

**ANNUAL STATEMENT**  
OF THE  
**TRIAD GUARANTY INSURANCE  
CORPORATION, IN REHABILITATION**

**2013**

OF  
Chicago  
IN THE STATE OF  
Illinois  
TO THE  
INSURANCE DEPARTMENT  
OF THE  
STATE OF  
FOR THE YEAR ENDED  
DECEMBER 31, 2013

PROPERTY AND CASUALTY

**2013**



ANNUAL STATEMENT
For the Year Ended December 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

NAIC Group Code 0421, 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, US 60606
Main Administrative Office 101 South Stratford Road, Winston-Salem, NC, US 27104 336-723-1282
Mail Address Post Office Box 2300, Winston-Salem, NC, US 27102-2300
Primary Location of Books and Records 101 South Stratford Road, Winston-Salem, NC, US 27104 336-723-1282-1155
Internet Web Site Address www.triadguaranty.com
Statutory Statement Contact Randall Keith Shields 336-723-1282-1155
rshields@tgic.com 336-761-5174-1155

OFFICERS

Table with 4 columns: Name, Title, Name, Title

OTHER OFFICERS

Table with 4 columns: Name, Title, Name, Title

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title

State of North Carolina

ss

County of Forsyth

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.

Subscribed and sworn to before me this day of

- 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 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	201,832,571		201,832,571	567,626,387
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....	8,204,400		8,204,400	7,881,259
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 (\$ ..... 15,541,181 , Schedule E-Part 1), cash equivalents (\$ ..... , Schedule E-Part 2) and short-term investments (\$ ..... 24,477,944 , Schedule DA).....	40,019,126		40,019,126	129,811,456
6. Contract loans (including \$ ..... premium notes).....				
7. Derivatives (Schedule DB).....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....	19,564		19,564	11,084
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) .....	250,075,661		250,075,661	705,330,186
13. Title plants less \$ ..... charged off (for Title insurers only).....				
14. Investment income due and accrued .....	2,211,842		2,211,842	5,052,181
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	5,348,130	720	5,347,410	8,303,915
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums).....	20,130,436		20,130,436	28,558,421
15.3 Accrued retrospective premiums.....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	1,894,534		1,894,534	2,702,913
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.....	23,506	540	22,966	13,328
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	36,705	36,705		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	23,654		23,654	25,360
24. Health care (\$ ..... ) and other amounts receivable.....				
25. Aggregate write-ins for other than invested assets .....	846,990	846,990		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	280,591,457	884,955	279,706,503	749,986,304
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....				
28. Total (Lines 26 and 27)	280,591,457	884,955	279,706,503	749,986,304
<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.....	846,990	846,990		
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)	846,990	846,990		

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	500,806,385	677,015,521
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) .....	3,137,948	7,372,569
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	9,711,118	17,410,060
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	562,611	439,439
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 \$ .....42,721 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) .....	3,594,166	5,794,670
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	766,509	1,132,333
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 .....	360,376	84,434,829
15. Remittances and items not allocated .....	599,414	869,318
16. Provision for reinsurance (including \$ ..... certified) (Schedule F, Part 8) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....		
20. Derivatives .....		
21. Payable for securities .....	12,535	8,042
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 .....	605,871,209	808,257,811
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	1,125,422,271	1,602,734,592
27. Protected cell liabilities .....		
28. Total liabilities (Lines 26 and 27) .....	1,125,422,271	1,602,734,592
29. Aggregate write-ins for special surplus funds .....		
30. Common capital stock .....	3,500,000	3,500,000
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....	13,350,000	11,125,000
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) .....	(992,781,696)	(997,589,216)
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) .....	(845,715,768)	(852,748,288)
38. Totals (Page 2, Line 28, Col. 3)	279,706,503	749,986,304
<b>DETAILS OF WRITE-INS</b>		
2501. Deferred Premium Refund.....	11,381	
2502. Deferred Payment Obligation, including carry charges.....	600,130,107	803,978,629
2503. Rescinded Premium Payable.....	5,729,721	4,279,182
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	605,871,209	808,257,811
2901. ....		
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)		
3201. Unapproved interest due on Surplus Note.....	13,350,000	11,125,000
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)	13,350,000	11,125,000

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4) .....	109,654,564	129,937,366
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7) .....	128,859,682	234,199,845
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	(1,816,226)	3,982,824
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	5,597,178	20,373,906
5. Aggregate write-ins for underwriting deductions .....		
6. Total underwriting deductions (Lines 2 through 5) .....	132,640,634	258,556,575
7. Net income of protected cells .....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	(22,986,070)	(128,619,209)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	16,196,546	3,179,661
10. Net realized capital gains (losses) less capital gains tax of \$ .....	7,984,982	985,163
11. Net investment gain (loss) (Lines 9 + 10) .....	24,181,528	4,164,824
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ .....		
13. Finance and service charges not included in premiums .....		
14. Aggregate write-ins for miscellaneous income .....	4,791,680	4,768,751
15. Total other income (Lines 12 through 14) .....	4,791,680	4,768,751
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....	5,987,138	(119,685,634)
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) .....	5,987,138	(119,685,634)
19. Federal and foreign income taxes incurred .....		
20. Net income (Line 18 minus Line 19) (to Line 22) .....	5,987,138	(119,685,634)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	(852,748,289)	234,118,495
22. Net income (from Line 20) .....	5,987,138	(119,685,634)
23. Net transfers (to) from Protected Cell accounts .....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....	322,513	(489,661)
25. Change in net unrealized foreign exchange capital gain (loss) .....		
26. Change in net deferred income tax .....		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) .....	722,869	825,164
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 .....		(337,816,371)
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) .....		(629,700,282)
37. Aggregate write-ins for gains and losses in surplus .....		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....	7,032,520	(1,086,866,784)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	(845,715,768)	(852,748,289)
<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.....		(22,915)
1402. Income received under Asset Purchase Agreement.....	4,791,680	4,791,666
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	4,791,680	4,768,751
3701. Deferred Payment Obligation.....		(629,700,282)
3702. Increase in Contingency Reserve.....	(54,827,282)	(64,968,682)
3703. Decrease in Contingency Reserve.....	54,827,282	64,968,682
3798. Summary of remaining write-ins for Line 37 from overflow page .....		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above) .....		(629,700,282)

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	119,527,897	104,915,178
2. Net investment income .....	21,534,907	27,105,934
3. Miscellaneous income .....	4,791,680	4,807,801
4. Total (Lines 1 through 3) .....	145,854,484	136,828,913
5. Benefit and loss related payments .....	510,518,993	222,626,806
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	12,237,329	14,880,173
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....		
10. Total (Lines 5 through 9) .....	522,756,323	237,506,979
11. Net cash from operations (Line 4 minus Line 10) .....	(376,901,838)	(100,678,066)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	499,961,260	183,023,268
12.2 Stocks .....	2,068	7,198
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 .....	28,853	(766)
12.7 Miscellaneous proceeds .....		9,939
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	499,992,181	183,039,639
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	128,805,300	41,584,493
13.2 Stocks .....		
13.3 Mortgage loans .....		
13.4 Real estate .....		
13.5 Other invested assets .....		
13.6 Miscellaneous applications .....	3,990	
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	128,809,290	41,584,493
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) .....	371,182,891	141,455,146
<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).....	(84,073,382)	21,205,529
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(84,073,382)	21,205,529
<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) .....	(89,792,330)	61,982,609
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	129,811,456	67,828,847
19.2 End of year (Line 18 plus Line 19.1) .....	40,019,126	129,811,456

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 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 .....	107,453,922	5,794,529	3,594,025	109,654,426
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 .....	138	141	141	138
34.	Aggregate write-ins for other lines of business .....				
35.	<b>TOTALS</b>	<b>107,454,060</b>	<b>5,794,670</b>	<b>3,594,166</b>	<b>109,654,564</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)				

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 .....	1,736,316	1,857,710			3,594,025
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 .....		141			141
34. Aggregate write-ins for other lines of business .....					
35. TOTALS	1,736,316	1,857,851			3,594,166
36. Accrued retrospective premiums based on experience .....					
37. Earned but unbilled premiums .....					
38. Balance (Sum of Lines 35 through 37)					3,594,166
<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. Annual policies - monthly pro rata. Monthly policies - in month coverage is provided. 2. Illinois Regulation 203.5

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	112,886,917			2,152,414	3,280,581	107,453,922
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		138			138
34. Aggregate write-ins for other lines of business						
35. TOTALS	112,886,917		138	2,152,414	3,280,581	107,454,060
<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 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 .....	314,949,533		9,880,715	305,068,818	500,796,385	677,005,521	128,859,682	117.5
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 .....	314,949,533		9,880,715	305,068,818	500,806,385	677,015,521	128,859,682	117.5
<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 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

**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	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	492,810,027		10,722,400	482,087,627	19,324,059		615,301	500,796,385	3,137,948
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	492,810,027		10,722,400	482,087,627	19,324,059	10,000	615,301	500,806,385	3,137,948
<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.

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**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 .....	(3,738,672)			(3,738,672)
1.2 Reinsurance assumed .....				
1.3 Reinsurance ceded .....				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....	(3,738,672)			(3,738,672)
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....		19,468		19,468
2.2 Reinsurance assumed, excluding contingent .....		21		21
2.3 Reinsurance ceded, excluding contingent .....		940,135		940,135
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) .....		(920,647)		(920,647)
3. Allowances to manager and agents .....				
4. Advertising .....		(570)		(570)
5. Boards, bureaus and associations .....		515		515
6. Surveys and underwriting reports .....	15,363	4,764		20,127
7. Audit of assureds' records .....				
8. Salary and related items:				
8.1 Salaries .....	994,098	600,908		1,595,006
8.2 Payroll taxes .....	77,793	198,967		276,760
9. Employee relations and welfare .....	214,300	378,662		592,962
10. Insurance .....	21,420	18,300		39,720
11. Directors' fees .....				
12. Travel and travel items .....	3,506	84,130		87,636
13. Rent and rent items .....	217,255	233,031		450,285
14. Equipment .....	5,798	34,277		40,075
15. Cost or depreciation of EDP equipment and software .....		385,948		385,948
16. Printing and stationery .....	2,014	21,440		23,453
17. Postage, telephone and telegraph, exchange and express .....	19,297	78,922		98,220
18. Legal and auditing .....		647,699	681,067	1,328,766
19. Totals (Lines 3 to 18) .....	1,570,844	2,686,993	681,067	4,938,904
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....		2,149,702		2,149,702
20.2 Insurance department licenses and fees .....		(262,055)		(262,055)
20.3 Gross guaranty association assessments .....				
20.4 All other (excluding federal and foreign income and real estate) .....				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....		1,887,647		1,887,647
21. Real estate expenses .....				
22. Real estate taxes .....				
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....	351,601	1,943,185	2,260	2,297,046
25. Total expenses incurred .....	(1,816,226)	5,597,178	683,327 (a)	4,464,279
26. Less unpaid expenses-current year .....	3,137,948	10,084,438	189,291	13,411,677
27. Add unpaid expenses-prior year .....	7,372,569	17,849,499	167,506	25,389,574
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)	2,418,395	13,362,239	661,542	16,442,176
<b>DETAILS OF WRITE-INS</b>				
2401. Investigative Services.....	351,037			351,037
2402. Data processing.....		3,251,999		3,251,999
2403. Misc. consulting fees.....	89	162,085		162,173
2498. Summary of remaining write-ins for Line 24 from overflow page .....	475	(1,470,899)	2,260	(1,468,164)
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	351,601	1,943,185	2,260	2,297,046

