101 South Stratford Road, Winston-Salem, NC 27104
Mail Address Post Office Box 2300, Winston-Salem, NC 27102-2300
Primary Location of Books and Records 101 South Stratford Road, Winston-Salem, NC 27104
Internet Web Site Address www.triadguaranty.com
Statutory Statement Contact Randall Keith Shields, 336-723-1282-1155

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Officers include Kenneth Wayne Jones (CEO and Chief Financial Officer), Earl Franklin Wall (Secretary), and Kenneth Stephen Dwyer (Chief Accounting Officer).

OTHER OFFICERS

Table with 4 columns: Name, Title, Name, Title. Other officer: Shirley Aldridge Gaddy (SVP).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Name, Name, Name. Directors/Trustees include Howard Anthony Davis, Kenneth Stephen Dwyer, Mark Raphael Goodman, William Thomas Ratliff III, Jerome Francis Schutzbach, Earl Franklin Wall, and Kenneth Wayne Jones.

State of North Carolina, County of Forsyth, ss

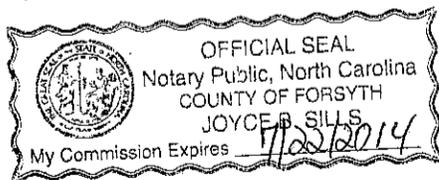
The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Signatures of Kenneth Wayne Jones (CEO and Chief Financial Officer), Earl Franklin Wall (Secretary), and Kenneth Stephen Dwyer (Chief Accounting Officer).

Subscribed and sworn to before me this 3rd day of February, 2012

Joyce B. Sills, Notary Public, 07/22/2014

- a. Is this an original filing? Yes [X] No [ ]
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached



**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**ASSETS**

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	712,059,028		712,059,028	769,319,565
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....	8,370,920		8,370,920	10,178,989
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ .....39,623,863 , Schedule E-Part 1), cash equivalents (\$ ..... , Schedule E-Part 2) and short-term investments (\$ .....28,204,983 , Schedule DA).....	67,828,847		67,828,847	73,744,813
6. Contract loans (including \$ ..... premium notes).....				
7. Derivatives (Schedule DB).....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....	12,977		12,977	41,814
10. Securities lending reinvested collateral assets (Schedule DL).....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	788,271,772		788,271,772	853,285,181
13. Title plants less \$ ..... charged off (for Title insurers only).....				
14. Investment income due and accrued .....	6,468,052		6,468,052	8,027,403
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	10,788,676	261	10,788,415	12,609,842
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums).....	29,849,630		29,849,630	14,772,375
15.3 Accrued retrospective premiums.....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	4,389,006		4,389,006	10,909,914
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				11,706,978
18.2 Net deferred tax asset.....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software.....	967,207	925,968	41,239	73,573
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	124,857	124,857		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	40,977		40,977	43,795
24. Health care (\$ ..... ) and other amounts receivable.....				
25. Aggregate write-ins for other than invested assets .....	1,420,206	1,381,902	38,304	37,424
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	842,320,383	2,432,988	839,887,395	911,466,484
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....				
28. Total (Lines 26 and 27)	842,320,383	2,432,988	839,887,395	911,466,484
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid expenses.....	1,381,902	1,381,902		
2502. Accounts receivable.....	38,304		38,304	37,424
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,420,206	1,381,902	38,304	37,424

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	478,850,170	565,786,910
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	9,636,988	15,817,694
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	12,059,704	13,793,107
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	1,031,810	2,170,257
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....69,535 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	6,801,773	8,979,142
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	1,304,768	1,909,420
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		
14. Amounts withheld or retained by company for account of others .....	63,076,924	47,474,969
15. Remittances and items not allocated.....	214,849	130,744
16. Provision for reinsurance (Schedule F, Part 7) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....	167,247	
20. Derivatives .....		
21. Payable for securities .....		
22. Payable for securities lending .....		
23. Liability for amounts held under uninsured plans .....		
24. Capital notes \$ .....and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	32,624,666	29,474,514
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	605,768,899	685,536,758
27. Protected cell liabilities .....		
28. Total liabilities (Lines 26 and 27) .....	605,768,899	685,536,758
29. Aggregate write-ins for special surplus funds .....	629,700,281	415,657,496
30. Common capital stock .....	3,500,000	3,500,000
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....	8,900,000	6,675,000
33. Surplus notes .....	25,000,000	25,000,000
34. Gross paid in and contributed surplus .....	105,215,928	105,215,928
35. Unassigned funds (surplus) .....	(538,197,713)	(330,118,698)
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ .....)		
36.2 ..... shares preferred (value included in Line 31 \$ .....)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....	234,118,496	225,929,726
38. Totals (Page 2, Line 28, Col. 3)	839,887,395	911,466,484
<b>DETAILS OF WRITE-INS</b>		
2501. Rescinded premium payable.....	32,624,666	29,474,514
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	32,624,666	29,474,514
2901. Deferred Payment Obligation including carrying charges.....	629,700,281	415,657,496
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	629,700,281	415,657,496
3201. Unapproved interest due on Surplus Note.....	8,900,000	6,675,000
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	8,900,000	6,675,000

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4) .....	158,861,597	200,336,881
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7) .....	353,408,298	345,478,547
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	814,766	10,358,443
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	17,376,304	29,777,443
5. Aggregate write-ins for underwriting deductions .....		
6. Total underwriting deductions (Lines 2 through 5) .....	371,599,368	385,614,433
7. Net income of protected cells .....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	(212,737,770)	(185,277,553)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	11,313,225	26,462,859
10. Net realized capital gains (losses) less capital gains tax of \$ ..... (Exhibit of Capital Gains (Losses))	14,378,183	11,810,785
11. Net investment gain (loss) (Lines 9 + 10) .....	25,691,409	38,273,644
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ ..... ) .....		
13. Finance and service charges not included in premiums .....		
14. Aggregate write-ins for miscellaneous income .....	66,753	22,786
15. Total other income (Lines 12 through 14) .....	66,753	22,786
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....	(186,979,608)	(146,981,122)
17. Dividends to policyholders .....		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) .....	(186,979,608)	(146,981,122)
19. Federal and foreign income taxes incurred .....		
20. Net income (Line 18 minus Line 19) (to Line 22) .....	(186,979,608)	(146,981,122)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	225,929,726	122,814,125
22. Net income (from Line 20) .....	(186,979,608)	(146,981,122)
23. Net transfers (to) from Protected Cell accounts .....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....	(1,808,068)	3,385,779
25. Change in net unrealized foreign exchange capital gain (loss) .....		
26. Change in net deferred income tax .....		(267,067,664)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) .....	3,668,733	266,507,092
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....		
29. Change in surplus notes .....		
30. Surplus (contributed to) withdrawn from protected cells .....		
31. Cumulative effect of changes in accounting principles .....	(20,735,071)	
32. Capital changes:		
32.1. Paid in .....		
32.2. Transferred from surplus (Stock Dividend) .....		
32.3. Transferred to surplus .....		
33. Surplus adjustments:		
33.1. Paid in .....		
33.2. Transferred to capital (Stock Dividend) .....		
33.3. Transferred from capital .....		
34. Net remittances from or (to) Home Office .....		
35. Dividends to stockholders .....		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1) .....		
37. Aggregate write-ins for gains and losses in surplus .....	214,042,785	247,271,516
38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....	8,188,770	103,115,601
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	234,118,496	225,929,726
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page .....		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) .....		
1401. Other Income - Service Fees on Information Technology.....	66,753	22,786
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	66,753	22,786
3701. Deferred Payment Obligation.....	214,042,785	247,271,516
3702. Increase in Contingency Reserve.....	(79,430,799)	(109,556,124)
3703. Decrease in Contingency Reserve.....	79,430,799	109,556,124
3798. Summary of remaining write-ins for Line 37 from overflow page .....		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above) .....	214,042,785	247,271,516

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	146,077,106	166,021,468
2. Net investment income.....	34,020,621	36,840,754
3. Miscellaneous income.....	65,873	35,158
4. Total (Lines 1 through 3).....	180,163,600	202,897,380
5. Benefit and loss related payments.....	265,755,614	148,206,002
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	18,628,384	22,676,364
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	(11,706,978)	(1,179,853)
10. Total (Lines 5 through 9).....	272,677,020	169,702,513
11. Net cash from operations (Line 4 minus Line 10).....	(92,513,420)	33,194,867
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	344,661,987	434,704,823
12.2 Stocks.....	1,593	20,444
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(9,742)	(36,439)
12.7 Miscellaneous proceeds.....	28,838	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	344,682,676	434,688,828
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	276,054,017	468,251,278
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		41,815
13.7 Total investments acquired (Lines 13.1 to 13.6).....	276,054,017	468,293,093
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	68,628,659	(33,604,265)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	17,968,795	30,881,136
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	17,968,795	30,881,136
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(5,915,966)	30,471,738
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	73,744,813	43,273,075
19.2 End of year (Line 18 plus Line 19.1).....	67,828,847	73,744,813

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire .....				
2.	Allied lines .....				
3.	Farmowners multiple peril .....				
4.	Homeowners multiple peril .....				
5.	Commercial multiple peril .....				
6.	Mortgage guaranty .....	156,684,003	8,978,901	6,801,587	158,861,317
8.	Ocean marine .....				
9.	Inland marine .....				
10.	Financial guaranty .....				
11.1	Medical professional liability-occurrence .....				
11.2	Medical professional liability-claims-made .....				
12.	Earthquake .....				
13.	Group accident and health .....				
14.	Credit accident and health (group and individual) .....				
15.	Other accident and health .....				
16.	Workers' compensation .....				
17.1	Other liability - occurrence .....				
17.2	Other liability - claims-made .....				
17.3	Excess workers' compensation .....				
18.1	Products liability-occurrence .....				
18.2	Products liability-claims-made .....				
19.1,19.2	Private passenger auto liability .....				
19.3,19.4	Commercial auto liability .....				
21.	Auto physical damage .....				
22.	Aircraft (all perils) .....				
23.	Fidelity .....				
24.	Surety .....				
26.	Burglary and theft .....				
27.	Boiler and machinery .....				
28.	Credit .....				
29.	International .....				
30.	Warranty .....				
31.	Reinsurance-nonproportional assumed property .....				
32.	Reinsurance-nonproportional assumed liability .....				
33.	Reinsurance-nonproportional assumed financial lines .....	225	241	186	280
34.	Aggregate write-ins for other lines of business .....				
35.	<b>TOTALS</b>	<b>156,684,228</b>	<b>8,979,142</b>	<b>6,801,773</b>	<b>158,861,597</b>
<b>DETAILS OF WRITE-INS</b>					
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....				
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire .....					
2. Allied lines .....					
3. Farmowners multiple peril .....					
4. Homeowners multiple peril .....					
5. Commercial multiple peril .....					
6. Mortgage guaranty .....	3,020,997	3,780,590			6,801,587
8. Ocean marine .....					
9. Inland marine .....					
10. Financial guaranty .....					
11.1 Medical professional liability-occurrence .....					
11.2 Medical professional liability-claims-made .....					
12. Earthquake .....					
13. Group accident and health .....					
14. Credit accident and health (group and individual) .....					
15. Other accident and health .....					
16. Workers' compensation .....					
17.1 Other liability-occurrence .....					
17.2 Other liability-claims-made .....					
17.3 Excess workers' compensation .....					
18.1 Products liability-occurrence .....					
18.2 Products liability-claims-made .....					
19.1,19.2 Private passenger auto liability .....					
19.3,19.4 Commercial auto liability .....					
21. Auto physical damage .....					
22. Aircraft (all perils) .....					
23. Fidelity .....					
24. Surety .....					
26. Burglary and theft .....					
27. Boiler and machinery .....					
28. Credit .....					
29. International .....					
30. Warranty .....					
31. Reinsurance-nonproportional assumed property .....					
32. Reinsurance-nonproportional assumed liability .....					
33. Reinsurance-nonproportional assumed financial lines .....		186			186
34. Aggregate write-ins for other lines of business .....					
35. TOTALS	3,020,997	3,780,776			6,801,773
36. Accrued retrospective premiums based on experience .....					
37. Earned but unbilled premiums .....					
38. Balance (Sum of Lines 35 through 37)					6,801,773
<b>DETAILS OF WRITE-INS</b>					
3401. ....					
3402. ....					
3403. ....					
3498. Sum. of remaining write-ins for Line 34 from overflow page .....					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

(a) State here basis of computation used in each case. 1. Annual policies - monthly pro rata. Monthly policies - in month coverage is provided. 2. Per Illinois Regulation 203.50

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire .....						
2. Allied lines .....						
3. Farmowners multiple peril .....						
4. Homeowners multiple peril .....						
5. Commercial multiple peril .....						
6. Mortgage guaranty .....	165,251,331			2,474,115	6,093,213	156,684,003
8. Ocean marine .....						
9. Inland marine .....						
10. Financial guaranty .....						
11.1 Medical professional liability-occurrence .....						
11.2 Medical professional liability-claims-made .....						
12. Earthquake .....						
13. Group accident and health .....						
14. Credit accident and health (group and individual) .....						
15. Other accident and health .....						
16. Workers' compensation .....						
17.1 Other liability-occurrence .....						
17.2 Other liability-claims-made .....						
17.3 Excess workers' compensation .....						
18.1 Products liability-occurrence .....						
18.2 Products liability-claims-made .....						
19.1,19.2 Private passenger auto liability .....						
19.3,19.4 Commercial auto liability .....						
21. Auto physical damage .....						
22. Aircraft (all perils) .....						
23. Fidelity .....						
24. Surety .....						
26. Burglary and theft .....						
27. Boiler and machinery .....						
28. Credit .....						
29. International .....						
30. Warranty .....						
31. Reinsurance-nonproportional assumed property .....	XXX					
32. Reinsurance-nonproportional assumed liability .....	XXX					
33. Reinsurance-nonproportional assumed financial lines .....	XXX		225			225
34. Aggregate write-ins for other lines of business .....						
35. TOTALS	165,251,331		225	2,474,115	6,093,213	156,684,228
<b>DETAILS OF WRITE-INS</b>						
3401. ....						
3402. ....						
3403. ....						
3498. Sum. of remaining write-ins for Line 34 from overflow page .....						
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [ X ]

If yes: 1. The amount of such installment premiums \$ .....

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ .....

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire .....								
2. Allied lines .....								
3. Farmowners multiple peril .....								
4. Homeowners multiple peril .....								
5. Commercial multiple peril .....								
6. Mortgage guaranty .....	486,950,552		25,870,443	461,080,109	478,840,170	586,511,981	353,408,298	222.5
8. Ocean marine .....								
9. Inland marine .....								
10. Financial guaranty .....								
11.1 Medical professional liability-occurrence .....								
11.2 Medical professional liability-claims-made .....								
12. Earthquake .....								
13. Group accident and health .....								
14. Credit accident and health (group and individual) .....								
15. Other accident and health .....								
16. Workers' compensation .....								
17.1 Other liability-occurrence .....								
17.2 Other liability-claims-made .....								
17.3 Excess workers' compensation .....								
18.1 Products liability-occurrence .....								
18.2 Products liability-claims-made .....								
19.1,19.2 Private passenger auto liability .....								
19.3,19.4 Commercial auto liability .....								
21. Auto physical damage .....								
22. Aircraft (all perils) .....								
23. Fidelity .....								
24. Surety .....								
26. Burglary and theft .....								
27. Boiler and machinery .....								
28. Credit .....								
29. International .....								
30. Warranty .....								
31. Reinsurance-nonproportional assumed property .....	XXX							
32. Reinsurance-nonproportional assumed liability .....	XXX							
33. Reinsurance-nonproportional assumed financial lines .....	XXX				10,000	10,000		
34. Aggregate write-ins for other lines of business .....								
35. TOTALS .....	486,950,552		25,870,443	461,080,109	478,850,170	586,521,981	353,408,298	222.5
<b>DETAILS OF WRITE-INS</b>								
3401. ....								
3402. ....								
3403. ....								
3498. Sum. of remaining write-ins for Line 34 from overflow page .....								
3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above) .....								

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire									
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty	483,982,425		26,476,939	457,505,486	22,742,131		1,407,448	478,840,170	9,636,988
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical professional liability-occurrence									
11.2 Medical professional liability-claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability-occurrence									
17.2 Other liability-claims-made									
17.3 Excess workers' compensation									
18.1 Products liability-occurrence									
18.2 Products liability-claims-made									
19.1,19.2 Private passenger auto liability									
19.3,19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-nonproportional assumed property	XXX				XXX				
32. Reinsurance-nonproportional assumed liability	XXX				XXX				
33. Reinsurance-nonproportional assumed financial lines	XXX				XXX	10,000		10,000	
34. Aggregate write-ins for other lines of business									
35. TOTALS	483,982,425		26,476,939	457,505,486	22,742,131	10,000	1,407,448	478,850,170	9,636,988
<b>DETAILS OF WRITE-INS</b>									
3401.									
3402.									
3403.									
3498.	Sum. of remaining write-ins for Line 34 from overflow page								
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)								

(a) Including \$ ..... for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct .....	(6,067,168)			(6,067,168)
1.2 Reinsurance assumed .....				
1.3 Reinsurance ceded .....				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....	(6,067,168)			(6,067,168)
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....		64,936		64,936
2.2 Reinsurance assumed, excluding contingent .....		25		25
2.3 Reinsurance ceded, excluding contingent .....		1,197,412		1,197,412
2.4 Contingent-direct .....				
2.5 Contingent-reinsurance assumed .....				
2.6 Contingent-reinsurance ceded .....				
2.7 Policy and membership fees .....				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....		(1,132,451)		(1,132,451)
3. Allowances to manager and agents .....				
4. Advertising .....		33		33
5. Boards, bureaus and associations .....		2,143		2,143
6. Surveys and underwriting reports .....	988,260			988,260
7. Audit of assureds' records .....				
8. Salary and related items:				
8.1 Salaries .....	2,833,091	4,161,193		6,994,284
8.2 Payroll taxes .....	230,919	207,945		438,864
9. Employee relations and welfare .....	305,463	356,714		662,177
10. Insurance .....	33,666	15,671		49,337
11. Directors' fees .....		2,250		2,250
12. Travel and travel items .....	7,898	51,141		59,039
13. Rent and rent items .....	665,113	386,922		1,052,035
14. Equipment .....	31,113	34,505		65,618
15. Cost or depreciation of EDP equipment and software .....		901,475		901,475
16. Printing and stationery .....	8,296	35,556		43,852
17. Postage, telephone and telegraph, exchange and express .....	46,481	84,879		131,360
18. Legal and auditing .....		509,817	917,572	1,427,389
19. Totals (Lines 3 to 18) .....	5,150,300	6,750,244	917,572	12,818,116
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....		3,033,324		3,033,324
20.2 Insurance department licenses and fees .....		129,402		129,402
20.3 Gross guaranty association assessments .....				
20.4 All other (excluding federal and foreign income and real estate) .....		67,739		67,739
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....		3,230,465		3,230,465
21. Real estate expenses .....				
22. Real estate taxes .....				
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....	1,731,634	8,528,046	3,871	10,263,551
25. Total expenses incurred .....	814,766	17,376,304	921,443 (a)	19,112,513
26. Less unpaid expenses-current year .....	9,636,988	13,091,514		22,728,502
27. Add unpaid expenses-prior year .....	15,817,694	15,963,364		31,781,058
28. Amounts receivable relating to uninsured plans, prior year .....				
29. Amounts receivable relating to uninsured plans, current year .....				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	6,995,472	20,248,154	921,443	28,165,069
<b>DETAILS OF WRITE-INS</b>				
2401. Investigative Services.....	1,689,280			1,689,280
2402. Data processing.....		4,714,484		4,714,484
2403. Misc. consulting fees.....	42,304	29,834		72,138
2498. Summary of remaining write-ins for Line 24 from overflow page .....	50	3,783,728	3,871	3,787,649
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	1,731,634	8,528,046	3,871	10,263,551

(a) Includes management fees of \$ ..... to affiliates and \$ .....884,052 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 433,313	362,501
1.1 Bonds exempt from U.S. tax	(a) 4,358,801	4,075,140
1.2 Other bonds (unaffiliated)	(a) 26,192,192	24,814,189
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 1,053,439	1,226,565
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	32,037,745	30,478,395
11. Investment expenses		(g) 921,443
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		18,243,726
16. Total deductions (Lines 11 through 15)		19,165,170
17. Net investment income (Line 10 minus Line 16)		11,313,225
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)		
1501. Carrying charge on Deferred Payment Obligation		18,243,726
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		18,243,726

- (a) Includes \$ 1,677,294 accrual of discount less \$ 4,714,240 amortization of premium and less \$ 1,575,436 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	346,127		346,127		
1.1 Bonds exempt from U.S. tax	(3,456)	(1,506)	(4,962)		
1.2 Other bonds (unaffiliated)	17,376,646	(3,331,480)	14,045,166		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	1,593		1,593		
2.21 Common stocks of affiliates				(1,808,069)	
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	127	(9,868)	(9,741)		
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	17,721,037	(3,342,854)	14,378,183	(1,808,069)	
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)					

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			
6. Contract loans .....			
7. Derivatives (Schedule DB).....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL).....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....			
13. Title plants (for Title insurers only).....			
14. Investment income due and accrued .....			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	261		(261)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due. ....			
15.3 Accrued retrospective premiums.....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset.....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software.....	925,968	1,754,643	828,675
21. Furniture and equipment, including health care delivery assets.....	124,857	197,493	72,636
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable.....			
25. Aggregate write-ins for other than invested assets .....	1,381,902	4,149,585	2,767,683
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,432,988	6,101,721	3,668,733
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
28. Total (Lines 26 and 27)	2,432,988	6,101,721	3,668,733
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Prepaid expenses.....	1,381,902	1,952,810	570,908
2502. Accounts receivable.....		2,196,776	2,196,776
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,381,902	4,149,585	2,767,683

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### a. Accounting Practices

The accompanying financial statements of Triad Guaranty Insurance Corporation (“the Company”) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Illinois.

The Illinois Director of Insurance (the “Illinois Director”) issued a Corrective Order (“Order”) to the Company on April 1, 2009. Under this Order, effective June 1 2009, all valid claims under Triad’s mortgage guaranty insurance policies were paid 60% in cash and 40% by the creation of a deferred payment obligation (“DPO”). The DPO is represented by a separate entry in the Company’s financial statement and accrues a carrying charge based on the investment yield earned by the Company. Payments of the carrying charge and the DPO will be subject to the Company’s future financial performance and will require approval of the Illinois Director. The Company’s loss reserves were also adjusted to reflect only the estimated cash payment for claims under this Order. This practice is prescribed by the Illinois Director and is not addressed in the NAIC’s *Accounting Practices and Procedures Manual* (“SAP”).

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and this prescribed practice by the Illinois Director is shown below.

	2011	2010
Net income, Illinois basis	\$ (186,979,608)	\$ (146,981,123)
State prescribed practice (incurred losses)		
Change in direct loss reserves	65,330,591	10,320,432
Net income, NAIC SAP	\$ (121,649,017)	\$ (136,660,691)
Statutory surplus, Illinois basis	\$ 234,118,496	\$ 225,930,026
State prescribed practices (surplus)		
Loss reserves	(337,816,371)	(403,146,962)
Deferred payment obligation	(629,700,281)	(415,657,496)
Statutory surplus, NAIC SAP	\$(733,398,156)	\$(592,874,432)

#### b. Use of Estimates

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### c. Accounting Policies

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established for annual and single premium production to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

Expenses incurred in connection with servicing existing insurance business are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are carried at amortized cost using the interest method.
- (3) Common stocks are carried at market except for investments in 100% owned subsidiaries, which are carried on the equity basis.
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No.32.
- (5) The Company owns no mortgage loans.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The Company uses the prospective method to value all securities, including loan-backed and asset backed securities.
- (7) The reporting entity has one subsidiary, Triad Guaranty Assurance Corporation. This subsidiary is carried on the equity basis.
- (8) The reporting entity has no ownership in joint ventures, partnerships or limited liability companies.
- (9) The Company had no call options or other derivatives written at year-end 2011 or 2010.
- (10) Anticipated investment income is not utilized as a factor in premium deficiency calculations.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from frequency and severity factors applied to each delinquent loan that the Company refers to as case reserves, and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and the ultimate liability may be in excess of or less than the amount provided. Effective March 31, 2009, the reserve for losses has been reduced to reflect the current anticipated cash payments until such time as the Illinois Director determines that the company can pay the DPO. Management periodically reviews and refines its assumptions and estimates with any adjustments reflected in the period adjustments are made.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company has no pharmaceutical rebate receivables.

### 2. Accounting Changes and Corrections of Errors

Effective July 1, 2011, the Company elected to change the basis for establishing reserves, requiring reserves be provided on loans two months or greater in default, loans in foreclosure, and real estate owned. Previously, the Company provided reserves on loans in default four months or greater, loans in foreclosure, and real estate owned.

In accordance with SSAP No. 3, paragraph 3, a change in the method of calculating the reserve for losses is treated as a change in accounting principle. The Company adopted this change on a prospective basis; accordingly, the prior year financial statements have not been restated. The Company recorded the cumulative effect of the change by restating the reserves as of the first day of 2011 as if the Company had previously utilized the new method. The impact of adoption increased reserves and decreased surplus by \$20,735,071 as of January 1, 2011.

### 3. Business Combinations and Goodwill

The Company has not entered into any business combinations and has no goodwill.

### 4. Discontinued Operations

The Company has no discontinued operations.

## NOTES TO FINANCIAL STATEMENTS

5. Investments

- a. The Company does not have any mortgage loan investments.
- b. The Company does not have any restructured debt investments.
- c. The Company does not have any reverse mortgage investments.
- d. Loan-Backed Securities:
  - (1) The Company uses a proprietary model for loss assumptions and widely accepted models for prepayment assumptions in valuing mortgage-back asset-backed securities with inputs from major third party data providers. The models combine the effects of interest rates, volatility, and prepayment speeds based on various scenario (Monte Carlo) simulations with resulting effective analytics (spreads, duration, convexity) and cash-flows on a monthly basis. Model assumptions are specific to asset class and collateral types and are regularly evaluated and adjusted where appropriate.
  - (2) An OTTI is recognized on any security whose market value is less than its amortized cost because the Company may not have the ability to hold the security for a period of time sufficient to recover the amortized cost basis.

	Amortized Cost Basis Before Other- than-Temporary Impairment	Other-than Temporary Impairment Recognized in Loss	Fair Value
<b>OTTI recognized 1st Quarter</b>			
a. Intent to sell	\$ -	\$ -	\$ -
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	1,501,029	12,108	1,488,921
c. Total 1st Quarter	<u>1,501,029</u>	<u>12,108</u>	<u>1,488,921</u>
<b>OTTI recognized 2nd Quarter</b>			
d. Intent to sell	\$ -	\$ -	\$ -
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	1,128,072	66,485	1,061,587
f. Total 2nd Quarter	<u>1,128,072</u>	<u>66,485</u>	<u>1,061,587</u>
<b>OTTI recognized 3rd Quarter</b>			
g. Intent to sell	\$ -	\$ -	\$ -
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	3,024,578	196,406	2,828,173
i. Total 3rd Quarter	<u>3,024,578</u>	<u>196,406</u>	<u>2,828,173</u>
<b>OTTI recognized 4th Quarter</b>			
j. Intent to sell	\$ -	\$ -	\$ -
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	2,980,128	130,046	2,850,082
l. Total 4th Quarter	<u>2,980,128</u>	<u>130,046</u>	<u>2,850,082</u>
m. Annual Aggregate Total	<u>\$ 8,633,808</u>	<u>\$ 405,045</u>	<u>\$ 8,228,763</u>

- (3) The Company does not have investments where an OTTI was recognized to the discounted cash flows because the company does not expect to recover the amortized cost basis of the investment.
  - (4) The Company does not have investments held showing Unrealized Losses - Greater and Less than 1 year.
  - (5) There are a number of factors that are considered in determining if there is not an other-than-temporary-impairment on an investment, including but not limited to, debt burden, credit ratings, sector, liquidity, financial flexibility, company management, expected earnings and cash flow stream, and economic prospects associated with the investment
- e. The Company does not have any repurchase agreement investments and/or Securities Lending Transactions.
  - f. The Company does not have investments in real estate.
  - g. The Company does not have investments in low-income housing tax credits.

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company does not have any investments in joint ventures, partnerships or limited liability companies.

7. Investment Income

No amount of due and accrued investment income was excluded from surplus.

8. Derivative Instruments

The Company had no derivative investments at year-end 2011 or 2010.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. The components of the net deferred tax asset (liability) at December 31 are as follows:

		12/31/2011		
		(1)	(2)	(3) (Col 1+2)
		<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a	Gross Deferred Tax Assets	\$228,040,836	\$ 3,588,127	\$ 231,628,963
b	Statutory Valuation Allowance Adjustment	227,494,559	3,588,127	231,082,686
c	Adjusted Gross Deferred Tax Assets	546,277	-	546,277
d	Deferred Tax Liabilities	546,277	-	546,277
e	Subtotal (Net Deferred Tax Assets)	-	-	-
f	Deferred Tax Assets Nonadmitted	-	-	-
g	Net Admitted Adjusted Deferred Tax Assets	\$ -	\$ -	\$ -
2.	The Company has elected to not admit deferred tax assets pursuant to paragraph 10.e. SSAP No. 10R, <i>Income Taxes - Revised, A Temporary Replacement of SSAP No. 10.</i>			
3.	Not applicable			
4.	Admission Calculation Components (SSAP No. 10R, paragraph 10.a, 10b., and 10.c.):			
a.	10.a. SSAP No.10R, Paragraph 10.a.	\$ -	\$ -	\$ -
b.	10.b. SSAP No.10R, Paragraph 10.b. (the lesser of 10.b.i and 10.b.ii below)	-	-	-
c.	SSAP No.10R, Paragraph 10.b.i.	-	-	-
d.	SSAP No.10R, Paragraph 10.b.ii	-	-	-
e.	SSAP No.10R, Paragraph 10.c.	546,277	-	546,277
f.	Total (paragraph 10.a. + 10.b. + 10.c.) (4a+4b+4e)	\$ 546,277	\$ -	\$ 546,277
	Admission Calculation Components (SSAP No. 10R Paragraph 10.e.):			
g.	SSAP No.10R, Paragraph 10.e.i.	\$ -	\$ -	\$ -
h.	SSAP No.10R, Paragraph 10.e.ii. (the lesser of 10.e.ii.a. and 10.e.ii.b. below)	-	-	-
i.	SSAP No.10R, Paragraph 10.e.ii.a.	-	-	-
j.	SSAP No.10R, Paragraph 10.e.ii.b.	XXX	XXX	-
k.	SSAP No.10R, Paragraph 10.e.iii.	-	-	-
l.	Total (4g+4h+4k)	\$ -	\$ -	\$ -
	Used in SSAP No. 10R, paragraph 10.d.:			
m	Total Adjusted Capital	N/A	N/A	\$ -
n	Authorized Control Level			0%
5.	Because of the company's ongoing loss position, it is unable to use any tax planning strategies to utilized existing DTAs for the foreseeable future.			
6.	SSAP No. 10R, paragraphs 10.a., 10.b., and 10.c.:			
a	Admitted Deferred Tax Assets	\$ -	\$ -	\$ -
b	Admitted Assets			-
c	Adjusted Statutory Surplus			-
d.	Total Adjusted Capital from DTAs			\$ -
	Increases due to SSAP No. 10R, paragraph 10.e.			
e	Admitted Deferred Tax Assets	\$ -	\$ -	\$ -
f	Admitted Assets			-
g	Statutory Capital & Surplus			\$ -

## NOTES TO FINANCIAL STATEMENTS

9. **Income Taxes (cont)**

		12/31/2010		
		(4)	(5)	(6) (Col 4+5)
		<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a	Gross Deferred Tax Assets	\$157,019,074	\$ 4,871,277	\$ 161,890,351
b	Statutory Valuation Allowance Adjustment	156,155,472	4,871,277	161,026,749
c	Adjusted Gross Deferred Tax Assets	863,602	-	863,602
d	Deferred Tax Liabilities	863,602	-	863,602
e	Subtotal (Net Deferred Tax Assets)	-	-	-
f	Deferred Tax Assets Nonadmitted	-	-	-
g	Net Admitted Adjusted Deferred Tax Assets	\$ -	\$ -	\$ -
2.	The Company has elected to not admit deferred tax assets pursuant to paragraph 10.e. SSAP No. 10R, <i>Income Taxes - Revised, A Temporary Replacement of SSAP No. 10.</i>			
3.	Not applicable			
4.	Admission Calculation Components (SSAP No. 10R, paragraph 10.a, 10b., and 10.c.):			
a.	10.a. SSAP No.10R, Paragraph 10.a.	\$ -	\$ -	\$ -
b.	10.b. SSAP No.10R, Paragraph 10.b. (the lesser of 10.b.i and 10.b.ii below)	-	-	-
c.	SSAP No.10R, Paragraph 10.b.i.	-	-	-
d.	SSAP No.10R, Paragraph 10.b.ii	-	-	-
e.	SSAP No.10R, Paragraph 10.c.	863,602	-	863,602
f.	Total (paragraph 10.a. + 10.b. + 10.c.) (4a+4b+4e)	\$ 863,602	\$ -	\$ 863,602
	Admission Calculation Components (SSAP No. 10R Paragraph 10.e.):			
g.	SSAP No.10R, Paragraph 10.e.i.	\$ -	\$ -	\$ -
h.	SSAP No.10R, Paragraph 10.e.ii. (the lesser of 10.e.ii.a. and 10.e.ii.b. below)	-	-	-
i.	SSAP No.10R, Paragraph 10.e.ii.a.	-	-	-
j.	SSAP No.10R, Paragraph 10.e.ii.b.	XXX	XXX	-
k.	SSAP No.10R, Paragraph 10.e.iii.	-	-	-
l.	Total (4g+4h+4k)	\$ -	\$ -	\$ -
	Used in SSAP No. 10R, paragraph 10.d.:			
m	Total Adjusted Capital	N/A	N/A	\$ -
n	Authorized Control Level			0%
5.	Because of the company's ongoing loss position, it is unable to use any tax planning strategies to utilized existing DTAs for the foreseeable future.			
6.	SSAP No. 10R, paragraphs 10.a., 10.b., and 10.c.:			
a	Admitted Deferred Tax Assets	\$ -	\$ -	\$ -
b	Admitted Assets			-
c	Adjusted Statutory Surplus			-
d.	Total Adjusted Capital from DTAs			\$ -
	Increases due to SSAP No. 10R, paragraph 10.e.			
e	Admitted Deferred Tax Assets	\$ -	\$ -	\$ -
f	Admitted Assets			-
g	Statutory Capital & Surplus			\$ -

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes (cont)

		Change		
		(7)	(8)	(9)
		(Col 1-4)	(Col 2-5)	(Col 7+8)
		<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a	Gross Deferred Tax Assets	\$ 71,021,762	\$ (1,283,150)	\$ 69,738,612
b	Statutory Valuation Allowance Adjustment	71,339,087	(1,283,150)	70,055,937
c	Adjusted Gross Deferred Tax Assets	(317,325)	-	(317,325)
d	Deferred Tax Liabilities	(317,325)	-	(317,325)
e	Subtotal (Net Deferred Tax Assets)	-	-	-
f	Deferred Tax Assets Nonadmitted	-	-	-
g	Net Admitted Adjusted Deferred Tax Assets	\$ -	\$ -	\$ -
<hr/>				
2.	The Company has elected to not admit deferred tax assets pursuant to paragraph 10.e. SSAP No. 10R, <i>Income Taxes - Revised, A Temporary Replacement of SSAP No. 10.</i>			
3.	Not applicable			
4.	Admission Calculation Components <i>(SSAP No. 10R, paragraph 10.a, 10.b., and 10.c.):</i>			
a.	10.a. SSAP No.10R, Paragraph 10.a.	\$ -	\$ -	\$ -
b.	10.b. SSAP No.10R, Paragraph 10.b. (the lesser of 10.b.i and 10.b.ii below)	-	-	-
c.	SSAP No.10R, Paragraph 10.b.i.	-	-	-
d.	SSAP No.10R, Paragraph 10.b.ii	-	-	-
e.	SSAP No.10R, Paragraph 10.c.	(317,325)	-	(317,325)
f.	Total (paragraph 10.a. + 10.b. + 10.c.) (4a+4b+4e)	\$ (317,325)	\$ -	\$ (317,325)
<hr/>				
	Admission Calculation Components <i>(SSAP No. 10R Paragraph 10.e.):</i>			
g.	SSAP No.10R, Paragraph 10.e.i.	\$ -	\$ -	\$ -
h.	SSAP No.10R, Paragraph 10.e.ii. (the lesser of 10.e.ii.a. and 10.e.ii.b. below)	-	-	-
i.	SSAP No.10R, Paragraph 10.e.ii.a.	-	-	-
j.	SSAP No.10R, Paragraph 10.e.ii.b.	XXX	XXX	-
k.	SSAP No.10R, Paragraph 10.e.iii.	-	-	-
l.	Total (4g+4h+4k)	\$ -	\$ -	\$ -
<hr/>				
	Used in SSAP No. 10R, paragraph 10.d.:			
m	Total Adjusted Capital	N/A	N/A	\$ -
n	Authorized Control Level			-
5.	Because of the company's ongoing loss position, it is unable to use any tax planning strategies to utilized existing DTAs for the foreseeable future.			
6.	SSAP No. 10R, paragraphs 10.a., 10.b., and 10.c.:			
a	Admitted Deferred Tax Assets	\$ -	\$ -	\$ -
b	Admitted Assets			-
c	Adjusted Statutory Surplus			-
d.	Total Adjusted Capital from DTAs			\$ -
<hr/>				
	Increases due to SSAP No. 10R, paragraph 10.e.			
e	Admitted Deferred Tax Assets	\$ -	\$ -	\$ -
f	Admitted Assets			-
g	Statutory Capital & Surplus			\$ -

NOTES TO FINANCIAL STATEMENTS

9. **Income Taxes (cont)**

B.. The company has no deferred tax liabilities not recognized as described in FAS 109 paragraph 31.

C. The significant components of income taxes incurred and the changes in deferred tax assets and liabilities are:

	(1)	(2)	(3)
	12/31/2011	12/31/2010	(Col 1-2) Change
1. Current Income Tax			
a. Federal	\$ -	\$ -	\$ -
b. Foreign	-	-	-
c. Subtotal	-	-	-
d. Federal Income Tax on Net Capital Gains	-	-	-
e. Utilization of Capital Loss Carryforwards	-	-	-
f. Other	-	-	-
g. Federal and Foreign Income Taxes Incurred	\$ -	\$ -	\$ -
	(1)	(2)	(3)
	12/31/2011	12/31/2010	(Col 1-2) Change
2. Deferred Tax Assets:			
a. Ordinary:			
(1) Discounting of Unpaid Losses	\$ 6,325,909	\$ 8,475,695	\$ (2,149,786)
(2) Unearned Premium Reserve	1,906,879	1,926,949	(20,070)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred Acquisition Costs	-	-	-
(6) Policyholder Dividends Accrual	-	-	-
(7) Fixed Assets	453,454	615,517	(162,063)
(8) Compensation & Benefits Accrual	476,183	270,184	205,999
(9) Pension Accrual	-	-	-
(10) Receivables - Nonadmitted	-	-	-
(11) Net Operating Loss Carryforward	216,299,099	143,944,095	72,355,004
(12) Tax Credit Carryforward	-	-	-
(13) Other	2,579,312	6,657,911	(4,078,599)
(99) Subtotal	228,040,836	161,890,351	66,150,485
b. Statutory Valuation Allowance Adjustment	227,494,559	161,026,749	66,467,810
c. Nonadmitted	-	-	-
d. Admitted Ordinary Deferred Tax Assets	546,277	863,602	(317,325)
e. Capital:			
(1) Investments	3,588,127	4,871,277	(1,283,150)
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other	-	-	-
(99) Subtotal	3,588,127	4,871,277	(1,283,150)
f. Statutory Valuation Allowance Adjustment	3,588,127	4,871,277	(1,283,150)
g. Nonadmitted	-	-	-
h. Admitted Capital Deferred Tax Assets (2.e99 - 2f - 2g)	-	-	-
i. Admitted Deferred Tax Assets (2.d + 2.h)	\$ 546,277	\$ 863,602	\$ (317,325)
3. Deferred Tax Liabilities:			
a. Ordinary:			
(1) Investments	\$ -	\$ -	\$ -
(2) Fixed Assets	367,789	683,143	(315,354)
(3) Deferred and Uncollected Premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	178,488	180,459	(1,971)
(99) Subtotal	546,277	863,602	(317,325)
b. Capital:			
(1) Investments	-	-	-
(2) Real estate	-	-	-
(3) Other	-	-	-
(99) Subtotal	-	-	-
c. Deferred Tax Liabilities (3a99 + 3b99)	546,277	863,602	(317,325)
4. Net Admitted Deferred Tax Assets/Liabilities (2i - 3c)	\$ -	\$ -	\$ -

## NOTES TO FINANCIAL STATEMENTS

**9. Income Taxes (cont)**

D. Among the more significant book to tax adjustments were the following

	<u>Tax effect</u>	Effective Tax Rate
Provision computed at statutory rate	\$ (65,442,863)	35.00%
Tax exempt income deduction	(1,212,354)	1.85%
NOL Carryforward	76,200,481	-116.44%
Change in accounting principle recorded in surplus	(7,257,275)	11.09%
Other	(2,287,989)	3.50%
Total statutory income taxes	<u>\$ -</u>	0.00%

E. (1) The Company has an operating loss carry forward of \$617,997,426 to offset future net income subject to income taxes expiring as follows:

<u>Tax Year</u>	<u>Amount</u>	<u>Expires in</u>
2008	\$ 195,336,440	2028
2009	83,748,117	2029
2010	121,197,208	2030
2011	217,715,661	2031
	<u>\$ 617,997,426</u>	

(2) The Company does not have any income taxes incurred in the current or preceding year that are available for recoupment

(3) The Company does not have any tax deposits under Section 6603.

F. (1) The Company's federal income tax return is consolidated with the following entities:

Triad Guaranty Inc. (parent company)  
Triad Guaranty Assurance Corporation (wholly owned subsidiary)

(2) Under a written agreement, the Company pays to or receives from the parent that percentage of the total tax liability or refund that the tax, if computed on a separate return, would bear to the total amount of the taxes if computed for each separately.

**10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

- a.) The Company is a subsidiary of Triad Guaranty Inc., an insurance holding company. The Company has one mortgage insurance subsidiary, Triad Guaranty Assurance Corporation, and owns 100 percent of the shares of the company. Collateral Holdings Ltd. (CHL), a mortgage banking and real estate lending firm, owns approximately 17% of Triad Guaranty Inc., the Company's parent. CHL and its subsidiaries are considered to be affiliated companies in terms of definitions of SSAP No. 25.
- b.) The Company issued a \$25,000,000 surplus debenture to its parent, Triad Guaranty Inc., on January 29, 1998 (see Note 13, paragraph 11).
- c.) The Company had no transactions with any affiliates other than for reinsurance and cost allocation transactions.
- d.) The Company cannot recognize any interest payable on the surplus note until the Department of Insurance in Illinois, the Company's domiciliary state, authorizes interest payments. The Company was issued a corrective order from the Illinois Department of Insurance that prohibits the payment of interest. There were no other material amounts due from or to related parties as of the balance sheet dates presented other than for reinsurance transactions in the normal course of business.
- e.) The Company has not made any guarantees or undertakings for the benefit of its parent, or any affiliates or subsidiaries that result in a material contingent exposure of the Company's or any related party's assets or liabilities.
- f.) There is a capital management agreement between the Company and its parent, Triad Guaranty Inc., to provide capital raising and strategic planning services in which the Company will reimburse its parent for specific costs incurred on behalf of the Company. Amounts reimbursed are subject to approval by the Illinois Department of Insurance under the first corrective order. Amounts incurred for reimbursement to the parent company under the capital management agreement totaled \$705,373 and \$1,494,081 in 2011 and 2010, respectively which included Directors fees, D&O insurance coverage, legal fees, and consulting fees among others.
- g.) All outstanding shares of the Company are owned by the parent company, Triad Guaranty Inc., an insurance holding company domiciled in the State of Delaware.
- h.) The Company does not own any shares of an upstream intermediate or ultimate parent, either directly or indirectly via a downstream subsidiary, controlled or affiliated entity (SCA).
- i.) The Company does not have any investments in an SCA that exceeds 10% of admitted assets.
- j.) The Company does not have any investments in an SCA that exceeds 10% of admitted assets.
- k.) The Company does not have any investments in a foreign insurance subsidiary.
- l.) The Company does not have any investment in a downstream noninsurance holding company.

**11. Debt**

- a.) The Company does not have any capital notes or other debt obligations other than the surplus note described in Note 13 (11) below.
- b.) The Company does not have any agreements with the Federal Home Loan Bank (FHLB).

NOTES TO FINANCIAL STATEMENTS

**12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

The Company has no defined benefit retirement plan or postretirement benefit plan. The Company does have a defined contribution 401(k) Plan. Under this plan, employees can elect to defer a portion of their wages with the Company matching a percentage of the employee deferral. Company matching in 2011 was 100% of the first 3% of employee deferrals to the 401(k) plan and 50% of the next 2% of employee deferrals. The total amount employees were allowed to defer in 2011 in the 401(k) plan was \$16,500, except for employees 50 or older who could defer an additional \$5,500. The Company's match in 2011 and 2010 was \$200,164 and \$262,841, respectively.

**13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

- (1) The Company has 1,000,000 shares of common stock authorized, with 350,000 shares issued and outstanding as of December 31, 2010. The shares have a par value of \$10 per share.
- (2) The Company has no preferred stock outstanding.
- (3) Section 27 of the Illinois Insurance code ("the Code") permits dividends to be paid only out of earned surplus. In addition, Section 131.20a requires prior approval of extraordinary dividends. An extraordinary dividend is defined as any dividend or distribution of cash or other property whose fair market value, together with that of other dividends or distributions made within a period of twelve consecutive months, exceeds the greater of (a) 10 percent of the Company's policyholders' surplus or (b) the Company's net income for the calendar year preceding the date of the dividend. Section 31.16 requires that the Company notify the Director of the Illinois Department of Insurance within 5 business days after any dividend is declared. In addition to these statutory limitations on dividends, Section 202.30(b)(10) of the Regulations provides that a mortgage guaranty insurer may not declare any dividends except from undivided profits remaining on hand over and above the amount of its policyholder reserve. The amount of the required policyholder reserve is determined pursuant to the procedures contained in Section 202.30(b)(7) of the Regulations.
- (4) Capital restriction requirements by the Illinois Department of Insurance currently prohibit the Company from making any dividend payments.
- (5) In August 2008, the Company entered into a corrective order with the Illinois Department of Insurance as part of the Company's run-off plan. The corrective order prohibits dividend payments to the Company's parent, Triad Guaranty Inc., as well as interest and principal payments on the Company's \$25 million surplus note without prior approval of the Illinois Department of Insurance. In addition, the corrective order prohibits the Company from making any payments or entering into any transaction that transfers assets to or liabilities from affiliated parties or from entering into certain transactions with unaffiliated parties without approval from the Illinois Department of Insurance.
- (6) Restrictions have been placed on the unassigned surplus funds by the Illinois Department of Insurance (see Note 13. (5) above).
- (7) The Company is not a mutual or similarly organized company.
- (8) The Company held no shares of stock for special purposes.
- (9) There were no changes in the balances of any special surplus funds from the prior period.
- (10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains and losses was \$3,334,938.
- (11) The Company has the following Surplus Note:

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Date Issued	Interest Rate	Par Value (Face Amount of Note)	Carrying Value of Note Outstanding	Interest Paid Current Year	Total Interest Paid	Unapproved Interest	Date of Maturity
	January 29, 1998	8.90%	\$25,000,000	\$25,000,000	\$0	\$22,138,765	8,900,000	January 10, 2028

The surplus note was issued to the parent company. Payment of interest on the surplus note may be made only with the prior approval of the Director of the Illinois Department of Insurance.

**13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations (Cont.)**

- (12) The Company has had no quasi-reorganizations.
- (13) The Company has had no quasi-reorganizations.

**14. Contingencies**

- a. The Company does not have any contingent commitments.
- b. The Company has not received any assessments.
- c. The Company did not have any gain contingencies.
- d. The Company has no claims related extra contractual obligations and bad faith losses stemming from lawsuits.
- e. The Company has no product warranties.
- f. Various lawsuits have been filed against the Company in the ordinary course of the Company's business. Contingent liabilities, if any, arising from such litigation are not considered material in relation to the financial position of the Company. The Company does not have any assets it considers to be other than temporarily impaired.

**15. Leases**

A. Lessee Operating Lease

- (1) The Company leases office facilities and office equipment under various operating lease agreements. Rental expense for all leases totaled approximately \$291,438 and \$410,829 in 2011 and 2010, respectively.

**NOTES TO FINANCIAL STATEMENTS**

**15. Leases (cont)**

(2) Future minimum payments under noncancelable operating leases at December 31, 2011 are as follows:

Year ending December 31:	
2012	1,269,420
2013	355,291
2014	333,135
Thereafter	<u>-</u>
	1,957,846

(3) The Company is not involved in any material sales-leaseback transactions.

**B. Lessor Lease**

(1) Operating leases:

(a) The Company subleases a portion of its office facilities.

(b) Future minimum payments receivable under noncancelable leasing arrangements as of December 31, 2011 are as follows:

Year ending December 31:	
2012	382,538
Thereafter	<u>-</u>
	382,538

(2) The Company has no leveraged leases.

**16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

The Company has no financial instruments with off-balance sheet risk or with concentrations of credit risk.

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

The Company did not have any transfers of receivables reported as sales, transfer and servicing of financial assets, or wash sales.

**18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

The Company has no insured accident and health plans.

**19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

The Company does not operate under Managing General Agents/Third Party Administrators.

**20. Fair Value Measurements**

A. The Company had the following assets measured at fair value:

(1) The fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2: Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

**Fair Value at Reporting Date Using**

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Assets</b>				
Bonds - Industrial & Misc.	\$ -	\$ 26,053	\$ 360,783	\$ 386,836
Common Stock - Subsidiary		8,370,920		\$ 8,370,920
<b>Total</b>	<u>\$ -</u>	<u>\$ 8,396,973</u>	<u>\$ 360,783</u>	<u>\$ 8,757,756</u>

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Beginning Balance at 1/1/2011	Transfer into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2011
<b>a. Assets:</b>										
Industrial & Misc.	172,528	-	-	(224,947)	360,783	52,419	-	-	-	360,783
Total Assets	172,528	-	-	(224,947)	360,783	52,419	-	-	-	360,783
<b>b. Liabilities:</b>										
----- Total Liabilities	-	-	-	-	-	-	-	-	-	-

## NOTES TO FINANCIAL STATEMENTS

### 20. Fair Value Measurements (cont.)

(3) Investments that are required to be carried at fair value are measured based on assumptions used by market participants in pricing the security. The most appropriate valuation methodology is selected based on the specific characteristics of the fixed maturity or equity security, and the Company consistently applies the valuation methodology to measure the security's fair value. Fair value measurement is based on a market approach, which utilizes prices and other relevant information generated by market transactions involving identical or comparable securities. Sources of inputs to the market approach include third-party pricing services, independent broker quotations or pricing matrices. Observable and unobservable inputs are used in the Company's valuation methodologies. Observable inputs include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data. In addition, market indicators, industry and economic events are monitored and further market data is acquired if certain triggers are met. For certain security types, additional inputs may be used, or some of the inputs described above may not be applicable. For broker-quoted only securities, quotes from market makers or broker-dealers are obtained from sources recognized to be market participants. In order to validate the pricing information and broker-dealer quotes, the Company relies on, where possible, procedures that include comparisons with similar observable positions, comparisons with subsequent sales, discussions with senior business leaders and brokers and observations of general market movements for those security classes. For those securities trading in less liquid or illiquid markets with limited or no pricing information, unobservable inputs are used in order to measure the fair value of these securities. In cases where this information is not available, such as for privately placed securities, fair value is estimated using an internal pricing matrix. This matrix relies on judgment concerning the discount rate used in calculating expected future cash flows, credit quality, industry sector performance and expected maturity.

(4) Prices received from third parties are not adjusted; however, the third parties' valuation methodologies and related inputs are analyzed and additional evaluations are performed to determine the appropriate level within the fair value hierarchy.

The observable and unobservable inputs to the Company's valuation methodologies are based on a set of standard inputs that are generally used to evaluate all of our available-for-sale securities. The standard inputs used are benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data. Depending on the type of security or the daily market activity, standard inputs may be prioritized differently or may not be available for all available-for-sale securities on any given day.

### 21. Other Items

- A. The Company does not have any Extraordinary Items.
- B. The Company does not have any Troubled Debt Restructuring: Debtors.
- C. The Company does not have any Other Disclosures.
- D. The Company has no Uncollectible Assets.
- E. The Company has no Business Interruption Insurance Recoveries.
- F. The Company has no State Transferable Tax Credits.
- G. Subprime Mortgage Related Risk Exposure.

#### Subprime Mortgage Exposures

This disclosure is provided pursuant to Note 20 to SSAP No. 1-Disclosure of Accounting Policies, Risks and Uncertainties, and Other Disclosures ("SSAP No. 1") adopted on December 2, 2007. This disclosure relates specifically to "subprime mortgage" related risk exposure and related risk management practices of Triad Guaranty Insurance Corporation (the "Company"), which is a direct writer of private mortgage guaranty insurance coverage on residential mortgage loans in the United States.

For purposes of this disclosure, the Company defines the credit quality of its portfolio primarily based upon FICO or credit scores. The Company has four different classifications of credit quality of the loans that we insure: 1) subprime, 2) A-minus, 3) Alt-A, and 4) prime. Subprime is defined as FICO scores less than 575. A-minus is defined as FICO scores greater than or equal to 575 and less than or equal to 619. Alt-A is defined as loans with FICO scores equal to or greater than 620 written with reduced or no documentation. Prime loans are all loans that are not subprime, A-minus or Alt-A. At December 31, 2011, the Company had the following insurance in force amounts and percentages based on the credit classifications described above.

Credit Quality Classification	Insurance In Force	Percentage
Prime	\$21,156,132,424	70.2%
Alt-A	7,983,480,446	26.5%
A-Minus	866,824,848	2.9%
Subprime	125,101,985	0.4%
Total	\$30,131,539,703	100.0%

In addition to the different classifications of the insurance portfolio based upon credit quality noted above, the Company has identified other characteristics that include increased risk. Examples of these increased risk characteristics would include loans that have the potential for negative amortization (eg. pay option arms), loans with a LTV ratio greater than 95%, and loans made on second homes and condominiums.

#### 2. Direct Exposure – Mortgage Loans

The Company has no direct exposure to mortgage loans except as described in 1. above as a private mortgage guaranty insurance provider.

#### 3. Direct Exposure – Other Investment Classes (Securities Investments)

	Actual Cost	Book/Adjusted Carrying Value	Fair Value	OTTI Losses Recognized
Residential mortgage-backed securities	28,163,992	28,036,370	29,316,098	127,622
Commercial mortgage-backed securities	31,202,485	31,184,969	31,558,236	17,516
Other assets (Government sponsored entities)	10,797,016	10,794,144	11,255,164	2,872
Total	70,163,493	70,015,483	72,129,498	148,010

The Company has a significant investment in an affiliated insurer. The investment, Triad Guaranty Assurance Corporation, is a domestic mortgage guaranty reinsurer that does not participate in mortgage lending and whose subprime exposure should not have a significant effect on the investment.

#### 4. Underwriting Risk on Mortgage Guaranty Insurance Policies Issued by the Company

The Company's private mortgage guaranty insurance business faces significant direct and indirect exposure to subprime mortgage risk. If the homeowner defaults, private mortgage insurance reduces and, in some instances, eliminates the loss to the insured lending institution. The Company has direct exposure in providing mortgage insurance coverage on subprime mortgage loans, and it has indirect exposure to the extent its insurance on other mortgage loans is affected by conditions in the housing and mortgage markets that result from the performance of subprime mortgages, whether or not insured under mortgage insurance coverage.

## NOTES TO FINANCIAL STATEMENTS

21. Other Items (Cont.)

The Company is operating in run-off and is no longer issuing mortgage insurance policies.

- (a) The Company believes that mortgage credit risk was materially affected by the following underwriting factors:
1. the borrower's credit strength, including the borrower's credit history, debt-to-income ratios, and cash reserves; and
  2. the loan product, which includes the ratio of the original principal balance of the loan to the value of the property at origination (the "LTV"), the type of loan instrument (including whether the instrument provides for fixed or variable payments and the amortization schedule), the type of property, the purpose of the loan, and the borrower's documentation for the loan.

Excluding other factors, claim incidence increases for loans with lower FICO credit scores compared to loans with higher FICO credit scores; for reduced documentation loans compared to loans with full underwriting documentation; for loans with higher LTV ratios compared to loans with lower LTV ratios; for adjustable rate mortgage loans during a prolonged period of rising interest rates compared to fixed rate loans in such a rate environment; for loans that permit the deferral of principal amortization compared to loans that require principal amortization with each monthly payment; for loans in which the original loan amount exceeds the conforming loan limit compared to loans below such limit; and for cash out refinance loans compared to rate and term refinance loans.

There are also other types of loan characteristics relating to the individual loan or borrower which affect the risk potential for a loan, including the origination practices of the lender and the condition of the housing market in the area in which the property is located. The presence of a number of higher-risk characteristics in a loan materially increases the likelihood of a claim on such a loan unless there are other characteristics to lower the risk.

- (b) The Company's premium rates vary, not only on the basis of the level of coverage provided, but also on the perceived risk of a claim on the insured loan and, thus, take into account the LTV, the loan type (fixed payment versus non-fixed payment) and mortgage term, the location of the borrower's credit score within a range of credit scores, and whether the loan is a reduced documentation loan.

The Company charges higher premium rates to reflect the increased risk of claim incidence that it perceives is associated with certain types of loans, although not all higher risk characteristics are reflected in the premium rate. There can be no assurance that the Company's premium rates adequately reflect the increased risk, particularly in a period of economic recession or decline in housing values.

To recognize the liability for unpaid losses related to outstanding reported defaults (known as the "default inventory"), the Company, similar to other private mortgage guaranty insurers, establishes loss reserves, representing the estimated percentage of defaults which will ultimately result in a claim (known as the "claim rate") and the estimated severity of the claims which will arise from the defaults included in the default inventory (known as the "severity rate"). In accordance with industry accounting practices, the Company does not establish loss reserves for future claims on insured loans which are not currently in default.

The Company also establishes reserves to provide for the estimated costs of settling claims, including legal and other fees, and general expenses of administering the claims settlement process ("loss adjustment expenses"), and for losses and loss adjustment expenses from defaults which have occurred, but which have not yet been reported to the Company ("IBNR").

The Company's reserving process is based upon the assumption that past experience provides a reasonable basis for estimating future events. However, estimation of loss reserves is inherently judgmental. Conditions that have affected the development of the loss reserves in the past may not necessarily affect development patterns in the future, in either a similar manner or degree.

SSAP No. 1 requires disclosures illustrating exposure related to the subprime mortgage sector and specifically requires disclosure of the related losses paid, losses incurred, case reserves, and IBNR reserves for subprime loans for the current year. The Company's reserving process is not designed to segregate prime loan reserves from subprime loan reserves, as defined in this disclosure. However, the Company does capture losses paid for subprime loans.

To provide reserve and incurred information required by SSAP No. 1, the Company has calculated subprime related case and IBNR reserves for its primary insurance, using the proportionate number of subprime default inventory compared to the total number of default inventory and multiplied that factor by the Company's total case and IBNR reserves, to arrive at subprime case and IBNR reserves as shown in the tables below. The information shown below is on a gross direct basis and does reflect amounts ceded to reinsurers, or the reduction to reserves under the April 1, 2009 corrective order (see Note 1).

The total gross reserves based upon the credit classifications of TGIC as of December 31, 2011 were as follows:

		<u>As a % of total</u>
Prime	\$ 524,290,005	60.6%
Alt-A	298,158,645	34.5%
A-Minus	35,562,044	4.1%
Subprime (A)	<u>6,769,687</u>	<u>0.8%</u>
Total	\$864,780,381	100%

Losses and reserves related as of December 31, 2011 were as follows:

	<u>Total</u>	<u>Subprime</u>	<u>Subprime as a % of total</u>
Losses paid	\$ 486,950,552	\$2,668,084	0.6%
Incurred losses	154,697,322	2,926,307	1.9%
Case reserves	864,780,381	6,769,687	0.8%
IBNR reserves	38,430,890	0	0.0%

(A) For purposes of this disclosure, a "subprime mortgage is defined as a mortgage loan with a FICO credit score below 575. IBNR reserves include unallocated LAE based on direct case reserves.

22. Events Subsequent

The Company is unaware of any subsequent event that would have a material effect on its financial condition. The lawsuits referenced in Contingencies (Note 14e) above are ongoing and subject to continuing review of materiality.

NOTES TO FINANCIAL STATEMENTS

23. **Reinsurance**

- a. The Company has unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with the following individual reinsurers, authorized and unauthorized, that exceeds 3% of the Company's policyholder surplus.

Fed ID Number	NAIC Group Code	Name	Aggregate Amount
56-1905825	10217	Triad Guaranty Assurance Corp.	8,141,233

- b. The Company does not have any reinsurance recoverable in dispute.

- c. Reinsurance assumed and ceded

- (1) Maximum amount of return commissions due reinsurers as of December 31, 2011:

	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
a) Affiliates	-	-	\$ 33,704	\$10,111	\$ (33,704)	\$ (10,111)
b) All others	\$197	\$25	35,830	4,857	(35,633)	(4,832)
c) Total	\$197	\$25	69,534	14,968	(69,337)	(14,943)

- d) Direct unearned premium reserve: \$6,871,122

- (2) The Company has no additional or return commissions predicated on loss experience or other types of profit sharing arrangements.

- (3) The Company has no protected cells.

- d. The Company has written off in the current year reinsurance balances due from the companies listed below of \$1,097,319, which is reflected as:

(1) Losses incurred	\$ -	
(2) Loss adjustment expenses incurred	\$ -	
(3) Premiums earned	\$ -	
(4) Other	\$ -	
(5) Company		Amount
BB&T Mortgage Reinsurance Co.	\$ 1,088,005	
Cross Country Insurance Co.	\$ 9,314	

- e. The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

(1) Losses incurred	\$ -	
(2) Loss adjustment expenses incurred	\$ -	
(3) Premiums earned	\$ -	
(4) Other	\$ -	
(5) Company		Amount
Bank of America Reinsurance Corp.	\$ 63,319,018	
DRH FS Mortgage Re. LTD	\$ 12	
UGMP Reinsurance LTD	\$ 41,822	

- f. The Company does not have any retroactive reinsurance agreements.

- g. The Company does not have any reinsurance agreements accounted for as deposits.

- h. The Company does not have any property and casualty run-off agreements.

24. **Retrospectively Rated Contracts and Contracts Subject to Redetermination**

The Company does not have any retrospective rated contracts or contracts subject to redetermination.

25. **Change in Incurred Losses and Loss Adjustment Expenses**

Loss and LAE Reserves as of December 31, 2010 were \$581,604,605, but were restated effective January 1, 2011 to \$602,339,674 due to the change in reserving basis (see Note 2). As of December 31, 2011 \$426,606,396 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$341,353,141 as a result of re-estimation of unpaid losses and loss adjustment expenses adjusted for paid claims during 2010 relating to 2009 and prior. Therefore, there has been a \$165,619,862 unfavorable prior-year development since December 31, 2010 to December 31, 2011. As required by the April 1, 2009 corrective order, the Company reserves for only the expected cash payment of the settled claim or 60% of the gross reserve. This prescribed accounting treatment results in a "built-in" deficiency of 40% of all settled claims and is the factor primarily responsible for the Schedule P deficiency. Reserves are established using estimated claims rates (frequency) and claim amounts (severity) to estimate ultimate losses. Management periodically reviews the loss reserve process and refines its methodology as appropriate. The reserving process gives effect to current economic conditions and profiles delinquencies by such factors as policy year, originations within bulk and flow channels, and the number of months a policy has been in default. The Company does not adjust premiums based on claim activity.

26. **Intercompany Pooling Arrangements**

The Company has no intercompany pooling arrangements.

27. **Structured Settlements**

The Company has no structured settlements.

28. **Health Care Receivables**

The Company has no health care receivables.

29. **Participating Policies**

The Company has no participating policies.

## NOTES TO FINANCIAL STATEMENTS

**30. Premium Deficiency Reserves**

The Company has no premium deficiency reserves.

**31. High Deductibles**

The Company had no reserve credit recorded for high deductibles on unpaid claims.

**32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

The Company does not discount unpaid losses or unpaid loss adjustment expenses.

**33. Asbestos/Environmental Reserves**

The Company has no known potential exposure to asbestos and/or environmental claims.

**34. Subscriber Savings Accounts**

The Company has no subscriber savings accounts.

**35. Multiple Peril Crop Insurance**

The Company has no multiple peril crop insurance exposure.

**36. Financial Guaranty Insurance**

The Company has no financial guaranty insurance exposure.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes  No
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes  No  N/A
- 1.3 State Regulating? Illinois.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes  No
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/2007
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....12/31/2007
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....06/03/2009
- 3.4 By what department or departments? Illinois Department of Insurance.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes  No  N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes  No  N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes  No
- 4.12 renewals? Yes  No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes  No
- 4.22 renewals? Yes  No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes  No
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes  No
- 6.2 If yes, give full information The Company's insurance license has been suspended by Alaska, Arkansas, Florida (also expired), Oklahoma, Tennessee, and West Virginia while the Company is in runoff. ....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes  No
- 7.2 If yes,
- 7.21 State the percentage of foreign control .....
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

## GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]  
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [ X ]  
 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 Ernst & Young, LLP 202 Centreport Drive, Suite 200, Greensboro, NC 27409.....
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [ X ]  
 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [ X ]  
 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [ X ] No [ ] N/A [ ]  
 10.6 If the response to 10.5 is no or n/a, please explain
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
 Jonathan M. Guy, FCAS MAAA, Triad Guaranty Insurance Corporation, 101 S. Stratford Rd., Winston Salem, NC 27104, VP Lead Actuary..
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [ X ]  
     12.11 Name of real estate holding company .....  
     12.12 Number of parcels involved .....  
     12.13 Total book/adjusted carrying value \$.....
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:  
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]  
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]  
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ X ] No [ ]  
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 c. Compliance with applicable governmental laws, rules and regulations;  
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]  
 14.21 If the response to 14.2 is yes, provide information related to amendment(s)
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [ X ]  
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

## GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

### BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [ X ] No [ ]

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
  - 20.12 To stockholders not officers \$.....
  - 20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....
  - 20.22 To stockholders not officers \$.....
  - 20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
  - 21.22 Borrowed from others \$.....
  - 21.23 Leased from others \$.....
  - 21.24 Other \$.....
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [ X ]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....
  - 22.22 Amount paid as expenses \$.....
  - 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....

### INVESTMENT

- 24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes [ X ] No [ ]
- 24.2 If no, give full and complete information, relating thereto
- 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] NA [ X ]
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. \$.....
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs. \$.....
- 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] NA [ X ]
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] NA [ X ]
- 24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] NA [ X ]

**GENERAL INTERROGATORIES**

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3). Yes [ ] No [ X ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	\$.....
25.22	Subject to reverse repurchase agreements	\$.....
25.23	Subject to dollar repurchase agreements	\$.....
25.24	Subject to reverse dollar repurchase agreements	\$.....
25.25	Pledged as collateral	\$.....
25.26	Placed under option agreements	\$.....
25.27	Letter stock or securities restricted as to sale	\$.....
25.28	On deposit with state or other regulatory body	\$.....
25.29	Other	\$.....

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement. Yes [ ] No [ ] N/A [ X ]

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [ X ]

27.2 If yes, state the amount thereof at December 31 of the current year. \$.....

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [ X ] No [ ]

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian’s Address
Bank of America.....	540 W. Madison St., Chicago, IL 60661.....

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....
.....	.....	.....
.....	.....	.....

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [ X ]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
DTC ABA: 107423.....	Conning Inc.....	One Financial Plaza, Hartford, CT 06103.....

**GENERAL INTERROGATORIES**

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [ X ]
- 29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	.....	.....
.....	.....	.....
.....	.....	.....
29.2999 TOTAL		

- 29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	740,264,013	763,982,066	23,718,053
30.2 Preferred Stocks.....			
30.3 Totals	740,264,013	763,982,066	23,718,053

- 30.4 Describe the sources or methods utilized in determining the fair values:  
Fair values were obtained from a widely accepted securities pricing provider.....
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ X ] No [ ]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [ X ]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
Prices are obtained from the dealers/market makers for these securities. These prices are non-binding but represent the best estimate of fair value per market conditions.....
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [ X ] No [ ]
- 32.2 If no, list exceptions:

**GENERAL INTERROGATORIES**

**OTHER**

- 33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any? \$ .....2,143
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
American Academy of Actuaries.....	\$.....605

- 34.1 Amount of payments for legal expenses, if any? \$ .....801,879
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Womble Carlyle Sandridge & Rice.....	\$.....423,286

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ .....
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ X ]  
 1.2 If yes, indicate premium earned on U. S. business only ..... \$ .....  
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ .....

1.3.1 Reason for excluding

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. .... \$ .....  
 1.5 Indicate total incurred claims on all Medicare Supplement insurance. .... \$ .....

1.6 Individual policies:

Most current three years:

- 1.6.1 Total premium earned ..... \$ .....  
 1.6.2 Total incurred claims ..... \$ .....  
 1.6.3 Number of covered lives .....

All years prior to most current three years:

- 1.6.4 Total premium earned ..... \$ .....  
 1.6.5 Total incurred claims ..... \$ .....  
 1.6.6 Number of covered lives .....

1.7 Group policies:

Most current three years:

- 1.7.1 Total premium earned ..... \$ .....  
 1.7.2 Total incurred claims ..... \$ .....  
 1.7.3 Number of covered lives .....

All years prior to most current three years:

- 1.7.4 Total premium earned ..... \$ .....  
 1.7.5 Total incurred claims ..... \$ .....  
 1.7.6 Number of covered lives .....

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$ .....	\$ .....	\$ .....
2.2	Premium Denominator	\$ .....158,861,597	\$ .....	\$ .....200,336,881
2.3	Premium Ratio (2.1/2.2)	.....	.....	.....
2.4	Reserve Numerator	\$ .....	\$ .....	\$ .....
2.5	Reserve Denominator	\$ .....495,288,931	\$ .....	\$ .....590,583,747
2.6	Reserve Ratio (2.4/2.5)	.....	.....	.....

- 3.1 Does the reporting entity issue both participating and non-participating policies? ..... Yes [ ] No [ X ]  
 3.2 If yes, state the amount of calendar year premiums written on:

- 3.2.1 Participating policies ..... \$ .....  
 3.2.2 Non-participating policies ..... \$ .....

4. For Mutual reporting entities and Reciprocal Exchanges only:

- 4.1 Does the reporting entity issue assessable policies?..... Yes [ ] No [ ]  
 4.2 Does the reporting entity issue non-assessable policies?..... Yes [ ] No [ ]  
 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?..... %  
 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. .... \$ .....

5. For Reciprocal Exchanges Only:

- 5.1 Does the exchange appoint local agents?..... Yes [ ] No [ ]  
 5.2 If yes, is the commission paid:  
 5.2.1 Out of Attorney's-in-fact compensation..... Yes [ ] No [ ] N/A [ ]  
 5.2.2 As a direct expense of the exchange..... Yes [ ] No [ ] N/A [ ]

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?  
 .....

- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?..... Yes [ ] No [ ]  
 5.5 If yes, give full information  
 .....

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss.....  
 The Company does not issue worker's compensation contracts.....
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: .....  
 Management estimates loss reserves based on factors including policy year, origination channels, default length, and economic conditions. Frequency and severity assumptions are reviewed regularly. Loss exposures are on individual mortgage loans and are limited by the coverage percent.....
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....  
 We have a limited amount of captive reinsurance and no catastrophic coverage currently in force.....
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?..... Yes [ ] No [ X ]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss  
 We have a limited amount of captive reinsurance and no catastrophic coverage currently in force.....
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?..... Yes [ ] No [ X ]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.....
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?..... Yes [ ] No [ ]
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?..... Yes [ X ] No [ ]
- 8.2 If yes, give full information  
 We commuted several captive reinsurance agreements in 2011 by disbursing the funds in the trust and terminating their agreements.....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
 (c) Aggregate stop loss reinsurance coverage;  
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity..... Yes [ ] No [ X ]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No [ X ]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [ X ]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
 (a) The entity does not utilize reinsurance; or, Yes [ ] No [ X ]  
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [ X ]  
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [ X ]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force:..... Yes [ ] No [ X ]  
 11.2 If yes, give full information .....
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:  
 12.11 Unpaid losses..... \$ .....  
 12.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$ .....
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?..... \$ .....
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? ..... Yes [ ] No [ ] N/A [X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:  
 12.41 From..... %  
 12.42 To..... %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? ..... Yes [ ] No [ X ]
- 12.6 If yes, state the amount thereof at December 31 of current year:  
 12.61 Letters of Credit..... \$ .....  
 12.62 Collateral and other funds..... \$ .....
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): ..... \$ .....458,325
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? ..... Yes [ ] No [ X ]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. ....1
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract?..... Yes [ ] No [ X ]  
 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants: .....
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?..... Yes [ ] No [ ]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?..... Yes [ ] No [ ]
- 14.5 If the answer to 14.4 is no, please explain: .....
- 15.1 Has the reporting entity guaranteed any financed premium accounts?..... Yes [ ] No [ X ]  
 15.2 If yes, give full information .....
- 16.1 Does the reporting entity write any warranty business? ..... Yes [ ] No [ X ]  
 If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
16.12 Products .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
16.13 Automobile .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
16.14 Other* .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....

\* Disclose type of coverage:

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. .... Yes [ ] No [ X ]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

- 17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5..... \$.....
- 17.12 Unfunded portion of Interrogatory 17.11..... \$.....
- 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 \$.....
- 17.14 Case reserves portion of Interrogatory 17.11..... \$.....
- 17.15 Incurred but not reported portion of Interrogatory 17.11..... \$.....
- 17.16 Unearned premium portion of Interrogatory 17.11..... \$.....
- 17.17 Contingent commission portion of Interrogatory 17.11..... \$.....

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

- 17.18 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5..... \$.....
- 17.19 Unfunded portion of Interrogatory 17.18..... \$.....
- 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 \$.....
- 17.21 Case reserves portion of Interrogatory 17.18..... \$.....
- 17.22 Incurred but not reported portion of Interrogatory 17.18..... \$.....
- 17.23 Unearned premium portion of Interrogatory 17.18..... \$.....
- 17.24 Contingent commission portion of Interrogatory 17.18..... \$.....

- 18.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]
- 18.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... \$.....
- 18.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]
- 18.4 If yes, please provide the balance of the funds administered as of the reporting date. .... \$.....