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

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a).....571,512	.....552,074
1.1 Bonds exempt from U.S. tax	(a).....2,849,645	.....2,586,078
1.2 Other bonds (unaffiliated)	(a).....15,231,805	.....12,664,926
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).....	.....1,068,431
7. Derivative instruments	(f).....	.....
8. Other invested assets	.....	.....
9. Aggregate write-ins for investment income	.....	.....
10. Total gross investment income	18,652,962	16,871,509
11. Investment expenses		(g).....683,327
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		.....(8,364)
16. Total deductions (Lines 11 through 15)		.....674,963
17. Net investment income (Line 10 minus Line 16)		16,196,546
<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		.....(8,364)
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)		(8,364)

- (a) Includes \$ 1,350,226 accrual of discount less \$ 2,879,869 amortization of premium and less \$ 294,875 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					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	7,982,641	1,527	7,984,168		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	814		814		
2.21 Common stocks of affiliates				322,513	
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	7,983,455	1,527	7,984,982	322,513	
<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)					

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**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.....	720	3,050	2,330
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.....	540	289,713	289,173
21. Furniture and equipment, including health care delivery assets.....	36,705	54,412	17,707
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 .....	846,990	1,260,649	413,659
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	884,955	1,607,824	722,869
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
28. Total (Lines 26 and 27)	884,955	1,607,824	722,869
<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.....	846,990	1,260,649	413,659
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)	846,990	1,260,649	413,659

# TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

## NOTES TO FINANCIAL STATEMENTS

These items are based on illustrations taken from the NAIC Annual Statement Instructions

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The accompanying financial statements of Triad Guaranty Insurance Corporation, in Rehabilitation ("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.

On December 11, 2012, Andrew Boron, Director of Insurance ("Director") of the State of Illinois entered a Court Order in Cook County Illinois to place the Company and its subsidiary, Triad Guaranty Assurance Corporation in rehabilitation, and the Director was affirmed as Receiver. By Illinois law, the Director may appoint a Special Deputy Receiver to administer the receivership. By power of attorney, Paul A. Miller is the Special Deputy Receiver to the Director of Insurance, and the Office of the Special Deputy Receiver handles the day-to-day administration of the liquidation proceedings under the direction of the Special Deputy, subject to the ultimate authority of the Director and to court supervision. Among other things, the Rehabilitator's statutory authority includes authority to:

1. Collect, receive and take exclusive custody and control of the Company's and TGAC's assets, its contractual and other legal rights and interest, and its books and records;
2. Conserve, hold and manage the Company's assets for the benefits of its creditors;
3. Bring litigation to protect or recover assets;
4. File a plan of Rehabilitation with the Court for approval; and
5. Pay all administrative expenses incurred during the course of rehabilitation from the assets of the Company and TGAC.

On October 29, 2013, the Cooke County Illinois Court approved the Plan of Rehabilitation for the Company. The Plan implements Illinois' statutory schedule of priorities for the ratable distribution (*i.e.* payment) of an insolvent insurance company's assets. Under the Plan, policyholders continue to file claims in the same manner as before. The Plan increases the percentage of cash paid on valid claim settlements ("Loss Claims") from 60% to 75%. The effective date of the increase in cash paid was December 1, 2013. In order to equalize the amount of cash paid on Loss Claims since the start of Triad's run-off with cash payments to be made on Loss Claims under the Plan, Triad issued payment on all DPOs issued prior to December 1, 2013 in the amount of 37.5% of the DPO balance owed to pre-Plan DPO holders (the "Paydown"). In addition, the return of premium associated with a rescission or a cancellation initiated by the policyholder that would result in a partial return of premium in certain circumstances is classified as a "policyholder claim" under the priorities of the receivership in the Plan and therefore, will be subject to the same 75% cash refund settlement as are claims.

#### 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 2013 or 2012.
- (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. 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.

### 2. Accounting Changes and Corrections of Errors

As described in Note 1, on December 11, 2012 the Company was placed in rehabilitation by a Court Order entered by the Illinois Director of Insurance. Under the Corrective Order effective June 1, 2009, loss reserves were established for only the cash portion, or 60% of the estimated claim amount. Effective with the Rehabilitation Order, the Company increased its loss reserves to reflect the total estimated claim settlement. In accordance with SSAP No. 3, paragraph 3, this is a change in the method of calculating the reserve for losses and is treated as a change in accounting principle. The Company recorded the cumulative effect of the change by restating the loss reserves as of the first day of 2012 as if the Company had previously utilized the new method. The impact of adoption increased reserves and decreased surplus by \$337,816,371 as of January 1, 2012.

On October 29, 2013, the Circuit Court of Cook County, Illinois approved the Rehabilitator's Plan of Rehabilitation (the "Plan"). The Plan implements Illinois' statutory schedule of priorities for the ratable distribution (*i.e.* payment) of an insolvent insurance company's assets. The Plan increases the percentage of cash paid on valid claims settlements from 60% to 75%. Those claim settlements previously paid 60% in cash will receive a payment on their deferred payment obligation to bring them up to the 75% cash claim settlement level. Also under the Plan, the return of premium constitutes a "policyholder claim" and therefore, will be paid at the prorated rate of 75% cash and 25% by the establishment of a deferred premium refund liability.

### 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.

# TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

## 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 pre-payment 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) The Company reviews its investments quarterly to identify whether any investments have indications of possible impairment and whether any impairments are other than temporary.

	(1) Amortized Cost Basis Before Other-than-Temporary Impairment	(2) Other-than-Temporary Impairment Recognized in Loss	(3) Fair Value 1 - 2
OTTI recognized 1 <sup>st</sup> Quarter ***NONE***			
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	\$ .....	\$ .....	\$ .....
c. Total 1 <sup>st</sup> Quarter	\$ .....	\$ .....	\$ .....
OTTI recognized 2 <sup>nd</sup> Quarter ***NONE***			
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	\$ .....	\$ .....	\$ .....
f. Total 2 <sup>nd</sup> Quarter	\$ .....	\$ .....	\$ .....
OTTI recognized 3 <sup>rd</sup> Quarter ***NONE***			
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	\$ .....	\$ .....	\$ .....
i. Total 3 <sup>rd</sup> Quarter	\$ .....	\$ .....	\$ .....
OTTI recognized 4 <sup>th</sup> Quarter ***NONE***			
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	\$ .....	\$ .....	\$ .....
l. Total 4 <sup>th</sup> Quarter	\$ .....	\$ .....	\$ .....
m. Annual Aggregate Total	\$ .....	\$ .....	\$ .....

(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) Unrealized Losses:

- a) The Company had investments held with Unrealized Losses less than 1 year of \$517,401.
- b) The fair value of securities with unrealized losses is \$43,754,230.

(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 rating, sector, liquidity, financial flexibility, company management, expected earnings and cash flow stream, and economic prospects associated with the investment.

The Company does not have any repurchase agreement investments and/or Securities Lending Transactions.

E.

- F. The Company does not have investments in real estate.
- G. The Company does not have investments in low-income housing tax credits.
- H. Restricted Assets.

(1) Restricted Assets (Including Pledged)

# TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

## 5. Investments (continued)

Restricted Asset Category	Gross Restricted					6	7	8	Percentage	
	1	2	Current Year		5				9	10
			3	4						
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
a. Subject to contractual obligation for which liability is not shown	\$.....	\$.....	\$.....	\$.....	\$.....0	\$.....	\$.....0	\$.....	.....%	.....%
b. Collateral held under security lending agreements					.....0		.....0			
c. Subject to repurchase agreements					.....0		.....0			
d. Subject to reverse repurchase agreements					.....0		.....0			
e. Subject to dollar repurchase agreements					.....0		.....0			
f. Subject to dollar reverse repurchase agreements					.....0		.....0			
g. Placed under option contracts					.....0		.....0			
h. Letter stock or securities restricted as to sale					.....0		.....0			
i. On deposit with states	6,366,631				.....0	6,530,457	(163,826)	6,366,631	2.27	2.28
j. On deposit with other regulatory bodies					.....0		.....0			
k. Pledged as collateral not captured in other categories					.....0		.....0			
l. Other restricted assets					.....0		.....0			
m. Total Restricted Assets	\$.....6,366,631	\$.....0	\$.....0	\$.....0	\$.....0	\$.....6,530,457	\$.....(163,826)	\$.....6,366,631	.....2.27%	.....2.28%

(2) There are no assets pledged in other categories.

(3) There are no other Restricted Assets

## 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 2013 or 2012.

# TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

## 9. Income Taxes

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

1.

12/31/2013			
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 390,102,566	\$ .....	\$ 390,102,566
(b) Statutory Valuation Allowance Adjustments	\$ 390,089,414	\$ .....	\$ 390,089,414
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 13,152	\$ 0	\$ 13,152
(d) Deferred Tax Assets Nonadmitted	\$ .....	\$ .....	\$ .....
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 13,152	\$ 0	\$ 13,152
(f) Deferred Tax Liabilities	\$ 13,152	\$ .....	\$ 13,152
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 0	\$ 0	\$ 0

12/31/2012			
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 389,877,501	\$ 2,016,460	\$ 391,893,961
(b) Statutory Valuation Allowance Adjustments	\$ 389,422,267	\$ 2,016,460	\$ 391,438,727
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 455,234	\$ 0	\$ 455,234
(d) Deferred Tax Assets Nonadmitted	\$ .....	\$ .....	\$ .....
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 455,234	\$ 0	\$ 455,234
(f) Deferred Tax Liabilities	\$ 455,234	\$ 0	\$ 455,234
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 0	\$ 0	\$ 0

Change			
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ 225,065	\$ (2,016,460)	\$ (1,791,395)
(b) Statutory Valuation Allowance Adjustments	\$ 667,147	\$ (2,016,460)	\$ (1,349,313)
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ (442,082)	\$ 0	\$ (442,082)
(d) Deferred Tax Assets Nonadmitted	\$ .....	\$ .....	\$ .....
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ (442,082)	\$ 0	\$ (442,082)
(f) Deferred Tax Liabilities	\$ (442,082)	\$ 0	\$ (442,082)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 0	\$ 0	\$ 0

2.