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**FIVE-YEAR HISTORICAL DATA**

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Gross Premiums Written</b> (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	165,251,331	216,016,245	217,011,874	316,308,951	339,006,487
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	225	480	489	692	631
6. Total (Line 35)	165,251,556	216,016,725	217,012,363	316,309,643	339,007,118
<b>Net Premiums Written</b> (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	156,684,003	197,519,899	185,717,454	236,571,394	277,877,408
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	225	480	489	692	631
12. Total (Line 35)	156,684,228	197,520,379	185,717,943	236,572,086	277,878,039
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(212,737,770)	(185,277,553)	(619,953,312)	(592,503,814)	(147,368,367)
14. Net investment gain (loss) (Line 11)	25,691,409	38,273,644	27,088,652	24,041,551	28,054,709
15. Total other income (Line 15)	66,753	22,786	12,955,515		
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)			(2,793,643)	(2,357,178)	
18. Net income (Line 20)	(186,979,608)	(146,981,122)	(577,115,502)	(566,105,085)	(119,313,658)
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	839,887,395	911,466,484	826,982,369	1,047,039,591	962,256,098
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	10,788,415	12,609,842	16,816,752	20,056,087	22,954,253
20.2 Deferred and not yet due (Line 15.2)	29,849,630	14,772,375			
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	605,768,899	685,536,758	704,168,243	959,012,162	764,543,043
22. Losses (Page 3, Line 1)	478,850,170	565,786,910	587,917,301	856,913,387	342,147,133
23. Loss adjustment expenses (Page 3, Line 3)	9,636,988	15,817,694	21,816,808	12,797,066	4,716,475
24. Unearned premiums (Page 3, Line 9)	6,801,773	8,979,142	11,795,644	15,283,488	17,136,168
25. Capital paid up (Page 3, Lines 30 & 31)	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	234,118,496	225,929,726	122,814,126	88,027,429	197,713,054
<b>Cash Flow</b> (Page 5)					
27. Net cash from operations (Line 11)	(92,513,420)	33,194,866	(144,574,483)	23,906,383	142,534,094
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital					
29. Authorized control level risk-based capital					
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	90.3	90.2	93.5	90.8	83.5
31. Stocks (Lines 2.1 & 2.2)	1.1	1.2	0.9	1.4	1.8
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)				0.1	1.2
34. Cash, cash equivalents and short-term investments (Line 5)	8.6	8.6	5.6	7.8	13.5
35. Contract loans (Line 6)					
36. Derivatives (Line 7)			XXX	XXX	XXX
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)	0.0	0.0		0.0	
39. Securities lending reinvested collateral assets (Line 10)			XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	8,370,920	10,178,989	6,793,210	12,211,426	14,529,490
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47	8,370,920	10,178,989	6,793,210	12,211,426	14,529,490
49. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	3.6	4.5	5.5	13.9	7.3

Footnote to lines 28 and 29, Total adjusted capital and Authorized control level of risk-based capital: Illinois statutes exempt mortgage guaranty insurers from risk-based capital filing requirements.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Capital and Surplus Accounts (Page 4)</b>					
50. Net unrealized capital gains (losses) (Line 24) .....	(1,808,068)	3,385,779	(3,492,658)	(2,393,972)	363,000
51. Dividends to stockholders (Line 35) .....					(30,000,000)
52. Change in surplus as regards policyholders for the year (Line 38) .....	8,188,770	103,115,601	34,786,697	(109,685,626)	29,274,167
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....					
54. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....					
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....					
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	486,950,552	591,853,961	575,450,153	237,577,270	100,612,986
57. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
58. Total (Line 35) .....	486,950,552	591,853,961	575,450,153	237,577,270	100,612,986
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....					
60. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....					
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....					
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	461,080,109	367,608,938	603,459,544	139,206,034	99,596,754
63. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
64. Total (Line 35) .....	461,080,109	367,608,938	603,459,544	139,206,034	99,596,754
<b>Operating Percentages (Page 4)</b> (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2) .....	222.5	172.4	398.0	319.2	131.3
67. Loss expenses incurred (Line 3) .....	0.5	5.2	12.9	6.7	2.8
68. Other underwriting expenses incurred (Line 4) .....	10.9	14.9	16.8	22.6	19.7
69. Net underwriting gain (loss) (Line 8) .....	(133.9)	(92.5)	(327.7)	(248.5)	(53.9)
<b>Other Percentages</b>					
70. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0) .....	11.0	15.1	10.1	22.8	19.4
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	223.0	177.6	410.9	325.9	134.1
72. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0) .....	66.9	87.4	151.2	268.7	140.5
<b>One Year Loss Development (000 omitted)</b>					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11) .....	162,932	31,479	(132,110)	(81,730)	39,019
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100.0) .....	72.1	25.6	(150.1)	(41.3)	23.2
<b>Two Year Loss Development (000 omitted)</b>					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....	144,389	(45,231)	(173,419)	33,418	26,819
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0) .....	117.6	(51.4)	(87.7)	19.8	20.4

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain

Footnote to lines 28 and 29, Total adjusted capital and Authorized control level of risk-based capital: Illinois statues exempt mortgage guaranty insurers from risk-based capital filing requirements.



**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0421

BUSINESS IN THE STATE OF Consolidated

DURING THE YEAR 2011

NAIC Company Code 24350

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty	165,251,331	167,437,383		6,871,122	486,950,552	367,428,221	506,724,557				64,936	3,162,725
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A & H (group and individual)												
15.1 Collectively renewable A & H (b)												
15.2 Non-cancelable A & H (b)												
15.3 Guaranteed renewable A & H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A & H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17.1 Other liability-Occurrence												
17.2 Other Liability-Claims-Made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)	165,251,331	167,437,383		6,871,122	486,950,552	367,428,221	506,724,557				64,936	3,162,725
<b>DETAILS OF WRITE-INS</b>												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page												
3499. Totals (Lines 3401 through 3403 Plus 3498) (Line 34 above)												

(a) Finance and service charges not included in Lines 1 to 35 \$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....

19.GT



**SCHEDULE F - PART 2**

Premium Portfolio Reinsurance Effectuated or (Canceled) during Current Year

1 Federal ID Number	2 NAIC Company Code	3 Name of Company	4 Date of Contract	5 Original Premium	6 Reinsurance Premium
0199999 Total Reinsurance Ceded by Portfolio					
0299999 Total Reinsurance Assumed by Portfolio					
<p><b>NONE</b></p>					

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE F - PART 3**

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Cols. 15 - [16 + 17]	19 Funds Held By Company Under Reinsurance Treaties
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Cols. 7 through 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			
Authorized - Affiliates - U.S. Intercompany Pooling																			
Authorized - Affiliates - U.S. Non-Pool																			
56-1905825	10217	Triad Guaranty Assurance Corporation	IL		2,475	348		7,434		326		34		8,141	118		8,024		
0299999 - Total Authorized - Affiliates - U.S. Non-Pool					2,475	348		7,434		326		34		8,141	118		8,024		
Authorized - Affiliates - Other (Non-U.S.)																			
0499999 - Total Authorized - Affiliates - Total Authorized - Affiliates					2,475	348		7,434		326		34		8,141	118		8,024		
Authorized - Other U.S. Unaffiliated Insurers																			
Authorized - Pools - Mandatory Pools																			
Authorized - Pools - Voluntary Pools																			
Authorized - Other Non-U.S. Insurers																			
0999999 - Total Authorized - Total Authorized					2,475	348		7,434		326		34		8,141	118		8,024		
Unauthorized - Affiliates - U.S. Intercompany Pooling																			
Unauthorized - Affiliates - U.S. Non-Pool																			
Unauthorized - Affiliates - Other (Non-U.S.)																			
Unauthorized - Other U.S. Unaffiliated Insurers																			
36-4255472	11466	AAMBG REINSURANCE CORP	VT		741	45		3,167		205		3		3,420	55		3,365		
59-3537743	11476	BB&T MORTGAGE REINSURANCE CO	VT		865	1,079		4,496		253		2		5,830	201		5,629		
23-2878531	11340	CAP RE OF VERMONT	VT		440	269		1,805		24		2		2,100	100		2,000		
75-1870029	43192	COLONIAL MORTGAGE INSURANCE COMPANY	TX		349	372		435		8				816	78		737		
03-0351351	11301	CROSS COUNTRY INSURANCE COMPANY	VT		2,322	2,040		5,316		253		24		7,632	474		7,158		
20-3581081	12470	PNC Re, Inc	VT		143	68		1,765		63				1,897	34		1,863		
58-2343351	11349	RBC RISK ASSUMPTION, INC	VT		346			825		111				937	77		860		
27-0009777	12085	TWIN RIVERS INSURANCE CO	VT		329	141		483		39				665	77		588		
1499998 - Total Unauthorized - Other U.S. Unaffiliated Insurers (Under \$100,000)					138	27		76		16				119	9		109		
1499999 - Total Unauthorized - Other U.S. Unaffiliated Insurers					5,673	4,041		18,369		971		34		23,415	1,107		22,309		
Unauthorized - Pools - Mandatory Pools																			
Unauthorized - Pools - Voluntary Pools																			
Unauthorized - Other non-U.S. Insurers																			
AA-0050269	00000	EXPANDED MORTGAGE REINSURANCE CO LTD	TC		194			112		16				129	45		84		
1799998 - Unauthorized - Other Non-U.S. Insurers (under \$100,000)					225			563		95				658	36		622		
1799999 - Total Unauthorized - Other Non-U.S. Insurers					420			674		111				786	80		706		
1899999 - Total Unauthorized - Total Unauthorized					6,093	4,041		19,043		1,082		36		24,202	1,187		23,015		
1999999 - Total Authorized and Unauthorized					8,567	4,389		26,477		1,407		70		32,343	1,305		31,038		
<b>9999999 Totals</b>					<b>8,567</b>	<b>4,389</b>		<b>26,477</b>		<b>1,407</b>		<b>70</b>		<b>32,343</b>	<b>1,305</b>		<b>31,038</b>		

NOTE: A. Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000:

1 Name of Reinsurer	2 Commission Rate	3 Ceded Premium
1. TRIAD GUARANTY ASSURANCE CORPORATION	30.000	2,474,505
2. CROSS COUNTRY INSURANCE COMPANY	25.000	2,322,150
3. ....		
4. ....		
5. ....		

B. Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on-the total recoverables, Line 9999999, Column 15, the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

1 Name of Reinsurer	2 Total Recoverables	3 Ceded Premiums	4 Affiliated
1. TRIAD GUARANTY ASSURANCE CORPORATION	8,141,234	2,474,505	Yes [ X ] No [ ]
2. CROSS COUNTRY INSURANCE COMPANY	7,632,489	2,039,656	Yes [ ] No [ X ]
3. BB&T MORTGAGE REINSURANCE COMPANY	5,830,263	1,079,135	Yes [ ] No [ X ]
4. AAMBG REINSURANCE CORPORATION	3,419,666	44,991	Yes [ ] No [ X ]
5. CAP RE OF VERMONT	2,100,340	269,258	Yes [ ] No [ X ]

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE F - PART 4**

**Aging of Ceded Reinsurance as of December 31, Current Year (000 OMITTED)**

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses							12 Percentage Overdue Col. 10/Col. 11	13 Percentage More Than 120 Days Overdue Col. 9 / Col. 11
				5 Current	Overdue					11 Total Due Cols. 5 + 10		
					6 1 to 29 Days	7 30 - 90 Days	8 91 - 120 Days	9 Over 120 Days	10 Total Overdue Cols. 6 + 7 + 8 + 9			
Authorized - Affiliates - U.S. Intercompany Pooling												
Authorized - Affiliates - U.S. Non-Pool												
56-1905825	10217	TRIAD GUARANTY ASSURANCE CORPORATION	IL	348						348		
0299999 - Total Authorized - Affiliates - U.S. Non-Pool				348						348		
Authorized - Affiliates - Other (Non-U.S.)												
0499999 - Total Authorized - Total Authorized - Affiliates				348						348		
Authorized - Other U.S. Unaffiliated Insurers												
Authorized - Pools - Mandatory Pools												
Authorized - Pools - Voluntary Pools												
Authorized - Other Non-U.S. Insurers												
0999999 - Total Authorized - Total Authorized				348						348		
Unauthorized - Affiliates - U.S. Intercompany Pooling												
Unauthorized - Affiliates - U.S. Non-Pool												
Unauthorized - Affiliates - Other (Non-U.S.)												
Unauthorized - Other U.S. Unaffiliated Insurers												
36-4255472	11466	AAMBG REINSURANCE CORPORATION	VT	45						45		
59-3537743	11476	BB&T MORTGAGE REINSURANCE COMPANY	VT	1,079						1,079		
23-2878531	11340	CAP RE OF VERMONT	VT	269						269		
75-1870029	43192	COLONIAL MORTGAGE INSURANCE COMPANY	TX	372						372		
03-0351351	11301	CROSS COUNTRY INSURANCE COMPANY	VT	2,040						2,040		
03-0362485	11326	HMC REINSURANCE COMPANY	VT	27						27		
20-3581081	12470	PNC Re, Inc	VT	141						141		
03-0371020	11394	RBC RISK ASSUMPTION, INC	VT	68						68		
1499999 - Total Unauthorized - Other U.S. Unaffiliated Insurers				4,041						4,041		
Unauthorized - Pools - Mandatory Pools												
Unauthorized - Pools - Voluntary Pools												
Unauthorized - Other Non-U.S. Insurers												
1899999 - Total Unauthorized - Total Unauthorized				4,041						4,041		
1999999 - Total Authorized and Unauthorized				4,389						4,389		
<b>9999999 Totals</b>				<b>4,389</b>						<b>4,389</b>		

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE F - PART 5**

Provision for Unauthorized Reinsurance as of December 31, Current Year (000 OMITTED)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Recoverable All Items Schedule F Part 3, Col. 15	6 Funds Held By Company Under Reinsurance Treaties	7 Letters of Credit	8 Letter of Credit Issuing or Confirming Bank (a)			11 Ceded Balances Payable	12 Miscellaneous Balances	13 Other Allowed Offset Items	14 Cols. 6+7+11+12+13 but not in excess of Col. 5	15 Subtotal Col. 5 minus Col. 14	16 Recoverable Paid Losses & LAE Expenses Over 90 Days past Due not in Dispute	17 20% of Amount in Col. 16	18 Smaller of Col. 14 or Col. 17	19 Smaller of Col. 14 or 20% of Amount in Dispute Included in Col. 5	20 Total Provision for Unauthorized Reinsurance Smaller of Col. 5 or Cols. 15 + 18 + 19
							8 American Bankers Association (ABA) Routing Number	9 Letter of Credit Code	10 Bank Name										
Affiliates - U.S. Intercompany Pooling																			
Affiliates - U.S. Non-Pool																			
Affiliates - Other Non-U.S. Insurers																			
Other U.S. Unaffiliated Insurers																			
36-4255472	11466	AAMBG Reinsurance Corporation	VT	3,420						55		13,045	3,420						
59-3537743	11476	BB&T Mortgage Reinsurance Company	VT	5,830						201		5,629	5,830						
23-2878531	11340	Cap Re of Vermont Colonial Mortgage Insurance Company	VT	2,100						100		3,866	2,100						
75-1870029	43192	Cross Country Insurance Company	TX	816						78		1,613	816						
03-0351351	11301	HMC Reinsurance Company	VT	7,632						474		7,158	7,632						
03-0362485	11326	PNC Re, Inc	VT	119						6		246	119						
20-3581081	12470	RBC Risk Assumption, Inc	VT	1,970						34		2,334	1,970						
03-0371020	11394	Wachovia Re, Inc	VT	1,005						77		3,650	1,005						
20-3012947	13181	Twin Rivers Insurance Company	VT	523						3		438							
58-2343351	11349		VT	523						77		1,476	523						
0599999 - Total Other U.S. Unaffiliated Insurers				23,415						1,107		39,454	23,415						
Pools and Associations - Mandatory																			
Pools and Associations - Voluntary																			
Other Non-U.S. Insurers																			
AA-0050269	00000	Expanded Mortgage Reinsurance Co LTD	TC	129						45		1,055	129						
AA-0054526	00000	Sidus Financial Reinsurance LTD	TC	431						18		515	431						
AA-0050242	00000	TXL Reinsurance LTD	TC	226						18		563	226						
0899999 - Total Other Non-U.S. Insurers				786						80		2,133	786						
0999999 - Total Affiliates and Others				24,202						1,187		41,587	24,202						
9999999 Totals				24,202						1,187		41,587	24,202						

1. Amounts in dispute totaling \$ ..... are included in Column 5.
2. Amounts in dispute totaling \$ ..... are excluded from Column 16.

(a)	Code	American Bankers Association (ABA) Routing Number	Bank Name

Schedule F - Part 6

**NONE**

Schedule F - Part 7

**NONE**

**SCHEDULE F - PART 8**

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
<b>ASSETS</b> (Page 2, Col. 3)			
1. Cash and invested assets (Line 12) .....	788,271,772		788,271,772
2. Premiums and considerations (Line 15) .....	40,638,045		40,638,045
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1) .....	4,389,006	(4,389,006)	
4. Funds held by or deposited with reinsured companies (Line 16.2) .....			
5. Other assets .....	6,588,572		6,588,572
6. Net amount recoverable from reinsurers .....		31,038,160	31,038,160
7. Protected cell assets (Line 27) .....			
8. Totals (Line 28) .....	839,887,395	26,649,154	866,536,549
<b>LIABILITIES</b> (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3) .....	488,487,158	27,884,387	516,371,545
10. Taxes, expenses, and other obligations (Lines 4 through 8) .....	13,091,514		13,091,514
11. Unearned premiums (Line 9) .....	6,801,773	69,535	6,871,308
12. Advance premiums (Line 10) .....			
13. Dividends declared and unpaid (Line 11.1 and 11.2) .....			
14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12) .....	1,304,768	(1,304,768)	
15. Funds held by company under reinsurance treaties (Line 13) .....			
16. Amounts withheld or retained by company for account of others (Line 14) .....	63,076,924		63,076,924
17. Provision for reinsurance (Line 16) .....			
18. Other liabilities .....	33,006,762		33,006,762
19. Total liabilities excluding protected cell business (Line 26) .....	605,768,899	26,649,154	632,418,053
20. Protected cell liabilities (Line 27) .....			
21. Surplus as regards policyholders (Line 37) .....	234,118,496	X X X	234,118,496
22. Totals (Line 38) .....	839,887,395	26,649,154	866,536,549

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements? Yes [ ] No [ X ]

If yes, give full explanation:

Schedule H - Part 1

**NONE**

Schedule H - Part 2

**NONE**

Schedule H - Part 3

**NONE**

Schedule H - Part 4

**NONE**

Schedule H - Part 5 - Health Claims

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**  
**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(1)							(1)	XXX
2. 2002	123,328	19,757	103,571	27,788	321			668		55	28,135	XXX
3. 2003	146,958	28,686	118,272	35,055	368			861		38	35,547	XXX
4. 2004	176,384	37,079	139,305	45,596	686			1,235		53	46,144	XXX
5. 2005	209,709	42,793	166,916	56,390	782			2,010		53	57,618	XXX
6. 2006	257,007	48,725	208,282	90,612	912			3,183		69	92,884	XXX
7. 2007	334,407	60,763	273,644	294,476	99,268			7,809		218	203,017	XXX
8. 2008	318,239	79,815	238,425	716,445	(27,838)			16,630		764	760,913	XXX
9. 2009	220,722	31,516	189,206	590,989	223,940			15,507		816	382,555	XXX
10. 2010	219,113	18,776	200,337	248,473	24,525			5,670		403	229,618	XXX
11. 2011	167,438	8,576	158,862	32,862	596			912		1,104	33,178	XXX
12. Totals	XXX	XXX	XXX	2,138,685	323,561			54,485		3,573	1,869,609	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													XXX
2.	65	(15)										80	XXX
3.	145	(13)										158	XXX
4.	322	(66)							12			400	XXX
5.	966	(572)							26			1,565	XXX
6.	1,684	(835)							49			2,568	XXX
7.	10,993	549							225			10,669	XXX
8.	57,151	46,621							1,036			11,566	XXX
9.	127,599	(6,576)							2,572			136,747	XXX
10.	133,989	(3,950)	2,275	141					3,348			143,422	XXX
11.	151,069	(8,666)	20,477	1,267					2,368			181,313	XXX
12.	483,982	26,477	22,752	1,407					9,637			488,487	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount			
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid		
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX				
2.	28,522	307	28,215	23.1	1.6	27.2				80			
3.	36,061	355	35,705	24.5	1.2	30.2				158			
4.	47,164	621	46,544	26.7	1.7	33.4				388			
5.	59,392	210	59,182	28.3	0.5	35.5				1,539			
6.	95,529	77	95,452	37.2	0.2	45.8				2,519			
7.	313,503	99,817	213,686	93.7	164.3	78.1				10,444			
8.	791,262	18,783	772,479	248.6	23.5	324.0				10,530			
9.	736,667	217,364	519,303	333.8	689.7	274.5				134,175			
10.	393,755	20,716	373,040	179.7	110.3	186.2				140,073			
11.	207,688	(6,804)	214,492	124.0	(79.3)	135.0				178,945			
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	478,850			

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE P - PART 2 - SUMMARY**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior	6,874	7,497	8,551	8,648	8,592	8,556	8,494	8,453	8,452	8,451	(1)	(2)
2. 2002	14,492	19,506	26,344	26,629	27,362	27,575	27,621	27,547	27,507	27,547	40	
3. 2003	XXX	17,439	24,377	31,536	34,960	35,309	35,114	34,660	34,781	34,844	63	184
4. 2004	XXX	XXX	20,031	35,566	44,024	45,466	45,676	44,573	45,714	45,297	(417)	724
5. 2005	XXX	XXX	XXX	41,878	51,792	54,171	56,177	54,532	54,875	57,147	2,272	2,615
6. 2006	XXX	XXX	XXX	XXX	67,844	102,519	94,910	81,523	83,091	92,219	9,128	10,696
7. 2007	XXX	XXX	XXX	XXX	XXX	320,301	244,172	169,188	182,703	205,652	22,949	36,464
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	735,809	695,387	765,620	754,812	(10,808)	59,425
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	466,941	411,541	501,224	89,683	34,283
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	314,000	364,021	50,022	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	211,212	XXX	XXX
										12. Totals	162,932	144,389

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	000	5,708	7,780	8,291	8,456	8,453	8,453	8,453	8,452	8,451	XXX	XXX
2. 2002	470	11,366	24,059	25,951	27,101	27,387	27,452	27,452	27,452	27,467	XXX	XXX
3. 2003	XXX	646	13,453	29,530	33,484	34,431	34,553	34,553	34,656	34,686	XXX	XXX
4. 2004	XXX	XXX	488	26,617	40,599	44,041	44,503	44,572	44,864	44,910	XXX	XXX
5. 2005	XXX	XXX	XXX	3,570	35,214	49,914	52,961	53,775	54,748	55,608	XXX	XXX
6. 2006	XXX	XXX	XXX	XXX	7,251	66,758	84,776	86,760	88,550	89,701	XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX	20,764	76,030	163,457	183,416	195,208	XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	62,331	509,497	678,684	744,283	XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	66,367	183,588	367,048	XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	58,086	223,948	XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32,267	XXX	XXX

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior	286									
2. 2002	2,583	324								
3. 2003	XXX	2,924	366							
4. 2004	XXX	XXX	3,293	1,085						
5. 2005	XXX	XXX	XXX	9,761	634					
6. 2006	XXX	XXX	XXX	XXX	5,705	4,835				
7. 2007	XXX	XXX	XXX	XXX	XXX	43,514	4,815			
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	43,331	212		
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,910	1,216	
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,942	2,134
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,210

Schedule P - Part 1A - Home/Farm

**NONE**

Schedule P - Part 1B - Private Passenger

**NONE**

Schedule P - Part 1C - Comm Auto/Truck

**NONE**

Schedule P - Part 1D - Workers' Comp

**NONE**

Schedule P - Part 1E - Comm Multi Peril

**NONE**

Schedule P - Part 1F - Med Pro Liab Occ

**NONE**

Schedule P - Part 1F - Med Pro Liab Clm

**NONE**

Schedule P - Part 1G - Special Liability

**NONE**

Schedule P - Part 1H - Other Liab Occur

**NONE**

Schedule P - Part 1H - Other Liab Claims

**NONE**

Schedule P - Part 1I - Special Property

**NONE**

Schedule P - Part 1J - Auto Physical

**NONE**

Schedule P - Part 1K - Fidelity/Surety

**NONE**

Schedule P - Part 1L - Other

**NONE**

Schedule P - Part 1M - International

**NONE**

Schedule P - Part 1N - Reinsurance

**NONE**

Schedule P - Part 1O - Reinsurance

**NONE**

**SCHEDULE P - PART 1P - REINSURANCE - NONPROPORTIONAL ASSUMED FINANCIAL LINES**

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						12 Number of Claims Reported Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct And Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2002	4		4									XXX
3. 2003	2		2									XXX
4. 2004	1		1									XXX
5. 2005	1		1									XXX
6. 2006	1		1									XXX
7. 2007	1		1									XXX
8. 2008	1		1									XXX
9. 2009	1		1									XXX
10. 2010	1		1									XXX
11. 2011												XXX
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													XXX
2.													XXX
3.													XXX
4.													XXX
5.													XXX
6.													XXX
7.													XXX
8.													XXX
9.													XXX
10.				1								1	XXX
11.				9								9	XXX
12.				10								10	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.	1		1	187.3		187.3				1	
11.	9		9	3,214.3		3,214.3				9	
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	10	

Schedule P - Part 1R - Prod Liab Occur

**NONE**

Schedule P - Part 1R - Prod Liab Claims

**NONE**

**SCHEDULE P-PART 1S - FINANCIAL GUARANTY/MORTGAGE GUARANTY**  
(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4	5	6	7	8	9			
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior	XXX	XXX	XXX	264,563	1,611			3,301		964	266,253	XXX
2. 2010	219,112	18,776	200,336	248,473	24,525			5,670		403	229,618	XXX
3. 2011	167,437	8,576	158,861	32,862	596			912		1,104	33,178	XXX
4. Totals	XXX	XXX	XXX	545,898	26,732			9,882		2,470	529,049	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1.	198,925	39,093							3,920			163,752	1,672
2.	133,989	(3,950)	2,274	141					3,348			143,421	1,428
3.	151,069	(8,666)	20,468	1,267					2,368			181,304	1,010
4.	483,982	26,477	22,742	1,407					9,637			488,477	4,110

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	159,832	3,920
2.	393,754	20,716	373,039	179.7	110.3	186.2				140,072	3,348
3.	207,679	(6,804)	214,483	124.0	(79.3)	135.0				178,936	2,368
4.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	478,840	9,637

Schedule P - Part 1T - Warranty

**NONE**

Schedule P - Part 2A

**NONE**

Schedule P - Part 2B

**NONE**

Schedule P - Part 2C

**NONE**

Schedule P - Part 2D

**NONE**

Schedule P - Part 2E

**NONE**

Schedule P - Part 2F - Section 1

**NONE**

Schedule P - Part 2F - Med Pro Liab Clm

**NONE**

Schedule P - Part 2G

**NONE**

Schedule P - Part 2H - Other Liab Occur

**NONE**

Schedule P - Part 2H - Other Liab Claim

**NONE**

Schedule P - Part 2I

**NONE**

Schedule P - Part 2J

**NONE**

Schedule P - Part 2K

**NONE**

Schedule P - Part 2L

**NONE**

Schedule P - Part 2M

**NONE**

**SCHEDULE P - PART 2N - REINSURANCE**  
**Nonproportional Assumed Property**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior												
2. 2002												
3. 2003	.XXX											
4. 2004	.XXX	.XXX										
5. 2005	.XXX	.XXX	.XXX									
6. 2006	.XXX	.XXX	.XXX	.XXX								
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
11. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
12. Totals												

**SCHEDULE P - PART 2O - REINSURANCE**  
**Nonproportional Assumed Liability**

1. Prior												
2. 2002												
3. 2003	.XXX											
4. 2004	.XXX	.XXX										
5. 2005	.XXX	.XXX	.XXX									
6. 2006	.XXX	.XXX	.XXX	.XXX								
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2009	.XXX											
10. 2010	.XXX				.XXX							
11. 2011	.XXX		.XXX	.XXX								
12. Totals												

**SCHEDULE P - PART 2P - REINSURANCE**  
**Nonproportional Assumed Financial Lines**

1. Prior	.5	.5	.4	.2	.2	.2	.2	.2	.2	.2		
2. 2002	28	11										
3. 2003	.XXX	15	.3									
4. 2004	.XXX	.XXX	.11	.4								
5. 2005	.XXX	.XXX	.XXX	15	.3							
6. 2006	.XXX	.XXX	.XXX	.XXX	13	.3						
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	13	.3					
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	14	.1				(1)
9. 2009	.XXX	.9	.1		(1)	(9)						
10. 2010	.XXX	.9	1	(8)	.XXX							
11. 2011	.XXX	9	.XXX	.XXX								
12. Totals										(9)	(10)	

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**SCHEDULE P - PART 2R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior												
2. 2002												
3. 2003	XXX											
4. 2004	XXX	XXX										
5. 2005	XXX	XXX	XXX									
6. 2006	XXX	XXX	XXX	XXX								
7. 2007	XXX	XXX	XXX	XXX	XXX							
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

**SCHEDULE P - PART 2R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior												
2. 2002												
3. 2003	XXX											
4. 2004	XXX	XXX										
5. 2005	XXX	XXX	XXX									
6. 2006	XXX	XXX	XXX	XXX								
7. 2007	XXX	XXX	XXX	XXX	XXX							
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2009	XXX											
10. 2010	XXX				XXX							
11. 2011	XXX		XXX	XXX								
12. Totals												

**SCHEDULE P - PART 2S - FINANCIAL GUARANTY/MORTGAGE GUARANTY**

1. Prior	XXX	587,907	619,395	732,307	112,911	144,400						
2. 2010	XXX	313,991	364,020	50,030	XXX							
3. 2011	XXX	XXX	211,203	XXX	XXX							
4. Totals											162,941	144,400

**SCHEDULE P - PART 2T - WARRANTY**

1. Prior	XXX											
2. 2010	XXX				XXX							
3. 2011	XXX		XXX	XXX								
4. Totals												

Schedule P - Part 3A

**NONE**

Schedule P - Part 3B

**NONE**

Schedule P - Part 3C

**NONE**

Schedule P - Part 3D

**NONE**

Schedule P - Part 3E

**NONE**

Schedule P - Part 3F - Med Pro Liab Occ

**NONE**

Schedule P - Part 3F - Med Pro Liab Clm

**NONE**

Schedule P - Part 3G

**NONE**

Schedule P - Part 3H - Other Liab Occur

**NONE**

Schedule P - Part 3H - Other Liab Claims

**NONE**

Schedule P - Part 3I

**NONE**

Schedule P - Part 3J

**NONE**

Schedule P - Part 3K

**NONE**

Schedule P - Part 3L

**NONE**

Schedule P - Part 3M

**NONE**

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**SCHEDULE P - PART 3N - REINSURANCE  
NONPROPORTIONAL ASSUMED PROPERTY**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior	.000										XXX	XXX
2. 2002											XXX	XXX
3. 2003	XXX										XXX	XXX
4. 2004	XXX	XXX									XXX	XXX
5. 2005	XXX	XXX	XXX								XXX	XXX
6. 2006	XXX	XXX	XXX	XXX							XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 3O - REINSURANCE  
NONPROPORTIONAL ASSUMED LIABILITY**

1. Prior	.000										XXX	XXX
2. 2002											XXX	XXX
3. 2003	XXX										XXX	XXX
4. 2004	XXX	XXX									XXX	XXX
5. 2005	XXX	XXX	XXX								XXX	XXX
6. 2006	XXX	XXX	XXX	XXX							XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 3P - REINSURANCE  
NONPROPORTIONAL ASSUMED FINANCIAL LINES**

1. Prior	.000	.2	.2	.2	.2	.2	.2	.2	.2	.2	XXX	XXX
2. 2002											XXX	XXX
3. 2003	XXX										XXX	XXX
4. 2004	XXX	XXX									XXX	XXX
5. 2005	XXX	XXX	XXX								XXX	XXX
6. 2006	XXX	XXX	XXX	XXX							XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

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**SCHEDULE P - PART 3R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior	.000											
2. 2002												
3. 2003	.XXX											
4. 2004	.XXX	.XXX										
5. 2005	.XXX	.XXX	.XXX									
6. 2006	.XXX	.XXX	.XXX	.XXX								
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
11. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			

NONE

**SCHEDULE P - PART 3R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior	.000											
2. 2002												
3. 2003	.XXX											
4. 2004	.XXX	.XXX										
5. 2005	.XXX	.XXX	.XXX									
6. 2006	.XXX	.XXX	.XXX	.XXX								
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2009	.XXX											
10. 2010	.XXX											
11. 2011	.XXX											

NONE

**SCHEDULE P - PART 3S - FINANCIAL GUARANTY/MORTGAGE GUARANTY**

1. Prior	.XXX	.000	309,523	572,475	.XXX	.XXX						
2. 2010	.XXX	58,086	223,948	.XXX	.XXX							
3. 2011	.XXX	32,267	.XXX	.XXX								

**SCHEDULE P - PART 3T - WARRANTY**

1. Prior	.XXX	.000										
2. 2010	.XXX											
3. 2011	.XXX											

NONE

Schedule P - Part 4A

**NONE**

Schedule P - Part 4B

**NONE**

Schedule P - Part 4C

**NONE**

Schedule P - Part 4D

**NONE**

Schedule P - Part 4E

**NONE**

Schedule P - Part 4F - Med Pro Liab Occ

**NONE**

Schedule P - Part 4F - Med Pro Liab Clm

**NONE**

Schedule P - Part 4G

**NONE**

Schedule P - Part 4H - Other Liab Occur

**NONE**

Schedule P - Part 4H - Other Liab Claims

**NONE**

Schedule P - Part 4I

**NONE**

Schedule P - Part 4J

**NONE**

Schedule P - Part 4K

**NONE**

Schedule P - Part 4L

**NONE**

Schedule P - Part 4M

**NONE**

**SCHEDULE P - PART 4N - REINSURANCE  
NONPROPORTIONAL ASSUMED PROPERTY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4O - REINSURANCE  
NONPROPORTIONAL ASSUMED LIABILITY**

1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX									
9. 2010	XXX									
11. 2011	XXX									

**SCHEDULE P - PART 4P - REINSURANCE  
NONPROPORTIONAL ASSUMED FINANCIAL LINES**

1. Prior										
2. 2002	10									
3. 2003	XXX	10	1							
4. 2004	XXX	XXX	9	1						
5. 2005	XXX	XXX	XXX	9	1					
6. 2006	XXX	XXX	XXX	XXX	9	1				
7. 2007	XXX	XXX	XXX	XXX	XXX	9	1			
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	9	1		
9. 2009	XXX	9	1							
9. 2010	XXX	9	1							
11. 2011	XXX	9								

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**SCHEDULE P - PART 4R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

**SCHEDULE P - PART 4R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX									
10. 2010	XXX									
11. 2011	XXX									

NONE

**SCHEDULE P - PART 4S - FINANCIAL GUARANTY/MORTGAGE GUARANTY**

1. Prior	XXX	2,112	1,215							
2. 2010	XXX	10,933	2,133							
3. 2011	XXX	XXX	19,201							

**SCHEDULE P - PART 4T - WARRANTY**

1. Prior	XXX									
2. 2010	XXX									
3. 2011	XXX									

NONE

Schedule P - Part 5A- SN1

**NONE**

Schedule P - Part 5A- SN2

**NONE**

Schedule P - Part 5A- SN3

**NONE**

Schedule P - Part 5B- SN1

**NONE**

Schedule P - Part 5B- SN2

**NONE**

Schedule P - Part 5B- SN3

**NONE**

Schedule P - Part 5C- SN1

**NONE**

Schedule P - Part 5C- SN2

**NONE**

Schedule P - Part 5C- SN3

**NONE**

Schedule P - Part 5D- SN1

**NONE**

Schedule P - Part 5D- SN2

**NONE**

Schedule P - Part 5D- SN3

**NONE**

Schedule P - Part 5E- SN1

**NONE**

Schedule P - Part 5E- SN2

**NONE**

Schedule P - Part 5E- SN3

**NONE**

Schedule P - Part 5F- SN1A

**NONE**

Schedule P - Part 5F- SN2A

**NONE**

Schedule P - Part 5F- SN3A

**NONE**

Schedule P - Part 5F- SN1B

**NONE**

Schedule P - Part 5F- SN2B

**NONE**

Schedule P - Part 5F- SN3B

**NONE**

Schedule P - Part 5H- SN1A

**NONE**

Schedule P - Part 5H- SN2A

**NONE**

Schedule P - Part 5H- SN3A

**NONE**

Schedule P - Part 5H- SN1B

**NONE**

Schedule P - Part 5H- SN2B

**NONE**

Schedule P - Part 5H- SN3B

**NONE**

Schedule P - Part 5R- SN1A

**NONE**

Schedule P - Part 5R- SN2A

**NONE**

Schedule P - Part 5R- SN3A

**NONE**

Schedule P - Part 5R- SN1B

**NONE**

Schedule P - Part 5R- SN2B

**NONE**

Schedule P - Part 5R- SN3B

**NONE**

Schedule P - Part 5T- SN1

**NONE**

Schedule P - Part 5T- SN2

**NONE**

Schedule P - Part 5T- SN3

**NONE**

Schedule P - Part 6C - SN1

**NONE**

Schedule P - Part 6C - SN2

**NONE**

Schedule P - Part 6D - SN1

**NONE**

Schedule P - Part 6D - SN2

**NONE**

Schedule P - Part 6E - SN1

**NONE**

Schedule P - Part 6E - SN2

**NONE**

Schedule P - Part 6H - SN1A

**NONE**

Schedule P - Part 6H - SN2A

**NONE**

Schedule P - Part 6H - SN1B

**NONE**

Schedule P - Part 6H - SN2B

**NONE**

Schedule P - Part 6M - SN1

**NONE**

Schedule P - Part 6M - SN2

**NONE**

Schedule P - Part 6N - SN1

**NONE**

Schedule P - Part 6N - SN2

**NONE**

Schedule P - Part 6O - SN1

**NONE**

Schedule P - Part 6O - SN2

**NONE**

Schedule P - Part 6R - SN1A

**NONE**

Schedule P - Part 6R - SN2A

**NONE**

Schedule P - Part 6R - SN1B

**NONE**

Schedule P - Part 6R - SN2B

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS  
(\$000 OMITTED)**

**SECTION 1**

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/Farmowners						
2. Private Passenger Auto Liability/Medical						
3. Commercial Auto/Truck Liability/Medical						
4. Workers' Compensation						
5. Commercial Multiple Peril						
6. Medical Professional Liability-Occurrence						
7. Medical Professional Liability -Claims-Made						
8. Special Liability						
9. Other Liability-Occurrence						
10. Other Liability-Claims-Made						
11. Special Property						
12. Auto Physical Damage						
13. Fidelity/Surety						
14. Other						
15. International						
16. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX	XXX	XXX
17. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX	XXX	XXX
18. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX	XXX	XXX
19. Products Liability-Occurrence						
20. Products Liability-Claims-Made						
21. Financial Guaranty/Mortgage Guaranty	488,477			156,684		
22. Warranty						
23. Totals	488,477			156,684		

**SECTION 2**

Years in Which Policies Were Issued	INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 3**

Years in Which Policies Were Issued	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS  
(continued)**

**SECTION 4**

Years in Which Policies Were Issued	NET EARNED PREMIUMS REPORTED AT YEAR END (\$000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 5**

Years in Which Policies Were Issued	NET RESERVE FOR PREMIUM ADJUSTMENTS AND ACCRUED RETROSPECTIVE PREMIUMS AT YEAR END (\$000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS  
(\$000 OMITTED)**

**SECTION 1**

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/Farmowners						
2. Private Passenger Auto Liability/Medical						
3. Commercial Auto/Truck Liability/Medical						
4. Workers' Compensation						
5. Commercial Multiple Peril						
6. Medical Professional Liability-Occurrence						
7. Medical Professional Liability -Claims-Made						
8. Special Liability						
9. Other Liability-Occurrence						
10. Other Liability-Claims-made						
11. Special Property						
12. Auto Physical Damage						
13. Fidelity/Surety						
14. Other						
15. International						
16. Reinsurance-Nonproportional Assumed Property						
17. Reinsurance-Nonproportional Assumed Liability						
18. Reinsurance-Nonproportional Assumed Financial Lines	10					
19. Products Liability-Occurrence						
20. Products Liability-Claims-Made						
21. Financial Guaranty/Mortgage Guaranty	488,477			156,684		
22. Warranty						
23. Totals	488,487			156,684		

**SECTION 2**

Years in Which Policies Were Issued	INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 3**

Years in Which Policies Were Issued	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS  
(continued)**

**SECTION 4**

Years in Which Policies Were Issued	NET EARNED PREMIUMS REPORTED AT YEAR END (\$000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 5**

Years in Which Policies Were Issued	NET RESERVE FOR PREMIUM ADJUSTMENTS AND ACCRUED RETROSPECTIVE PREMIUMS AT YEAR END (\$000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 6**

Years in Which Policies Were Issued	INCURRED ADJUSTABLE COMMISSIONS REPORTED AT YEAR END (\$000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 7**

Years in Which Policies Were Issued	RESERVES FOR COMMISSION ADJUSTMENTS AT YEAR END (\$000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P INTERROGATORIES**

- 1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims Made insurance policies. EREs provided for reasons other than DDR are not to be included.
- 1.1 Does the company issue Medical Professional Liability Claims Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost? Yes [ ] No [ X ]  
If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions:
- 1.2 What is the total amount of the reserve for that provision (DDR Reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)? \$ .....
- 1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65? Yes [ ] No [ X ]
- 1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve? Yes [ ] No [ X ]
- 1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A – Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2? Yes [ ] No [ ] N/A [ X ]
- 1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

Years in Which Premiums Were Earned and Losses Were Incurred		DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid	
		1 Section 1: Occurrence	2 Section 2: Claims-Made
1.601	Prior .....		
1.602	2002 .....		
1.603	2003 .....		
1.604	2004 .....		
1.605	2005 .....		
1.606	2006 .....		
1.607	2007 .....		
1.608	2008 .....		
1.609	2009 .....		
1.610	2010 .....		
1.611	2011 .....		
1.612	Totals		

- 2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Yes [ X ] No [ ]
- 3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement?: Yes [ X ] No [ ]
- 4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? Yes [ ] No [ X ]  
  
If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.  
  
Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.  
  
Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.
- 5. What were the net premiums in force at the end of the year for:  
(in thousands of dollars)  

5.1 Fidelity      \$ .....

5.2 Surety        \$ .....
- 6. Claim count information is reported per claim or per claimant. (indicate which).....CLAIM  
If not the same in all years, explain in Interrogatory 7.
- 7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses? Yes [ X ] No [ ]
- 7.2 An extended statement may be attached.  
The Company changed the basis for recognizing defaults from four months or greater to three months or greater consistent with the basis utilized for GAAP reporting and resulted in a \$20,735,071 increase in the January 1, 2011 reserves and a like decrease in surplus. In addition, the Company settles all claims under a corrective order 60% in cash and 40% by the issuance of a deferred payment obligation, with reserves established for only the cash portion of the settlement. This is the primary factor driving the Company's adverse reserve development (See Notes 1a and 2 for more information) .....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

States, etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	L	542,442	573,364	1,087,646	1,010,114	947,824		
2. Alaska	AK	L							
3. Arizona	AZ	L	3,293,856	3,321,777	29,520,893	24,754,249	10,927,356		
4. Arkansas	AR	L	1,028,334	1,075,135	2,062,882	1,713,333	1,296,469		
5. California	CA	L	37,454,241	37,544,775	100,897,995	99,238,858	152,956,996		
6. Colorado	CO	L	3,003,651	3,024,092	9,519,405	5,598,004	9,961,215		
7. Connecticut	CT	L	411,982	416,405	224,805	520,203	1,057,922		
8. Delaware	DE	L	124,267	124,267	102,164	110,614	136,692		
9. District of Columbia	DC	L	29,420,405	29,658,820	105,186,014	57,607,758	75,830,902		
10. Florida	FL	L	5,691,690	6,035,179	19,847,515	19,923,859	34,314,448		
11. Georgia	GA	L	3,186,081	3,206,576	7,728,041	7,156,761	5,666,853		
12. Hawaii	HI	L	7,238	7,238		(78)	996		
13. Idaho	ID	L	35,584	35,584	58,177	45,963	49,929		
14. Illinois	IL	L	4,165,018	4,175,248	9,027,993	8,572,566	15,829,194		
15. Indiana	IN	L	568,424	595,770	1,004,993	847,268	895,385		
16. Iowa	IA	L	68,952	69,139	(56,643)	(34,475)	83,205		
17. Kansas	KS	L	319,548	332,553	555,737	458,003	522,674		
18. Kentucky	KY	L	1,484,126	1,495,247	1,429,382	1,577,787	2,479,966		
19. Louisiana	LA	L	258,966	268,778	279,302	376,217	350,064		
20. Maine	ME	L							
21. Maryland	MD	L	1,425,621	1,501,994	3,931,846	3,515,937	4,786,645		
22. Massachusetts	MA	L	861,671	866,534	1,829,459	1,949,502	2,347,176		
23. Michigan	MI	L	3,097,810	3,118,671	6,826,773	6,345,266	7,337,388		
24. Minnesota	MN	L	25,211,250	25,651,032	91,977,191	57,699,751	67,503,254		
25. Mississippi	MS	L	235,950	273,478	643,815	504,143	244,875		
26. Missouri	MO	L	510,668	535,110	469,612	651,827	548,282		
27. Montana	MT	L	9,103	9,103		9,783	10,836		
28. Nebraska	NE	L	2,787	2,787		198	384		
29. Nevada	NV	L	594,083	593,991	5,214,875	4,174,139	2,933,245		
30. New Hampshire	NH	L	14,437	14,437		31,562	48,505		
31. New Jersey	NJ	L	2,687,933	2,698,981	2,379,249	3,563,315	10,730,241		
32. New Mexico	NM	L	308,349	310,857	332,477	198,418	664,609		
33. New York	NY	L	988,415	988,702	465,394	987,109	6,099,325		
34. North Carolina	NC	L	5,883,001	5,990,353	7,171,551	7,713,575	11,123,050		
35. North Dakota	ND	L							
36. Ohio	OH	L	2,379,741	2,406,182	4,665,294	4,297,977	5,547,197		
37. Oklahoma	OK	L	1,994,073	2,053,326	1,350,649	1,777,761	2,042,994		
38. Oregon	OR	L	423,499	425,160	1,265,956	1,196,439	913,925		
39. Pennsylvania	PA	L	2,019,937	2,043,864	2,635,002	2,999,289	4,087,805		
40. Rhode Island	RI	L	131,690	132,261	393,142	414,020	574,302		
41. South Carolina	SC	L	3,390,072	3,421,271	4,179,217	4,593,492	7,419,008		
42. South Dakota	SD	L	7,747	7,747		15,837	16,653		
43. Tennessee	TN	L	1,600,449	1,636,051	1,947,412	2,397,072	2,530,411		
44. Texas	TX	L	14,321,737	14,428,360	34,519,898	14,713,128	39,824,054		
45. Utah	UT	L	362,941	368,482	1,333,230	1,435,336	895,956		
46. Vermont	VT	L							
47. Virginia	VA	L	4,536,720	4,807,418	22,828,750	14,492,049	12,759,642		
48. Washington	WA	L	504,302	505,322	1,343,790	1,282,814	1,080,535		
49. West Virginia	WV	L	220,394	222,721	65,517	128,805	200,345		
50. Wisconsin	WI	L	363,711	364,699	704,152	845,683	1,094,042		
51. Wyoming	WY	L	98,435	98,542		16,990	51,783		
52. American Samoa	AS								
53. Guam	GU								
54. Puerto Rico	PR								
55. U.S. Virgin Islands	VI								
56. Northern Mariana Islands	MP								
57. Canada	CN								
58. Aggregate other alien	OT	XXX							
59. Totals	(a) 51		165,251,331	167,437,383	486,950,552	367,428,221	506,724,557		
<b>DETAILS OF WRITE-INS</b>									
5801.		XXX							
5802.		XXX							
5803.		XXX							
5898. Sum. of remaining write-ins for Line 58 from overflow page		XXX							
5899. Totals (Lines 5801 through 5803 + 5898) (Line 58 above)		XXX							

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation of premiums by states, etc.

Premiums are allocated to the state of residence of the insured.

(a) Insert the number of L responses except for Canada and Other Alien

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE T – PART 2  
 INTERSTATE COMPACT – EXHIBIT OF PREMIUMS WRITTEN

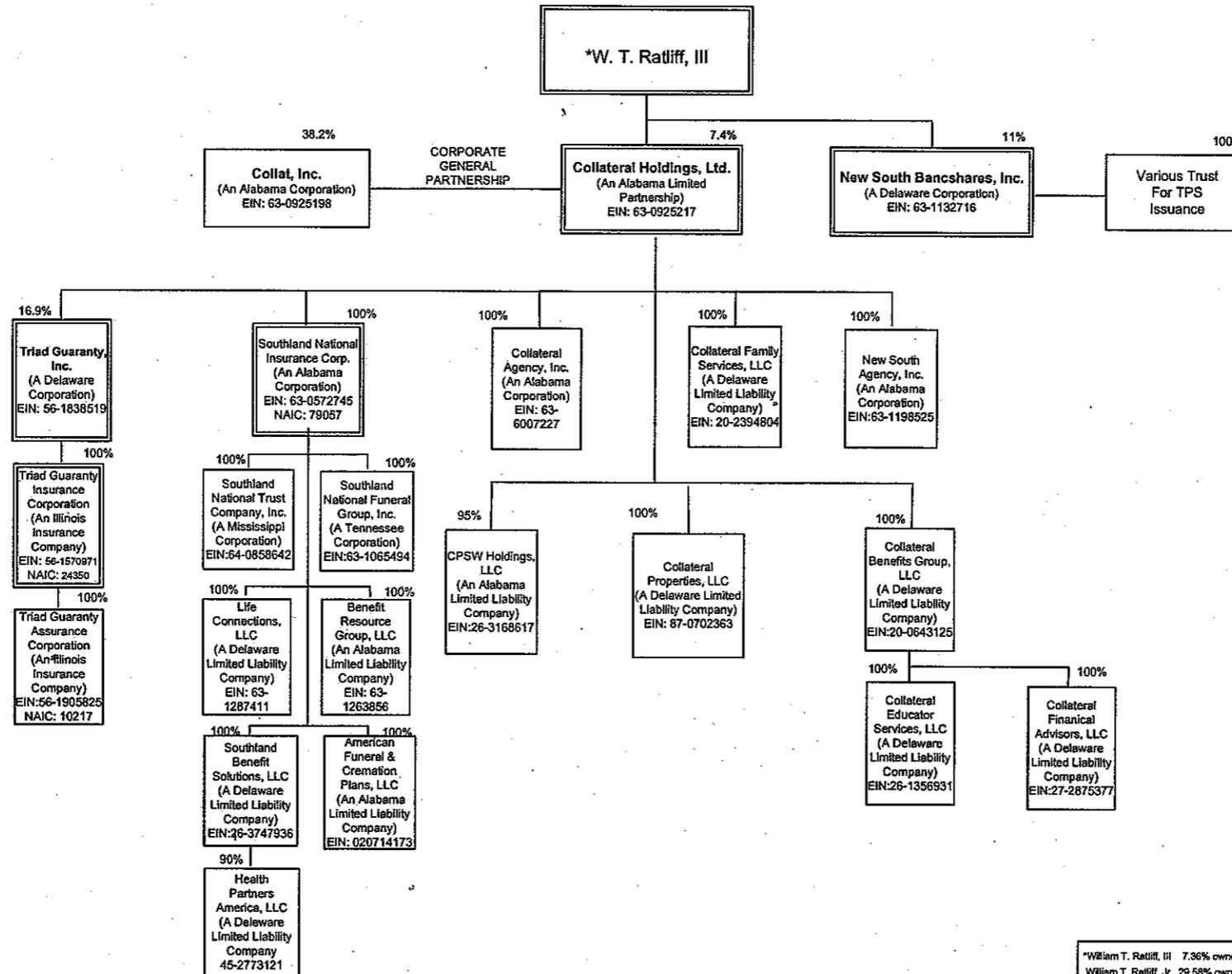
Allocated By States and Territories

States, Etc.		Direct Business Only					Totals
		1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	
1. Alabama	AL						
2. Alaska	AK						
3. Arizona	AZ						
4. Arkansas	AR						
5. California	CA						
6. Colorado	CO						
7. Connecticut	CT						
8. Delaware	DE						
9. District of Columbia	DC						
10. Florida	FL						
11. Georgia	GA						
12. Hawaii	HI						
13. Idaho	ID						
14. Illinois	IL						
15. Indiana	IN						
16. Iowa	IA						
17. Kansas	KS						
18. Kentucky	KY						
19. Louisiana	LA						
20. Maine	ME						
21. Maryland	MD						
22. Massachusetts	MA						
23. Michigan	MI						
24. Minnesota	MN						
25. Mississippi	MS						
26. Missouri	MO						
27. Montana	MT						
28. Nebraska	NE						
29. Nevada	NV						
30. New Hampshire	NH						
31. New Jersey	NJ						
32. New Mexico	NM						
33. New York	NY						
34. North Carolina	NC						
35. North Dakota	ND						
36. Ohio	OH						
37. Oklahoma	OK						
38. Oregon	OR						
39. Pennsylvania	PA						
40. Rhode Island	RI						
41. South Carolina	SC						
42. South Dakota	SD						
43. Tennessee	TN						
44. Texas	TX						
45. Utah	UT						
46. Vermont	VT						
47. Virginia	VA						
48. Washington	WA						
49. West Virginia	WV						
50. Wisconsin	WI						
51. Wyoming	WY						
52. American Samoa	AS						
53. Guam	GU						
54. Puerto Rico	PR						
55. U.S. Virgin Islands	VI						
56. Northern Mariana Islands	MP						
57. Canada	CN						
58. Aggregate Other Alien	OT						
59. Totals							

NONE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART  
COLLATERAL FAMILY OF COMPANIES



\*William T. Ratliff, III 7.36% ownership, Alabama resident  
William T. Ratliff, Jr., 29.58% ownership, Alabama resident

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE Y**

**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
0421.....	Collateral Holding, Ltd.....						William T. Ratliff, and family.....	US.....	UDP.....	Collat general partnership, William T. Ratliff, and family.....	Ownership.....	100.0	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....		63-1132716.....				New South Bancshares, Inc.....	US.....	NIA.....	William T. Ratliff, and family.....	Ownership.....	100.0	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....						Various Trust for TPS Insurance.....	US.....	NIA.....	New South Bancshares, Inc.....	Ownership.....	100.0	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....		63-0925217.....				Collateral Holdings, Ltd.....	US.....	UDP.....	William T. Ratliff, and family.....	Ownership.....	100.0	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....		63-0925198.....				Collat, Inc.....	US.....	NIA.....	William T. Ratliff, and family.....	Ownership.....	100.0	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....		56-1838519.....				Triad Guaranty, Inc.....	US.....	NIA.....	Collateral Holdings, Ltd.....	Ownership.....	16.9	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....	24350.....	56-1570971.....		0000911631	OTCBB.....	Triad Guaranty Insurance Corporation.....	US.....	IA.....	Triad Guaranty, Inc.....	Ownership.....	100.0	William T. Ratliff, and family.....	1
0421.....	Collateral Holding, Ltd.....	10217.....	56-1905825.....				Triad Guaranty Assurance Corporation.....	US.....	IA.....	Triad Guaranty Insurance Corporation.....	Ownership.....	100.0	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....	79057.....	63-0572745.....				Southland National Insurance Corporation.....	US.....		Collateral Holdings, Ltd.....	Ownership.....	100.0	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....		64-0858642.....				Southland National Trust Company, Inc.....	US.....	DS.....	Southland National Insurance Corporation.....	Ownership.....	100.0	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....		63-1065494.....				Southland National Funeral Group, Inc.....	US.....	DS.....	Southland National Insurance Corporation.....	Ownership.....	100.0	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....		63-1287411.....				Life Connections, LLC.....	US.....	DS.....	Southland National Insurance Corporation.....	Ownership.....	100.0	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....		63-1263856.....				Benefit Resource Group, LLC.....	US.....	DS.....	Southland National Insurance Corporation.....	Ownership.....	100.0	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....		02-0714173.....				American Funeral & Cremation Plans, LLC.....	US.....	DS.....	Southland National Insurance Corporation.....	Ownership.....	100.0	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....		26-3747936.....				Southland Benefits Solutions, LLC.....	US.....	DS.....	Southland National Insurance Corporation.....	Ownership.....	100.0	William T. Ratliff, and family.....	
0421.....	Collateral Holding, Ltd.....		45-2773121.....				Health Partner America, LLC.....	US.....	DS.....	Southland Benefit Solutions, LLC.....	Ownership.....	90.0	William T. Ratliff, and family.....	2



ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
00000	63-0925217	CHL	8,041				187,200				195,241	
00000	63-0925198	Collat Inc					41,840				41,840	
79057	63-0572745	Southland National Insurance Corporation	141,959				(439,914)				(297,955)	
10217	56-1905825	Triad Guaranty Assurance Corporation						(1,320,150)			(1,320,150)	(8,134,979)
00000	56-1838519	Triad Guaranty Inc					705,373				705,373	
24350	56-1570971	Triad Guaranty Insurance Corporation					(705,373)	1,320,150			614,777	8,134,979
00000	26-3747936	Southland Benefit Solutions	(150,000)				210,874				60,874	
9999999 Control Totals												

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**  
**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

<b>MARCH FILING</b>	<b>RESPONSES</b>
1. Will an actuarial opinion be filed by March 1?	.....YES.....
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	.....YES.....
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	.....WAIVED.....
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	.....WAIVED.....
<b>APRIL FILING</b>	
5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?	.....YES.....
6. Will Management's Discussion and Analysis be filed by April 1?	.....YES.....
7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?	.....YES.....
<b>MAY FILING</b>	
8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?	.....YES.....
<b>JUNE FILING</b>	
9. Will an audited financial report be filed by June 1?	.....YES.....
10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	.....YES.....
<b>AUGUST FILING</b>	
11. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?	.....YES.....

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

<b>MARCH FILING</b>	
12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	.....NO.....
13. Will the Financial Guaranty Insurance Exhibit be filed by March 1?	.....NO.....
14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	.....NO.....
15. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?	.....NO.....
16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?	.....NO.....
17. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?	.....NO.....
18. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?	.....NO.....
19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	.....NO.....
20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?	.....YES.....
21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?	.....YES.....
22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?	.....NO.....
23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?	.....NO.....
24. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	.....NO.....
25. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	.....NO.....
26. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	.....NO.....
27. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	.....NO.....

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**  
**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

**APRIL FILING**

- 28. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1? .....NO.....
- 29. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? .....NO.....
- 30. Will the Accident and Health Policy Experience Exhibit be filed by April 1? .....NO.....
- 31. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? .....NO.....
- 32. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1? .....NO.....

**AUGUST FILING**

- 33. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? .....YES.....

**Explanation:**

- 12.
- 13.
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**Bar Code:**

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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

14.   
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31.   
2 4 3 5 0 2 0 1 1 2 1 6 5 9 0 0 0

32.   
2 4 3 5 0 2 0 1 1 2 1 7 0 0 0 0 0

**OVERFLOW PAGE FOR WRITE-INS**

P011 Additional Aggregate Lines for Page 11 Line 24.  
 \*EXEXP - Underwriting and Investment - Part 3 - Expenses

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. Contract underwriting fees.....		2,849,679		2,849,679
2405. Miscellaneous expenses.....	50	(35,892)		(35,842)
2406. Holding company expenses.....		931,893		931,893
2407. Bank fees and service charges.....		38,048	3,871	41,919
2497. Summary of remaining write-ins for Line 24 from page 11	50	3,783,728	3,871	3,787,649

**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3+4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities .....	7,330,884	0.930	7,330,884		7,330,884	0.930
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies .....						
1.22 Issued by U.S. government sponsored agencies .....	2,207,161	0.280	2,207,161		2,207,161	0.280
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities) .....	8,586,982	1.089	8,586,982		8,586,982	1.089
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations .....	1,759,883	0.223	1,759,883		1,759,883	0.223
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....	5,958,577	0.756	5,958,577		5,958,577	0.756
1.43 Revenue and assessment obligations .....	53,145,759	6.742	53,145,759		53,145,759	6.742
1.44 Industrial development and similar obligations .....						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA .....						
1.512 Issued or guaranteed by FNMA and FHLMC .....	13,529,367	1.716	13,529,367		13,529,367	1.716
1.513 All other .....						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....	39,434,294	5.003	39,434,294		39,434,294	5.003
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 .....						
1.523 All other .....	82,314,846	10.442	82,314,846		82,314,846	10.442
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) .....	363,101,008	46.063	363,101,008		363,101,008	46.063
2.2 Unaffiliated non-U.S. securities (including Canada) .....	134,690,267	17.087	134,690,267		134,690,267	17.087
2.3 Affiliated securities .....						
3. Equity interests:						
3.1 Investments in mutual funds .....						
3.2 Preferred stocks:						
3.21 Affiliated .....						
3.22 Unaffiliated .....						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated .....	8,370,920	1.062	8,370,920		8,370,920	1.062
3.32 Unaffiliated .....						
3.4 Other equity securities:						
3.41 Affiliated .....						
3.42 Unaffiliated .....						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated .....						
3.52 Unaffiliated .....						
4. Mortgage loans:						
4.1 Construction and land development .....						
4.2 Agricultural .....						
4.3 Single family residential properties .....						
4.4 Multifamily residential properties .....						
4.5 Commercial loans .....						
4.6 Mezzanine real estate loans .....						
5. Real estate investments:						
5.1 Property occupied by company .....						
5.2 Property held for the production of income (including \$ ..... of property acquired in satisfaction of debt) .....						
5.3 Property held for sale (including \$ ..... property acquired in satisfaction of debt) .....						
6. Contract loans .....						
7. Derivatives .....						
8. Receivables for securities .....	12,977	0.002	12,977		12,977	0.002
9. Securities Lending (Line 10, Asset Page reinvested collateral) .....				XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments .....	67,828,847	8.605	67,828,847		67,828,847	8.605
11. Other invested assets .....						
12. Total invested assets	788,271,772	100.000	788,271,772		788,271,772	100.000

## SCHEDULE A – VERIFICATION BETWEEN YEARS

Real Estate

- 1. Book/adjusted carrying value, December 31 of prior year.....
- 2. Cost of acquired:
  - 2.1 Actual cost at time of acquisition (Part 2, Column 6).....
  - 2.2 Additional investment made after acquisition (Part 2, Column 9).....
- 3. Current year change in encumbrances:
  - 3.1 Totals, Part 1, Column 13.....
  - 3.2 Totals, Part 3, Column 11.....
- 4. Total gain (loss) on disposals, Part 3, Column 18.....
- 5. Deduct amounts received on disposals, Part 3, Column 15.....
- 6. Total foreign exchange change in book/adjusted carrying value.....**NONE**
  - 6.1 Totals, Part 1, Column 15.....
  - 6.2 Totals, Part 3, Column 13.....
- 7. Deduct current year's other than temporary impairment recognized:
  - 7.1 Totals, Part 1, Column 12.....
  - 7.2 Totals, Part 3, Column 10.....
- 8. Deduct current year's depreciation:
  - 8.1 Totals, Part 1, Column 11.....
  - 8.2 Totals, Part 3, Column 9.....
- 9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8).....
- 10. Deduct total nonadmitted amounts.....
- 11. Statement value at end of current period (Line 9 minus Line 10).....

## SCHEDULE B – VERIFICATION BETWEEN YEARS

Mortgage Loans

- 1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....
- 2. Cost of acquired:
  - 2.1 Actual cost at time of acquisition (Part 2, Column 7).....
  - 2.2 Additional investment made after acquisition (Part 2, Column 8).....
- 3. Capitalized deferred interest and other:
  - 3.1 Totals, Part 1, Column 12.....
  - 3.2 Totals, Part 3, Column 11.....
- 4. Accrual of discount.....
- 5. Unrealized valuation increase (decrease):
  - 5.1 Totals, Part 1, Column 9.....
  - 5.2 Totals, Part 3, Column 8.....**NONE**
- 6. Total gain (loss) on disposals, Part 3, Column 18.....
- 7. Deduct amounts received on disposals, Part 3, Column 15.....
- 8. Deduct amortization of premium and mortgage interest points and commitment fees.....
- 9. Total foreign exchange change in book value/recorded investment excluding accrued interest:
  - 9.1 Totals, Part 1, Column 13.....
  - 9.2 Totals, Part 3, Column 13.....
- 10. Deduct current year's other than temporary impairment recognized:
  - 10.1 Totals, Part 1, Column 11.....
  - 10.2 Totals, Part 3, Column 10.....
- 11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....
- 12. Total valuation allowance.....
- 13. Subtotal (Line 11 plus Line 12).....
- 14. Deduct total nonadmitted amounts.....
- 15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14).....

## SCHEDULE BA – VERIFICATION BETWEEN YEARS

### Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year.....	
2. Cost of acquired:	
2.1 Actual cost at time of acquisition (Part 2, Column 8).....	
2.2 Additional investment made after acquisition (Part 2, Column 9).....	
3. Capitalized deferred interest and other:	
3.1 Totals, Part 1, Column 16.....	
3.2 Totals, Part 3, Column 12.....	
4. Accrual of discount.....	
5. Unrealized valuation increase (decrease):	
5.1 Totals, Part 1, Column 13.....	
5.2 Totals, Part 3, Column 9.....	
6. Total gain (loss) on disposals, Part 3, Column 19.....	
7. Deduct amounts received on disposals, Part 3, Column 16.....	
8. Deduct amortization of premium and depreciation.....	
9. Total foreign exchange change in book/adjusted carrying value:	
9.1 Totals, Part 1, Column 17.....	
9.2 Totals, Part 3, Column 14.....	
10. Deduct current year's other than temporary impairment recognized:	
10.1 Totals, Part 1, Column 15.....	
10.2 Totals, Part 3, Column 11.....	
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	
12. Deduct total nonadmitted amounts.....	
13. Statement value at end of current period (Line 11 minus Line 12)	

NONE

## SCHEDULE D – VERIFICATION BETWEEN YEARS

### Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year.....		779,498,553
2. Cost of bonds and stocks acquired, Part 3, Column 7.....		276,054,022
3. Accrual of discount.....		1,677,294
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12.....		
4.2 Part 2, Section 1, Column 15.....		
4.3 Part 2, Section 2, Column 13.....	(1,808,069)	
4.4 Part 4, Column 11.....		(1,808,069)
5. Total gain (loss) on disposals, Part 4, Column 19.....		17,718,956
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....		344,663,581
7. Deduct amortization of premium.....		4,714,240
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15.....		
8.2 Part 2, Section 1, Column 19.....		
8.3 Part 2, Section 2, Column 16.....		
8.4 Part 4, Column 15.....		
9. Deduct current year's other than temporary impairment recognized:		
9.1 Part 1, Column 14.....	2,811,800	
9.2 Part 2, Section 1, Column 17.....		
9.3 Part 2, Section 2, Column 14.....		
9.4 Part 4, Column 13.....	521,186	3,332,986
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....		720,429,949
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11)		720,429,949

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks **OWNED** December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	9,538,043	9,824,114	9,729,893	9,411,000
	2. Canada .....	8,586,982	8,989,584	8,582,058	8,600,000
	3. Other Countries				
	4. Totals	18,125,025	18,813,698	18,311,951	18,011,000
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	1,759,882	1,804,855	1,750,266	1,795,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	5,958,577	6,491,548	6,030,283	6,655,000
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	106,141,448	111,773,183	106,036,948	108,895,784
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8. United States .....	445,383,821	459,355,106	446,509,845	438,792,355
	9. Canada .....	22,597,850	22,859,595	22,801,677	22,137,000
	10. Other Countries	112,092,418	114,679,095	112,319,614	112,062,609
	11. Totals	580,074,089	596,893,796	581,631,136	572,991,964
Parent, Subsidiaries and Affiliates	12. Totals				
	<b>13. Total Bonds</b>	712,059,021	735,777,080	713,760,584	708,348,748
<b>PREFERRED STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	14. United States .....				
	15. Canada .....				
	16. Other Countries				
	17. Totals				
Parent, Subsidiaries and Affiliates	18. Totals				
	<b>19. Total Preferred Stocks</b>				
<b>COMMON STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	20. United States .....				
	21. Canada .....				
	22. Other Countries				
	23. Totals				
Parent, Subsidiaries and Affiliates	24. Totals	8,370,920	8,370,920	5,035,982	
	<b>25. Total Common Stocks</b>	8,370,920	8,370,920	5,035,982	
	26. Total Stocks	8,370,920	8,370,920	5,035,982	
	<b>27. Total Bonds and Stocks</b>	720,429,941	744,148,000	718,796,566	

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments</b>											
1.1 Class 1	5,091,225	4,446,821				9,538,046	1.3	24,307,834	3.0	9,538,045	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals	5,091,225	4,446,821				9,538,046	1.3	24,307,834	3.0	9,538,045	
<b>2. All Other Governments</b>											
2.1 Class 1		8,586,982				8,586,982	1.2	9,567,764	1.2	8,586,982	
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals		8,586,982				8,586,982	1.2	9,567,764	1.2	8,586,982	
<b>3. U.S. States, Territories and Possessions, etc., Guaranteed</b>											
3.1 Class 1	115,000	1,175,482		469,400		1,759,882	0.2	1,757,599	0.2	1,759,882	
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals	115,000	1,175,482		469,400		1,759,882	0.2	1,757,599	0.2	1,759,882	
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Class 1	2,204,479	1,051,013		1,369,275		4,624,767	0.6	9,121,387	0.9	4,624,766	
4.2 Class 2			1,045,387	288,424		1,333,811	0.2	1,289,445	0.2	1,333,811	
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals	2,204,479	1,051,013	1,045,387	1,657,699		5,958,578	0.8	10,410,832	1.0	5,958,577	
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b>											
5.1 Class 1	24,726,785	44,465,865	16,885,086	11,449,714	19,151	97,546,601	13.2	137,716,356	17.3	97,546,600	
5.2 Class 2	250,000	115,000	2,465,886	3,823,051		6,653,937	0.9	9,260,125	1.1	6,653,937	
5.3 Class 3			864,854			864,854	0.1	858,310	0.1	864,854	
5.4 Class 4											
5.5 Class 5				1,076,061		1,076,061	0.1	1,057,854	0.1	1,076,061	
5.6 Class 6											
5.7 Totals	24,976,785	44,580,865	20,215,826	16,348,826	19,151	106,141,453	14.3	148,892,645	18.7	106,141,452	

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Industrial and Miscellaneous (unaffiliated)</b>											
6.1 Class 1 .....	111,608,014	421,402,947	20,555,443	209,296	2,224,368	556,000,068	75.1	590,802,567	73.3	457,905,904	98,094,164
6.2 Class 2 .....	28,042,825	22,944,517	139,347			51,126,689	6.9	18,253,328	2.3	48,707,958	2,418,731
6.3 Class 3 .....											
6.4 Class 4 .....											
6.5 Class 5 .....											
6.6 Class 6 .....	26,053					26,053	0.0	258,002	0.0	26,053	
6.7 Totals	139,676,892	444,347,464	20,694,790	209,296	2,224,368	607,152,810	82.0	609,313,897	75.6	506,639,915	100,512,895
<b>7. Hybrid Securities</b>											
7.1 Class 1 .....				720,301		720,301	0.1	1,161,991	0.1		720,301
7.2 Class 2 .....											
7.3 Class 3 .....					405,961	405,961	0.1	405,724	0.1		405,961
7.4 Class 4 .....											
7.5 Class 5 .....											
7.6 Class 6 .....											
7.7 Totals				720,301	405,961	1,126,262	0.2	1,567,715	0.2		1,126,262
<b>8. Parent, Subsidiaries and Affiliates</b>											
8.1 Class 1 .....											
8.2 Class 2 .....											
8.3 Class 3 .....											
8.4 Class 4 .....											
8.5 Class 5 .....											
8.6 Class 6 .....											
8.7 Totals											

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>9. Total Bonds Current Year</b>											
9.1 Class 1	(d) 143,745,503	481,129,110	37,440,529	14,217,986	2,243,519	678,776,647	91.7	XXX	XXX	579,962,179	98,814,465
9.2 Class 2	(d) 28,292,825	23,059,517	3,650,620	4,111,475		59,114,437	8.0	XXX	XXX	56,695,706	2,418,731
9.3 Class 3	(d)		864,854		405,961	1,270,815	0.2	XXX	XXX	864,854	405,961
9.4 Class 4	(d)							XXX	XXX		
9.5 Class 5	(d)			1,076,061		1,076,061	0.1	XXX	XXX	1,076,061	
9.6 Class 6	(d) 26,053					26,053	0.0	XXX	XXX	26,053	
9.7 Totals	172,064,381	504,188,627	41,956,003	19,405,522	2,649,480	(b) 740,264,013	100.0	XXX	XXX	638,624,853	101,639,157
9.8 Line 9.7 as a % of Col. 6	23.2	68.1	5.7	2.6	0.4	100.0	XXX	XXX	XXX	86.3	13.7
<b>10. Total Bonds Prior Year</b>											
10.1 Class 1	130,799,076	411,089,914	211,170,451	16,606,749	4,769,308	XXX	XXX	774,435,498	96.1	709,002,942	65,432,556
10.2 Class 2	12,753,385	3,447,710	8,234,944	4,366,859		XXX	XXX	28,802,898	3.6	20,331,603	8,471,295
10.3 Class 3			858,310		405,724	XXX	XXX	1,264,034	0.2	858,310	405,724
10.4 Class 4						XXX	XXX				
10.5 Class 5				1,057,854		XXX	XXX	(c) 1,057,854	0.1	1,057,854	
10.6 Class 6	85,473				172,528	XXX	XXX	(c) 258,002		85,473	172,528
10.7 Totals	143,637,934	414,537,624	220,263,704	22,031,463	5,347,560	XXX	XXX	(b) 805,818,286	100.0	731,336,183	74,482,103
10.8 Line 10.7 as a % of Col. 8	17.8	51.4	27.3	2.7	0.7	XXX	XXX	100.0	XXX	90.8	9.2
<b>11. Total Publicly Traded Bonds</b>											
11.1 Class 1	122,620,370	407,701,185	33,899,423	13,497,684	2,243,519	579,962,181	78.3	709,002,942	88.0	579,962,181	XXX
11.2 Class 2	28,244,815	20,828,143	3,511,273	4,111,476		56,695,707	7.7	20,331,603	2.5	56,695,707	XXX
11.3 Class 3			864,854			864,854	0.1	858,310	0.1	864,854	XXX
11.4 Class 4											XXX
11.5 Class 5				1,076,061		1,076,061	0.1	1,057,854	0.1	1,076,061	XXX
11.6 Class 6	26,053					26,053	0.0	85,473		26,053	XXX
11.7 Totals	150,891,238	428,529,328	38,275,550	18,685,221	2,243,519	638,624,856	86.3	731,336,183	90.8	638,624,856	XXX
11.8 Line 11.7 as a % of Col. 6	23.6	67.1	6.0	2.9	0.4	100.0	XXX	XXX	XXX	100.0	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	20.4	57.9	5.2	2.5	0.3	86.3	XXX	XXX	XXX	86.3	XXX
<b>12. Total Privately Placed Bonds</b>											
12.1 Class 1	21,125,133	73,427,925	3,541,106	720,301		98,814,465	13.3	65,432,556	8.1	XXX	98,814,465
12.2 Class 2	48,010	2,231,374	139,347			2,418,731	0.3	8,471,295	1.1	XXX	2,418,731
12.3 Class 3					405,961	405,961	0.1	405,724	0.1	XXX	405,961
12.4 Class 4										XXX	
12.5 Class 5										XXX	
12.6 Class 6								172,528		XXX	
12.7 Totals	21,173,143	75,659,299	3,680,453	720,301	405,961	101,639,157	13.7	74,482,103	9.2	XXX	101,639,157
12.8 Line 12.7 as a % of Col. 6	20.8	74.4	3.6	0.7	0.4	100.0	XXX	XXX	XXX	XXX	100.0
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	2.9	10.2	0.5	0.1	0.1	13.7	XXX	XXX	XXX	XXX	13.7