12/31/2013			
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ .....	\$ .....	\$ .....
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ .....	\$ .....	\$ .....
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ .....	\$ .....	\$ .....
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$ XXX	\$ XXX	\$ .....
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ .....	\$ .....	\$ .....
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 0	\$ 0	\$ 0

12/31/2012			
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 0	\$ 0	\$ 0
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 0	\$ 0	\$ 0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ 0	\$ 0	\$ 0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$ XXX	\$ XXX	\$ 0
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 0	\$ 0	\$ 0
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 0	\$ 0	\$ 0

Change			
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 0	\$ 0	\$ 0
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 0	\$ 0	\$ 0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ 0	\$ 0	\$ 0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$ XXX	\$ XXX	\$ 0
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 0	\$ 0	\$ 0
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 0	\$ 0	\$ 0

3.

	2013	2012
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	0.000	0.000
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ (852,748,288.000)	\$ (852,748,288.000)

# TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

**9. Income Taxes (Continued)**

4.

12/31/2013	
(1)	(2)
Ordinary	Capital

Impact of Tax-Planning Strategies

(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1. Adjusted Gross DTAs Amount From Note 9A1(c)	13,152	0
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies		
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	13,152	0
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies		

12/31/2012	
(3)	(4)
Ordinary	Capital

(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1. Adjusted Gross DTAs Amount From Note 9A1(c)	455,234	0
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	455,234	0
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)		

Change	
(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital

(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1. Adjusted Gross DTAs Amount From Note 9A1(c)	0.0	0.0
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	(442,082)	0
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	0.0	0.0

(b) Does the Company's tax-planning strategies include the use of reinsurance?      Yes .....      No ..... X .....

C. Current income taxes incurred consist of the following major components:

(1) 12/31/2013	(2) 12/31/2012	(3) (Col 1-2) Change
-------------------	-------------------	----------------------------

1. Current Income Tax

(a)	Federal	\$ .....	\$ .....	\$ .....
(b)	Foreign	0.0	0.0	0.0
(c)	Subtotal	0.0	0.0	0.0
(d)	Federal income tax on net capital gains	0.0	0.0	0.0
(e)	Utilization of capital loss carry-forwards	0.0	0.0	0.0
(f)	Other	0.0	0.0	0.0
(g)	Federal and foreign income taxes incurred	0.0	0.0	0.0

2. Deferred Tax Assets:

(a) Ordinary

(1)	Discounting of unpaid losses	\$ .....	\$ .....	\$ .....
(2)	Unearned premium reserve	48,198,856	65,457,077	(17,258,221)
(3)	Policyholder reserves	251,592	1,746,110	(1,494,518)
(4)	Investments	0	0	0
(5)	Deferred acquisition costs	0	0	0
(6)	Policyholder dividends accrual	0	0	0
(7)	Fixed assets	267,190	335,408	(68,218)
(8)	Compensation and benefits accrual	163,374	814,080	(650,706)
(9)	Pension accrual	0	0	0
(10)	Receivables - nonadmitted	0	0	0
(11)	Net operating loss carry-forward	337,081,072	317,967,319	19,113,753
(12)	Tax credit carry-forward	0	0	0
(13)	Other (including items <5% of total ordinary tax assets)	4,140,482	3,557,507	582,975
(99)	Subtotal	390,102,566	389,877,501	225,065

(b) Statutory valuation allowance adjustment      \$ ..... 390,089,414      \$ ..... 389,422,267      \$ ..... 667,147

(c) Nonadmitted      \$ .....      \$ ..... 0      \$ ..... 0

(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)      \$ ..... 13,152      \$ ..... 455,234      \$ ..... (442,082)

(e) Capital:

(1)	Investments	\$ .....	\$ .....	\$ .....
(2)	Net capital loss carry-forward	0	2,016,460	(2,016,460)
(3)	Real estate	0	0	0
(4)	Other (including items <5% of total capital tax assets)	0	0	0
(99)	Subtotal	0	2,016,460	(2,016,460)

(f) Statutory valuation allowance adjustment      \$ .....      \$ ..... 2,016,460      \$ ..... (2,016,460)

(g) Nonadmitted      \$ .....      \$ ..... 0      \$ ..... 0

(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)      \$ ..... 0      \$ ..... 0      \$ ..... 0

(i) Admitted deferred tax assets (2d + 2h)      \$ ..... 13,152      \$ ..... 455,234      \$ ..... (442,082)

3. Deferred Tax Liabilities:

(a) Ordinary

(1)	Investments	\$ .....	\$ .....	\$ .....
(2)	Fixed assets	116	120,444	(120,328)
(3)	Deferred and uncollected premium	0	0	0
(4)	Policyholder reserves	0	0	0
(5)	Other (including items <5% of total ordinary tax liabilities)	13,036	334,790	(321,754)
(99)	Subtotal	13,152	455,234	(442,082)

(b) Capital:

(1)	Investments	\$ .....	\$ .....	\$ .....
(2)	Real estate	0	0	0
(3)	Other (including items <5% of total capital tax liabilities)	0	0	0
(99)	Subtotal	0	0	0

(c) Deferred tax liabilities (3a99 + 3b99)      \$ ..... 13,152      \$ ..... 455,234      \$ ..... (442,082)

4. Net deferred tax assets/liabilities (2i - 3c)      \$ ..... 0      \$ ..... 0      \$ ..... 0

# TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

## 9. Income Taxes (continued)

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

	<u>Tax effect</u>	Effective Tax Rate
Provision computed at statutory rate	\$ 2,081,247	35.00%
Tax exempt income deduction	(750,111)	-36.04%
Change in valuation allowance	(1,349,313)	-64.83%
Other	18,177	0.87%
Total statutory income taxes	\$ -	0.00%

E. (1) The Company has an operating loss carry forward of \$963,088,779 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	121,168,117	2030
2011	224,264,095	2031
2012	283,961,032	2032
2013	54,610,724	2033
	\$ 963,088,779	

(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, in Rehabilitation (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, in Rehabilitation 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. On December 11, 2012, the Company and its subsidiary were placed in rehabilitation and are now under the control of the Special Deputy Receiver to the Director of Insurance and The Office of Special Deputy Receiver.
- 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 was 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 \$0 and \$1,081,293 in 2013 and 2012, respectively which included Directors fees, D&O insurance coverage, legal fees, and consulting fees among others. The Company was placed in Rehabilitation on Dec 11, 2012 and no further cost will be reimbursed.
- 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).

## 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 2012 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 2013 in the 401(k) plan was \$17,500, except for employees 50 or older who could defer an additional \$5,500. The Company's match in 2013 and 2012 was \$246,017 and \$212,314, respectively.

# TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

## 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, 2013. 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 December 2012, the Company entered was placed in Rehabilitation by the Illinois Department of Insurance. A Plan of Rehabilitation was approved by the court on October 29, 2013. The Plan of Rehabilitation and the Illinois Statutes establishes the order in which policyholder and general creditor claims will be paid. No dividend payments will be made under the Plan of Rehabilitation.
- (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 or reduced by cumulative unrealized gains and losses is \$3,168,418.
- (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	12,237,000	January 10, 2028

- (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 \$452,126 and \$795,942 in 2013 and 2012, respectively.

(2)

- a. At January 1, 2014, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2014	\$ ..... 342,495
2.	2015	\$ .....
3.	2016	\$ .....
4.	2017	\$ .....
5.	2018	\$ .....
6.	Total	\$ ..... 342,495

- (2) The Company has no for sale-leaseback transactions.

### B. The Company has no Lessor 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.

# TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

## 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 Measurements at Reporting Date

	(Level 1)	(Level 2)	(Level 3)	Total
<b>a. Assets at fair value</b>				
Bonds	\$0	\$123,831	\$0	\$123,831
Common Stock				
Parent, Subsidiaries, and Affiliates	\$0	\$8,204,400	\$0	\$8,204,400
Total assets at fair value	\$0	\$8,328,231	\$0	\$8,328,231
<b>b. Liabilities at fair value</b>				
None				
Total liabilities at fair value	\$0	\$0	\$0	\$0

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

Description	Beginning Balance on 1/1/2013	Transfer into Level 3	Transfer 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 12/31/2013
<b>Assets</b>										
Industrial & Miscellaneous	\$0	\$0	\$(6,302,188)	\$0	\$2,206	\$6,299,977	\$0	\$0	\$0	\$0
Total Assets	\$0	\$0	\$(6,302,188)	\$0	\$2,206	\$6,299,977	\$0	\$0	\$0	\$0
<b>Liabilities</b>										
none	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(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.

C. The Company had the following financial instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
<b>Assets</b>						
Bonds	\$208,325,056	\$201,832,571	\$0	\$208,325,056	\$0	\$0
Common Stock	8,204,400	8,204,400	0	8,204,400	0	0
Cash and short-term investments	40,019,125	40,019,125	40,019,125	0	0	0
<b>Total</b>	<b>\$256,548,581</b>	<b>\$250,056,096</b>	<b>\$40,019,125</b>	<b>\$216,529,456</b>	<b>\$0</b>	<b>\$0</b>

D. Not Practicable to Estimate Fair Value:

Type or Class of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
None	\$0	\$0	\$0	

## 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 Business Interruption Insurance Recoveries.  
 E. The Company has no State Transferable and Non-transferable Tax Credits

F. Subprime-Mortgage-Related Risk Exposure

Subprime Mortgage Exposures

- (1) 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, 2013, 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	\$13,899,489,732	73.3%
Alt-A	4,393,955,185	23.2%
A-Minus	591,756,859	3.1%
Subprime	86,001,456	0.4%
Total	\$18,971,203,232	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 (e.g. pay option arms), loans with a LTV ratio greater than 95%, and loans made on second homes and condominiums.

- (2) Direct exposure through investments in subprime mortgage loans.

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

# TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

## 21. Other Items (continued)

- (3) Direct exposure through other investments.

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	32,460	79,080	32,959	
b. Commercial mortgage-backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investment in SCAs				
f. Other assets				
g. Total	32,460	79,080	32,959	

- (4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

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.

The Company is in receivership and is no longer issuing mortgage insurance policies.

- (a) The Company believes that mortgage credit risk was materially affected by the following underwriting factors:
- the borrower's credit strength, including the borrower's credit history, debt-to-income ratios, and cash reserves; and
  - 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, 2013 were as follows:

		As a % of total
Prime	\$ 318,870,309	61.8%
Alt-A	171,667,182	33.3%
A-Minus	21,687,825	4.0%
Subprime (A)	<u>3,981,481</u>	<u>0.9%</u>
Total	<u>\$516,206,797</u>	100%

Losses and reserves related as of December 31, 2013 were as follows:

	Total	Subprime
Losses paid	\$ 314,949,533	\$1,887,079
Incurred losses	129,871,153	957,622
Case reserves	516,230,813	3,981,481
IBNR reserves	19,757,184	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.