(a) Includes \$ 101,223,746 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$ 6,178,961 current year, \$ 5,622,074 prior year of bonds with Z designations and \$ 9,206,838 current year, \$ 9,206,838 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
 (c) Includes \$ current year, \$ prior year of bonds with 5\* designations and \$ current year, \$ prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.  
 (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 28,204,983 ; NAIC 2 \$ ; NAIC 3 \$ ; NAIC 4 \$ ; NAIC 5 \$ ; NAIC 6 \$

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1A - SECTION 2**

**Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues**

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.5	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>1. U.S. Governments</b>											
1.1 Issuer Obligations .....	5,091,225	4,446,821				9,538,046	1.3	24,307,834	3.0	9,538,045	
1.2 Residential Mortgage-Backed Securities .....											
1.3 Commercial Mortgage-Backed Securities .....											
1.4 Other Loan-Backed and Structured Securities .....											
1.5 Totals	5,091,225	4,446,821				9,538,046	1.3	24,307,834	3.0	9,538,045	
<b>2. All Other Governments</b>											
2.1 Issuer Obligations .....		8,586,982				8,586,982	1.2	9,567,764	1.2	8,586,982	
2.2 Residential Mortgage-Backed Securities .....											
2.3 Commercial Mortgage-Backed Securities .....											
2.4 Other Loan-Backed and Structured Securities .....											
2.5 Totals		8,586,982				8,586,982	1.2	9,567,764	1.2	8,586,982	
<b>3. U.S. States, Territories and Possessions, Guaranteed</b>											
3.1 Issuer Obligations .....	115,000	1,175,482		469,400		1,759,882	0.2	1,757,599	0.2	1,759,882	
3.2 Residential Mortgage-Backed Securities .....											
3.3 Commercial Mortgage-Backed Securities .....											
3.4 Other Loan-Backed and Structured Securities .....											
3.5 Totals	115,000	1,175,482		469,400		1,759,882	0.2	1,757,599	0.2	1,759,882	
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Issuer Obligations .....	2,204,479	1,051,013	1,045,387	1,657,699		5,958,578	0.8	10,410,832	1.0	5,958,577	
4.2 Residential Mortgage-Backed Securities .....											
4.3 Commercial Mortgage-Backed Securities .....											
4.4 Other Loan-Backed and Structured Securities .....											
4.5 Totals	2,204,479	1,051,013	1,045,387	1,657,699		5,958,578	0.8	10,410,832	1.0	5,958,577	
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b>											
5.1 Issuer Obligations .....	7,753,445	14,081,452	15,364,066	15,946,796		53,145,759	7.2	71,459,220	9.1	53,145,759	
5.2 Residential Mortgage-Backed Securities .....	13,566,524	6,325,990	2,166,466	402,030	19,151	22,480,161	3.0	56,303,931	7.0	22,480,161	
5.3 Commercial Mortgage-Backed Securities .....	3,656,817	24,173,423	2,685,293			30,515,533	4.1	21,129,494	2.6	30,515,532	
5.4 Other Loan-Backed and Structured Securities .....											
5.5 Totals	24,976,786	44,580,865	20,215,825	16,348,826	19,151	106,141,453	14.3	148,892,645	18.7	106,141,452	
<b>6. Industrial and Miscellaneous</b>											
6.1 Issuer Obligations .....	98,484,381	406,448,116	19,937,499			524,869,996	70.9	562,174,295	69.8	438,803,918	86,066,079
6.2 Residential Mortgage-Backed Securities .....	870,325	1,770,632	546,561	209,296	2,224,368	5,621,182	0.8	8,382,143	1.0	5,421,442	199,740
6.3 Commercial Mortgage-Backed Securities .....	126,339	543,097				669,436	0.1	824,695	0.1	669,437	
6.4 Other Loan-Backed and Structured Securities .....	40,195,847	35,585,618	210,731			75,992,196	10.3	37,932,764	4.6	61,745,119	14,247,077
6.5 Totals	139,676,892	444,347,463	20,694,791	209,296	2,224,368	607,152,810	82.0	609,313,897	75.6	506,639,916	100,512,896
<b>7. Hybrid Securities</b>											
7.1 Issuer Obligations .....				720,301	405,961	1,126,262	0.2	1,119,401	0.1		1,126,262
7.2 Residential Mortgage-Backed Securities .....											
7.3 Commercial Mortgage-Backed Securities .....											
7.4 Other Loan-Backed and Structured Securities .....								448,315			
7.5 Totals				720,301	405,961	1,126,262	0.2	1,567,716	0.2		1,126,262
<b>8. Parent, Subsidiaries, and Affiliates</b>											
8.1 Issuer Obligations .....											
8.2 Residential Mortgage-Backed Securities .....											
8.3 Commercial Mortgage-Backed Securities .....											
8.4 Other Loan-Backed Structured Securities .....											
8.5 Totals											

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1A - SECTION 2 (Continued)**

<b>Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues</b>											
<b>Distribution by Type</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>
	<b>1 Year or Less</b>	<b>Over 1 Year Through 5 Years</b>	<b>Over 5 Years Through 10 Years</b>	<b>Over 10 Years Through 20 Years</b>	<b>Over 20 Years</b>	<b>Total Current Year</b>	<b>Col. 6 as a % of Line 9.5</b>	<b>Total From Col. 6 Prior Year</b>	<b>% From Col. 7 Prior Year</b>	<b>Total Publicly Traded</b>	<b>Total Privately Placed</b>
<b>9. Total Bonds Current Year</b>											
9.1 Issuer Obligations	113,648,530	435,789,866	36,346,952	18,794,196	405,961	604,985,505	81.7	XXX	XXX	517,793,163	87,192,341
9.2 Residential Mortgage-Backed Securities	14,436,849	8,096,622	2,713,027	611,326	2,243,519	28,101,343	3.8	XXX	XXX	27,901,603	199,740
9.3 Commercial Mortgage-Backed Securities	3,783,156	24,716,520	2,685,293			31,184,969	4.2	XXX	XXX	31,184,969	
9.4 Other Loan-Backed and Structured Securities	40,195,847	35,585,618	210,731			75,992,196	10.3	XXX	XXX	61,745,119	14,247,077
9.5 Totals	172,064,382	504,188,626	41,956,003	19,405,522	2,649,480	740,264,013	100.0	XXX	XXX	638,624,854	101,639,158
9.6 Lines 9.5 as a % Col. 6	23.2	68.1	5.7	2.6	0.4	100.0	XXX	XXX	XXX	86.3	13.7
<b>10. Total Bonds Prior Year</b>											
10.1 Issuer Obligations	99,705,332	363,756,045	196,739,183	20,078,941	517,443	XXX	XXX	680,796,944	84.5	608,691,080	72,105,864
10.2 Residential Mortgage-Backed Securities	34,266,812	19,108,019	5,386,627	1,267,029	4,657,589	XXX	XXX	64,686,075	8.0	64,479,432	206,643
10.3 Commercial Mortgage-Backed Securities	543,350	5,352,579	16,058,260			XXX	XXX	21,954,188	2.7	21,954,188	
10.4 Other Loan-Backed and Structured Securities	9,122,440	26,320,981	2,079,636	685,493	172,528	XXX	XXX	38,381,079	4.6	36,211,483	2,169,596
10.5 Totals	143,637,934	414,537,624	220,263,706	22,031,463	5,347,560	XXX	XXX	805,818,286	100.0	731,336,183	74,482,103
10.6 Line 10.5 as a % Col. 8	17.8	51.4	27.3	2.7	0.7	XXX	XXX	100.0	XXX	90.8	9.2
<b>11. Total Publicly Traded Bonds</b>											
11.1 Issuer Obligations	99,431,565	367,380,949	32,906,755	18,073,895		517,793,164	69.9	608,691,080	75.5	517,793,164	XXX
11.2 Residential Mortgage-Backed Securities	14,436,849	7,926,408	2,683,502	611,326	2,243,519	27,901,604	3.8	64,479,432	8.0	27,901,604	XXX
11.3 Commercial Mortgage-Backed Securities	3,783,156	24,716,520	2,685,293			31,184,969	4.2	21,954,188	2.7	31,184,969	XXX
11.4 Other Loan-Backed and Structured Securities	33,239,668	28,505,451				61,745,119	8.3	36,211,483	4.4	61,745,119	XXX
11.5 Totals	150,891,238	428,529,328	38,275,550	18,685,221	2,243,519	638,624,856	86.3	731,336,183	90.8	638,624,856	XXX
11.6 Line 11.5 as a % of Col. 6	23.6	67.1	6.0	2.9	0.4	100.0	XXX	XXX	XXX	100.0	XXX
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	20.4	57.9	5.2	2.5	0.3	86.3	XXX	XXX	XXX	86.3	XXX
<b>12. Total Privately Placed Bonds</b>											
12.1 Issuer Obligations	14,216,964	68,408,918	3,440,197	720,301	405,961	87,192,341	11.8	72,105,864	8.9	XXX	87,192,341
12.2 Residential Mortgage-Backed Securities		170,214	29,525			199,739	0.0	206,643	0.0	XXX	199,739
12.3 Commercial Mortgage-Backed Securities										XXX	
12.4 Other Loan-Backed and Structured Securities	6,956,179	7,080,167	210,731			14,247,077	1.9	2,169,596	0.2	XXX	14,247,077
12.5 Totals	21,173,143	75,659,299	3,680,453	720,301	405,961	101,639,157	13.7	74,482,103	9.2	XXX	101,639,157
12.6 Line 12.5 as a % of Col. 6	20.8	74.4	3.6	0.7	0.4	100.0	XXX	XXX	XXX	XXX	100.0
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	2.9	10.2	0.5	0.1	0.1	13.7	XXX	XXX	XXX	XXX	13.7

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE DA - VERIFICATION BETWEEN YEARS**

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year .....	33,499,507	33,499,507			
2. Cost of short-term investments acquired .....	332,828,940	332,828,940			
3. Accrual of discount .....	18,206	18,206			
4. Unrealized valuation increase (decrease) .....					
5. Total gain (loss) on disposals .....	.60	.60			
6. Deduct consideration received on disposals .....	337,973,142	337,973,142			
7. Deduct amortization of premium .....	158,720	158,720			
8. Total foreign exchange change in book/adjusted carrying value .....					
9. Deduct current year's other than temporary impairment recognized .....	9,868	9,868			
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	28,204,983	28,204,983			
11. Deduct total nonadmitted amounts .....					
12. Statement value at end of current period (Line 10 minus Line 11)	28,204,983	28,204,983			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: .....

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

**SCHEDULE E - VERIFICATION BETWEEN YEARS**

(Cash Equivalents)

	1	2	3
	Total	Bonds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year.....	2,999,214	2,999,214	
2. Cost of cash equivalents acquired.....	22,996,254	22,996,254	
3. Accrual of discount.....	3,465	3,465	
4. Unrealized valuation increase (decrease).....			
5. Total gain (loss) on disposals.....	.67	.67	
6. Deduct consideration received on disposals.....	25,999,000	25,999,000	
7. Deduct amortization of premium.....			
8. Total foreign exchange change in book/adjusted carrying value.....			
9. Deduct current year's other than temporary impairment recognized.....			
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....			
11. Deduct total nonadmitted amounts.....			
12. Statement value at end of current period (Line 10 minus Line 11)			

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment

Schedule A - Part 1

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For orig n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
Bonds - U.S. Governments - Issuer Obligations																					
31359M-RG-0	FANNIE MAE			1	1	215,260		104,9000	200,000	207,301		(5,973)		4.375	1.310	MS		2,576	8,750	03/29/2010	03/15/2013
31359M-YQ-0	FANNIE MAE			1	1	94,986		102,7890	95,000	94,993		4		5.000	5.000	FA		1,966	4,750	08/26/2005	08/02/2012
31359M-YQ-0	FANNIE MAE	SD		1	1	1,904,722		102,7890	1,958,130	1,904,867		81		5.000	5.000	FA		39,423	97,625	08/26/2005	08/02/2012
912828-AP-5	US TREASURY N/B				1	347,039		103,3320	335,829	325,000		(8,369)		4.000	1.360	MN		1,679	13,000	03/29/2010	11/15/2012
912828-DV-9	US TREASURY N/B				1	397,288		112,1800	415,066	370,000		(5,139)		4.125	2.560	MN		1,971	15,263	03/29/2010	05/15/2015
912828-EE-6	US TREASURY N/B				1	781,357		113,3200	821,570	725,000		(10,070)		4.250	2.680	FA		11,638	30,813	03/29/2010	08/15/2015
912828-GW-4	US TREASURY N/B				1	1,081,719		102,3590	1,023,590	1,000,000		1,018,197		4.875	1.190	JD		24,509	24,375	03/29/2010	06/30/2012
912828-HG-8	US TREASURY N/B				1	760,414		103,0780	737,008	715,000		(17,522)		3.875	1.360	AO		4,719	27,706	03/29/2010	10/31/2012
912828-HM-5	US TREASURY N/B				1	1,047,467		103,4450	1,024,106	990,000		(20,813)		3.625	1.460	JD		18,042	17,944	03/29/2010	12/31/2012
912828-HQ-6	US TREASURY N/B				1	809,250		102,9100	802,698	780,000		(10,268)		2.875	1.520	JD		9,384	22,425	03/29/2010	01/31/2013
912828-HY-9	US TREASURY N/B				1	125,316		103,8550	124,626	120,000		(1,712)		3.125	1.640	AO		639	3,750	03/29/2010	04/30/2013
912828-KF-6	US TREASURY N/B	SD			1	1,510,465		103,4060	1,576,942	1,525,000		3,642		1.875	2.120	FA		9,662	28,594	03/29/2010	02/28/2014
912828-KN-9	US TREASURY N/B				1	168,756		103,6250	177,199	171,000		539		1.875	2.210	AO		546	3,206	03/29/2010	04/30/2014
912828-MR-8	US TREASURY N/B				1	485,864		106,1020	519,900	490,000		812		2.375	2.550	FA		3,932	11,638	03/29/2010	02/28/2015
01999999 - Bonds - U.S. Governments - Issuer Obligations						9,729,893	XXX	9,824,114	9,411,000	9,538,043		(111,060)		XXX	XXX	XXX		130,686	309,839	XXX	XXX
Bonds - U.S. Governments - Residential Mortgage-Backed Securities																					
Bonds - U.S. Governments - Commercial Mortgage-Backed Securities																					
Bonds - U.S. Governments - Other Loan-Backed and Structured Securities																					
05999999 - Bonds - U.S. Governments - Subtotals - U.S. Governments						9,729,893	XXX	9,824,114	9,411,000	9,538,043		(111,060)		XXX	XXX	XXX		130,686	309,839	XXX	XXX
Bonds - All Other Governments - Issuer Obligations																					
669827-FX-0	NOVA SCOTIA PROVINCE				1FE	3,583,008		104,2440	3,752,784	3,600,000		3,269		2.375	2.470	JJ		38,000	85,500	07/13/2010	07/21/2015
683234-8Y-7	ONTARIO (PROVINCE OF)				1FE	4,999,050		104,7360	5,236,800	5,000,000		180		2.700	2.700	JD		5,625	135,000	06/18/2010	06/16/2015
06999999 - Bonds - All Other Governments - Issuer Obligations						8,582,058	XXX	8,989,584	8,600,000	8,586,982		3,449		XXX	XXX	XXX		43,625	220,500	XXX	XXX
Bonds - All Other Governments - Residential Mortgage-Backed Securities																					
Bonds - All Other Governments - Commercial Mortgage-Backed Securities																					
Bonds - All Other Governments - Other Loan-Backed and Structured Securities																					
10999999 - Bonds - All Other Governments - Subtotals - All Other Governments						8,582,058	XXX	8,989,584	8,600,000	8,586,982		3,449		XXX	XXX	XXX		43,625	220,500	XXX	XXX
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
68607F-CU-2	OREGON ST				1FE	104,458		100,1180	105,124	105,000				5.450	5.450	FA		2,384	5,723	01/16/1996	08/01/2012
68607F-CY-4	OREGON ST				1FE	132,868		100,1010	135,136	135,000		252		5.550	5.800	FA		3,122	7,493	01/18/1996	08/01/2016
68607L-JU-2	OREGON ST				1FE	388,050		100,2170	390,846	390,000		389,320		4.750	4.790	AO		4,631	18,525	11/02/2003	10/01/2015
68607L-KL-0	OREGON ST	SD			1FE	658,925		100,2360	666,569	665,000		662,531		4.850	4.930	AO		8,063	32,253	11/02/2001	10/01/2016
882720-VM-4	TEXAS ST				1FE	465,965		101,4360	507,180	500,000		469,400		5.250	5.910	FA		10,938	26,250	05/02/2002	08/01/2025
11999999 - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						1,750,266	XXX	1,804,855	1,795,000	1,759,882		2,283		XXX	XXX	XXX		29,138	90,244	XXX	XXX
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities																					
17999999 - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Subtotals - U.S. States, Territories and Possessions (Direct and Guaranteed)						1,750,266	XXX	1,804,855	1,795,000	1,759,882		2,283		XXX	XXX	XXX		29,138	90,244	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
287769-ES-8	ELKHORN WI AREA SCH DIST				1FE	1,268,649		101,2170	1,199,421	1,185,000		(10,845)		5.250	4.300	AO		15,553	62,213	03/07/2003	04/01/2012
303820-K4-5	FAIRFAX CNTY VA				1FE	1,071,150		101,2150	1,012,150	1,011,864		(47,347)		5.250	0.490	AO		13,125	52,500	03/23/2010	04/01/2012
472628-PM-2	JEFFERSON CNTY AL				2FE	273,373		81,3580	345,772	425,000		6,454		5.000	9.760	AO		5,313	21,250	03/07/2003	04/01/2023
472628-PZ-3	JEFFERSON CNTY AL				2FE	965,973		85,2360	1,355,252	1,590,000		37,912		5.000	11.540	AO		19,875	79,500	07/28/2004	04/01/2020
483862-GV-4	KANE CNTY IL FOREST PRESERVE LAKE CNTY IN PUBLIC LIBRARY				1FE	1,085,450		106,2880	1,062,880	1,000,000		(34,437)		5.000	1.440	JD		2,222	50,000	03/23/2010	06/15/2013
509354-DR-4	DI				1FE	920,036		105,1700	1,051,700	1,000,000		4,223		4.750	5.600	FA		19,792	47,500	10/29/2003	02/01/2024
666611-GF-9	NORTHPORT AL				1Z	440,690		102,0790	459,356	450,000		425		5.200	5.370	MN		3,900	23,400	04/19/2002	05/01/2022
796236-4Z-7	SAN ANTONIO TX				1FE	4,962		100,3460	5,017	5,000		5		5.000	5.100	FA		104	250	11/21/2002	02/01/2023

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
1899999	Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations					6,030,283	XXX	6,491,548	6,655,000	5,958,577			(43,610)		XXX	XXX	XXX	79,884	336,613	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities																					
2499999	Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Subtotals - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)					6,030,283	XXX	6,491,548	6,655,000	5,958,577			(43,610)		XXX	XXX	XXX	79,884	336,613	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																					
010257-EY-5	ALABAMA ST DRINKING WTR FIN			1	2Z	1,837,600		1,017,940	2,000,000	1,856,248			7,760		4.625	5.410	FA	34,944	92,500	11/21/2003	08/15/2024
013538-HJ-5	ALBUQUERQUE NM ARPT REVENUE				1FE	1,685,946		1,046,960	1,665,000	1,673,309			(5,230)		5.000	4.650	JJ	41,625	83,250	05/20/2004	07/01/2013
013538-HQ-9	ALBUQUERQUE NM ARPT REVENUE			1	1FE	1,566,832		1,049,580	1,665,000	1,586,399			8,163		5.000	5.780	JJ	41,625	83,250	10/04/2004	07/01/2019
02765P-AF-2	AMERICAN MUNI PWR-OHIO INC OH				1FE	927,888		1,032,190	1,000,000	965,868			28,870		5.000	8.350	FA	20,833	50,000	07/25/2007	02/01/2013
041841-AR-8	ARLINGTON TX SPL OBLIG				1FE	1,080,902		1,114,720	1,000,000	1,080,902			(16,039)		5.000	2.690	FA	18,889	50,000	03/23/2010	08/15/2015
090929-DX-5	BIRMINGHAM AL SPL CARE FACS			1	1FE	764,552		1,007,290	760,000	760,663			(1,614)		5.250	5.010	JD	3,325	39,900	04/14/2003	06/01/2012
100340-BM-9	BOSSIER LA PUBLIC TRUST FING					5,038		100,188	5,000	5,000					6.000	5.910	FA	125	350	11/16/1995	08/01/2012
106214-DX-4	BRAZOS RIVER AUTH TX			1	1Z	264,727		106,887	335,000	278,650			5,912		5.050	8.320	MN	2,820	16,918	12/01/2003	11/01/2018
114894-BS-6	BROWARD CNTY FL ARPT SYS																				
130911-X3-9	REVEN			1	1FE	1,988,491		2,005,180	2,000,000	1,988,491			4,498		5.375	5.700	A0	26,875	107,500	06/14/2004	10/01/2013
164243-NH-6	CALIFORNIA ST STWD CMNTYS DEV				1FE	666,340		1,064,180	690,000	668,248			1,431		5.000	5.390	FA	14,375	34,500	11/20/2003	08/01/2022
18085P-DY-7	CHEROKEE CNTY GA WTR & SWR																				
196567-EM-9	AUT			1	1FE	817,399		1,073,660	800,000	809,693			(5,819)		5.000	4.190	FA	16,667	40,000	06/12/2003	08/01/2017
199546-AQ-5	CLARK CNTY NV ARPT REVENUE			1	1FE	935,570		1,055,340	1,000,000	948,103			5,250		5.500	6.380	JJ	27,500	55,000	07/29/2004	07/01/2019
207714-AF-3	COLORADO ST SCH OF MINES																				
207900-BP-5	AUXIL			1	1FE	134,376		140,203	140,000	134,755			158		5.000	5.310	JD	583	7,000	10/30/2002	12/01/2030
235036-EJ-5	COLUMBUS OH REGL ARPT AUTH																				
249181-WD-6	REV			1	1FE	503,349		104,162	535,000	509,851			2,664		5.500	6.340	JJ	14,713	29,425	10/01/2003	01/01/2019
251255-S7-1	CONNECTICUT ST SPL OBLIG PKG																				
29270M-BJ-1	R			1	3FE	849,510		1,002,260	1,000,000	864,854			6,544		6.500	9.300	JJ	32,500	65,000	05/23/2000	07/01/2018
392053-AR-5	CONNECTICUT ST DEV AUTH WTR																				
405524-DB-7	FA			1	1FE	891,670		1,002,140	1,000,000	899,820			6,189		5.000	6.300	MS	16,667	50,000	10/10/2003	09/01/2022
40579E-AV-8	DALLAS-FORT WORTH TX																				
419800-DV-6	INTERNATI			1	1FE	892,350		1,009,890	1,000,000	905,079			5,324		5.000	6.130	MN	8,333	50,000	09/06/2002	11/01/2023
419800-EW-3	DENVER CO CITY & CNTY ARPT																				
445129T-GY-7	REV			1	1FE	254,687		100,059	315,186	260,124			2,287		5.000	6.970	MN	2,013	15,750	01/19/2001	11/15/2025
45129T-HB-6	DETROIT MI WTR SPLY SYS																				
45129T-HB-6	REVENU				1FE	996,169		1,088,620	1,000,000	997,151			726		5.000	5.080	JJ	25,000	50,000	03/04/2005	07/01/2015
45129T-HB-6	ENERGY N W WA WIND PROJ																				
45129T-HB-6	REVENU			1	1FE	457,020		100,739	500,000	462,366			2,232		5.000	5.910	JJ	12,500	25,000	11/13/2003	07/01/2023
45129T-HB-6	GTR KELLY TX DEV AUTH EXEMPT																				
45129T-HB-6	F			1	1FE	246,163		100,196	250,000	247,053			371		5.350	5.570	JD	1,115	13,375	03/13/2001	06/01/2018
45129T-HB-6	GTR ORLANDO FL AVIATION AUTH																				
45129T-HB-6	A				1FE	771,545		1,047,690	725,000	732,766			(3,983)		5.250	4.600	A0	9,516	38,063	06/15/2004	10/01/2013
45129T-HB-6	GUADALUPE-BLANCO RIVER AUTH																				
45129T-HB-6	TX			1	1FE	549,081		1,043,360	540,000	544,574			(3,399)		5.250	4.560	A0	5,985	28,350	04/15/2003	04/15/2013
45129T-HB-6	HALIFAX CNTY VA INDL DEV AUTH				1FE	402,120		1,011,040	500,000	408,966			2,812		5.000	6.860	JD	2,083	25,000	11/07/2002	06/01/2028
45129T-HB-6	HAWAII ST DEPT OF BUDGET & FIN			1	2FE	492,565		100,734	500,000	494,151			663		5.750	5.950	JD	2,396	28,750	09/15/1999	12/01/2018
45129T-HB-6	HAWAII ST DEPT OF BUDGET & FIN																				
45129T-HB-6	HAWAII ST HARBOR SYS REVENUE			1	2FE	1,323,120		1,011,910	1,600,000	1,357,340			14,399		5.000	7.010	JD	6,667	80,000	10/09/2003	12/01/2022
45129T-HB-6	HAWAII ST HARBOR SYS REVENUE				1FE	1,478,263		1,060,830	1,430,000	1,441,866			(5,544)		5.000	4.560	JJ	35,750	71,500	05/27/2004	01/01/2014
45129T-HB-6	IDAHO ST HSG & FIN ASSN				1FE	4,980		100,108	5,000	5,000					6.100	6.100	JJ	153	305	02/06/1997	01/01/2012
45129T-HB-6	IDAHO ST HSG & FIN ASSN			1	1FE	5,000		100,118	5,000	5,006					6.100	6.100	JJ	153	305	02/06/1997	01/01/2012

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For eign Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity	
45129T-HQ-3	IDAHO ST HSG & FIN ASSN		1	1FE	24,823	100.1020	25,026	25,000	25,000					5.850	5.840	JJ	731	1,463	03/20/1997	01/01/2012	
45200P-MU-8	ILLINOIS ST HLTH FACS AUTH REV		1	1FE	250,000	103.2200	258,050	250,000	250,000					5.500	5.500	FA	5,729	13,750	04/26/2001	08/01/2020	
45528S-AU-0	INDIANAPOLIS IN LOCAL PUBLIC		1	1FE	843,330	101.4260	1,014,260	1,000,000	856,145		9,648			5.000	7.020	JJ	25,000	50,000	01/22/2003	01/01/2022	
485427-X3-7	KANSAS ST DEV FIN AUTH		1	1FE	395,000	100.1190	395,470	395,000	395,000					5.200	5.200	MS	6,847	20,540	01/18/2001	03/01/2021	
491026-RW-2	KENTON CNTY KY ARPT BRD		1	1FE	488,430	100.3420	501,710	500,000	494,251		2,422			4.850	5.410	MS	8,083	24,250	03/07/2002	03/01/2014	
49151E-TQ-6	KENTUCKY ST PROPERTY & BLDGS		1	1FE	487,575	105.5240	527,620	500,000	489,131		647			5.000	5.240	MN	4,167	25,000	11/07/2003	11/01/2023	
511002-EE-3	LAKE SUPERIOR MI ST UNIV		1	2FE	767,833	100.1190	770,916	770,000	768,915		104			5.125	5.140	MN	5,042	39,463	02/20/1998	11/15/2019	
52349M-DK-5	LEE CNTY FL INDL DEV AUTH		1	1FE	281,380	102.3030	301,794	295,000	283,671		938			5.000	5.550	MN	2,458	14,750	07/21/2003	11/01/2020	
52349M-DL-3	LEE CNTY FL INDL DEV AUTH		1	1FE	275,154	101.6000	304,800	300,000	278,427		1,343			5.000	5.900	MN	2,500	15,000	10/11/2002	11/01/2022	
52349M-DS-8	LEE CNTY FL INDL DEV AUTH		1	1FE	452,120	103.6400	518,200	500,000	455,360		2,436			5.000	6.000	MN	4,167	25,000	09/26/2003	11/01/2023	
546540-AM-7	LOUISIANA ST UNIV & AGRIC & ME		1	2FE	75,000	100.7070	75,530	75,000	75,000					6.200	6.200	MN	775	4,650	02/03/2000	05/01/2020	
54810C-DZ-0	LOWER COLORADO RIVER TX AUTH		1	1FE	160,426	102.6370	179,615	175,000	162,499		864			4.750	5.660	MN	1,062	8,313	10/01/2002	05/15/2022	
560425-Q4-5	MAINE ST HLTH & HGR EDUCTNL		1	1FE	26,348	100.2050	25,051	25,000	25,000		(82)			6.000	5.320	JJ	750	1,500	01/05/2001	07/01/2012	
592646-FP-3	MET WASHINGTON DC ARPTS AUTH		1	1FE	655,111	103.3250	676,779	655,000	654,984		(53)			5.375	5.360	A0	8,802	35,206	06/03/2003	10/01/2012	
592646-FR-9	MET WASHINGTON DC ARPTS AUTH		1	1FE	463,605	102.7070	513,535	500,000	470,451		2,868			5.375	6.350	A0	6,719	26,875	06/19/2003	10/01/2019	
59455P-ZB-9	MICHIGAN ST MUNI BOND AUTH		1	1FE	118,776	100.2880	120,346	120,000	119,894		110			5.300	5.400	MN	1,060	6,360	11/17/1997	11/01/2012	
59455P-ZC-7	MICHIGAN ST MUNI BOND AUTH		1	1FE	124,338	100.2930	125,366	125,000	124,883		54			5.400	5.440	MN	1,125	6,750	11/17/1997	11/01/2013	
59455P-ZD-5	MICHIGAN ST MUNI BOND AUTH		1	1FE	128,575	100.2830	130,368	130,000	129,653		107			5.400	5.500	MN	1,170	7,020	11/17/1997	11/01/2014	
59455R-BN-5	MICHIGAN ST MUNI BOND AUTH		1	1FE	480,523	100.2920	486,416	485,000	482,629		233			5.375	5.450	MN	4,345	26,069	06/24/1999	11/01/2019	
602248-CB-0	MILWAUKEE CNTY WI ARPT		1	1FE	977,430	107.6910	1,076,910	1,000,000	985,300		3,275			5.000	5.420	JD	4,167	50,000	05/18/2004	12/01/2015	
605275-MQ-6	MISSISSIPPI BUSINESS FIN CORP		2	Z	607,371	102.5230	651,287	635,259	609,462		3,116			8.000	8.600	JAJ0	12,705	50,821	12/15/1998	01/01/2022	
639066-BF-5	NAUGATUCK CT COPS		1	1FE	749,692	100.7010	760,293	755,000	751,132		598			5.000	5.100	JD	1,678	37,750	12/13/2002	06/15/2017	
64461R-CS-5	NEW HAMPSHIRE ST HGR EDUCTNL		1	1FE	247,020	100.1480	250,370	250,000	247,398		158			5.550	5.670	JD	1,156	13,875	12/05/2001	06/01/2023	
64971K-SE-7	NEW YORK CITY NY TRANSITIONAL		1	1FE	1,596,270	102.7380	1,541,070	1,500,000	1,535,621		(60,649)			5.000	0.900	FA	31,250	75,000	03/23/2010	08/01/2012	
64971K-VF-0	NEW YORK CITY NY TRANSITIONAL		1	1FE	48,507	104.9530	52,477	50,000	48,677		69			5.000	5.290	FA	1,042	2,500	10/29/2003	08/01/2024	
64971K-VF-0	NEW YORK CITY NY TRANSITIONAL	SD	1	1FE	194,028	104.9530	209,906	200,000	194,722		289			5.000	5.280	FA	4,167	10,000	10/29/2003	08/01/2024	
65818P-CP-2	NORTH CAROLINA ST CAPITAL FACS		1	Z	987,670	101.9320	1,044,803	1,025,000	999,755		7,477			5.000	5.460	A0	12,813	51,250	01/01/2009	04/01/2013	
65818P-CP-2	NORTH CAROLINA ST CAPITAL FACS	SD	1	Z	240,895	101.9320	254,830	250,000	243,065		904			5.000	5.520	A0	3,125	12,500	01/01/2009	04/01/2013	
709221-JX-4	PENNSYLVANIA ST TURNPIKE COMMI		1	1FE	63,177	100.2570	65,167	65,000	63,848		68			5.000	5.200	JD	271	3,250	08/13/1998	12/01/2023	
717903-YN-2	PHILADELPHIA PA HOSPS & HGR ED		1	1Z	280,000	100.2780	280,778	280,000	280,000					5.300	5.300	JJ	7,420	14,840	12/30/1997	01/01/2018	
73358T-FB-2	PORT AUTH OF NEW YORK & NEW JE		1	1FE	981,890	109.0330	1,090,330	1,000,000	985,863		1,654			5.250	5.490	MN	8,750	52,500	07/08/2004	11/01/2018	
735000-MU-1	PORT OF OAKLAND CA		1	1FE	54,298	103.6200	72,534	70,000	64,560		5,691			5.000	15.250	MN	583	3,500	01/28/2010	11/01/2022	
735388-3X-6	PORT OF SEATTLE WA REVENUE		1	1FE	1,006,060	100.3070	1,003,070	1,000,000	1,000,000		(2,040)			5.625	5.330	A0	14,063	56,250	07/09/2004	10/01/2012	
735388-4C-1	PORT OF SEATTLE WA REVENUE		1	1FE	1,090,232	100.0840	1,301,092	1,300,000	1,112,641		9,309			5.100	6.850	A0	16,575	66,300	04/15/2002	04/01/2024	
735388-6L-9	PORT OF SEATTLE WA REVENUE		1	1FE	1,001,560	102.6170	1,026,170	1,000,000	1,000,287		(530)			5.500	5.440	MS	18,333	55,000	06/21/2004	09/01/2012	
73674N-BA-8	PORTLAND OR RIVER DIST URBAN		1	1FE	740,657	102.4340	798,985	780,000	745,694		2,098			5.000	5.520	JD	1,733	39,000	10/08/2003	06/15/2023	
76223P-CP-8	RHODE ISLAND ST ECON DEV CORP		1	1FE	981,320	105.0560	1,050,560	1,000,000	986,344		2,089			5.000	5.280	JJ	25,000	50,000	07/08/2004	07/01/2017	
76223P-CQ-6	RHODE ISLAND ST ECON DEV CORP		1	1FE	1,125,499	104.9330	1,280,183	1,220,000	1,146,508		8,600			5.000	6.130	JJ	30,500	61,000	08/17/2004	07/01/2018	
762242-QF-5	RHODE ISLAND ST HLTH & EDUCTNL		1	Z	254,375	100.3440	250,860	250,000	250,000					6.000	5.770	A0	3,750	15,000	03/07/1997	04/01/2012	