G. The Company does not have any Offsetting and Netting of Assets and Liabilities.

## 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. The Company is not subject to an annual fee under section 9010 of the Affordable Care Act (ACA).

# TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

**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 Corporation, in Rehabilitation	5,890,188

B. The Company has no Reinsurance Recoverable in Dispute.

C. Reinsurance Assumed and Ceded

(1)

	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>
a. Affiliates	\$ .....	\$ .....	\$ ..... 16,282	\$ ..... 4,885	\$ .....(16,282)	\$ ..... (4,885)
b. All Other	\$ .....197	\$ .....25	\$ ..... 26,217	\$ ..... 4,714	\$ .....(26,020)	\$ ..... (4,389)
c. TOTAL	\$ .....197	\$ .....25	\$ ..... 42,499	\$ ..... 9,599	\$ .....(42,302)	\$ ..... (9,274)
d. Direct Unearned Premium Reserve			\$ ..... 3,636,746			

Line (c) of Ceded Reinsurance Premium Reserve Column must equal Page 3, Line 9, first inside amount.

(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. Uncollectible Reinsurance

(1) The Company has written off in the current year reinsurance balances due (from the companies listed below) in the amount of: \$1,903,834, which is reflected as:

a. Losses incurred	\$ .....
b. Loss adjustment expenses incurred	\$ .....
c. Premiums earned	\$ .....
d. Other	\$ .....
e. <u>Company</u> BB&T Mortgage Reinsurance Corp	<u>Amount</u> \$1,705,447

E. Commutation of Ceded Reinsurance

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) <u>Company</u> None	<u>Amount</u> \$0

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.

I. The Company does not have any Certified Reinsurer Rating Downgrades or Status Subject to Revocation.

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

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

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

Loss and LAE Reserves as of December 31, 2012 were \$684,388,090. As of December 31, 2013, \$291,537,901 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$363,751,271 as a result of re-estimation of unpaid losses and loss adjustment expenses adjusted for paid claims during 2013 relating to 2012 and prior. Therefore, there has been a \$29,098,918 favorable prior-year development since December 31, 2012. 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.

**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.

# TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

**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.

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 [ X ] No [ ]  
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 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 [ X ] 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 [ X ]
- 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). .....06/30/2009
- 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 [ X ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ X ] 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 [ X ]
- 4.12 renewals? Yes [ ] No [ X ]
- 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 [ X ]
- 4.22 renewals? Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]
- 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 [ X ] No [ ]
- 6.2 If yes, give full information A number of states have suspended or requested the return of the Company's Certificate of Authority as the Company is now in Rehabilitation. ....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [ X ]
- 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

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 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 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 N/A.....
- 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 [ ] No [ ] N/A [ X ]  
 10.6 If the response to 10.5 is no or n/a, please explain  
 The audit committee was dissolved when the Company was placed in Rehabilitation.....
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?  
 As of the statement date, no actuary has been appointed.....
- 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?  
 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).

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**GENERAL INTERROGATORIES**

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? 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 [ ] No [ X ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [ ] No [ X ]
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 [ ] No [ X ]

**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**

- 24.01 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 24.03) Yes [ X ] No [ ]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 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)
- 24.04 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 ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....
- 24.07 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 ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] NA [ X ]
- 24.09 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 ]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
  - 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
  - 24.103 Total payable for securities lending reported on the liability page \$.....

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 24.03). 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? Yes [ ] No [ ] N/A [ X ]  
If no, attach a description with this statement.

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
The Northern Trust Company.....	50 South La Salle Street Chicago, IL 60603.....

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 [ X ] No [ ]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Bank of America.....	The Northern Trust Company.....	..08/31/2013..	Requirement of the OSD as part of the Rehabilitation Plan.....

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
111135.....	Mesirow Financial Investment Management, Inc.....	353 N. Clark Street Chicago IL 60654.....

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 [  ]
- 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.....	226,310,514	232,803,001	6,492,487
30.2 Preferred Stocks.....			
30.3 Totals	226,310,514	232,803,001	6,492,487

- 30.4 Describe the sources or methods utilized in determining the fair values:

- 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 [  ] 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 [  ]
- 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:
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [  ] No [  ]
- 32.2 If no, list exceptions:

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**GENERAL INTERROGATORIES**

**OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ .....

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
.....	\$.....
.....	\$.....
.....	\$.....

34.1 Amount of payments for legal expenses, if any? \$ .....814,541

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
Carpenter, Lipps & Leland, LLP.....	\$.....176,312
Quarles & Brady, LLP.....	\$.....318,051

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
.....	\$.....
.....	\$.....
.....	\$.....

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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? ..... \$ .....

1.31 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:

1.61 Total premium earned ..... \$ .....  
 1.62 Total incurred claims ..... \$ .....  
 1.63 Number of covered lives .....

All years prior to most current three years:

1.64 Total premium earned ..... \$ .....  
 1.65 Total incurred claims ..... \$ .....  
 1.66 Number of covered lives .....

1.7 Group policies:

Most current three years:

1.71 Total premium earned ..... \$ .....  
 1.72 Total incurred claims ..... \$ .....  
 1.73 Number of covered lives .....

All years prior to most current three years:

1.74 Total premium earned ..... \$ .....  
 1.75 Total incurred claims ..... \$ .....  
 1.76 Number of covered lives .....

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$ .....	\$	.....
2.2	Premium Denominator	\$ .....109,654,564	\$	.....129,937,366
2.3	Premium Ratio (2.1/2.2)	.....		.....
2.4	Reserve Numerator	\$ .....	\$	.....
2.5	Reserve Denominator	\$ .....507,538,499	\$	.....690,182,760
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:

3.21 Participating policies ..... \$ .....  
 3.22 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:  
 5.21 Out of Attorney's-in-fact compensation..... Yes [ ] No [ ] N/A [ ]  
 5.22 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 [ X ]

5.5 If yes, give full information  
 .....

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**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 issues 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 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 [ ] No [ X ]
- 8.2 If yes, give full information
- 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 [ ]

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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:

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REHABILITATION**

**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 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**FIVE-YEAR HISTORICAL DATA**

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

	1 2013	2 2012	3 2011	4 2010	5 2009
<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)	112,886,917	134,059,397	165,251,331	216,016,245	217,011,874
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	138	164	225	480	489
6. Total (Line 35)	112,887,055	134,059,561	165,251,556	216,016,725	217,012,363
<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)	107,453,922	128,930,099	156,684,003	197,519,899	185,717,454
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	138	164	225	480	489
12. Total (Line 35)	107,454,060	128,930,263	156,684,228	197,520,379	185,717,943
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(22,986,070)	(128,619,209)	(212,737,770)	(185,277,553)	(619,953,312)
14. Net investment gain (loss) (Line 11)	24,181,528	4,164,824	25,691,409	38,273,644	27,088,652
15. Total other income (Line 15)	4,791,680	4,768,751	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)
18. Net income (Line 20)	5,987,138	(119,685,634)	(186,979,608)	(146,981,122)	(577,115,502)
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	279,706,503	749,986,304	839,887,395	911,466,484	826,982,369
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	5,347,410	8,303,915	10,788,415	12,609,842	16,816,752
20.2 Deferred and not yet due (Line 15.2)	20,130,436	28,558,421	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)	1,125,422,271	1,602,734,592	605,768,899	685,536,758	704,168,243
22. Losses (Page 3, Line 1)	500,806,385	677,015,521	478,850,170	565,786,910	587,917,301
23. Loss adjustment expenses (Page 3, Line 3)	3,137,948	7,372,569	9,636,988	15,817,694	21,816,808
24. Unearned premiums (Page 3, Line 9)	3,594,166	5,794,670	6,801,773	8,979,142	11,795,644
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)	(845,715,768)	(852,748,288)	234,118,496	225,929,726	122,814,126
<b>Cash Flow</b> (Page 5)					
27. Net cash from operations (Line 11)	(376,901,838)	(100,678,066)	(92,513,420)	33,194,866	(144,574,483)
<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)	80.7	80.5	90.3	90.2	93.5
31. Stocks (Lines 2.1 & 2.2)	3.3	1.1	1.1	1.2	0.9
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	16.0	18.4	8.6	8.6	5.6
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					XXX
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	
39. Securities lending reinvested collateral assets (Line 10)					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)	8,204,400	7,881,259	8,370,920	10,178,989	6,793,210
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	8,204,400	7,881,259	8,370,920	10,178,989	6,793,210
49. Total Investment in parent included in Lines 42 to 47 above					
50. 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)	(1.0)	(0.9)	3.6	4.5	5.5

Footnote to line 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 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2013	2 2012	3 2011	4 2010	5 2009
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24) .....	322,513	(489,661)	(1,808,068)	3,385,779	(3,492,658)
52. Dividends to stockholders (Line 35) .....					
53. Change in surplus as regards policyholders for the year (Line 38) .....	7,032,520	(1,086,866,784)	8,188,770	103,115,601	34,786,697
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
54. 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) .....					
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	314,949,533	388,784,185	486,950,552	591,853,961	575,450,153
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
59. Total (Line 35) .....	314,949,533	388,784,185	486,950,552	591,853,961	575,450,153
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
60. 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) .....					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	305,068,818	373,850,865	461,080,109	367,608,938	603,459,544
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
65. Total (Line 35) .....	305,068,818	373,850,865	461,080,109	367,608,938	603,459,544
<b>Operating Percentages (Page 4)</b> (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2) .....	117.5	180.2	222.5	172.4	398.0
68. Loss expenses incurred (Line 3) .....	(1.7)	3.1	0.5	5.2	12.9
69. Other underwriting expenses incurred (Line 4) .....	5.1	15.7	10.9	14.9	16.8
70. Net underwriting gain (loss) (Line 8) .....	(21.0)	(99.0)	(133.9)	(92.5)	(327.7)
<b>Other Percentages</b>					
71. 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) .....	0.7	12.1	11.0	15.1	10.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	115.9	183.3	223.0	177.6	410.9
73. 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) .....	(12.7)	(15.1)	66.9	87.4	151.2
<b>One Year Loss Development (000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11) .....	(29,099)	309,171	162,932	31,479	(132,110)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0) .....	3.4	132.1	72.1	25.6	(150.1)
<b>Two Year Loss Development (000 omitted)</b>					
76. 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) .....	344,004	379,933	144,389	(45,231)	(173,419)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0) .....	146.9	168.2	117.6	(51.4)	(87.7)

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 line 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 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0421

BUSINESS IN THE STATE OF Consolidated

DURING THE YEAR 2013

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	112,886,917	115,104,905		3,636,746	314,949,533	130,753,572	512,134,086				19,468	1,827,518
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 Plan 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)	112,886,917	115,104,905		3,636,746	314,949,533	130,753,572	512,134,086				19,468	1,827,518
<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



**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**SCHEDULE F - PART 2**

**Premium Portfolio Reinsurance Effectuated or (Canceled) during Current Year**

1 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					
<b>NONE</b>					

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**SCHEDULE F - PART 3**

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

1 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 Commis-sions	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 - Captive																			
56-1905825	10217	TRIAD GUAR ASSUR CORP	IL		2,152	216		5,454		204			16		5,890	126		5,764	
0299999 - Total Authorized - Affiliates - U.S. Non-Pool - Captive					2,152	216		5,454		204			16		5,890	126		5,764	
Authorized - Affiliates - U.S. Non-Pool - Other																			
0499999 - Total Authorized - Affiliates - U.S. Non-Pool - Total					2,152	216		5,454		204			16		5,890	126		5,764	
Authorized - Affiliates - Other (Non-U.S.) - Captive																			
Authorized - Affiliates - Other (Non-U.S.) - Other																			
0899999 - Total Authorized - Affiliates - Total Authorized - Affiliates					2,152	216		5,454		204			16		5,890	126		5,764	
Authorized - Other U.S. Unaffiliated Insurers																			
Authorized - Pools - Mandatory Pools																			
Authorized - Pools - Voluntary Pools																			
Authorized - Other Non-U.S. Insurers																			
1399999 - Total Authorized - Total Authorized					2,152	216		5,454		204			16		5,890	126		5,764	
Unauthorized - Affiliates - U.S. Intercompany Pooling																			
Unauthorized - Affiliates - U.S. Non-Pool - Captive																			
Unauthorized - Affiliates - U.S. Non-Pool - Other																			
Unauthorized - Affiliates - Other (Non-U.S.) - Captive																			
Unauthorized - Affiliates - Other (Non-U.S.) - Other																			
Unauthorized - Other U.S. Unaffiliated Insurers																			
36-4255472	11466	AAMBG REINS INC	VT		300	83		2,130		55			1		2,270	30		2,239	
59-3537743	11476	BB&T MORTGAGE REINSURANCE CO	VT		575	747		498		48					1,293	134		1,159	
75-1870029	43192	COLONIAL MORTGAGE INS CO	TX		197			141		5					146			101	
03-0351351	11301	CROSS COUNTRY INS CO	VT		1,472	410		965		55			24		1,453	267		1,186	
20-3581081	12470	PNC RE, INC	VT		96	108		557		41					706	21		685	
03-0371020	11394	SCM CAPTIVE REINS CO	VT		176	124		391		116					632	34		598	
58-2343351	11349	TWIN RIVERS INSURANCE CO	VT		227	143		283		27			1		454	54		400	
2299998 - Total Unauthorized - Other U.S. Unaffiliated Insurers (Under \$100,000)					12			10		2					12	2		10	
2299999 - Total Unauthorized - Other U.S. Unaffiliated Insurers					3,056	1,615		4,975		350			26		6,966	587		6,379	
Unauthorized - Pools - Mandatory Pools																			
Unauthorized - Pools - Voluntary Pools																			
Unauthorized - Other non-U.S. Insurers																			
AA-0050269	00000	EXPANDED MORTGAGE REINSURANCE CO LTD	TCA		119	12		133		7					152	29		123	
2599998 - Total Unauthorized - Other Non-U.S. Insurers (under \$100,000)					105	52		160		55					267	24		242	
2599999 - Total Unauthorized - Other Non-U.S. Insurers					224	64		293		62					419	54		365	
2699999 - Total Unauthorized - Total Unauthorized					3,281	1,679		5,268		411			26		7,385	641		6,744	
Certified - Affiliates - U.S. Intercompany Pooling																			
Certified - Affiliates - U.S. Non-Pool - Captive																			
Certified - Affiliates - U.S. Non-Pool - Other																			
Certified - Affiliates - Other (Non-U.S.) - Captive																			
Certified - Affiliates - Other (Non-U.S.) - Other																			
Certified - Other U.S. Unaffiliated Insurers																			
Certified - Pools - Mandatory Pools																			
Certified - Pools - Voluntary Pools																			
Certified - Other Non-U.S. Insurers																			
4099999 - Total Authorized, Unauthorized and Certified					5,433	1,895		10,722		615			43		13,275	767		12,508	
<b>9999999 Totals</b>					<b>5,433</b>	<b>1,895</b>		<b>10,722</b>		<b>615</b>			<b>43</b>		<b>13,275</b>	<b>767</b>		<b>12,508</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 CORP	30.000	2,206,443
2.	CROSS COUNTRY INSURANCE COMPANY	25.000	1,153,559
3.			
4.			

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**SCHEDULE F - PART 3**

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

1 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 Commis- sions	15 Cols. 7 through 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			

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 CORP.....	5,890,188	2,206,443	Yes [ X ] No [ ]
2.	AAMBG REINSURANCE CORP.....	2,269,578	302,776	Yes [ ] No [ X ]
3.	CROSS COUNTRY INSURANCE COMPANY.....	1,453,367	1,153,559	Yes [ ] No [ X ]
4.	BB&T MORTGAGE REINSURANCE CO.....	1,292,803	575,428	Yes [ ] No [ X ]
5.	PNC MORTGAGE.....	706,255	96,297	Yes [ ] No [ X ]

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**SCHEDULE F - PART 4**

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

1 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 - Captive												
Authorized - Affiliates - U.S. Non-Pool - Other												
56-1905825	10217	TRIAD GUAR ASSUR CORP	IL	216						216		
0399999 - Total Authorized - Affiliates - U.S. Non-Pool - Other				216						216		
0499999 - Total Authorized - Affiliates - U.S. Non-Pool - Total				216						216		
Authorized - Affiliates - Other (Non-U.S.) - Captive												
Authorized - Affiliates - Other (Non-U.S.) - Other												
0899999 - Total Authorized - Affiliates - Total Authorized - Affiliates				216						216		
Authorized - Other U.S. Unaffiliated Insurers												
Authorized - Pools - Mandatory Pools												
Authorized - Pools - Voluntary Pools												
Authorized - Other Non-U.S. Insurers												
1399999 - Total Authorized - Total Authorized				216						216		
Unauthorized - Affiliates - U.S. Intercompany Pooling												
Unauthorized - Affiliates - U.S. Non-Pool - Captive												
Unauthorized - Affiliates - U.S. Non-Pool - Other												
Unauthorized - Affiliates - Other (Non-U.S.) - Captive												
Unauthorized - Affiliates - Other (Non-U.S.) - Other												
Unauthorized - Other U.S. Unaffiliated Insurers												
36-4255472	11466	AAMBG REINS INC	VT	83						83		
59-3537743	11476	BB&T MORTGAGE REINSURANCE	VT	747						747		
03-0351351	11301	CROSS COUNTRY INS CO	VT	410						410		
27-0009777	12085	NATIONAL CITY MORTGAGE INS CO INC	HI	108						108		
58-2343351	11349	TWIN RIVERS INSURANCE CO	VT	143						143		
03-0371020	11394	SCM CAPTIVE REINS CO	VT	124						124		
2299999 - Total Unauthorized - Other U.S. Unaffiliated Insurers				1,615						1,615		
Unauthorized - Pools - Mandatory Pools												
Unauthorized - Pools - Voluntary Pools												
Unauthorized - Other Non-U.S. Insurers												
AA-0050269	00000	EXPANDED MORTGAGE REINS CO LTD	TCA	12						12		
AA-0054526	00000	SIDUS FINANCIAL REINS LTD	TCA	52						52		
2599999 - Total Unauthorized - Other Non-U.S. Insurers				64						64		
2699999 - Total Unauthorized - Total Unauthorized				1,679						1,679		
Certified - Affiliates - U.S. Intercompany Pooling												
Certified - Affiliates - U.S. Non-Pool - Captive												
Certified - Affiliates - U.S. Non-Pool - Other												
Certified - Affiliates - Other (Non-U.S.) - Captive												
Certified - Affiliates - Other (Non-U.S.) - Other												
Certified - Other U.S. Unaffiliated Insurers												
Certified - Pools - Mandatory Pools												
Certified - Pools - Voluntary Pools												
Certified - Other Non-U.S. Insurers												
4099999 - Total Authorized, Unauthorized and Certified				1,895						1,895		
<b>9999999 Totals</b>				<b>1,895</b>						<b>1,895</b>		

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**SCHEDULE F - PART 5**

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Recoverable All Items Schedule F Part 3, Col. 15	Funds Held By Company Under Reinsurance Treaties	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Ceded Balances Payable	Miscellaneous Balances Payable	Trust Funds and Other Allowed Offset Items	Total Collateral and Offsets Allowed (Cols. 6+7+9+10+11 but not in Excess of Col. 5)	Provision for Unauthorized Reinsurance (Col. 5 Minus Col. 12)	Recoverable Paid Losses & LAE Expenses Over 90 Days past Due not in Dispute	20% of Amount in Col. 14	20% of Amount In Dispute Included in Column 5	Provision for Overdue Reinsurance (Col. 15 plus Col. 16)	Total Provision for Reinsurance Ceded to Unauthorized Reinsurers (Col. 13 plus Col. 17 but not in Excess of Col. 5)
Affiliates - U.S. Intercompany Pooling																	
Affiliates - U.S. Non-Pool - Captive																	
Affiliates - U.S. Non-Pool - Other																	
Affiliates - Other (Non-U.S.) - Captive																	
Affiliates - Other (Non-U.S.) - Other																	
Other U.S. Unaffiliated Insurers																	
36-4255472	11466	AAMBG REINS INC	VT	2,270				30		11,306	2,270						
59-3537743	11476	BB&T MORTGAGE REINSURANCE CO.	VT	1,293				134		1,159	1,293						
75-1870029	43192	COLONIAL MORTGAGE INS CO.	TX	146				44		1,187	146						
03-0351351	11301	CROSS COUNTRY INS CO.	VT	1,453				267		4,857	1,453						
03-0362485	11326	HMC REINS CO.	VT	12				2		131	12						
27-0009777	12085	NATIONAL CITY MORTGAGE INS CO INC.	HI	706				21		1,218	706						
03-0371020	11394	SCM CAPTIVE REINS CO.	VT	632				34		3,399	632						
58-2343351	11349	TWIN RIVERS INSURANCE COMPANY	VT	454				54		1,845	454						
0999999 - Total Other U.S. Unaffiliated Insurers				6,966			XXX	587		25,101	6,966						
Pools and Associations - Mandatory																	
Pools and Associations - Voluntary																	
Other Non-U.S. Insurers																	
AA-0050269	00000	EXPANDED MORTGAGE REINS CO LTD.	TCA	152				29		1,256	152						
AA-0054526	00000	SIDUS FINANCIAL REINS LTD.	TCA	145				13		192	145						
AA-0050242	00000	TXL REINS LTD.	TCA	121				11		492	121						
1299999 - Total Other Non-U.S. Insurers				419			XXX	54		1,940	419						
1399999 - Total Affiliates and Others				7,385			XXX	641		27,042	7,385						
9999999 Totals																	
				7,385			XXX	641		27,042	7,385						

1. Amounts in dispute totaling \$ ..... are included in Column 5.  
 2. Amounts in dispute totaling \$ ..... are excluded from Column 14.