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For eign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
796242-HK-4	SAN ANTONIO TX ARPT SYS REVENUE			1	1FE	511,935	102.0900	510,450	500,000	502,111		(4,072)			5.750	4.880	JJ	14,375	28,750	03/07/2002	07/01/2012
796242-HQ-1	SAN ANTONIO TX ARPT SYS REVENUE			1	1FE	418,655	100.6420	503,210	500,000	428,015		3,941			5.250	7.100	JJ	13,125	26,250	03/07/2002	07/01/2023
796242-JH-9	SAN ANTONIO TX ARPT SYS REVENUE			1	1FE	1,466,817	101.8100	1,491,517	1,465,000	1,465,324		(622)			5.750	5.700	JJ	42,119	84,238	07/08/2004	07/01/2012
79765A-YN-0	SAN FRANCISCO CITY & CNTY CA			1	1FE	488,655	104.5520	522,760	500,000	494,046		2,211			5.250	5.790	MN	4,375	26,250	02/20/2003	05/01/2014
798055-JS-9	SAN JACINTO RIVER TX AUTH			1	1FE	917,690	104.1990	1,041,990	1,000,000	926,756		3,783			5.000	5.820	AO	12,500	50,000	10/19/2004	10/01/2024
798136-NC-7	SAN JOSE CA ARPT REVENUE			1	1FE	1,009,140	103.6930	1,036,930	1,000,000	1,003,037		(2,527)			5.000	4.720	MS	16,667	50,000	06/10/2004	03/01/2013
798136-ND-5	SAN JOSE CA ARPT REVENUE			1	1FE	501,370	106.1090	530,545	500,000	500,662		(291)			5.000	4.930	MS	8,333	25,000	06/10/2004	03/01/2014
896479-BN-1	TRINITY CA PUBLIC UTILITY			1	1FE	1,271,280	100.4100	1,506,150	1,500,000	1,299,012		11,645			5.000	6.710	AO	18,750	75,000	10/31/2003	04/01/2023
914692-A4-0	DIST			1	1FE	1,159,691	108.9180	1,421,380	1,305,000	1,179,439		14,884			5.000	6.850	JJ	32,625	65,250	10/18/2004	07/01/2018
921624-AG-7	UNIV OF NEW MEXICO NM VANCOUVER WA DOWNTOWN REDEV AU			1	5Z	1,033,980	61.3260	1,165,194	1,900,000	1,076,061		18,207			5.250	11.100	JJ	49,875	99,750	01/06/2004	01/01/2028
928077-DT-0	VIRGINIA ST PORT AUTH PORT FAC			1	1FE	998,670	106.3950	1,063,950	1,000,000	998,941		113			5.250	5.260	JJ	26,250	52,500	06/19/2003	07/01/2019
944314-LB-7	WAYNE CHRT CNTY MI ARPT REVENUE			1	1FE	245,859	101.0190	303,057	300,000	253,290		3,132			5.000	7.220	JD	1,250	15,000	07/23/2002	12/01/2021
988169-AT-5	YSLETA TX INDEP SCH DIST PUBLI			1	1FE	347,194	101.1450	338,836	335,000	335,000					5.250	4.640	MN	2,247	17,588	09/13/2002	05/01/2012
2599999	Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations					52,890,487	XXX	57,252,361	56,225,259	53,145,754		118,844			XXX	XXX	XXX	957,834	2,918,862	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Residential Mortgage-Backed Securities																					
3126MB-VP-9	FG G13122			2	1	1,806,131	107.2590	1,983,732	1,849,479	1,799,309		21,312			5.000	6.160	MON	7,706	92,474	06/16/2008	10/01/2022
3126PK-7A-6	FG J08089			2	1	2,362,761	108.8500	2,577,504	2,367,941	2,362,773		2,454			5.500	5.500	MON	10,853	130,237	06/16/2008	12/01/2022
3128PK-XM-1	FG J07884			2	1	2,166,210	108.9150	2,359,328	2,166,210	2,166,210					5.500	5.390	MON	9,928	129,341	06/12/2008	09/01/2022
3133XB-G7-4	FHLB 6A-2012 1			1		32,942	101.2050	32,052	31,670	32,033		(1,170)			5.000	1,200	MON	26	1,583	03/29/2010	04/25/2012
31349U-B3-1	FH 782758			2	1	374,191	108.0330	383,604	355,080	375,810		(8,001)			5.754	4.080	MON	3,464	20,404	03/24/2010	11/01/2036
31393U-UC-5	FNR 2003-134 ME			2	1	20,684	106.5700	21,376	20,058	20,669		(226)			4.500	3.190	MON	75	903	03/29/2010	09/01/2019
31395R-AR-9	FHRR R001 AE			2	1	1,663	99.9710	1,663	1,663	1,663		(62)			4.375	1.150	MON	6	73	03/29/2010	01/01/2012
31396C-E3-0	FHR 3059 CB			2	1	4,376,141	100.7140	4,355,689	4,324,784	4,320,440		(11,622)			5.000	4.630	MON	18,020	265,944	08/01/2008	05/01/2012
31396E-2U-9	FHR 3053 OD			2	1	3,938,296	101.9690	3,949,198	3,872,940	3,873,950		(21,969)			5.500	5.020	MON	17,751	256,011	11/20/2008	10/01/2012
31396G-G7-0	FHRR R004 AL			2	1	15,074	100.3590	14,863	14,810	14,846		(383)			5.125	3.030	MON	63	759	03/29/2010	04/01/2012
31396U-3A-6	FHRR R008 FK			2	1	46,241	99.9100	46,337	46,378	46,283		93			0.689	0.900	MON	14	292	03/29/2010	03/15/2014
31396X-CV-4	FNR 2007-79 MA			2	1	498,790	99.9660	488,433	488,598	487,366		(2,138)			5.500	4.740	MON	2,239	63,267	07/14/2008	02/01/2012
31397B-MQ-1	FHRR R009 AJ			2	1	36,628	102.1130	36,100	35,353	35,969		(1,233)			5.750	1.990	MON	169	2,033	03/29/2010	12/01/2012
31397N-FZ-3	FNR 2009-17 DA			2	1	117,944	104.4420	121,818	116,637	117,575		(711)			5.500	4.590	MON	535	6,415	03/29/2010	12/01/2014
314020-ZE-4	FN 735241			2	1	22,908	105.6790	23,430	22,171	22,862		(228)			2.573	1.970	MON	47	542	03/29/2010	12/01/2034
31403B-PC-1	FN 743919			2	1	69,143	107.0750	70,320	65,674	68,735		(1,066)			4.500	2.030	MON	246	2,955	03/29/2010	06/01/2018
31403D-RH-4	FN 745788			2	1	387,539	107.2120	397,620	4,930	370,873		395,277			5.658	2.170	MON	1,738	20,800	03/24/2010	01/01/2036
31403D-VZ-9	FN 745932			2	1	85,527	112.3160	88,393	78,701	86,219		(1,578)			6.500	2.920	MON	426	5,116	03/29/2010	11/01/2035
31404V-Y6-9	FN 780233			2	1	235,104	107.0130	239,324	223,640	233,902		(4,753)			4.500	2.500	MON	839	10,064	03/24/2010	07/01/2018
31405H-6L-7	FN 790275			2	1	13,339	105.5100	13,568	12,859	13,300		(98)			2.368	1.740	MON	25	335	03/29/2010	08/01/2034
31405R-CR-5	FN 796680			2	1	269,603	107.0130	274,442	256,457	268,747		(4,362)			4.500	1.910	MON	962	11,541	03/24/2010	05/01/2019
31410K-JY-1	FN 889579			2	1	405,369	110.5980	421,393	407,535	407,535		(6,823)			6.000	3.160	MON	1,905	22,861	03/29/2010	03/01/2037
31410R-GJ-3	FN 895573			2	1	379,357	106.1720	389,252	366,624	379,105		(3,666)	6,192		2.693	2.030	MON	823	15,391	03/24/2010	05/01/2036
31411Y-DP-5	FN 918210			2	1	82,015	108.1690	84,403	78,029	82,151		(652)			5.688	3.490	MON	371	4,438	03/29/2010	05/01/2017
31412W-SD-1	FN 929416			2	1	139,221	110.1910	144,255	130,914	139,699		(2,566)			6.000	3.080	MON	655	7,855	03/29/2010	11/01/2037
31414D-UF-1	FN 963282			2	1	3,631,569	107.6340	3,972,740	3,690,971	3,626,459		19,735			5.000	5.570	MON	15,379	192,375	06/12/2008	12/01/2022
31416J-PH-8	FN AA1323			2	1	323,070	111.4720	330,914	296,859	323,435		(14,136)			6.000	2.880	MON	1,484	17,812	03/29/2010	05/01/2031

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
314177-T7-2	FN MA0573			2	1	777,995	104.6670	811,035	774,872	777,839		(1,135)	4,767		3.500	3.300	MON	2,260	27,121	10/28/2010	07/01/2025
2699999	Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Residential Mortgage-Backed Securities																				
						22,615,455	XXX	23,632,786	22,441,259	22,480,161		(49,914)	10,959		XXX	XXX	XXX	98,009	1,308,942	XXX	XXX
	Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Commercial Mortgage-Backed Securities																				
383766-6E-5	GNR 2011-152 A			2	1	9,952,614	100.1890	9,994,930	9,975,995	9,953,030		472			1.622	1.680	MON	13,484	13,484	11/10/2011	09/01/2016
383766-AG-5	GNR 2009-71 A			2	1	6,631,243	103.6740	6,630,405	6,395,412	6,625,438		(18,984)			3.304	1.690	MON	17,609	35,217	10/26/2011	09/01/2017
383766-RQ-5	GNR 2010-74 B			2	1	5,058,393	107.3920	5,369,605	5,000,000	5,050,219		(19,216)	86,660		3.810	3.540	MON	15,875	285,750	08/12/2010	10/01/2018
383766-UQ-1	GNR 2010-118 A			2	1	2,883,758	101.0580	2,888,098	2,857,859	2,881,848		(2,041)			1.910	1.430	MON	4,549	9,098	10/20/2011	07/01/2015
38378B-AH-2	GNR 2011-164 A			2	1	6,004,998	100.0830	6,004,998	6,000,000	6,004,998			6,955		1.569	1.460	MON	7,848		12/05/2011	07/01/2016
2799999	Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Commercial Mortgage-Backed Securities																				
						30,531,006	XXX	30,888,036	30,229,266	30,515,533		(39,769)	93,615		XXX	XXX	XXX	59,365	343,549	XXX	XXX
	Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Other Loan-Backed and Structured Securities																				
3199999	Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Subtotals - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies of Governments and Their Political Subdivisions																				
						106,036,948	XXX	111,773,183	108,895,784	106,141,448		29,161	104,574		XXX	XXX	XXX	1,115,208	4,571,353	XXX	XXX
	Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																				
002824-AT-7	ABBOTT LABORATORIES			1	1FE	1,716,735	117.3110	1,759,665	1,500,000	1,686,904		(39,870)	4,827		5.875	2.820	MN	11,260	88,125	08/24/2010	05/15/2016
02003M-BQ-6	ALLSTATE LF GLB FN TRST			1	1FE	7,816,904	105.5930	8,447,440	8,000,000	7,901,405		68,363			5.375	6.340	AO	72,861	430,000	06/04/2008	04/30/2013
02580E-CN-1	AMERICAN EXPRESS BK FSB			1	1FE	739,800	104.5250	862,331	825,000	780,252		30,854			5.500	10.060	AO	9,453	45,375	04/11/2008	04/16/2013
0258MO-CW-7	AMER EXPRESS CREDIT CO			1	1FE	4,564,824	105.1150	5,255,750	5,000,000	4,761,317		159,261			5.875	9.750	MN	48,142	293,750	05/28/2008	05/02/2013
02666Q-G8-0	AMERICAN HONDA FINANCE			1	1FE	6,875,413	100.0060	6,875,413	6,875,000	6,875,413		(3,876)	63,430		1.625	1.070	MS	31,343		11/18/2011	09/20/2013
03523T-AR-9	ANHEUSER-BUSCH INBEV WOR			1	1FE	7,129,360	101.8480	7,129,360	7,000,000	7,129,360		(8,706)	5,854		2.500	0.920	MS	46,181		12/07/2011	03/26/2013
037411-AU-9	APACHE CORP			1	1FE	1,026,580	105.8010	1,058,010	1,000,000	1,008,832		(6,562)			5.250	4.530	AO	11,083	52,500	03/04/2009	04/15/2013
037411-AU-9	APACHE CORP			1	1FE	2,055,025	108.9410	2,102,561	1,930,000	1,979,897		(27,661)			6.000	4.400	MS	34,097	115,800	03/03/2009	09/15/2013
054303-AT-9	AVON PRODUCTS INC			1	2FE	1,761,402	103.1870	1,761,402	1,700,000	1,761,402		(17,163)	16,926		4.800	1.330	MS	27,312		09/13/2011	03/01/2013
054303-AV-4	AVON PRODUCTS INC			1	2FE	1,989,100	106.3880	2,127,760	2,000,000	1,994,713		2,154			5.625	5.750	MS	37,500	112,500	02/25/2009	03/01/2014
05531F-AG-8	BB&T CORPORATION			1	1FE	3,972,640	104.2430	4,169,720	4,000,000	3,976,442		3,976	11,554		3.200	3.350	MS	37,689	66,844	03/08/2011	03/15/2016
060505-CS-1	BANK OF AMERICA CORP			1	1FE	335,783	95.9380	335,783	350,000	335,783		(661)	24,389		5.625	6.540	AO	4,211	19,688	03/29/2010	10/14/2016
06051G-DZ-9	BANK OF AMERICA CORP			1	1FE	3,102,660	103.4220	3,102,660	3,000,000	3,102,660		(32,788)	269,367		7.625	6.760	JD	19,063	228,750	06/17/2010	06/01/2019
06406H-BL-2	BANK OF NEW YORK MELLON			1	1FE	604,175	107.2950	616,946	575,000	592,205		(6,905)			4.300	2.980	MN	3,159	24,725	03/30/2010	05/15/2014
06406H-BQ-1	BANK OF NEW YORK MELLON			1	1FE	6,990,970	103.7060	7,259,420	7,000,000	6,993,553		1,728			2.950	2.970	JD	7,457	206,500	06/11/2010	06/18/2015
071813-AW-9	BAXTER INTERNATIONAL INC			1	1FE	5,760,100	119.0380	5,951,900	5,000,000	5,661,570		(137,673)	4,932		5.900	2.850	MS	98,333	295,000	07/21/2010	09/01/2016
079860-AL-6	BELLSOUTH CORP			1	1FE	2,200,300	114.3010	2,286,020	2,000,000	2,157,008		(28,578)			5.200	3.460	JD	4,622	104,000	06/16/2010	12/15/2016
084664-BG-5	BERKSHIRE HATHAWAY FIN			1	1FE	300,024	106.4850	292,834	275,000	287,245		(7,339)			5.000	2.180	FA	5,194	13,750	03/29/2010	08/15/2013
084664-BK-6	BERKSHIRE HATHAWAY FIN			1	1FE	315,817	101.0030	303,009	300,000	302,256		(7,764)			4.000	1.370	AO	2,533	12,000	03/29/2010	04/15/2012
10138M-AG-0	BOTTLING GROUP LLC			1	1FE	7,887,530	115.8490	8,109,430	7,000,000	7,761,719		(167,800)	21,262		5.500	2.760	AO	96,250	385,000	07/09/2010	04/01/2016
125720-AD-7	CME GROUP INC			1	1FE	892,726	109.0010	926,509	850,000	874,042		(10,825)			5.750	4.290	FA	18,464	48,875	03/29/2010	02/15/2014
144141-CT-3	CAROLINA POWER & LIGHT			1	1FE	4,503,914	107.1850	4,503,914	4,202,000	4,503,914		(26,481)	12,723		5.125	0.700	MS	63,409		11/04/2011	09/15/2013
14912L-4M-0	CATERPILLAR FIN SERV CRP			1	1FE	7,061,900	103.8410	7,268,870	7,000,000	7,044,392		(12,070)			2.750	2.550	JD	3,743	192,500	07/12/2010	06/24/2015
166751-AH-0	CHEVRON CORP			1	1FE	417,070	106.9400	427,760	400,000	409,661		(4,261)			3.950	2.790	MS	5,179	15,800	03/29/2010	03/03/2014
17275R-AC-6	CISCO SYSTEMS INC			1	1FE	7,859,740	116.3730	8,146,110	7,000,000	7,735,303		(169,514)	82,954		5.500	2.790	FA	137,958	385,000	07/20/2010	02/22/2016
17314J-AT-0	CITIBANK NA			1	1FE	755,790	101.5280	761,460	750,000	752,209		(2,196)			1.750	1.440	JD	109	13,125	05/05/2010	12/28/2012
191219-BU-7	COCA-COLA REFRESH USA			1	1FE	1,097,932	100.4410	1,104,851	1,100,000	1,099,793		656			3.750	3.810	MS	13,750	41,250	02/17/2009	03/01/2012
191219-BV-5	COCA-COLA REFRESH USA			1	1FE	4,310,440	108.4890	4,339,560	4,000,000	4,238,569		(71,871)			4.250	2.280	MS	56,667	170,000	07/22/2010	03/01/2015
19416Q-DN-7	COLGATE-PALMOLIVE CO			1	1FE	266,940	107.2320	284,165	266,000	266,338		(349)			3.150	3.000	FA	3,385	8,348	03/30/2010	08/05/2015
202795-HW-3	COMMONWEALTH EDISON			1	2FE	5,439,527	100.7250	5,439,150	5,400,000	5,438,892		(1,048)	1,287		1.625	1.250	JJ	40,463		12/12/2011	01/15/2014
210518-BV-7	CONSUMERS ENERGY COMPANY			1	2FE	3,998,398	105.2210	3,998,398	3,800,000	3,998,398		(16,671)	2,995		5.375	1.210	AO	43,119		11/18/2011	04/15/2013
216871-AB-9	COOPER US INC			1	1FE	5,757,345	103.8220	5,710,210	5,500,000	5,699,770		(101,961)	19,909		5.250	1.050	MN	36,896	144,375	07/21/2011	11/15/2012
233851-AD-6	DAIMLER FINANCE NA LLC			1	1FE	3,970,720	101.1580	4,046,320	4,000,000	3,995,941		25,228	24,687		3.000	3.020	MS	31,000	60,000	03/21/2011	03/28/2016
233851-AE-4	DAIMLER FINANCE NA LLC			1	1FE	2,961,450	98.7150	2,961,450	3,000,000	2,961,450			38,550		1.741	1.740	MJSD	2,758	11,572	09/07/2011	09/13/2013

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
244217-BK-0.	JOHN DEERE CAPITAL CORP				1FE	2,400,186		104,5090	2,379,670	2,277,000		(30,188)	8,162		5.100	0.870	JJ	53,547		09/06/2011	01/15/2013
24422E-QY-8.	JOHN DEERE CAPITAL CORP				1FE	2,051,260		105,3540	2,107,080	2,000,000		(12,532)	205		2.950	2.260	MS	18,356	59,000	09/20/2010	03/09/2015
24424D-AA-7.	JOHN DEERE CAPITAL CORP				1FE	723,674		101,2970	709,079	700,000		(10,691)			2.875	1.320	JD	671	20,125	03/30/2010	06/19/2012
24702R-AH-4.	DELL INC.			1	1FE	2,048,606		101,1030	2,072,612	2,050,000		2,049,732			3.375	3.390	JD	3,075	69,188	06/10/2009	06/15/2012
24702R-AK-7.	DELL INC.				1FE	2,013,320		100,6640	2,013,280	2,000,000		(424)			1.400	1.070	MS	8,633		12/02/2011	09/10/2013
263534-BY-4.	E. I. DU PONT DE NEMOURS				1FE	4,670,460		106,6440	4,798,980	4,500,000		(40,780)			3.250	2.260	JJ	67,438	146,250	07/20/2010	01/15/2015
264399-EF-9.	DUKE ENERGY CAROLINAS				1FE	2,902,054		104,2030	2,902,054	2,785,000		(9,709)	6,054		5.625	0.760	MN	13,490		11/30/2011	11/30/2012
26875P-AF-8.	EOG RESOURCES INC.				1FE	4,987,300		104,5010	5,225,050	5,000,000		2,434			2.950	3.000	JD	12,292	147,500	06/15/2010	06/01/2015
278058-DF-6.	EATON CORP.				1FE	1,206,109		105,3370	1,206,109	1,145,000		(7,292)	2,429		4.900	0.820	MN	7,169	28,053	11/01/2011	05/15/2013
369626-4C-5.	GENERAL ELEC CAP CORP				1FE	4,834,331		109,5150	4,791,281	4,375,000		(4,650,927)			5.900	3.110	MN	34,417	258,125	04/26/2010	05/13/2014
369626-4T-8.	GENERAL ELEC CAP CORP				1FE	2,393,700		100,4470	2,511,175	2,500,000		2,414,685			2.250	3.190	MN	8,125	56,250	12/20/2010	11/09/2015
370334-BG-8.	GENERAL MILLS INC.				2FE	2,144,740		106,8680	2,137,360	2,000,000		(8,329)			5.250	1.000	FA	39,667		11/21/2011	08/15/2013
373334-FN-6.	GEORGIA POWER COMPANY				1FE	1,019,460		103,6260	1,036,260	1,000,000		(1,004,086)			5.125	4.630	MN	6,549	51,250	05/30/2008	11/15/2012
373334-GA-3.	GEORGIA POWER COMPANY				1FE	3,999,920		113,5460	4,541,840	4,000,000		(3,999,893)			5.250	5.250	JD	9,333	210,000	05/29/2008	12/15/2015
373334-JT-9.	GEORGIA POWER COMPANY				1FE	1,160,143		100,9240	1,160,626	1,150,000		(193)			1.300	0.780	MS	4,402		12/14/2011	09/15/2013
38141G-EE-0.	GOLDMAN SACHS GROUP INC				1FE	2,050,300		102,5150	2,050,300	2,000,000		(23,433)	75,067		5.350	4.450	JJ	49,339	107,000	12/20/2010	01/15/2016
38143U-AB-7.	GOLDMAN SACHS GROUP INC				1FE	4,076,120		101,9030	4,076,120	4,000,000		(40,097)	187,943		5.150	3.520	JJ	94,989		07/12/2011	01/15/2014
428236-AM-5.	HEWLETT-PACKARD CO.				1FE	7,823,340		110,2900	7,720,300	7,000,000		(122,612)			5.400	3.270	MS	126,000	378,000	08/13/2010	03/01/2017
441812-KA-1.	HSBC FINANCE CORP.				1FE	5,142,700		102,8540	5,142,700	5,000,000		(88,462)	113,288		6.375	3.140	MN	30,104	159,375	07/18/2011	11/27/2012
452308-AF-6.	ILLINOIS TOOL WORKS INC				1FE	3,996,800		109,8510	4,394,040	4,000,000		3,998,152			5.150	5.160	AO	51,500	206,000	03/23/2009	04/01/2014
46625H-HN-3.	JPMORGAN CHASE & CO.				1FE	684,604		105,5890	686,329	650,000		(8,074)			4.650	3.270	JD	2,519	30,225	03/29/2010	06/01/2014
46625H-HP-8.	JPMORGAN CHASE & CO.				1FE	3,527,965		103,6800	3,628,800	3,500,000		(3,518,629)			3.700	3.510	JJ	57,915	129,500	04/26/2010	01/20/2015
46625H-HR-4.	JPMORGAN CHASE & CO.				1FE	2,494,875		101,9370	2,548,425	2,500,000		2,496,327			3.400	3.440	JD	1,653	85,000	06/17/2010	06/24/2015
478160-AQ-7.	JOHNSON & JOHNSON	SD			1FE	2,119,320		120,7190	2,414,380	2,000,000		(11,989)			5.550	4.740	FA	41,933	111,000	05/23/2008	08/15/2017
481247-AE-4.	JPMORGAN CHASE & CO.				1FE	862,640		100,9650	858,203	850,000		(5,683)			2.125	1.440	JD	952	18,063	03/29/2010	06/22/2012
487836-AZ-1.	KELLOGG CO.				2FE	1,833,755		103,9290	1,818,758	1,750,000		(21,032)	4,036		5.125	1.010	JD	6,976	44,844	09/13/2011	12/03/2012
532457-BD-9.	ELI LILLY & CO.				1FE	998,980		100,5220	1,005,220	1,000,000		999,862			3.550	3.580	MS	11,340	35,500	03/03/2009	03/06/2012
57629W-BM-1.	MASSMUTUAL GLOBAL FUNDIN.				1FE	1,935,580		100,3980	2,007,960	2,000,000		1,945,691			12.613	17.042	12/22/2010	11,883	46,130	12/22/2010	09/28/2015
581557-AU-9.	MCKESSON CORP.				1FE	7,345,730		104,9390	7,345,730	7,000,000		(47,547)	6,703		5.250	0.900	MS	122,500		11/01/2011	03/01/2013
585055-AR-7.	MEDTRONIC INC.				1FE	695,211		105,6020	739,214	700,000		927			3.000	3.140	MS	6,183	21,000	03/29/2010	03/15/2015
589331-AP-2.	MERCK & CO INC.				1FE	4,994,719		110,1230	5,506,150	5,000,000		4,997,780			4.000	4.010	JD	556	200,000	03/29/2010	06/30/2015
592179-JG-1.	MET LIFE GLOB FUNDING I				1FE	4,678,181		104,4630	5,223,150	5,000,000		4,834,168			5.125	7.900	AO	57,656	256,500	06/04/2008	04/10/2013
59217G-AC-3.	MET LIFE GLOB FUNDING I				1FE	1,947,680		100,5740	2,011,480	2,000,000		1,955,865			2.500	3.120	MS	12,778	50,000	12/21/2010	09/29/2015
617446-V8-9.	MORGAN STANLEY				1FE	2,785,310		101,2840	2,785,310	2,750,000		(49,958)	56,109		5.750	2.080	FA	53,148	79,063	07/15/2011	08/31/2012
61746S-BR-9.	MORGAN STANLEY				1FE	1,954,260		97,7130	1,954,260	2,000,000		(13,457)	133,023		5.375	5.590	AO	22,694	107,500	12/20/2010	10/15/2015
629491-AA-9.	NYSE EURONEXT				1FE	4,992,665		105,2150	5,260,750	5,000,000		4,996,068			4.800	4.800	JD	2,000	240,000	05/21/2008	06/28/2013
637432-DC-6.	NATIONAL RURAL UTIL COOP.				1FE	1,959,980		107,8920	2,157,840	2,000,000		1,980,842			4.750	5.210	MS	31,667	95,000	04/16/2009	03/01/2014
637432-HT-5.	NATIONAL RURAL UTIL COOP.				1FE	3,674,939		113,4750	3,835,455	3,380,000		(39,361)			5.450	3.970	AO	41,447	184,210	06/15/2010	04/10/2017
637432-LM-5.	NATIONAL RURAL UTIL COOP.				1FE	1,547,582		106,9540	1,657,787	1,550,000		1,549,206			5.500	5.530	JJ	42,625	85,250	06/23/2008	07/01/2013
64952W-AW-3.	NEW YORK LIFE GLOBAL FDG.				1FE	7,039,640		104,7320	7,331,240	7,000,000		(10,530)	16,347		3.000	2.840	MN	33,250	210,000	07/09/2010	05/04/2015
66880H-AA-0.	NORVELL CONWAY LLC.				2Z	400,515		110,6870	577,403	521,654		22,578			6.780	14.220	MON	1,572	35,368	04/01/1998	12/15/2018
670346-AJ-4.	NUCOR CORP.				1FE	4,983,779		105,6940	5,284,700	5,000,000		4,994,756			5.000	5.070	JD	20,833	250,000	05/30/2008	06/01/2013
693304-AN-7.	PECO ENERGY CO.				1FE	1,698,336		110,3830	1,876,511	1,700,000		1,698,692			5.000	5.020	AO	21,250	85,000	03/19/2009	10/01/2014
69371R-J9-8.	PACCAR FINANCIAL CORP.				1FE	1,647,806		101,4720	1,674,288	1,650,000		1,648,909			2.050	2.090	JD	1,315	33,825	06/09/2010	06/17/2013
69373U-AA-5.	PACCAR INC.				1FE	4,052,940		112,0300	4,481,200	4,000,000		(10,646)			6.875	6.550	FA	103,889	275,000	03/10/2009	02/15/2014
717081-DA-8.	Pfizer Inc.				1FE	3,808,976		113,1190	3,860,751	3,413,000		(96,505)	3,761		5.350	2.660	MS	53,764	182,596	07/28/2010	03/15/2015
724479-AF-7.	PITNEY BOWES INC.				2FE	5,177,150		102,5270	5,126,350	5,000,000		(51,734)			4.625	1.250	AO	57,813	115,625	09/06/2011	10/01/2012
74153W-AS-8.	PRICOA GLOBAL FUNDING 1				1FE	4,506,621		101,5930	5,079,650	5,000,000		4,853,207			4.625	11.010	JD	3,854	231,250	06/02/2008	06/25/2012
74367F-AN-8.	PROTECTIVE LIFE SECD TR.				1FE	4,800,275		102,6810	5,134,050	5,000,000		94,580			5.450	7.560	MS	70,396	272,500	06/10/2008	09/28/2012
744560-AT-3.	PUB SVC ELEC & GAS.				1FE	7,797,582		109,3240	8,527,272	7,800,000		7,797,936			6.330	6.330	MN	82,290	493,740	11/24/2008	11/01/2013
74834L-AR-1.	QUEST DIAGNOSTIC INC.				2FE	1,416,407		103,5410	1,475,459	1,425,000		1,417,573			3.200	3.330	AO	11,400	23,687	03/21/2011	04/01/2016
771196-AQ-5.	ROCHE HLDGS INC.				1FE	3,281,537		108,1800	3,440,124	3,180,000		(3,227,369)			5.000	4.270	MS	53,000	164,814	04/01/2009	03/01/2014
78387G-AK-9.	AT&T INC.				1FE	2,794,256		103,2330	2,643,797	2,561,000		(119,088)			5.875	1.150	FA	56,840	150,459	12/21/2009	08/15/2012
78387G-AL-7.	AT&T INC.				1FE	3,249,440		114,7170	3,324,499	2,898,000		(59,976)			5.625	3.180	JD	7,245	163,013	07/16/2010	06/15/2016
790849-AG-8.	ST JUDE MEDICAL INC.				1FE	7,534,310		101,8150	7,534,310	7,400,000		(11,082)	23,586		2.200	0.930					

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
85744N-AA-9	STATE STREET BANK & TRST				1FE	291,202		112,2180	275,000	286,701		(2,611)			5.300	4.140	JJ	6,721	14,575	03/29/2010	01/15/2016
857477-AH-6	STATE STREET CORP				1FE	4,967,000		102,9270	5,000,000	4,971,636		4,895	12,509		2.875	3.010	MS	45,521	71,875	03/02/2011	03/07/2016
87612E-AN-6	TARGET CORP			1	1FE	2,872,000		118,4280	2,500,000	2,822,618		(65,780)	1,052		5.875	2.820	JJ	67,726	146,875	08/24/2010	07/15/2016
87612E-AW-6	TARGET CORP				1FE	499,910		100,7340	500,000	499,923		13			1.125	1.130	JJ	2,547		07/13/2011	07/18/2014
89233P-4B-9	TOYOTA MOTOR CREDIT CORP			1	1FE	4,943,862		105,1820	4,950,000	4,945,602		1,170			3.200	3.220	JD	6,160	158,400	06/14/2010	06/17/2015
89417E-AB-5	TRAVELERS COS INC			1	1FE	1,081,317		101,9290	1,080,000	1,080,328		(851)			5.375	5.290	JD	2,580	58,050	01/22/2009	06/15/2012
90261X-GF-3	UBS AG STAMFORD CT				1FE	4,812,143		99,1090	4,900,000	4,823,730		11,224	88,785		2.250	3.240	FA	42,569	110,250	08/05/2010	08/12/2013
911312-AL-0	UNITED PARCEL SERVICE			1	1FE	836,962		106,6980	800,000	821,217		(9,044)			3.875	2.650	AO	7,750	31,000	03/29/2010	04/01/2014
91159H-GT-1	US BANCORP				1FE	253,758		104,2260	250,000	252,514		(831)			2.875	2.510	MN	819	7,188	06/24/2010	11/20/2014
91159H-GU-8	US BANCORP				1FE	7,080,430		104,5200	7,000,000	7,055,311		(16,457)			3.150	2.880	MS	71,663	220,500	06/14/2010	03/04/2015
91324P-BA-9	UNITEDHEALTH GROUP INC			1	1FE	7,252,210		103,8570	7,000,000	7,252,210		(47,530)	35,560		5.500	0.760	MN	49,194	192,500	11/04/2011	11/15/2012
918204-AU-2	VF CORP				1FE	3,605,760		100,1710	3,600,000	3,605,565		(195)			1.245	1.160	FMAN	4,856		12/02/2011	08/23/2013
927804-FD-1	VIRGINIA ELEC & POWER CO			1	1FE	1,297,462		103,8700	1,250,000	1,297,462		(3,887)	1,826		5.100	0.760	MN	5,490		11/30/2011	11/30/2012
931142-CT-8	WAL-MART STORES INC				1FE	1,589,696		104,3090	1,600,000	1,591,708		2,012			2.250	2.400	JJ	17,300	36,000	07/16/2010	07/08/2015
931422-AD-1	WALGREEN CO			1	1FE	7,470,960		106,6890	7,000,000	7,453,582		(17,378)			4.875	0.750	FA	142,188		12/06/2011	08/01/2013
949746-NW-7	WELLS FARGO & COMPANY				1FE	1,583,705		103,5080	1,500,000	1,548,625		(27,108)	6,332		5.250	1.210	AO	14,875	39,375	07/20/2011	10/23/2012
94974B-ET-3	WELLS FARGO & COMPANY				1FE	3,000,000		105,5720	3,000,000	2,999,869					3.750	3.750	AO	28,125	112,500	09/24/2009	10/01/2014
960394-AP-9	CBS CORP				2FE	43,657		114,0810	50,000	46,388		1,192			8.875	12.370	JD	210	4,438	09/04/1992	06/14/2014
98385X-AH-9	XTO ENERGY INC			1	1FE	4,569,226		118,8590	4,000,000	4,501,003		(103,986)	22,810		5.650	2.520	AO	56,500	226,000	08/24/2010	04/01/2016
73755L-AC-1	POTASH CORP-SASKATCHEWAN		A		2FE	3,928,780		104,5680	3,921,300	3,919,366		(16,735)	3,467		4.875	0.950	MS	60,938		12/07/2011	03/01/2013
78008K-BS-1	ROYAL BANK OF CANADA		A		1FE	1,993,300		102,7900	2,055,800	1,996,395		7,064			2.625	2.670	JD	2,333	52,500	07/07/2010	11/15/2015
78008T-XB-5	ROYAL BANK OF CANADA		A		1FE	4,985,650		99,7130	4,985,650	4,985,650			14,350		1.128	1.140	JAJO	9,714		10/25/2011	10/30/2014
878742-AD-7	TECK RESOURCES LIMITED		A	1	2FE	3,549,847		103,8050	3,515,875	3,507,076		(74,543)	7,246		7.000	1.910	MS	69,810	118,545	07/21/2011	09/15/2012
893526-DH-3	TRANS-CANADA PIPELINES		A	1	1FE	3,073,050		105,9190	3,000,000	3,059,716		(13,334)			3.400	2.780	JD	8,500	102,000	03/03/2011	06/01/2015
89352H-AA-7	TRANS-CANADA PIPELINES		A	1	1FE	5,271,050		104,0680	5,203,400	5,129,646		(86,758)			4.000	2.170	JD	8,889	200,000	05/05/2010	06/15/2013
00182E-AL-3	ANZ NATIONAL (INTL) LTD		F		1FE	1,737,704		101,7260	1,780,205	1,744,545		5,457			2.375	2.700	JD	1,155	41,563	12/15/2009	12/21/2012
034863-AC-4	ANGLO AMERICAN CAPITAL		F	1	2FE	2,003,320		100,1660	2,003,320	2,003,320		(235)	945		2.150	2.020	MS	11,228		11/21/2011	09/27/2013
046353-AC-2	ASTRAZENECA PLC		F	1	1FE	2,663,875		103,4540	2,586,350	2,579,662		(112,233)	559		5.400	0.850	MS	39,750	135,000	12/30/2009	09/15/2012
05252A-AM-3	AUST & NZ BANKING GROUP		F		1FE	5,152,650		102,8330	5,141,650	5,116,425		(36,225)			3.700	2.890	JJ	86,333	185,000	07/20/2010	01/13/2015
055451-A6-3	BHP BILLITON FIN USA LTD		F		1FE	4,983,300		109,9210	5,496,050	5,000,000		3,263			5.500	5.570	AO	68,750	275,000	03/18/2009	04/01/2014
055650-BF-4	BP CAPITAL MARKETS PLC		F		1FE	2,145,120		107,2560	2,145,120	2,145,120		(12,019)	10,081		5.250	1.000	MN	15,750		11/04/2011	11/07/2013
055650-BW-7	BP CAPITAL MARKETS PLC		F		1FE	5,000,000		100,2490	5,012,450	5,000,000					1.153	1.150	MJSD	4,165		12/01/2011	12/06/2013
2027AO-DG-1	COMMONWEALTH BANK AUST		F		1FE	2,516,947		101,1490	2,528,725	2,506,603		(8,255)			2.750	2.400	AO	14,514	68,750	12/30/2009	10/15/2012
2027AO-EM-7	COMMONWEALTH BANK AUST		F		1FE	5,118,650		102,1060	5,105,300	5,097,109		(28,750)	11,741		3.500	2.860	MS	49,583	175,000	07/20/2010	03/19/2015
223030-AJ-9	COVIDIEN INTL FINANCE SA		F	1	1FE	7,419,752		100,9490	7,419,752	7,419,752		(7,456)	31,299		1.875	0.920	JD	6,125	68,906	11/17/2011	06/15/2013
2515AO-NY-5	DEUTSCHE BANK AG LONDON		F		1FE	2,759,940		102,2200	2,759,940	2,759,940		(32,258)	78,361		4.875	2.770	MN	14,991	65,813	07/13/2011	05/20/2013
2515A1-4E-8	DEUTSCHE BANK AG LONDON		F		1FE	3,921,960		101,3640	4,054,560	3,926,341		2,627	129,886		3.250	3.740	JJ	61,389	65,000	03/18/2011	01/11/2016
25243Y-AJ-8	DIAGEO CAPITAL PLC		F	1	1FE	3,358,890		114,9740	3,449,220	3,286,114		(54,821)			5.500	3.310	MS	41,708	165,000	06/28/2010	09/30/2016
25244S-AF-8	DIAGEO FINANCE BV		F	1	1FE	5,131,350		105,7210	5,286,050	5,106,393		(34,025)	11,583		3.250	2.510	JJ	74,931	162,500	07/16/2010	01/15/2015
298785-FN-1	EUROPEAN INVESTMENT BANK		F		1FE	997,550		103,4030	1,000,000	997,865		320	1,225		2.500	2.550	MN	3,125	16,670	03/09/2011	05/16/2016
55608J-AD-0	MACQUARIE GROUP LTD		F		1FE	3,300,850		94,3100	3,300,850	3,300,850		9,502	135,520		4.875	5.250	FA	66,828	170,625	08/03/2010	08/10/2017
6325C0-BE-0	NATIONAL AUSTRALIA BANK		F		1FE	5,144,500		103,1950	5,159,750	5,000,000		(36,092)	16,814		3.750	2.960	MS	61,979	187,500	08/02/2010	03/02/2015
6325C0-BN-0	NATIONAL AUSTRALIA BANK		F		1FE	1,965,900		99,3370	2,000,000	1,975,367		11,023	4,936		2.750	3.100	MS	14,361	55,000	12/20/2010	09/28/2015
65557C-AE-3	NORDEA BANK AB		F		1FE	5,073,165		100,6630	5,068,382	5,035,000		(21,694)	38,954		2.500	1.810	MN	16,783	62,938	07/19/2011	11/13/2012
80105N-AD-7	SANOFI		F	1	1FE	2,974,200		104,2730	3,000,000	2,977,783		3,599	10,486		2.625	2.810	MS	20,125	39,375	03/22/2011	03/29/2016
822582-AF-9	SHELL INTERNATIONAL FIN		F	1	1FE	6,998,110		107,4840	7,000,000	6,998,763		377			4.000	4.000	MS	77,778	280,000	03/18/2009	03/21/2014
86959L-AA-1	SVENSKA HANDELSBANKEN AB		F		1FE	4,960,945		104,0510	5,202,550	5,000,000		4,973,454	9,904		4.875	5.100	JD	14,219	243,750	06/03/2009	06/10/2014
88165F-AB-8	TEVA PHARMACEUT FIN BV		F		1FE	5,450,000		100,4050	5,472,073	5,450,000					1.344	1.340	FMAN	10,582		11/07/2011	11/08/2013
92857W-AF-7	VODAFONE GROUP PLC		F	1	1FE	7,511,000		107,3000	7,000,000	7,511,000		(43,876)	37,744		5.000	0.950	JD	14,583	175,000	11/01/2011	12/16/2013
928670-AC-2	VOLKSWAGEN INTL FIN NV		F	1</																	