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

(a)	Issuing or Confirming Bank Reference Number	Letters of Credit Code	American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Letters of Credit Amount

Schedule F - Part 6 - Section 1

**NONE**

Schedule F - Part 6 - Section 2

**NONE**

Schedule F - Part 7

**NONE**

Schedule F - Part 8

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**SCHEDULE F - PART 9**

**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) .....	250,075,661		250,075,661
2. Premiums and considerations (Line 15) .....	25,477,846		25,477,846
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1) .....	1,894,534	(1,894,534)	
4. Funds held by or deposited with reinsured companies (Line 16.2) .....			
5. Other assets .....			
6. Net amount recoverable from reinsurers .....	2,258,463	12,508,446	14,766,909
7. Protected cell assets (Line 27) .....			
8. Totals (Line 28) .....	279,706,503	10,613,912	290,320,416
<b>LIABILITIES</b> (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3) .....	503,944,333	11,337,700	515,282,033
10. Taxes, expenses, and other obligations (Lines 4 through 8) .....	10,273,729		10,273,729
11. Unearned premiums (Line 9) .....	3,594,166	42,721	3,636,888
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) .....	766,509	(766,509)	
15. Funds held by company under reinsurance treaties (Line 13) .....			
16. Amounts withheld or retained by company for account of others (Line 14) .....	360,376		360,376
17. Provision for reinsurance (Line 16) .....			
18. Other liabilities .....	606,483,158		606,483,158
19. Total liabilities excluding protected cell business (Line 26) .....	1,125,422,271	10,613,912	1,136,036,184
20. Protected cell liabilities (Line 27) .....			
21. Surplus as regards policyholders (Line 37) .....	(845,715,768)	X X X	(845,715,768)
22. Totals (Line 38) .....	279,706,503	10,613,912	290,320,416

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 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	593	10			3		1	586	XXX
2. 2004	176,384	37,079	139,305	46,105	694			1,243		55	46,653	XXX
3. 2005	209,709	42,793	166,916	58,246	804			2,031		66	59,472	XXX
4. 2006	257,007	48,725	208,282	94,342	978			3,217		76	96,582	XXX
5. 2007	334,407	60,763	273,644	306,963	99,420			7,936		362	215,479	XXX
6. 2008	318,239	79,815	238,425	778,452	(27,228)			17,242		1,329	822,922	XXX
7. 2009	220,722	31,516	189,206	729,677	224,982			17,066		1,740	521,760	XXX
8. 2010	219,113	18,776	200,337	405,815	25,716			7,610		1,258	387,709	XXX
9. 2011	167,438	8,576	158,862	225,427	13,809			3,483		1,635	215,102	XXX
10. 2012	135,076	5,139	129,938	110,434	8,356			1,585		186	103,663	XXX
11. 2013	115,117	5,450	109,666	13,675	144			205		23	13,736	XXX
12. Totals	XXX	XXX	XXX	2,769,729	347,686			61,621		6,730	2,483,665	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.	73	40										33	XXX
2.	124											124	XXX
3.	648	6										642	XXX
4.	1,491							7				1,498	XXX
5.	7,672	62						34				7,644	XXX
6.	37,801	499						171				37,473	XXX
7.	75,986	1,745						446				74,687	XXX
8.	73,312	1,553						517				72,276	XXX
9.	77,891	1,669						649				76,871	XXX
10.	96,862	1,899	1,933	62				803				97,639	XXX
11.	120,950	3,250	17,401	554				510				135,057	XXX
12.	492,810	10,722	19,334	615				3,138				503,944	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	33	
2.	47,472	695	46,777	26.9	1.9	33.6				124	
3.	60,925	810	60,115	29.1	1.9	36.0				642	
4.	99,057	978	98,079	38.5	2.0	47.1				1,491	
5.	322,605	99,482	223,123	96.5	163.7	81.5				7,610	
6.	833,666	(26,729)	860,395	262.0	(33.5)	360.9				37,301	
7.	823,174	226,727	596,447	372.9	719.4	315.2				74,241	
8.	487,254	27,269	459,985	222.4	145.2	229.6				71,759	
9.	307,450	15,478	291,973	183.6	180.5	183.8				76,222	
10.	211,618	10,316	201,302	156.7	200.8	154.9				96,835	
11.	152,742	3,948	148,794	132.7	72.4	135.7				134,547	
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	500,806	3,138

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 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	2	3	4	5	6	7	8	9	10	11	12	
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	One Year	Two Year	
1. Prior	13,980	21,521	25,622	26,148	25,937	25,368	25,447	25,550	25,414	25,895	481	345	
2. 2004	20,031	35,566	44,024	45,466	45,676	44,573	45,714	45,297	45,421	45,535	113	237	
3. 2005	XXX	41,878	51,792	54,171	56,177	54,532	54,875	57,147	57,933	58,084	151	938	
4. 2006	XXX	XXX	67,844	102,519	94,910	81,523	83,091	92,219	92,887	94,855	1,969	2,636	
5. 2007	XXX	XXX	XXX	320,301	244,172	169,188	182,703	205,652	209,551	215,153	5,603	9,501	
6. 2008	XXX	XXX	XXX	XXX	735,809	695,387	765,620	754,812	783,866	842,981	59,115	88,169	
7. 2009	XXX	XXX	XXX	XXX	XXX	466,941	411,541	501,224	582,722	578,936	(3,787)	77,712	
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	314,000	364,021	465,129	451,858	(13,271)	87,837	
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	211,212	303,381	287,840	(15,540)	76,629	
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	262,846	198,913	(63,932)	XXX	
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	148,078	XXX	XXX	
											12. Totals	(29,099)	344,004

**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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
1. Prior	000	18,480	23,749	24,979	25,166	25,166	25,268	25,312	25,279	25,862	XXX	XXX
2. 2004	488	26,617	40,599	44,041	44,503	44,572	44,864	44,910	44,907	45,411	XXX	XXX
3. 2005	XXX	3,570	35,214	49,914	52,961	53,775	54,748	55,608	56,452	57,442	XXX	XXX
4. 2006	XXX	XXX	7,251	66,758	84,776	86,760	88,550	89,701	90,411	93,364	XXX	XXX
5. 2007	XXX	XXX	XXX	20,764	76,030	163,457	183,416	195,208	199,824	207,543	XXX	XXX
6. 2008	XXX	XXX	XXX	XXX	62,331	509,497	678,684	744,283	779,769	805,680	XXX	XXX
7. 2009	XXX	XXX	XXX	XXX	XXX	66,367	183,588	367,048	450,886	504,694	XXX	XXX
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	58,086	223,948	328,781	380,099	XXX	XXX
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32,267	144,327	211,619	XXX	XXX
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	31,499	102,078	XXX	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,531	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	2	3	4	5	6	7	8	9	10
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Prior	366									
2. 2004	3,293	1,085								
3. 2005	XXX	9,761	634							
4. 2006	XXX	XXX	5,705	4,835						
5. 2007	XXX	XXX	XXX	43,514	4,815					
6. 2008	XXX	XXX	XXX	XXX	43,331	212				
7. 2009	XXX	XXX	XXX	XXX	XXX	1,910	1,216			
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	10,942	2,134		
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,210	2,263	
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,369	1,872
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,847

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**

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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. 2004	1		1									XXX
3. 2005	1		1									XXX
4. 2006	1		1									XXX
5. 2007	1		1									XXX
6. 2008	1		1									XXX
7. 2009	1		1									XXX
8. 2010	1		1									XXX
9. 2011												XXX
10. 2012												XXX
11. 2013												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.													XXX
11.													XXX
12.													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.											
11.											
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

Schedule P - Part 1R - Prod Liab Occur

**NONE**

Schedule P - Part 1R - Prod Liab Claims

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**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 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	212,911	1,833					1,437	212,604	XXX
2. 2012	135,076	5,139	129,937	110,434	8,356					186	103,663	XXX
3. 2013	115,116	5,450	109,666	13,675	144					23	13,736	XXX
4. Totals	XXX	XXX	XXX	337,020	10,333					1,646	330,003	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.	274,998	5,574							1,824			271,248	1,394
2.	96,862	1,899	1,933	62					803			97,639	614
3.	120,950	3,250	17,401	554					510			135,057	390
4.	492,810	10,722	19,334	615					3,138			503,944	2,398

	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	269,424	1,824
2.	211,618	10,316	201,302	156.7	200.8	154.9				96,835	803
3.	152,742	3,948	148,794	132.7	72.4	135.7				134,547	510
4.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	500,806	3,138

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**

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 One Year	12 Two Year
1. Prior												
2. 2004												
3. 2005	.XXX											
4. 2006	.XXX	.XXX										
5. 2007	.XXX	.XXX	.XXX									
6. 2008	.XXX	.XXX	.XXX	.XXX								
7. 2009	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2012	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
11. 2013	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
12. Totals												

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

1. Prior												
2. 2004												
3. 2005	.XXX											
4. 2006	.XXX	.XXX										
5. 2007	.XXX	.XXX	.XXX									
6. 2008	.XXX	.XXX	.XXX	.XXX								
7. 2009	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2011	.XXX											
10. 2012	.XXX				.XXX							
11. 2013	.XXX		.XXX	.XXX								
12. Totals												

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

1. Prior	.5											
2. 2004	.11	.4										
3. 2005	.XXX	.15	.3									
4. 2006	.XXX	.XXX	.13	.3								
5. 2007	.XXX	.XXX	.XXX	.13	.3							
6. 2008	.XXX	.XXX	.XXX	.XXX	.14	.1						
7. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.9	.1					
8. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.9	.1				(.1)
9. 2011	.XXX	.9				(.9)						
10. 2012	.XXX				.XXX							
11. 2013	.XXX		.XXX	.XXX								
12. Totals												(.10)

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 One Year	12 Two Year
1. Prior												
2. 2004												
3. 2005	XXX											
4. 2006	XXX	XXX										
5. 2007	XXX	XXX	XXX									
6. 2008	XXX	XXX	XXX	XXX								
7. 2009	XXX	XXX	XXX	XXX	XXX							
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2013	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. 2004												
3. 2005	XXX											
4. 2006	XXX	XXX										
5. 2007	XXX	XXX	XXX									
6. 2008	XXX	XXX	XXX	XXX								
7. 2009	XXX	XXX	XXX	XXX	XXX							
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2011	XXX											
10. 2012	XXX				XXX							
11. 2013	XXX		XXX	XXX								
12. Totals												

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

1. Prior	XXX	478,840	788,021	822,854	34,833	344,014						
2. 2012	XXX	262,846	198,913	(63,932)	XXX							
3. 2013	XXX	XXX	148,078	XXX	XXX							
4. Totals											(29,099)	344,014

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

1. Prior	XXX											
2. 2012	XXX				XXX							
3. 2013	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**

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013		
1. Prior	.000										XXX	XXX
2. 2004											XXX	XXX
3. 2005	.XXX										XXX	XXX
4. 2006	.XXX	.XXX									XXX	XXX
5. 2007	.XXX	.XXX	.XXX								XXX	XXX
6. 2008	.XXX	.XXX	.XXX	.XXX							XXX	XXX
7. 2009	.XXX	.XXX	.XXX	.XXX	.XXX						XXX	XXX
8. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					XXX	XXX
9. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				XXX	XXX
10. 2012	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			XXX	XXX
11. 2013	.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. 2004											XXX	XXX
3. 2005	.XXX										XXX	XXX
4. 2006	.XXX	.XXX									XXX	XXX
5. 2007	.XXX	.XXX	.XXX								XXX	XXX
6. 2008	.XXX	.XXX	.XXX	.XXX							XXX	XXX
7. 2009	.XXX	.XXX	.XXX	.XXX	.XXX						XXX	XXX
8. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					XXX	XXX
9. 2011	.XXX				XXX	XXX						
10. 2012	.XXX			XXX	XXX							
11. 2013	.XXX		XXX	XXX								

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

1. Prior	.000										XXX	XXX
2. 2004											XXX	XXX
3. 2005	.XXX										XXX	XXX
4. 2006	.XXX	.XXX									XXX	XXX
5. 2007	.XXX	.XXX	.XXX								XXX	XXX
6. 2008	.XXX	.XXX	.XXX	.XXX							XXX	XXX
7. 2009	.XXX	.XXX	.XXX	.XXX	.XXX						XXX	XXX
8. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					XXX	XXX
9. 2011	.XXX				XXX	XXX						
10. 2012	.XXX			XXX	XXX							
11. 2013	.XXX		XXX	XXX								

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
1. Prior	.000											
2. 2004												
3. 2005	.XXX											
4. 2006	.XXX	.XXX										
5. 2007	.XXX	.XXX	.XXX									
6. 2008	.XXX	.XXX	.XXX	.XXX								
7. 2009	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2012	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
11. 2013	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			

**NONE**

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

1. Prior	.000											
2. 2004												
3. 2005	.XXX											
4. 2006	.XXX	.XXX										
5. 2007	.XXX	.XXX	.XXX									
6. 2008	.XXX	.XXX	.XXX	.XXX								
7. 2009	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2011	.XXX											
10. 2012	.XXX											
11. 2013	.XXX											

**NONE**

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

1. Prior	.XXX	.000	342,352	553,430	.XXX	.XXX						
2. 2012	.XXX	31,499	102,078	.XXX	.XXX							
3. 2013	.XXX	13,531	.XXX	.XXX								

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

1. Prior	.XXX	.000										
2. 2012	.XXX											
3. 2013	.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**

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior										
2. 2004										
3. 2005	XXX									
4. 2006	XXX	XXX								
5. 2007	XXX	XXX	XXX							
6. 2008	XXX	XXX	XXX	XXX						
7. 2009	XXX	XXX	XXX	XXX	XXX					
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
9. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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

1. Prior										
2. 2004										
3. 2005	XXX									
4. 2006	XXX	XXX								
5. 2007	XXX	XXX	XXX							
6. 2008	XXX	XXX	XXX	XXX						
7. 2009	XXX	XXX	XXX	XXX	XXX					
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011	XXX									
9. 2012	XXX									
11. 2013	XXX									

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

1. Prior	1									
2. 2004	9	1								
3. 2005	XXX	9	1							
4. 2006	XXX	XXX	9	1						
5. 2007	XXX	XXX	XXX	9	1					
6. 2008	XXX	XXX	XXX	XXX	9	1				
7. 2009	XXX	XXX	XXX	XXX	XXX	9	1			
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	9	1		
9. 2011	XXX	9								
9. 2012	XXX									
11. 2013	XXX									

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior										
2. 2004										
3. 2005	XXX									
4. 2006	XXX	XXX								
5. 2007	XXX	XXX	XXX							
6. 2008	XXX	XXX	XXX	XXX						
7. 2009	XXX	XXX	XXX	XXX	XXX					
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**NONE**

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

1. Prior										
2. 2004										
3. 2005	XXX									
4. 2006	XXX	XXX								
5. 2007	XXX	XXX	XXX							
6. 2008	XXX	XXX	XXX	XXX						
7. 2009	XXX	XXX	XXX	XXX	XXX					
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011	XXX									
10. 2012	XXX									
11. 2013	XXX									

**NONE**

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

1. Prior	XXX	21,335	2,263							
2. 2012	XXX	20,369	1,872							
3. 2013	XXX	XXX	16,847							

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

1. Prior	XXX									
2. 2012	XXX									
3. 2013	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 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	503,934			107,454		
22. Warranty						
23. Totals	503,934			107,454		

**SECTION 2**

Years in Which Policies Were Issued	INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior										
2. 2004										
3. 2005	XXX									
4. 2006	XXX	XXX								
5. 2007	XXX	XXX	XXX							
6. 2008	XXX	XXX	XXX	XXX						
7. 2009	XXX	XXX	XXX	XXX	XXX					
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2013	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 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior										
2. 2004										
3. 2005	XXX									
4. 2006	XXX	XXX								
5. 2007	XXX	XXX	XXX							
6. 2008	XXX	XXX	XXX	XXX						
7. 2009	XXX	XXX	XXX	XXX	XXX					
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**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 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior										
2. 2004										
3. 2005	XXX									
4. 2006	XXX	XXX								
5. 2007	XXX	XXX	XXX							
6. 2008	XXX	XXX	XXX	XXX						
7. 2009	XXX	XXX	XXX	XXX	XXX					
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2013	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 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior										
2. 2004										
3. 2005	XXX									
4. 2006	XXX	XXX								
5. 2007	XXX	XXX	XXX							
6. 2008	XXX	XXX	XXX	XXX						
7. 2009	XXX	XXX	XXX	XXX	XXX					
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	503,934			107,454		
22. Warranty						
23. Totals	503,944			107,454		

**SECTION 2**

Years in Which Policies Were Issued	INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior .....										
2. 2004 .....										
3. 2005 .....	XXX									
4. 2006 .....	XXX	XXX								
5. 2007 .....	XXX	XXX	XXX							
6. 2008 .....	XXX	XXX	XXX	XXX						
7. 2009 .....	XXX	XXX	XXX	XXX	XXX					
8. 2010 .....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2012 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2013 .....	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 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior .....										
2. 2004 .....										
3. 2005 .....	XXX									
4. 2006 .....	XXX	XXX								
5. 2007 .....	XXX	XXX	XXX							
6. 2008 .....	XXX	XXX	XXX	XXX						
7. 2009 .....	XXX	XXX	XXX	XXX	XXX					
8. 2010 .....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2012 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2013 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	2	3	4	5	6	7	8	9	10
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Prior										
2. 2004										
3. 2005	XXX									
4. 2006	XXX	XXX								
5. 2007	XXX	XXX	XXX							
6. 2008	XXX	XXX	XXX	XXX						
7. 2009	XXX	XXX	XXX	XXX	XXX					
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2013	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	2	3	4	5	6	7	8	9	10
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Prior										
2. 2004										
3. 2005	XXX									
4. 2006	XXX	XXX								
5. 2007	XXX	XXX	XXX							
6. 2008	XXX	XXX	XXX	XXX						
7. 2009	XXX	XXX	XXX	XXX	XXX					
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2013	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	2	3	4	5	6	7	8	9	10
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Prior										
2. 2004										
3. 2005	XXX									
4. 2006	XXX	XXX								
5. 2007	XXX	XXX	XXX							
6. 2008	XXX	XXX	XXX	XXX						
7. 2009	XXX	XXX	XXX	XXX	XXX					
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2013	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	2	3	4	5	6	7	8	9	10
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Prior										
2. 2004										
3. 2005	XXX									
4. 2006	XXX	XXX								
5. 2007	XXX	XXX	XXX							
6. 2008	XXX	XXX	XXX	XXX						
7. 2009	XXX	XXX	XXX	XXX	XXX					
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	2004 .....		
1.603	2005 .....		
1.604	2006 .....		
1.605	2007 .....		
1.606	2008 .....		
1.607	2009 .....		
1.608	2010 .....		
1.609	2011 .....		
1.610	2012 .....		
1.611	2013 .....		
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 [ ] No [ X ]
- 7.2 An extended statement may be attached.  
 .....