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
1248MP-AB-0.	CBASS 2007-MX1 A2			2	1AM	199,740		79,8950	199,740	250,000		199,740	11,256	18,160	5.763	12.920	MON	1,201	13,540	03/29/2010	10/01/2017
125430-AB-4.	CWHL 2006-11 1A2			2	6FM	26,053		15,0650	26,053	172,935		26,053		50,430	6.000	6.000	MON	3,459	10,397	03/29/2010	02/25/2012
126685-CZ-7.	CWL 2006-S1 A2			2	1FM	31,018		87,7690	31,018	42,669		31,018			5.549	5.540	MON	197	2,368	03/29/2010	09/01/2014
12668B-TJ-2.	CWALT 2006-J2 A6			2	1FM	81,838		73,5190	81,838	111,316		81,838			6.000	6.000	MON	557	6,688	03/29/2010	04/01/2036
12669G-LP-4.	CWHL 2005-HYB1 4A1			2	1FM	41,366		66,0000	41,366	62,676		41,366	11,810		2.737	2.730	MON	143	1,733	03/29/2010	02/01/2035
12669Y-AC-6.	CWHL 2006-J4 A3			2	1FM	83,380		64,4740	83,380	129,323		83,380	24,152		6.250	6.250	MON	674	8,058	03/29/2010	09/01/2036
16162W-AL-3.	CHASE 2003-S10 A1			2	1FM	231,707		102,8300	234,816	228,353		231,285	(1,952)		4.750	4.000	MON	904	10,847	03/23/2010	10/01/2018
16162W-BZ-1.	CHASE 2003-S12 2A1			2	1FM	224,246		103,9450	229,718	221,000		223,840	(1,459)		5.000	4.280	MON	921	11,050	03/23/2010	11/01/2018
172973-A6-6.	CMSI 2004-5 2A6			2	1FM	323,528		104,0450	360,742	346,715		324,481	12,868		5.000	7.940	MON	1,445	17,325	03/23/2010	01/01/2024
173105-AC-1.	CMSI 2007-1 1A3			2	1FM	597,822		97,5160	619,730	635,511		597,822			5.750	5.750	MON	3,045	36,512	03/23/2010	01/01/2037
22541S-GM-4.	CSFB 2004-3 2A1			2	1FM	308,645		103,1390	316,850	307,205		308,459	(645)		5.000	4.650	MON	1,280	15,360	03/23/2010	03/01/2019
22545B-XS-2.	CSFB 2005-6 3A1			2	1FM	41,743		98,3900	41,743	42,426		41,743	244	298	4.750	5.010	MON	168	2,013	03/29/2010	07/01/2020
36185N-4M-9.	GMACM 2004-J4 A8			2	1FM	16,099		99,9060	17,340	17,356		17,044	1,637		5.500	13.520	MON	80	955	03/29/2010	03/01/2012
3622M-AN-3.	GSR 2007-3F 3A2			2	1FM	559,495		86,9610	559,495	643,382		559,495	12,730		6.000	6.000	MON	3,217	38,602	03/23/2010	05/01/2037
36242D-QY-2.	GSR 2004-15F 2A2			2	1FM	56,651		101,5440	73,870	72,746		56,860	3,410		5.000	13.260	MON	303	3,637	03/29/2010	06/01/2028
57643M-DE-1.	MASTR 2004-6 4A1			2	1FM	301,979		103,1310	307,123	297,797		301,586	(1,939)		5.000	4.280	MON	1,241	14,874	03/23/2010	10/01/2018
66987X-GV-1.	NHEL 2005-3 A2C			2	1FM	33,954		96,4940	33,954	35,188		33,954	1,676		0.573	7.140	MON	4	182	03/29/2010	12/25/2012
761118-TB-4.	RALI 2006-QA1 A21			2	1FM	60,873		50,0790	62,835	125,471		60,873	9,162		3.822	3.822	MON	400	4,861	03/29/2010	01/01/2036
76111X-ZC-0.	RFMSI 2005-SA5 3A			2	1FM	567,460		70,8180	567,460	801,293		567,460	27,750		5.336	5.330	MON	3,564	42,696	03/23/2010	09/01/2032
86359L-TB-5.	SAMI 2006-AR1 1A2			2	1FM	4,073		23,0690	4,073	17,656		4,073			0.593	0.590	MON	2	95	03/29/2010	08/25/2016
93364F-AC-5.	WAMU 2007-HY7 2A1			2	1FM	621,944		54,6270	621,944	1,138,526		621,944	144,656		5.242	5.240	MON	4,974	62,270	03/23/2010	07/01/2037
949758-AD-8.	WFMSB 2004-0 A1			2	1FM	302,643		102,4200	309,593	302,277		302,673	(145)	182	4.890	4.780	MON	1,232	14,716	03/23/2010	07/01/2034
94979X-AA-5.	WFMSB 2003-H A1			2	1FM	193,986		102,0520	204,317	200,207		194,504	2,890		4.606	5.210	MON	768	9,251	03/23/2010	08/01/2033
3399999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities					5,613,511	XXX	5,754,715	7,282,714	5,621,183			45,385	394,856	XXX	XXX	XXX	33,498	385,403	XXX	XXX
46629P-AM-0.	JPMCC 2006-LDP9 A2S			2	1FM	465,209		100,7170	465,209	461,895		465,209	1,331	6,331	5.298	4.050	MON	2,039	24,471	03/29/2010	11/01/2013
59022H-JH-6.	MLMT 2005-CIP1 A2			2	1FM	206,271		100,9060	204,992	203,151		204,228	(1,601)		4.960	4.400	MON	840	10,076	03/29/2010	05/01/2014
3499999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities					671,480	XXX	670,201	665,046	669,437			(270)	6,331	XXX	XXX	XXX	2,879	34,547	XXX	XXX
02005X-AB-4.	ALLYA 2011-4 A2			2	1FE	2,257,048		99,8690	2,257,048	2,260,000		2,257,048	98	1,638	0.650	0.730	MON	653	1,224	12/08/2011	02/15/2013
03064R-AB-3.	AMCAR 2011-4 A2			2	1FE	998,575		99,8570	998,575	1,000,000		998,575	144	1,508	0.920	0.970	MON	588	2,070	09/08/2011	06/08/2013
03064T-AB-9.	AMCAR 2011-5 A2			2	1FE	3,599,842		100,1040	3,603,769	3,600,000		3,599,866	24		1.190	1.190	MON	2,737	4,284	10/26/2011	10/08/2013
06052M-AC-9.	BAAT 2010-2 A3			2	1FE	964,058		100,2980	966,967	964,085		964,078	(146)		1.310	1.310	MON	561	14,529	06/16/2010	01/15/2013
09657W-AC-2.	BWOT 2010-A A3			2	1FE	1,289,880		100,3430	1,294,338	1,289,906		1,289,898	(289)		1.390	1.390	MON	299	21,684	04/15/2010	06/25/2013
12612B-AC-4.	CNH 2010-A A3			2	1FE	1,029,490		100,2620	1,029,490	1,026,797		1,029,490	(543)	35	1.540	1.120	MON	703	1,318	11/21/2011	05/15/2013
12616V-AB-8.	CNH 2011-C A2			2	1FE	3,998,058		99,9510	3,998,058	4,000,000		3,998,058	1	1,928	0.900	0.900	MON	1,700		12/07/2011	10/15/2013
14312A-AB-7.	CARMX 2011-3 A2			2	1FE	3,620,462		99,8740	3,620,462	3,625,000		3,620,462	36	4,297	0.700	0.700	MON	1,128	2,467	11/02/2011	08/15/2013
15200D-AC-1.	CNP 2005-A A3			2	1FE	2,722,300		106,0770	2,651,942	2,500,000		2,631,532	(90,768)		5.090	1.350	FA	53,021	127,250	08/18/2010	02/01/2014
161571-CH-5.	CHAIT 2007-A17 A			2	1FE	1,911,817		103,5090	1,966,685	1,900,000		1,903,008	(3,654)		5.120	4.910	MON	4,324	97,280	05/20/2008	10/15/2012
17305E-ER-2.	CCCTI 2009-A5 A5			2	1FE	4,566,235		101,4770	4,591,858	4,525,000		4,566,235	(27,994)		2.250	1.800	JD	2,263	101,813	06/22/2010	12/23/2012
345280-AQ-7.	FORDF 2010-3 A1			2	1FE	755,489		107,4770	816,829	760,000		757,005	877		4.200	4.330	MON	1,419	31,920	03/29/2010	02/15/2015
34529L-AD-6.	FORDO 2010-A A3			2	1FE	1,832,197		100,3550	1,839,042	1,832,531		1,832,437	(138)		1.320	1.320	MON	1,075	24,189	04/21/2010	03/15/2015
34529R-AB-7.	FORDO 2011-B A2			2	1FE	699,958		100,0110	700,078	700,000		699,979	20		0.680	0.680	MON	212	1,838	07/19/2011	08/15/2012
34529T-AB-3.	FORDL 2011-B A2			2	1FE	2,647,916		99,9210	2,647,916	2,650,000		2,647,916	34	1,879	0.820	0.820	MON	966	2,716	10/25/2011	05/15/2013
36162D-AB-5.	GEEST 2011-2A A2			2	1FE	1,299,947		100,0750	1,300,979	1,300,000		1,299,952	5		1.140	1.140	MON	412	1,194	11/16/2011	08/21/2013
36830H-AB-8.	GEEST 2011-1A A2			2	1FE	2,025,519		99,9680	2,025,519	2,026,155		2,025,519		504	0.880	0.890	MON	495	1,486	12/07/2011	11/21/2012
36830H-AC-6.	GEEST 2011-1A A3			2	1FE	2,005,963		100,2980	2,005,963	2,000,000		2,005,963	(390)		1.450	1.190	MON	806	2,417	12/05/2011	01/21/2014
41283N-AB-7.	HDWOT 2011-1 A2A			2	1FE	998,424		99,8420	998,424	1,000,000		998,424	328	1,825	0.610	0.740	MON	271	2,084	08/04/2011	01/15/2013
43811A-AB-2.	HAROT 2011-3 A2			2	1FE	3,378,502		99,9550	3,378,502	3,380,000		3,378,502	65	507	0.670	0.700	MON	629	1,887	12/05/2011	06/21/2013
477867-AC-9.	JDOT 2011-A A3			2	1FE	7,862,054		100,5500	7,862,054	7,819,000		7,862,054	(6,466)	15,692	1.290	0.780	MON	4,483	16,811	10/27/2011	04/15/2014
477874-AC-5.	JDOT 2009-A A3			2																	

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For eign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
65475V-AC-4	NAROT 2009-1 A3			2	1FE	623,504		101,2430	615,848	623,504		(26,600)	653		5.000	0.740	MON	1,369	39,319	04/22/2010	08/15/2012
68233L-AC-3	ONCOR 2003-1 A3			2	1FE	2,174,880		102,0650	2,170,558	2,174,880		(5,389)			4.950	4.570	FA	40,589	107,443	06/12/2008	02/15/2013
693401-AG-6	PERF 2005-2 A2			2	1FE	84,020		101,0190	83,172	84,020		(4,421)	10		5.030	0.600	MJSD	70	4,184	12/18/2009	03/25/2012
73328V-AD-5	PILOT 2011-1 A2			2	1FE	3,398,836		99,9650	3,398,836	3,400,000		1,095			0.920	0.920	MON	956	2,954	11/09/2011	05/20/2013
75953M-AD-2	CNP 2001-1 A4			2	1FE	6,358,423		105,0520	6,358,423	6,052,591		(161,218)	25,645		5.630	0.800	MS	100,335	246,179	09/07/2011	09/15/2013
89235Y-AC-9	TAOT 2010-B A3			2	1FE	978,975		100,1810	980,840	979,060		(4)			1.040	1.040	MON	453	10,182	07/14/2010	02/15/2013
92867F-AB-1	VWALT 2011-A A2			2	1FE	1,299,987		100,0640	1,300,838	1,300,000		1			1.000	1.000	MON	397	1,011	11/16/2011	05/20/2013
92867F-AC-9	VWALT 2011-A A3			2	1FE	2,902,145		100,0730	2,900,000	2,902,145		(208)	4,897		1.200	1.060	MON	1,063	2,707	12/07/2011	02/20/2014
74040K-AC-6	PREFERRED TERM SECS II		F	1	6FE	30,0000		360,783	1,202,609				224,947		9.550		MS		52,419	02/12/2001	03/01/2031
3599999 - Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities						76,084,826	XXX	76,665,343	76,747,554	75,992,199		(316,362)	295,129		XXX	XXX	XXX	229,053	996,395	XXX	XXX
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated) - Subtotals - Industrial and Miscellaneous (Unaffiliated)						580,513,584	XXX	595,227,556	570,991,968	578,947,834		(2,388,289)	2,707,226		XXX	XXX	XXX	4,848,131	16,798,952	XXX	XXX
Bonds - Hybrid Securities - Issuer Obligations																					
003723-AA-1	ABN AMRO NA HOLDING CAP			1	3FE	405,618		68,1250	681,250	1,000,000		236			6.523	16.120	MN	9,603	65,230	09/18/2002	12/29/2049
40427P-AA-3	HSBC USA CAPITAL TRUST I			1	1FE	711,936		98,5000	985,000	1,000,000		6,624			7.808	11,840	JD	3,470	78,080	03/10/1998	12/15/2026
4299999 - Bonds - Hybrid Securities - Issuer Obligations						1,117,554	XXX	1,666,250	2,000,000	1,126,262		6,860			XXX	XXX	XXX	13,073	143,310	XXX	XXX
Bonds - Hybrid Securities - Residential Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Commercial Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Other Loan-Backed and Structured Securities																					
4899999 - Bonds - Hybrid Securities - Subtotals - Hybrid Securities						1,117,554	XXX	1,666,250	2,000,000	1,126,262		6,860			XXX	XXX	XXX	13,073	143,310	XXX	XXX
Bonds - Parent, Subsidiaries and Affiliates - Issuer Obligations																					
Bonds - Parent, Subsidiaries and Affiliates - Residential Mortgage-Backed Securities																					
Bonds - Parent, Subsidiaries and Affiliates - Other Loan-Backed and Structured Securities																					
7799999 - Bonds - Total Bonds - Subtotals - Issuer Obligations						578,244,308	XXX	598,166,009	570,982,913	576,780,515		(2,140,276)	2,010,910		XXX	XXX	XXX	5,836,941	19,401,975	XXX	XXX
7899999 - Bonds - Total Bonds - Subtotals - Residential Mortgage-Backed Securities						28,228,966	XXX	29,387,501	29,723,973	28,101,344		(4,529)	405,815		XXX	XXX	XXX	131,507	1,694,345	XXX	XXX
7999999 - Bonds - Total Bonds - Subtotals - Commercial Mortgage-Backed Securities						31,202,486	XXX	31,558,237	30,894,312	31,184,970		(40,039)	99,946		XXX	XXX	XXX	62,244	378,096	XXX	XXX
8099999 - Bonds - Total Bonds - Subtotals - Other Loan-Backed and Structured Securities						76,084,826	XXX	76,665,343	76,747,554	75,992,199		(316,362)	295,129		XXX	XXX	XXX	229,053	996,395	XXX	XXX
8399999 Subtotals - Total Bonds						713,760,586	XXX	735,777,090	708,348,752	712,059,028		(2,501,206)	2,811,800		XXX	XXX	XXX	6,259,745	22,470,811	XXX	XXX

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 2 - SECTION 1**

Showing All **PREFERRED STOCKS** Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number Of Shares	6 Par Value Per Share	7 Rate Per Share	8 Book/ Adjusted Carrying Value	Fair Value		11 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value					20 NAIC Desig- nation	21 Date Acquired	
		3 Code	4 Foreign					9 Rate Per Share Used to Obtain Fair Value	10 Fair Value		12 Declared but Unpaid	13 Amount Received During Year	14 Nonadmitted Declared But Unpaid	15 Unrealized Valuation Increase/ (Decrease)	16 Current Year's (Amortization) Accretion	17 Current Year's Other Than Temporary Impairment Recognized	18 Total Change In B./A.C.V. (15+16-17)	19 Total Foreign Exchange Change In B./A.C.V.			
<b>NONE</b>																					
8999999 Total Preferred Stocks								XXX												XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
Bonds - U.S. Governments								
Bonds - All Other Governments								
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)								
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)								
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions								
383766-6E-5	GNR 2011-152 A		11/10/2011	ROYAL BANK OF SCOTLAND US	XXX	9,976,563	10,000,000	13,066
383766-AG-5	GNR 2009-71 A		10/26/2011	BANK AMERICA	XXX	7,002,470	6,753,437	18,594
383766-UQ-1	GNR 2010-118 A		10/20/2011	JEFFERIES & CO.	XXX	2,898,593	2,872,561	3,658
38378B-AH-2	GNR 2011-164 A		12/05/2011	JEFFERIES & CO.	XXX	6,011,953	6,000,000	7,586
3199999	Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					25,889,579	25,625,998	42,904
Bonds - Industrial and Miscellaneous (Unaffiliated)								
02005X-AB-4	ALLYA 2011-4 A2		12/08/2011	CITIGROUP GLOBAL MARKETS	XXX	2,258,588	2,260,000	1,143
026660-G8-0	AMERICAN HONDA FINANCE		11/18/2011	VARIOUS	XXX	6,942,719	6,875,000	19,551
03064R-AB-3	AMCAR 2011-4 A2		09/08/2011	J.P. MORGAN	XXX	999,939	1,000,000	
03064T-AB-9	AMCAR 2011-5 A2		10/26/2011	DEUTSCHE BANK	XXX	3,599,842	3,600,000	
03523T-AR-9	ANHEUSER-BUSCH INBEV WOR		12/07/2011	VARIOUS	XXX	7,143,920	7,000,000	32,083
054303-AT-9	AVON PRODUCTS INC.		09/13/2011	CITIGROUP GLOBAL MARKETS	XXX	1,795,491	1,707,000	3,414
05531F-AG-8	BB&T CORPORATION		03/08/2011	VARIOUS	XXX	3,984,020	4,000,000	1,067
12612B-AC-4	CNH 2010-A A3		11/21/2011	SHAY FINANCIAL SERVICES	XXX	1,234,433	1,231,163	527
12616V-AB-8	CNH 2011-C A2		12/07/2011	CITIGROUP GLOBAL MARKETS	XXX	3,999,986	4,000,000	
14312A-AB-7	CARMX 2011-3 A2		11/02/2011	BARCLAYS AMERICAN	XXX	3,624,723	3,625,000	
144141-CT-3	CAROLINA POWER & LIGHT		11/04/2011	STIFEL NICOLAUS & CO.	XXX	4,543,118	4,202,000	32,303
202795-HW-3	COMMONWEALTH EDISON		12/12/2011	US BANCORP INVESTMENTS INC.	XXX	5,441,227	5,400,000	35,646
210518-BV-7	CONSUMERS ENERGY COMPANY		11/18/2011	VARIOUS	XXX	4,018,064	3,800,000	21,172
216871-AB-9	COOPER US INC.		07/21/2011	WELLS FARGO SECURITIES LLC	XXX	5,821,640	5,500,000	56,948
233851-AD-6	DAIMLER FINANCE NA LLC		03/21/2011	CITIGROUP GLOBAL MARKETS	XXX	3,995,400	4,000,000	
233851-AE-4	DAIMLER FINANCE NA LLC		09/07/2011	DEUTSCHE BANK	XXX	3,000,000	3,000,000	
244217-BK-0	JOHN DEERE CAPITAL CORP.		09/06/2011	US BANCORP INVESTMENTS INC.	XXX	2,414,554	2,277,000	17,419
24702R-AK-7	DELL INC.		12/02/2011	WELLS FARGO SECURITIES LLC	XXX	2,011,320	2,000,000	6,767
264399-EF-9	DUKE ENERGY CAROLINAS		11/30/2011	CORTVIEW CAPITAL HOLDINGS INC	XXX	2,917,817	2,785,000	2,176
278058-DF-6	EATON CORP		11/01/2011	WELLS FARGO SECURITIES LLC	XXX	1,215,830	1,145,000	26,338
34529R-AB-7	FORDO 2011-B A2		07/19/2011	CITIGROUP GLOBAL MARKETS	XXX	699,958	700,000	
34529T-AB-3	FORDL 2011-B A2		10/25/2011	CITIGROUP GLOBAL MARKETS	XXX	2,649,761	2,650,000	
36162D-AB-5	GEEST 2011-2A A2		11/16/2011	CREDIT SUISSE	XXX	1,299,947	1,300,000	
36830H-AB-8	GEEST 2011-1A A2		12/07/2011	BANK AMERICA	XXX	2,211,833	2,212,006	1,136
36830H-AC-6	GEEST 2011-1A A3		12/05/2011	BARCLAYS AMERICAN	XXX	2,009,141	2,000,000	1,369
370334-BG-8	GENERAL MILLS INC.		11/21/2011	STIFEL NICOLAUS & CO.	XXX	2,144,740	2,000,000	29,167
373334-JT-9	GEORGIA POWER COMPANY		12/14/2011	BARCLAYS AMERICAN	XXX	1,160,143	1,150,000	3,904
38143U-AB-7	GOLDMAN SACHS GROUP INC.		07/12/2011	JEFFERIES & CO.	XXX	4,304,160	4,000,000	
41283N-AB-7	HDMOT 2011-1 A2A		08/04/2011	CITIGROUP GLOBAL MARKETS	XXX	999,921	1,000,000	
43811A-AB-2	HAROT 2011-3 A2		12/05/2011	MORGAN STANLEY	XXX	3,378,944	3,380,000	1,069
441812-KA-1	HSBC FINANCE CORP.		07/18/2011	MORGAN STANLEY	XXX	5,344,450	5,000,000	47,813
477867-AC-9	JDOT 2011-A A3		10/27/2011	BARCLAYS AMERICAN	XXX	7,884,212	7,819,000	4,483
487836-AZ-1	KELLOGG CO.		09/13/2011	STIFEL NICOLAUS & CO.	XXX	1,840,895	1,750,000	25,661
581557-AU-9	MCKESSON CORP.		11/01/2011	GOLDMAN SACHS	XXX	7,399,980	7,000,000	64,313
587727-AB-4	MBALT 2011-B A2		11/09/2011	BANK AMERICA	XXX	4,199,725	4,200,000	
617446-V8-9	MORGAN STANLEY		07/15/2011	BNP PARIBUS SECURITIES	XXX	2,891,378	2,750,000	61,493
65475H-AB-7	NALT 2011-A A2A		07/14/2011	J.P. MORGAN	XXX	2,324,973	2,325,000	
724479-AF-7	PITNEY BOWES INC.		09/06/2011	JEFFERIES & CO.	XXX	5,177,150	5,000,000	101,493
73328V-AD-5	PILOT 2011-1 A2		11/09/2011	J.P. MORGAN	XXX	3,399,921	3,400,000	
74834L-AR-1	QUEST DIAGNOSTIC INC.		03/21/2011	MORGAN STANLEY	XXX	1,423,675	1,425,000	
75953M-AD-2	CNP 2001-1 A4		09/07/2011	BARCLAYS AMERICAN	XXX	4,528,264	4,298,879	118,997
790849-AG-8	ST JUDE MEDICAL INC.		11/21/2011	VARIOUS	XXX	7,568,978	7,400,000	28,356
857477-AH-6	STATE STREET CORP.		03/02/2011	BANK AMERICA	XXX	4,979,250	5,000,000	
87612E-AW-6	TARGET CORP.		07/13/2011	BARCLAYS AMERICAN	XXX	499,910	500,000	
91324P-BA-9	UNITEDHEALTH GROUP INC.		11/04/2011	WELLS FARGO SECURITIES LLC	XXX	7,335,300	7,000,000	186,083
918204-AU-2	VF CORP.		12/02/2011	RBC CAPITAL MARKETS SECURITIES - US	XXX	3,605,760	3,600,000	1,743
927804-FD-1	VIRGINIA ELEC & POWER CO.		11/30/2011	DEUTSCHE BANK	XXX	1,303,175	1,250,000	885
92867F-AB-1	VWALT 2011-A A2		11/16/2011	BARCLAYS AMERICAN	XXX	1,299,987	1,300,000	
92867F-AC-9	VWALT 2011-A A3		12/07/2011	BARCLAYS AMERICAN	XXX	2,907,250	2,900,000	1,933
931422-AD-1	WALGREEN CO.		12/06/2011	GOLDMAN SACHS	XXX	7,470,960	7,000,000	121,333

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 3**

Showing All Long-Term Bonds and Stocks **ACQUIRED** During Current Year

1	2	3	4	5	6	7	8	9	
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	
949746-NW-7	WELLS FARGO & COMPANY		07/20/2011	WELLS FARGO SECURITIES LLC	XXX	1,582,065	1,500,000	20,125	
73755L-AC-1	POTASH CORP-SASKATCHEWAN	A	12/07/2011	VARIOUS	XXX	3,939,568	3,750,000	39,643	
78008T-XB-5	ROYAL BANK OF CANADA	A	10/25/2011	RBC CAPITAL MARKETS SECURITIES - US	XXX	5,000,000	5,000,000		
878742-AD-7	TECK RESOURCES LIMITED	A	07/21/2011	DEUTSCHE BANK	XXX	3,588,865	3,387,000	86,274	
893526-DH-3	TRANS-CANADA PIPELINES	A	03/03/2011	UBS SECURITIES	XXX	3,073,050	3,000,000	27,483	
034863-AC-4	ANGLO AMERICAN CAPITAL	F	11/21/2011	BANK AMERICA	XXX	2,004,500	2,000,000	6,928	
055650-BF-4	BP CAPITAL MARKETS PLC	F	11/04/2011	HSBC SECURITIES LIMITED	XXX	2,167,220	2,000,000	583	
055650-BW-7	BP CAPITAL MARKETS PLC	F	12/01/2011	MORGAN STANLEY	XXX	5,000,000	5,000,000		
223030-AJ-9	COVIDIEN INTL FINANCE SA	F	11/17/2011	VARIOUS	XXX	7,458,507	7,350,000	60,102	
2515A0-NY-5	DEUTSCHE BANK AG LONDON	F	07/13/2011	DEUTSCHE BANK	XXX	2,870,559	2,700,000	21,206	
2515A1-4E-8	DEUTSCHE BANK AG LONDON	F	03/18/2011	FIRST TENNESSEE	XXX	4,053,600	4,000,000	26,000	
298785-FN-1	EUROPEAN INVESTMENT BANK	F	03/09/2011	UBS SECURITIES	XXX	998,770	1,000,000		
65557C-AE-3	NORDEA BANK AB	F	07/19/2011	VARIOUS	XXX	5,125,247	5,035,000	24,126	
74040K-AC-6	PREFERRED TERM SECS II	F	03/01/2011	CAPITALIZED INTEREST	XXX	52,419	52,419		
80105N-AD-7	SANOFI	F	03/22/2011	BANK AMERICA	XXX	2,984,670	3,000,000		
88165F-AB-8	TEVA PHARMACEUT FIN BV	F	11/07/2011	CITIGROUP GLOBAL MARKETS	XXX	5,450,000	5,450,000		
92857W-AF-7	VODAFONE GROUP PLC	F	11/01/2011	GOLDMAN SACHS	XXX	7,592,620	7,000,000	134,167	
928670-AC-2	VOLKSWAGEN INTL FIN NV	F	12/19/2011	J.P. MORGAN	XXX	3,999,400	4,000,000	23,472	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						242,147,432	235,941,467	1,527,894	
Bonds - Hybrid Securities									
Bonds - Parent, Subsidiaries, and Affiliates									
8399997 - Bonds - Subtotals - Bonds - Part 3							268,037,011	261,567,465	1,570,798
8399998 - Bonds - Summary item from Part 5 for Bonds							8,017,011	8,000,000	4,638
8399999 - Bonds - Subtotals - Bonds							276,054,022	269,567,465	1,575,436
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)									
Preferred Stocks - Parent, Subsidiaries, and Affiliates									
Common Stocks - Industrial and Miscellaneous (Unaffiliated)									
Common Stocks - Parent, Subsidiaries, and Affiliates									
Common Stocks - Mutual Funds									
Common Stocks - Money Market Mutual Funds									
9999999 Totals							276,054,022	XXX	1,575,436

E13.1

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks **SOLD, REDEEMED** or Otherwise **DISPOSED** OF During Current Year

1 CUSIP Identifi- cation	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Maturity Date																		
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B/A. C.V. (11+12-13)	15 Total Foreign Exchange Change in B/A. C.V.																								
Bonds - U.S. Governments																																						
3133XF-JY-3	FEDERAL HOME LOAN BANK		06/10/2011	MATURITY CALLED BY ISSUER at		1,000,000	1,000,000	1,032,810	1,020,882		(20,882)		(20,882)		1,000,000				26,250	06/10/2011																		
313461-LJ-1	FREDDIE MAC		07/14/2011	100,000		3,000,000	3,000,000	3,000,000	3,000,000						3,000,000				33,750	01/14/2013																		
31359M-JH-7	FANNIE MAE		05/15/2011	MATURITY		550,000	550,000	569,421	561,570		(11,570)		(11,570)		550,000				16,500	05/15/2011																		
3137EA-BF-5	FREDDIE MAC		04/11/2011	VARIOUS		1,525,000	1,525,000	1,551,533	1,526,377		(1,377)				1,525,000				24,781	02/25/2011																		
912828-DC-1	US TREASURY N/B		04/27/2011	BANK AMERICA		1,154,262	1,050,000	1,136,379	1,122,839		(6,019)		(6,019)		1,116,820		37,442		20,710	11/15/2014																		
912828-EW-6	US TREASURY N/B		11/08/2011	BNP PARIBUS SECURITIES		174,029	150,000	163,055	161,485		(1,806)				159,679		14,350		8,327	02/15/2016																		
912828-FD-7	US TREASURY N/B		05/02/2011	VARIOUS		1,000,000	1,000,000	1,015,120	1,015,120		(15,120)		(15,120)		1,000,000				24,375	04/30/2011																		
912828-FF-2	US TREASURY N/B		11/08/2011	MORGAN STANLEY		394,440	330,000	369,497	364,980		(5,190)		(5,190)		359,790		34,650		16,637	05/15/2016																		
912828-FQ-8	US TREASURY N/B		11/08/2011	MORGAN STANLEY		59,523	50,000	55,293	54,713		(668)		(668)		54,045		5,478		3,007	08/15/2016																		
912828-FY-1	US TREASURY N/B		11/08/2011	MORGAN STANLEY		473,469	400,000	435,344	431,653		(4,243)		(4,243)		427,410		46,059		18,198	11/15/2016																		
912828-GH-7	US TREASURY N/B		04/27/2011	BANK AMERICA		1,559,623	1,390,000	1,510,865	1,498,750		(5,391)		(5,391)		1,493,359		66,265		45,641	02/15/2017																		
912828-GS-3	US TREASURY N/B		04/27/2011	BANK AMERICA		1,203,778	1,080,000	1,163,784	1,155,748		(3,575)		(3,575)		1,152,173		51,605		22,555	05/15/2017																		
912828-HA-1	US TREASURY N/B		11/08/2011	BANK AMERICA		361,570	300,000	327,445	324,913		(2,926)		(2,926)		321,987		39,583		17,580	08/15/2017																		
912828-HH-6	US TREASURY N/B		11/08/2011	BANK AMERICA		454,511	385,000	406,326	404,440		(2,167)		(2,167)		402,272		52,238		16,096	11/15/2017																		
912828-KF-6	US TREASURY N/B		04/27/2011	BANK AMERICA		1,610,745	1,575,000	1,559,989	1,562,797		1,239		1,239		1,564,036		46,709		19,821	02/28/2014																		
0599999 - Bonds - U.S. Governments																				14,520,950	13,785,000	14,296,861	14,206,267		(79,695)		(79,695)		14,126,571		394,379	394,379	314,228	XXX				
Bonds - All Other Governments																																						
465410-BW-7	REPUBLIC OF ITALY	F	10/06/2011	VARIOUS		949,310	1,000,000	988,489	984,230		32,320	27,889	4,431		988,660		(39,350)	(39,350)	22,785	09/16/2013																		
1099999 - Bonds - All Other Governments																				949,310	1,000,000	988,489	984,230		32,320	27,889	4,431		988,660		(39,350)	(39,350)	22,785	XXX				
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																																						
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)																																						
010662-FL-3	ALABASTER AL		11/18/2011	VARIOUS CALLED BY ISSUER at		196,950	195,000	198,900	198,900		1,496	1,496			198,900		(1,950)	(1,950)	11,835	09/01/2010																		
097431-DN-7	BOISE CITY IDAHO CTFS PARTN		03/01/2011	100,000 CALLED BY ISSUER at		1,690,000	1,690,000	1,701,002	1,690,000						1,690,000				49,644	09/01/2017																		
734260-A2-8	PORT HOUSTON TX AUTH		10/21/2011	100,000 CALLED BY ISSUER at		500,000	500,000	480,050	481,844		18,156		18,156		500,000				26,389	10/01/2021																		
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)																				2,386,950	2,385,000	2,379,952	2,370,744		19,652	1,496	18,156		2,388,900		(1,950)	(1,950)	87,868	XXX				
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																																						
04780M-BB-4	ATLANTA GA ARPT REV		08/15/2011	100,500 CALLED BY ISSUER at		1,206,000	1,200,000	1,206,954	1,205,332		668		668		1,206,000				75,750	01/01/2019																		
090929-DC-1	BIRMINGHAM AL SPL CARE FACS FI		10/28/2011	100,000 CALLED BY ISSUER at		250,000	250,000	245,000	247,740		2,260		2,260		250,000				12,206	06/01/2017																		
100340-BM-9	BOSSIER LA PUBLIC TRUST FING A		06/01/2011	100,000 CALLED BY ISSUER at		5,000	5,000	5,038	5,000						5,000				200	08/01/2015																		
167592-VN-1	CHICAGO ILL O HARE INTL ARPT R		06/09/2011	101,000 MATURITY		555,500	550,000	558,921	553,696		1,804		1,804		555,500				28,401	01/01/2015																		
181006-DL-8	CLARK CNTY NEV PASSENGER FAC C		07/01/2011	1,000,000 CALLED BY ISSUER at		1,000,000	1,000,000	1,005,540	1,001,436		(1,436)		(1,436)		1,000,000				52,500	07/01/2011																		
207904-DP-5	CONNECTICUT ST ARPT REV		04/01/2011	101,000 CALLED BY ISSUER at		151,500	150,000	110,622	111,719		39,781		39,781		151,500				3,844	10/01/2031																		
249181-H4-3	DENVER CO CITY & CNTY ARPT REV		11/15/2011	100,000 CALLED BY ISSUER at		500,000	500,000	445,870	453,501		46,499		46,499		500,000				25,000	11/15/2017																		
249181-K2-3	DENVER CO CITY & CNTY ARPT REV		11/15/2011	100,000 CALLED BY ISSUER at		2,000,000	2,000,000	1,981,860	1,985,538		14,462		14,462		2,000,000				110,000	11/15/2015																		
249181-K5-6	DENVER CO CITY & CNTY ARPT REV		11/15/2011	100,000 CALLED BY ISSUER at		1,000,000	1,000,000	936,020	943,883		56,117		56,117		1,000,000				55,000	11/15/2018																		
3128MB-VP-9	FG 613122		12/01/2011	MBS PAYMENT		1,180,462	1,180,462	1,152,795	1,175,168		5,294		5,294		1,180,462				27,700	10/01/2022																		
3128PK-7A-6	FG J08089		12/01/2011	MBS PAYMENT		1,398,235	1,398,235	1,395,176	1,397,643		592		592		1,398,235				44,490	12/01/2022																		
3128PK-XM-1	FG J07884		12/01/2011	MBS PAYMENT		1,084,580	1,084,580	1,084,580	1,084,580						1,084,580				18,737	09/01/2022																		
3133XB-67-4	FHLB 6A-2012 1		12/25/2011	MBS PAYMENT		10,612	10,612	11,038	10,777		(165)		(165)		10,612				269	04/25/2012																		
31349U-B3-1	FH 782758		12/15/2011	VARIOUS		191,177	191,177	201,467	193,191		(2,014)		(2,014)		191,177				6,387	11/01/2036																		
31393U-UC-5	FNR 2003-134 ME		12/01/2011	MBS PAYMENT		7,310	7,310	7,538	7,343		(34)		(34)		7,310				164	09/01/2019																		
31395R-AR-9	FHRR R001 AE		12/01/2011	MBS PAYMENT		28,054	28,054	28,574	28,479		(424)		(424)		28,054				610	01/01/2012																		
31396E-E3-0	FHR 3059 CB		12/01/2011	MBS PAYMENT		5,429,617	5,429,617	5,494,094	5,433,693		(4,076)		(4,076)		5,429,617				96,004	05/01/2012																		
31396E-2U-9	FHR 3053 OD		12/01/2011	MBS PAYMENT		3,259,011	3,259,011	3,314,007	3,262,644		(3,634)		(3,634)		3,259,011				53,166	10/01/2012																		
31396E-G7-0	FHRR R004 AL		12/01/2011	MBS PAYMENT		50,657	50,657	51,559	51,256		(599)		(599)		50,657				1,293	04/01/2012																		
31396U-3A-6	FHRR R008 FK		12/15/2011	MBS PAYMENT		35,302	35,302	35,197	35,262		39		39		35,302				105	03/15/2014																		
31396X-CV-4	FNR 2007-79 MA		12/01/2011	MBS PAYMENT		4,125,837	4,125,837	4,211,900	4,131,018		(5,181)		(5,181)		4,125,837				87,463	02/01/2012																		
31397B-MQ-1	FHRR R009 AJ		12/01/2011	MBS PAYMENT		38,377	38,377	39,761	38,920		(544)		(544)		38,377				1,067	12/01/2012																		
31397E-MK-8	FHR 3262 PA		08/01/2011	MBS PAYMENT		3,050,509	3,050,509	3,112,472	3,058,434		(7,926)		(7,926)		3,050,509				52,843	08/01/2011																		
31397M-FZ-3	FNR 2009-17 DA		12/01/2011	MBS PAYMENT		53,663	53,663	54,264	53,786		(123)		(123)		53,663				1,275	12/01/2014																		
31402Z-ZE-4	FN 735241		12/01/2011	MBS PAYMENT		6,341	6,341	6,551	6,367		(27)		(27)		6,341				90	12/01/2034																		
31403B-PC-1	FN 743919		12/01/2011	MBS PAYMENT		16,373	16,373	17,238	16,493		(119)		(119)		16,373				440	06/01/2018																		
31403D-RH-4	FN 745788		12/01/2011	MBS PAYMENT		240,063	240,063	250,850	240,743		(681)		(681)		240,063				7,300	01/01/2036																		
31403D-VZ-9	FN 745932		12/01/2011	MBS PAYMENT		25,087	25,087	27,263	25,283		(195)		(195)		25,087				817	11/01/2035																		
31404V-Y6-9	FN 780233																																					

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks **SOLD, REDEEMED** or Otherwise **DISPOSED** OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	
31405H-6L-7	FN 790275		12/01/2011	MBS PAYMENT		2,006	2,006	2,081	2,012	(6)			(6)		2,006					26	08/01/2034
31405R-CR-5	FN 796680		12/01/2011	MBS PAYMENT		78,745	78,745	82,781	79,283	(538)			(538)		78,745					1,572	05/01/2019
31410K-JY-1	FN 889579		12/01/2011	MBS PAYMENT		148,796	148,796	158,307	149,889	(1,093)			(1,093)		148,796					4,374	03/01/2037
31410R-DP-3	FN 895573		12/01/2011	MBS PAYMENT		119,858	119,858	125,238	121,453	(333)			(333)		121,120		(1,262)	(1,262)		2,642	05/01/2036
31411Y-DP-5	FN 918210		12/01/2011	MBS PAYMENT		16,236	16,236	17,065	16,278	(43)			(43)		16,236					503	05/01/2017
31412M-SD-1	FN 929416		12/01/2011	MBS PAYMENT		51,381	51,381	54,641	51,803	(422)			(422)		51,381					1,614	11/01/2037
31414D-UF-1	FN 963282		12/01/2011	MBS PAYMENT		1,452,890	1,452,890	1,429,507	1,450,802	2,087			2,087		1,452,890					27,520	12/01/2022
31416J-PH-8	FN AA1323		12/01/2011	MBS PAYMENT		187,307	187,307	203,846	190,644	(3,337)			(3,337)		187,307					5,130	05/01/2031
31417Y-T7-2	FN MA0573		12/01/2011	MBS PAYMENT		213,588	213,588	214,544	213,833	(176)			(176)		213,657		(69)	(69)		5,600	07/01/2025
341080-AS-8	FLORIDA PORTS FING COMMN REV		06/27/2011	VARIOUS		250,000	250,000	250,000	249,980	30	10		20		250,000					7,689	06/01/2027
341080-BG-3	FLORIDA PORTS FING COMMN REV		06/13/2011	CALLED BY ISSUER at 100.500		2,010,000	2,000,000	2,027,860	2,000,000		10,000		10,000		2,010,000					77,000	10/01/2012
38375P-M0-1	GNR 2008-9 PD		11/21/2011	VARIOUS		7,025,087	6,665,221	6,548,580	6,575,105	18,433			18,433		6,593,538		431,548	431,548		239,461	07/01/2024
38375X-GH-1	GNR 2008-49 PB		10/26/2011	VARIOUS		4,857,470	4,557,512	4,573,890	4,570,200	(1,209)			(1,209)		4,568,991		288,479	288,479		178,831	11/01/2037
38376E-6E-5	GNR 2011-152 A		12/01/2011	MBS PAYMENT		24,005	24,005	23,949							24,005					32	09/01/2016
38376E-AG-5	GNR 2009-71 A		12/01/2011	MBS PAYMENT		358,025	358,025	371,227		(23)			(23)		358,025					1,012	09/01/2017
38376E-RQ-5	GNR 2010-74 B		12/05/2011	VARIOUS		6,390,469	6,000,000	6,070,072	6,068,444	(7,352)			(7,352)		6,061,092		329,377	329,377		137,795	10/01/2018
38376E-ST-8	GNR 2010-97 B		11/10/2011	VARIOUS		10,403,125	10,000,000	9,907,924	9,902,924	19,995	101,117		(81,122)		9,823,832		579,293	579,293		317,113	08/01/2019
38376E-U0-1	GNR 2010-118 A		12/01/2011	MBS PAYMENT		14,702	14,702	14,835		(3)			(3)		14,702					35	07/01/2015
439239-F0-2	HOOVER ALA BRD ED CAP OUTLAY W		02/15/2011	100.000		600,000	600,000	603,884	600,176	(176)			(176)		600,000					15,750	02/15/2011
45129T-GY-7	IDAHO ST HSG & FIN ASSN		07/01/2011	100.000		10,000	10,000	9,960	10,000						10,000					458	07/01/2016
45129T-HB-6	IDAHO ST HSG & FIN ASSN		01/03/2011	100.000		5,000	5,000	5,000	5,000						5,000					153	07/01/2014
45129T-H0-3	IDAHO ST HSG & FIN ASSN		07/01/2011	100.000		20,000	20,000	19,858	20,000						20,000					731	07/01/2016
511665-GR-6	LAKELAND FL HOSP SYS REVENUE		09/01/2011	100.500		502,500	500,000	493,080	497,188		5,312		5,312		502,500					21,649	11/15/2015
544552-JX-1	LOS ANGELES CALIF HBR DEPT REV		08/01/2011	100.000		1,000,000	1,000,000	979,180	981,567	18,433			18,433		1,000,000					55,000	08/01/2019
586111-EM-4	MEMPHIS-SHELBY CNTY TENN ARPT		02/15/2011	MATURITY		800,000	800,000	819,560	801,436	(1,436)			(1,436)		800,000					25,000	02/15/2011
586158-KU-0	MEMPHIS TN ELEC SYS REVENUE		12/01/2011	MATURITY		1,000,000	1,000,000	1,050,110	1,039,314	(39,314)			(39,314)		1,000,000					50,000	12/01/2011
59455P-ZA-1	MICHIGAN ST MUNI BOND AUTH		11/01/2011	MATURITY		110,000	110,000	109,462	109,947	53			53		110,000					5,830	11/01/2011
603827-FV-3	MINNEAPOLIS & ST PAUL MINN MET		01/03/2011	100.000		600,000	600,000	496,872	600,000						600,000					15,750	01/01/2011
605275-M0-6	MISSISSIPPI BUSINESS FIN CORP		07/01/2011	SINK		37,186	37,186	35,553	37,132	54			54		37,186					1,487	01/01/2022
65820E-M0-0	NORTH CAROLINA HSG FIN AGY		03/01/2011	MATURITY		15,000	15,000	14,639	14,958	42			42		15,000					461	03/01/2011
717903-YN-2	PHILADELPHIA PA HOSPS & HGR ED		07/01/2011	100.000		50,000	50,000	50,000	50,000						50,000					1,988	01/01/2018
735240-UK-7	PORT PORTLAND ORE ARPT REV		07/01/2011	101.000		1,010,000	1,000,000	1,017,290	1,008,949	1,051			1,051		1,010,000					53,750	07/01/2011
759911-02-9	REGIONAL TRANSN AUTH ILL		06/01/2011	VARIOUS		5,400,000	5,400,000	5,400,922	5,402,315	(1,669)	646		(2,315)		5,400,000					80,433	06/01/2011
906365-BS-9	UNION CNTY NJ UTILITIES AUTH		12/16/2011	100.000		540,000	540,000	526,273	534,395		5,605		5,605		540,000					28,125	06/01/2016
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						72,292,351	70,803,433	70,794,446	70,206,492		163,501	101,773	61,728		70,664,984		1,627,366	1,627,366		2,129,314	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
02580H-AC-0	AMERICAN EXPRESS BK FSB		12/09/2011	VARIOUS		7,200,000	7,200,000	7,416,742	7,370,909	(170,909)			(170,909)		7,200,000					226,800	12/09/2011
02660Y-AU-6	AHM 2006-2 3A2		12/01/2011	MBS PAYMENT		24,832	24,832	14,519	14,493						14,493		10,339	10,339		818	06/01/2036
03078C-AD-6	AMER FRI SE FINANCIAL INC		12/07/2011	WELLS FARGO SECURITIES LLC		298,508	250,000	249,928	249,950	(7)			(7)		249,944		48,564	48,564		17,439	06/28/2019
05948X-6S-5	BOAMS 2004-5 2A1		12/01/2011	MBS PAYMENT		182,321	182,321	153,144	168,228	14,093			14,093		182,321					6,053	12/01/2012
05950T-AC-9	BOAMS 2006-B 2A1		12/01/2011	MBS PAYMENT		125,225	125,225	95,979	95,979						95,979		29,247	29,247		3,734	09/01/2040
06052M-AC-9	BAAAT 2010-2 A3		12/15/2011	MBS PAYMENT		335,915	335,915	335,906	335,751	165			165		335,915					1,975	01/15/2013
071813-AW-9	BAXTER INTERNATIONAL INC		12/12/2011	VARIOUS		2,385,160	2,000,000	2,304,040	2,310,295	(42,878)			(42,878)		2,267,417		117,743	117,743		151,106	09/01/2016
09657M-AC-2	BWOT 2010-A A3		12/25/2011	MBS PAYMENT		360,094	360,094	360,086	359,791	303			303		360,094					829	06/25/2013
097014-AH-7	BOEING CAPITAL CORP		09/02/2011	RBC CAPITAL MARKETS		10,710,200	10,000,000	10,616,450	10,287,070	(94,117)			(94,117)		10,192,953		517,247	517,247		664,583	01/15/2013
125430-AB-4	CWHL 2006-11 1A2		12/01/2011	MBS PAYMENT		26,648	26,648	9,089	8,991						8,991		17,658	17,658		775	02/25/2012
12612B-AC-4	CNH 2010-A A3		12/15/2011	MBS PAYMENT		204,365	204,365	204,908							204,365					262	05/15/2013
12668S-CZ-7	CWL 2006-S1 A2		12/01/2011	MBS PAYMENT		25,066	32,896	23,913	23,913						23,913		1,153	1,153		874	09/01/2014
12668B-TJ-2	CWALT 2006-J2 A6		12/01/2011	MBS PAYMENT		46,569	46,569	38,177	38,177						38,177		8,392	8,392		1,455	04/01/2036
12669E-LP-4	CWHL 2005-HYB1 4A1		12/01/2011	MBS PAYMENT		6,784	6,784	4,807	4,791						4,791		1,993	1,993		105	02/01/2035
12669Y-AC-6	CWHL 2006-J4 A3		12/01/2011	MBS PAYMENT		35,838	37,143	30,185	30,110						30,110		5,727	5,727		1,134	09/01/2036
134429-AV-1	CAMPBELL SOUP CO		06/28/2011	VARIOUS		10,859,758	10,475,000	10,521,110	10,522,976		13,428		(16,271)		10,506,705		353,053	353,053		313,275	07/15/2017
15200D-AD-9	CNP 2005-A A4		10/26/2011	UBS SECURITIES INC		3,450,820	3,000,000	3,315,469	3,280,473	(44,323)			(44,323)								

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks **SOLD, REDEEMED** or Otherwise **DISPOSED** OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Dividends Received During Year	Maturity Date
172973-A6-6	CMSI 2004-5 2A6		12/01/2011	MBS PAYMENT		244,373	244,373	228,031	240,697		3,676		3,676		244,373				5,606	01/01/2024
17305E-BU-8	CCCIT 2003-A7 A7		10/26/2011	BARCLAYS AMERICAN		3,318,164	3,000,000	3,150,938	3,132,795		(23,235)		(23,235)		3,109,560		208,604	208,604	163,925	07/07/2015
173105-AC-1	CMSI 2007-1 1A3		12/01/2011	MBS PAYMENT		324,700	324,700	305,443	305,443						305,443		19,257	19,257	10,042	01/01/2037
191216-AL-4	COCA-COLA CO/THE		09/01/2011	US BANCORP INVESTMENTS INC.		2,685,950	2,500,000	2,488,625	2,492,415		1,605		1,605		2,494,021		191,929	191,929	88,611	03/15/2014
208251-AL-5	CONOCOPHILLIPS CANADA		12/09/2011	VARIOUS		5,253,570	4,500,000	4,884,460	4,894,250		(58,962)	4,462	(63,424)		4,830,827		422,743	422,743	293,203	10/15/2016
225415-GM-4	CSFB 2004-3 2A1		12/01/2011	MBS PAYMENT		140,928	140,928	141,588	141,045		(117)		(117)		140,928				3,289	03/01/2019
225458-XS-2	CSFB 2005-6 3A1		12/01/2011	MBS PAYMENT		34,134	34,134	33,808	34,057		76		76		34,134				809	07/01/2020
225460-AC-1	CREDIT SUISSE NEW YORK		10/26/2011	VARIOUS		6,363,180	6,000,000	6,220,123	6,152,301		67,822	79,641	(11,819)		6,140,482		222,698	222,698	386,900	08/13/2019
24422E-OF-9	JOHN DEERE CAPITAL CORP.		12/07/2011	BARCLAYS AMERICAN		2,943,500	2,500,000	2,787,350	2,787,350		(39,472)		(39,472)		2,747,878		195,622	195,622	160,035	04/13/2017
254687-CC-8	WALT DISNEY COMPANY/THE		07/15/2011	MATURITY		1,000,000	1,000,000	1,047,260	1,008,501		(8,501)		(8,501)		1,000,000				57,000	07/15/2011
25468P-CG-9	WALT DISNEY COMPANY/THE		12/14/2011	VARIOUS		2,426,800	2,000,000	2,288,868	2,299,200		(38,526)	14,728	(53,254)		2,245,947			180,853	170,667	07/17/2017
263534-BQ-1	E.I. DU PONT DE NEMOURS		12/14/2011	JEFFERIES & CO.		2,916,000	2,500,000	2,796,275	2,796,275		(44,501)		(44,501)		2,751,774			164,226	132,708	12/15/2016
26442C-AF-1	DUKE ENERGY CAROLINAS		06/28/2011	CITIGROUP GLOBAL MARKETS		6,551,065	5,900,000	6,261,316	6,128,514		(37,421)		(37,421)		6,091,093		459,973	459,973	211,089	11/15/2013
278058-DF-6	EATON CORP.		06/28/2011	HSCB SECURITIES LIMITED		5,377,450	5,000,000	4,901,350	4,912,753		17,184		17,184		4,929,937		447,513	447,513	152,444	05/15/2013
291011-AZ-7	EMERSON ELECTRIC CO.		09/06/2011	CORTVIEW CAPITAL HOLDINGS INC.		4,345,277	3,950,000	3,940,244	3,942,567		1,147		1,147		3,943,713		401,563	401,563	146,644	04/15/2015
291011-BA-1	EMERSON ELECTRIC CO.		10/21/2011	VARIOUS		2,502,524	2,185,000	2,354,180	2,352,333		(14,129)		(14,129)		2,337,601		164,923	164,923	112,588	04/15/2019
302570-AV-8	NEXTERA ENERGY CAPITAL		09/01/2011	MATURITY		7,000,000	7,000,000	7,177,100	7,038,857		(38,857)		(38,857)		7,000,000				393,750	09/01/2011
302583-AA-7	FPL 2007-A A1		02/01/2011	MBS PAYMENT		32,804	32,804	33,026	32,848		(44)		(44)		32,804				829	02/01/2011
34528B-AD-9	FORDO 2008-A A3A		06/15/2011	MBS PAYMENT		605,216	605,216	584,580	601,110		4,106		4,106		605,216				6,748	06/15/2011
34529L-AD-6	FORDO 2010-A A3		12/15/2011	MBS PAYMENT		667,469	667,469	667,347	667,123		346		346		667,469				7,587	03/15/2013
36158Y-FS-3	GECMC 2002-2A A2		12/01/2011	MBS PAYMENT		115,593	115,593	119,261	118,313		(2,720)		(2,720)		115,593				4,291	12/01/2011
36185M-4M-9	GMACM 2004-J4 A8		12/01/2011	MBS PAYMENT		82,644	82,644	76,659	78,984		3,660		3,660		82,644				3,447	03/01/2012
3622WV-AN-3	GSR 2007-3F 3A2		12/01/2011	MBS PAYMENT		343,122	343,122	306,188	305,174						305,174		37,948	37,948	9,138	05/01/2037
36242D-OY-2	GSR 2004-15F 2A2		12/01/2011	MBS PAYMENT		16,411	16,411	12,780	16,086		325		325		16,411				402	06/01/2028
36830H-AB-8	GEEST 2011-1A A2		12/21/2011	MBS PAYMENT		185,851	185,851	185,837	185,851		41		41		185,851				136	11/21/2012
36962E-3U-6	GENERAL ELEC CAP CORP.		10/25/2011	J.P. MORGAN		5,115,481	4,625,000	4,778,643	4,769,933		(13,458)		(13,458)		4,756,475		359,006	359,006	257,988	05/01/2018
36962E-X8-2	GENERAL ELEC CAP CORP.		08/22/2011	MATURITY		325,000	325,000	329,207	325,623		(623)		(623)		325,000				20,139	08/22/2011
36962E-Z5-6	GENERAL ELEC CAP CORP.		11/15/2011	VARIOUS		300,000	300,000	301,168	300,000						300,000				16,500	11/15/2011
37737Z-AC-1	GLAXOSMITHKLINE CAP INC.		09/01/2011	GOLDMAN SACHS		5,361,800	5,000,000	5,421,600	5,330,599		(93,710)		(93,710)		5,236,890		124,910	124,910	196,694	05/15/2013
38146F-AF-8	GOLDMAN SACHS GROUP INC.		07/15/2011	VARIOUS		6,400,000	6,400,000	6,460,021	6,420,927		(20,882)	45	(20,927)		6,400,000				104,000	07/15/2011
41283D-AB-9	HARLEY-DAVIDSON FUNDING		10/27/2011	STIFEL NICOLAUS & CO.		5,740,100	5,000,000	3,362,417	3,404,094		109,569		109,569		3,513,664		2,226,436	2,226,436	298,444	06/15/2018
438516-AS-5	HONEYWELL INTERNATIONAL		11/22/2011	GOLDMAN SACHS		2,320,060	2,000,000	2,018,020	2,013,486		(1,737)		(1,737)		2,011,749		308,311	308,311	127,494	03/15/2017
438516-AW-6	HONEYWELL INTERNATIONAL		09/02/2011	RBC CAPITAL MARKETS SECURITIES - US		8,440,900	8,000,000	7,918,460	7,960,457		12,319		12,319		7,972,777		468,123	468,123	346,257	03/01/2013
459200-GJ-4	IBM CORP.		11/08/2011	VARIOUS		8,457,160	6,969,000	7,964,338	7,998,670		(114,342)	76,545	(190,887)		7,807,782		649,378	649,378	463,439	09/14/2017
46629P-AM-0	JPMCC 2006-LDP9 A2S		12/01/2011	MBS PAYMENT		13,106	13,106	13,151	13,048		58		58		13,106				694	11/01/2013
477874-AC-5	JDOT 2009-A A3		12/15/2011	MBS PAYMENT		1,538,660	1,538,660	1,553,771	1,551,307		(12,647)		(12,647)		1,538,660				17,776	02/15/2012
501673-AA-5	LAAF 1 A		12/15/2011	MBS PAYMENT		56,397	56,397	49,330	55,158		1,239		1,239		56,397				4,318	12/15/2021
57643M-DE-1	MASTR 2004-6 4A1		12/01/2011	MBS PAYMENT		132,475	132,475	134,335	132,818		(344)		(344)		132,475				3,051	10/01/2018
585055-AS-5	MEDTRONIC INC.		10/24/2011	VARIOUS		6,328,028	5,647,000	5,857,906	5,862,602		(12,225)	72,781	(85,006)		5,777,597		550,431	550,431	280,609	03/15/2020
58768Z-AC-9	MBART 2010-1 A3		12/15/2011	MBS PAYMENT		173,390	173,390	173,357	173,292		99		99		173,390				2,157	05/15/2013
589331-AL-1	MERCK & CO INC.		11/15/2011	MATURITY		4,100,000	4,100,000	4,260,761	4,145,603		(45,603)		(45,603)		4,100,000				210,125	11/15/2011
59022H-JH-6	MLMT 2005-CIP1 A2		12/01/2011	MBS PAYMENT		17,215	17,215	17,480	17,296		(81)		(81)		17,215				549	05/01/2014
61757U-AF-7	MORGAN STANLEY		09/22/2011	MATURITY		325,000	325,000	330,432	327,667		(2,667)		(2,667)		325,000				6,500	09/22/2011
65475V-AC-4	NAROT 2009-1 A3		12/15/2011	MBS PAYMENT		1,585,608	1,585,608	1,624,171	1,607,774		(19,405)		(19,405)		1,588,369				31,022	08/15/2012
66880H-AA-0	NORVELL CONWAY LLC.		12/15/2011	SINK		56,347	56,347	43,262	54,925		1,422		1,422		56,347				2,091	12/15/2018
66987X-GV-1	NHEL 2005-3 A2C		12/25/2011	MBS PAYMENT		29,119	29,119	27,820	28,406		713		713		29,119				81	12/25/2012
66989H-AA-6	NOVARTIS CAPITAL CORP.		09/01/2011	MF GLOBAL		5,407,500	5,000,000	4,994,850	4,996,495		740		740		4,997,236		410,264	410,264	221,719	02/10/2014
68233L-AC-3	ONCOR 2003-1 A3		08/15/2011	MBS PAYMENT		1,704,717	1,704,717	1,712,308	1,706,233		(1,517)		(1,517)		1,704,717				60,881	02/15/2013
68389X-AC-9	ORACLE CORP.		10/21/2011	GOLDMAN SACHS		5,974,950	5,000,000	5,653,100	5,614,006		(60,698)		(60,698)		5,553,308		421,642	421,642	296,285	04/15/2018
68402L-AE-4	ORACLE CORP.		01/15/2011	MATURITY		7,000,000	7,000,000	7,188,650	7,003,007		(3,007)		(3,007)		7,000,000				175,000	01/15/2011
693401-AG-6	PERF 2005-2 A2		12/25/2011	MBS PAYMENT		569,709	569,709	587,297	584,585		(14,876)		(14,876)		569,709				18,279	

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks **SOLD, REDEEMED** or Otherwise **DISPOSED** of During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	
931142-CJ-0	WAL-MART STORES INC		10/21/2011	MIZUHO SECURITIES		3,692,092	3,057,000	3,515,550	3,487,325		(44,263)		(44,263)		3,443,062		249,030	249,030	212,275	02/15/2018	
93364F-AC-5	WAMU 2007-HY7 2A1		12/01/2011	MBS PAYMENT		138,205	166,855	107,763	107,491						107,491		30,715	30,715	5,205	07/01/2037	
949758-AD-8	WFMS 2004-0 A1		12/01/2011	MBS PAYMENT		120,074	120,074	120,274	120,104		(30)		(30)		120,074				2,989	07/01/2034	
94979X-AA-5	WFMS 2003-H A1		12/01/2011	MBS PAYMENT		126,931	126,931	122,987	126,171		760		760		126,931				3,081	08/01/2033	
983024-AM-2	WYETH		12/14/2011	VARIOUS		3,755,861	3,210,000	3,611,793	3,626,786		(52,071)	24,201	(76,272)		3,550,515		205,346	205,346	212,850	04/01/2017	
78008K-BS-1	ROYAL BANK OF CANADA	A	10/26/2011	VARIOUS		2,940,231	2,850,000	2,840,453	2,843,980		654		654		2,844,634		95,597	95,597	65,669	12/15/2015	
046353-AB-4	ASTRAZENECA PLC	F	11/08/2011	VARIOUS		7,240,140	6,000,000	6,916,611	6,948,180		(105,475)	66,771	(172,246)		6,775,934		464,206	464,206	412,017	09/15/2017	
056650-BH-0	BP CAPITAL MARKETS PLC	F	12/01/2011	BNP PARIBUS SECURITIES		5,280,950	5,000,000	4,260,750	4,305,035		135,465		135,465		4,440,500		840,450	840,450	240,035	03/10/2015	
298785-EG-7	EUROPEAN INVESTMENT BANK	F	09/01/2011	VARIOUS		5,995,250	5,000,000	5,619,644	5,642,600		(62,632)	9,344	(71,976)		5,570,623		424,627	424,627	197,170	05/30/2017	
740408-A#-6	PREFERRED TERM SECS LTD	F	03/22/2011	VARIOUS		609,587	626,357	187,719	187,719						187,719		421,867	421,867	28,663	09/15/2030	
822582-AG-7	SHELL INTERNATIONAL FIN	F	09/22/2011	MATURITY		1,250,000	1,250,000	1,249,950	1,249,975		25		25		1,250,000				16,250	09/22/2011	
88166C-AA-6	TEVA PHARMA FIN II/III	F	11/08/2011	CITIGROUP GLOBAL MARKETS		3,343,648	3,225,000	3,221,001	3,221,368		629		629		3,221,997		121,651	121,651	87,344	06/15/2015	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						245,481,124	225,392,391	232,306,529	230,042,586		(668,836)	390,028	(1,058,864)		230,312,867		15,168,259	15,168,259	10,400,016	XXX	
Bonds - Hybrid Securities																					
606866-AA-7	MICAPS FUNDING I LTD/INC	F	05/03/2011	SANDLER ONEILL		718,357	747,191	448,315	448,315						448,315		270,042	270,042	23,500	06/15/2023	
4899999 - Bonds - Hybrid Securities						718,357	747,191	448,315	448,315						448,315		270,042	270,042	23,500	XXX	
Bonds - Parent, Subsidiaries, and Affiliates																					
8399997 - Bonds - Subtotals - Bonds - Part 4						336,349,042	314,113,015	321,214,592	318,258,634		(533,058)	521,186	(1,054,244)		318,930,297		17,418,746	17,418,746	12,977,711	XXX	
8399998 - Bonds - Summary Item from Part 5 for Bonds						8,312,946	8,000,000	8,017,011			(2,682)		(2,682)		8,014,328		298,617	298,617	148,188	XXX	
8399999 - Bonds - Subtotals - Bonds						344,661,988	322,113,015	329,231,603	318,258,634		(535,740)	521,186	(1,056,926)		326,944,625		17,717,363	17,717,363	13,125,899	XXX	
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																					
Preferred Stocks - Parent, Subsidiaries, and Affiliates																					
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
Common Stocks - Parent, Subsidiaries, and Affiliates																					
Common Stocks - Mutual Funds																					
Common Stocks - Money Market Mutual Funds																					
9799998 - Common Stocks - Summary Item from Part 5 for Common Stocks						1,593	XXX											1,593	1,593		XXX
9799999 - Common Stocks - Subtotals - Common Stocks						1,593	XXX											1,593	1,593		XXX
9899999 - Common Stocks - Subtotals - Preferred and Common Stocks						1,593	XXX											1,593	1,593		XXX
9999999 Totals						344,663,581	XXX	329,231,603	318,258,634		(535,740)	521,186	(1,056,926)		326,944,625		17,718,956	17,718,956	13,125,899	XXX	

E14.3

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 5**

Showing all Long-Term Bonds and Stocks **ACQUIRED** During Year and Fully **DISPOSED OF** During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consideration	Book/ Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change In B./A. C.V. (12 + 13 - 14)	Total Foreign Exchange Change in B./A. C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U.S. Governments																				
Bonds - All Other Governments																				
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																				
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)																				
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																				
38376G-F3-9	GNR 2011-16 B		03/04/2011	JEFFERIES & CO.	10/20/2011	BANK AMERICA	2,000,000	1,994,766	2,078,672	1,995,055		290		290			83,616	83,616	42,250	1,444
38376G-WH-9	GNR 2010-132 AD		04/27/2011	J.P. MORGAN	10/26/2011	BANK AMERICA	5,000,000	5,009,375	5,183,594	5,007,918		(1,457)		(1,457)			175,676	175,676	78,674	437
3199999	Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						7,000,000	7,004,141	7,262,266	7,002,973		(1,167)		(1,167)			259,292	259,292	120,924	1,881
Bonds - Industrial and Miscellaneous (Unaffiliated)																				
949746-QU-8	WELLS FARGO & COMPANY		04/07/2011	WELLS FARGO SECURITIES LLC	12/07/2011	STIFEL NICOLAUS & CO.	1,000,000	1,012,870	1,050,680	1,011,355		(1,515)		(1,515)			39,325	39,325	27,264	2,757
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)						1,000,000	1,012,870	1,050,680	1,011,355		(1,515)		(1,515)			39,325	39,325	27,264	2,757
Bonds - Hybrid Securities																				
Bonds - Parent, Subsidiaries, and Affiliates																				
8399998	Bonds - Subtotals - Bonds						8,000,000	8,017,011	8,312,946	8,014,328		(2,682)		(2,682)			298,617	298,617	148,188	4,638
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																				
Preferred Stocks - Parent, Subsidiaries, and Affiliates (Unaffiliated)																				
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																				
110122-10-8	BRISTOL-MYERS SQUIBB CO.		05/12/2011	CLASS ACTION	05/12/2011	CLASS ACTION	1,000		.32								.32	.32		
111320-10-7	BROADCOM CORP-CL A		05/17/2011	CLASS ACTION	05/17/2011	CLASS ACTION	1,000		139								139	139		
28336L-10-9	EL PASO CORP.		02/23/2011	CLASS ACTION	02/23/2011	CLASS ACTION	1,000		760								760	760		
49455P-10-1	KINDER MORGAN INC.		05/20/2011	CLASS ACTION	05/20/2011	CLASS ACTION	1,000		113								113	113		
749121-10-9	QWEST COMMUNICATIONS INTL		07/06/2011	CLASS ACTION	07/06/2011	CLASS ACTION	1,000		169								169	169		
91324P-10-2	UNITEDHEALTH GROUP INC.		05/03/2011	CLASS ACTION	05/03/2011	CLASS ACTION	1,000		380								380	380		
9099999	Common Stocks - Industrial and Miscellaneous (Unaffiliated)								1,593								1,593	1,593		
Common Stocks - Parent, Subsidiaries, and Affiliates																				
Common Stocks - Mutual Funds																				
Common Stocks - Money Market Mutual Funds																				
9799998	Common Stocks - Subtotals - Common Stocks								1,593								1,593	1,593		
9899999	Common Stocks - Subtotals - Preferred and Common Stocks								1,593								1,593	1,593		
9999999 Totals																				
								8,017,011	8,314,539	8,014,328		(2,682)		(2,682)			300,210	300,210	148,188	4,638

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Change In Book/Adjusted Carrying Value				13	14	Interest					21		
		3	4					9	10	11	12			15	16	17	18	19		20	
CUSIP Identification	Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due And Accrued Dec. 31 of Current Year On Bond Not In Default	Non-Admitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest	
Bonds - U.S. Governments Issuer Obligations																					
Bonds - U.S. Governments - Residential Mortgage-Backed Securities																					
Bonds - U.S. Governments - Commercial Mortgage-Backed Securities																					
Bonds - U.S. Governments - Other Loan-Backed and Structured Securities																					
Bonds - All Other Governments - Issuer Obligations																					
Bonds - All Other Governments - Residential Mortgage-Backed Securities																					
Bonds - All Other Governments - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds - All Other Governments - Other Loan-Backed and Structured Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Issuer Obligations																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Residential Mortgage-Backed Securities																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Commercial Mortgage-Backed Securities																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Other Loan-Backed and Structured Securities																					
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																					
	NSTAR ELECTRIC CO.			12/07/2011	MORGAN STANLEY	10/15/2012	7,226,940	(15,273)	1,877		7,000,000	7,226,940	72,042	4.875	0.711			AO		54,031	
	BROOKFIELD ASSET MAN INC.		A	11/07/2011	VARIOUS	06/15/2012	10,237,031	(67,450)			10,000,000	10,310,200	31,667	7.125	1.873			JD	356,250	294,896	
	CANADIAN NATL RESOURCES		A	11/02/2011	VARIOUS	10/01/2012	7,309,466	(47,906)	5,793		7,075,000	7,309,466	96,397	5.450	0.895			AO		38,559	
3299999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						24,773,437	(130,629)	7,670			24,075,000	24,846,606	200,106	XXX	XXX			XXX	356,250	387,486
Bonds - Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities																					
Bonds - Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities																					
Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities																					
3899999	Bonds - Subtotals - Industrial and Miscellaneous (Unaffiliated)						24,773,437	(130,629)	7,670			24,075,000	24,846,606	200,106	XXX	XXX			XXX	356,250	387,486
Bonds - Hybrid Securities - Issuer Obligations																					
Bonds - Hybrid Securities - Residential Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Commercial Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Other Loan-Backed and Structured Securities																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Issuer Obligations																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Residential Mortgage-Backed Securities																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Commercial Mortgage-Backed Securities																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Other Loan-Backed and Structured Securities																					
7799999	Total Bonds - Subtotals - Issuer Obligations						24,773,437	(130,629)	7,670			24,075,000	24,846,606	200,106	XXX	XXX			XXX	356,250	387,486
8399999	Total Bonds - Subtotals - Bonds						24,773,437	(130,629)	7,670			24,075,000	24,846,606	200,106	XXX	XXX			XXX	356,250	387,486
Parent, Subsidiaries and Affiliates - Mortgage Loans																					
Parent, Subsidiaries and Affiliates - Other Short-Term Invested Assets																					
Mortgage Loans																					
Exempt Money Market Mutual Funds																					
Class One Money Market Mutual Funds																					
316175-40-5	FIDELITY PRIME MON MAR-I			12/29/2011	DIRECT		3,431,547					3,431,547	978	0.110	0.110			MAT			
8999999	Class One Money Market Mutual Funds						3,431,547					XXX	3,431,547	978	XXX	XXX			XXX		
Other Short-Term Invested Assets																					
9199999	Total Short-Term Investments						28,204,984	(130,629)	7,670			XXX	28,278,153	201,084	XXX	XXX			XXX	356,250	387,486

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Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part A - Section 2

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part B - Section 2

**NONE**

Schedule DB - Part D

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**



ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<b>NONE</b>							
8699999 Total Cash Equivalents							

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE E PART 3 - SPECIAL DEPOSITS**

States, etc.	1 Type of Deposits	2 Purpose of Deposits	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR	.B on deposit	299,979	308,367		
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL	.B on deposit, State Deposit	2,188,812	2,527,448		
11. Georgia	GA	.B on deposit	29,998	30,837		
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL	.B State Deposit, on deposit	1,597,243	1,647,709		
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA	.B on deposit	99,993	102,789		
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV	.B on deposit	194,722	209,906		
30. New Hampshire	NH	.B on deposit	497,320	517,030		
31. New Jersey	NJ					
32. New Mexico	NM	.B on deposit	114,992	118,207		
33. New York	NY					
34. North Carolina	NC	.B State Deposit	243,065	254,830		
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR	.B State Deposit	662,531	666,569		
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC	.B on deposit	149,990	154,184		
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA	.B on deposit	522,186	542,882		
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR					
55. US Virgin Islands	VI					
56. Northern Mariana Islands	MP					
57. Canada	CN					
58. Aggregate Other Alien	OT	.XXX	.XXX			
59. Total	XXX	XXX	6,600,831	7,080,758		
<b>DETAILS OF WRITE-INS</b>						
5801.						
5802.						
5803.						
5898.	Sum of remaining write-ins for Line 58 from overflow page	.XXX	.XXX			
5899.	Totals (Lines 5801 - 5803 + 5898) (Line 58 above)	XXX	XXX			

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