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**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	356,658	376,373		656,622	551,824	1,300,785	
2. Alaska	AK	L							
3. Arizona	AZ	L	1,762,724	1,787,308	7,908,383	2,689,877	4,011,475		
4. Arkansas	AR	L	625,698	643,650	1,050,727	222,585	1,084,438		
5. California	CA	L	24,544,355	24,870,242	84,196,955	25,117,638	150,635,369		
6. Colorado	CO	L	4,266,997	4,279,433	13,805,022	7,479,783	14,485,706		
7. Connecticut	CT	L	349,102	352,362	182,490	124,221	1,883,025		
8. Delaware	DE	L	115,359	115,374	222,064	135,480	179,444		
9. Dist. Columbia	DC	L	3,072,273	3,908,022	27,127,450	(1,778,499)	54,823,549		
10. Florida	FL	L	4,449,069	4,636,104	20,511,605	5,337,923	33,904,626		
11. Georgia	GA	L	2,084,301	2,098,710	4,233,458	1,430,451	4,615,650		
12. Hawaii	HI	L	6,190	6,190		(34)	1,060		
13. Idaho	ID	L	10,955	10,955	78,161	6,262	7,309		
14. Illinois	IL	L	3,018,555	3,034,600	12,921,743	4,921,618	13,892,514		
15. Indiana	IN	L	299,759	310,261	741,588	256,800	787,338		
16. Iowa	IA	L	33,598	33,452	80,695	3,656	79,263		
17. Kansas	KS	L	205,625	214,800	211,832	251,525	525,511		
18. Kentucky	KY	L	805,609	814,336	1,744,330	577,935	2,156,065		
19. Louisiana	LA	L	180,643	183,607	230,706	131,598	252,823		
20. Maine	ME	L							
21. Maryland	MD	L	1,114,026	1,156,346	2,592,982	1,144,381	6,787,968		
22. Massachusetts	MA	L	690,233	702,631	1,597,221	1,104,986	3,151,249		
23. Michigan	MI	L	1,883,250	1,895,610	4,319,561	1,903,795	6,887,242		
24. Minnesota	MN	L	21,223,016	21,498,236	58,600,723	40,147,810	74,753,825		
25. Mississippi	MS	L	141,701	173,076	125,967	(10,017)	202,733		
26. Missouri	MO	L	337,606	347,336	483,355	(30,094)	301,792		
27. Montana	MT	L	12,600	12,964		191	2,157		
28. Nebraska	NE	L	318	318		(161)	54		
29. Nevada	NV	L	403,493	408,821	2,187,309	738,646	2,025,175		
30. New Hampshire	NH	L	31,141	31,141	92,338	(38,363)	5,331		
31. New Jersey	NJ	L	2,192,076	2,217,076	3,727,538	2,030,003	17,057,537		
32. New Mexico	NM	L	233,150	233,750	757,275	364,306	642,047		
33. New York	NY	L	900,860	899,781	1,682,144	535,255	7,229,984		
34. No. Carolina	NC	L	3,921,350	3,983,789	7,474,045	2,804,074	9,473,962		
35. No. Dakota	ND	L							
36. Ohio	OH	L	1,498,008	1,517,475	4,029,197	1,047,590	5,193,449		
37. Oklahoma	OK	L	1,133,474	1,153,546	1,013,414	631,412	1,834,306		
38. Oregon	OR	L	252,292	254,147	832,481	162,911	802,909		
39. Pennsylvania	PA	L	1,388,227	1,406,528	2,428,006	1,416,811	5,270,664		
40. Rhode Island	RI	L	93,441	94,758	130,870	93,860	635,823		
41. So. Carolina	SC	L	2,241,736	2,260,176	5,350,640	2,075,549	6,665,926		
42. So. Dakota	SD	L	5,349	5,349		(186)	916		
43. Tennessee	TN	L	988,900	1,012,627	1,753,847	1,159,609	2,575,982		
44. Texas	TX	L	22,782,290	22,875,580	30,342,565	22,828,965	62,590,875		
45. Utah	UT	L	239,438	243,094	696,211	131,615	579,226		
46. Vermont	VT	L							
47. Virginia	VA	L	2,178,476	2,226,765	6,854,966	2,456,061	10,438,474		
48. Washington	WA	L	315,677	317,629	1,132,815	253,129	1,191,859		
49. West Virginia	WV	L	152,030	152,343	72,258	164,524	219,824		
50. Wisconsin	WI	L	274,156	277,099	693,780	191,835	974,670		
51. Wyoming	WY	L	71,136	71,136	74,192	(15,568)	12,177		
52. American Samoa	AS								
53. Guam	GU								
54. Puerto Rico	PR								
55. U.S. Virgin Islands	VI								
56. Northern Mariana Islands	MP								
57. Canada	CAN								
58. Aggregate other alien	OT	XXX							
59. Totals	(a) 51		112,886,917	115,104,905	314,949,533	130,753,572	512,134,086		
<b>DETAILS OF WRITE-INS</b>									
58001.		XXX							
58002.		XXX							
58003.		XXX							
58998. Sum. of remaining write-ins for Line 58 from overflow page.		XXX							
58999. Totals (Lines 58001 through 58003 + 58998) (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.**

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

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

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

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

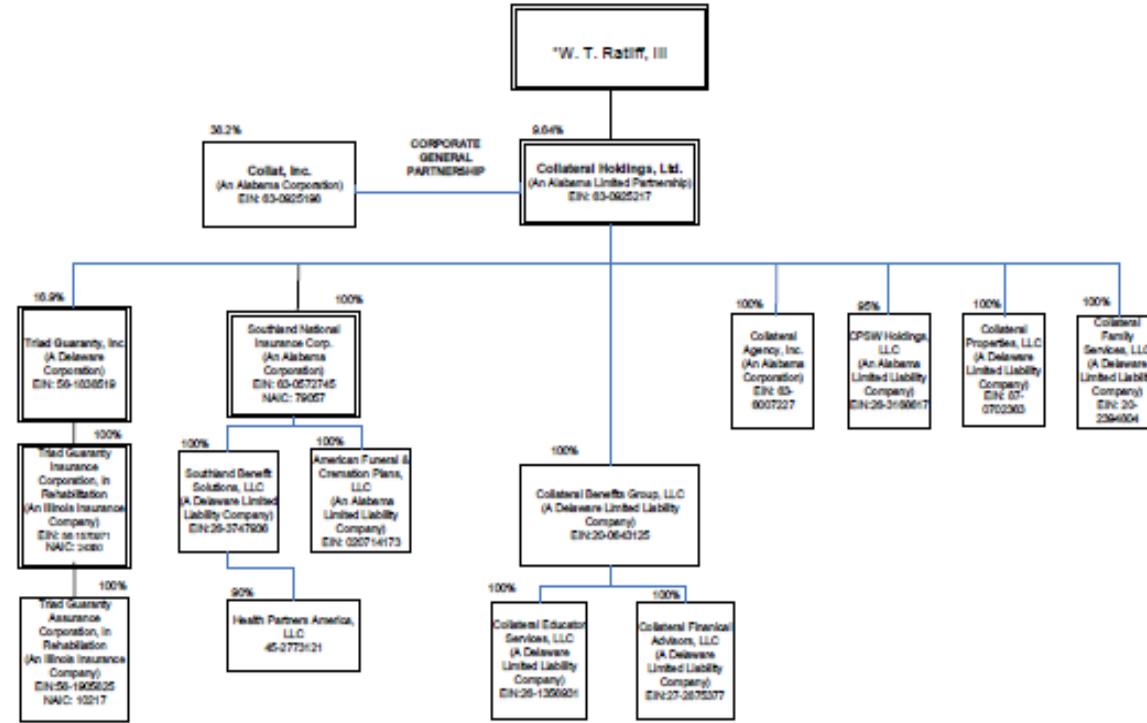
Allocated By States and Territories

States, Etc.		Direct Business Only					6 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. US Virgin Islands	VI						
56. Northern Mariana Islands	MP						
57. Canada	CAN						
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**



W. T. Ratliff, III 11.78% ownership, Alabama Resident  
 Mary Ratliff Johnson-Bullock 11.01% ownership, Alabama Resident

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	USA	UDP	Collat general partnership, William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		63-0925217				Collateral Holdings, Ltd.	USA	UDP	William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	.5
0421	Collateral Holding, Ltd.		63-0925198				Collat, Inc.	USA	NIA	William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	.4
0421	Collateral Holding, Ltd.		56-1838519		0000911631	OTCBB	Triad Guaranty, Inc.	USA	NIA	Collateral Holdings, Ltd.	Ownership	16.9	William T. Ratliff, and family	.1
0421	Collateral Holding, Ltd.	24350	56-1570971				Triad Guaranty Insurance Corporation (In Rehabilitation)	USA	IA	Triad Guaranty, Inc.	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.	10217	56-1905825				Triad Guaranty Assurance Corporation (In Rehabilitation)	USA	IA	Triad Guaranty Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.	79057	63-0572745				Southland National Insurance Corporation	USA		Collateral Holdings, Ltd.	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		02-0714173				American Funeral & Cremation Plans, LLC	USA	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		26-3747936				Southland Benefits Solutions, LLC	USA	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		45-2773121				Health Partner America, LLC	USA	DS	Southland Benefit Solutions, LLC	Ownership	90.0	William T. Ratliff, and family	.2
0421	Collateral Holding, Ltd.		63-6007227				Collateral Agency, Inc.	USA	NIA	Collateral Holdings, Ltd.	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		20-2394804				Collateral Family Services, LLC	USA	NIA	Collateral Holdings, Ltd.	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		26-3168617				CPSW Holdings, LLC	USA	NIA	Collateral Holdings, Ltd.	Ownership	95.0	William T. Ratliff, and family	.3
0421	Collateral Holding, Ltd.		87-0702363				Collateral Properties, LLC	USA	NIA	Collateral Holdings, Ltd.	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		20-0643125				Collateral Benefits Group, LLC	USA	NIA	Collateral Holdings, Ltd.	Ownership	100.0	William T. Ratliff, and family	



ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

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			884,085		192,734				1,076,819	
00000	63-0925198	Collat Inc.					99,840				99,840	
79057	63-0572745	Southland National Insurance Corporation		(432,133)	(884,085)		(600,298)				(1,916,516)	
00000	26-3747936	Southland Benefit Solutions		500,000			307,724				807,724	
00000	63-1287411	Life Connections, LLC-Dissolved		(67,867)							(67,867)	
10217	56-1905825	Triad Guaranty Assurance Corporation						(341,626)			(341,626)	(5,888,847)
00000	56-1838519	Triad Guaranty Inc.										
24350	56-1570971	Triad Guaranty Insurance Corporation						341,626			341,626	5,888,847
9999999 Control Totals												
									XXX			

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**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?	.....SEE EXPLANATION.....
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	.....SEE EXPLANATION.....
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?	.....SEE EXPLANATION.....
6. Will Management's Discussion and Analysis be filed by April 1?	.....SEE EXPLANATION.....
7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?	.....SEE EXPLANATION.....
<b>MAY FILING</b>	
8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?	.....SEE EXPLANATION.....
<b>JUNE FILING</b>	
9. Will an audited financial report be filed by June 1?	.....SEE EXPLANATION.....
10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	.....SEE EXPLANATION.....
<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?	.....SEE EXPLANATION.....

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?	.....SEE EXPLANATION.....
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?	.....SEE EXPLANATION.....
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)?	.....SEE EXPLANATION.....
21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?	.....SEE EXPLANATION.....
22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?	.....SEE EXPLANATION.....
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 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

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? .....NO.....

Explanation:

- 1. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 2. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 5. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 6. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 7. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 8. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 9. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 10. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 11. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 12. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 13.
- 14.
- 15.
- 16.
- 17.
- 18. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 19.
- 20. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 21. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 22. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.
- 23.
- 24.
- 25.
- 26.
- 27.
- 28.
- 29.

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

30.

31.

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Bar Code:

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17.   
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19.   
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**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

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

33.   
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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**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.....		(2,000,000)		(2,000,000)
2405. Miscellaneous expenses.....	475	24,134		24,610
2406. Holding company expenses.....		456,162		456,162
2407. Bank fees and service charges.....		48,805	2,260	51,065
2497. Summary of remaining write-ins for Line 24 from page 11	475	(1,470,899)	2,260	(1,468,164)

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	1,402,609	0.561	1,402,609		1,402,609	0.561
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies	377,636	0.151	377,636		377,636	0.151
1.22 Issued by U.S. government sponsored agencies						
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations	26,459,732	10.581	26,459,732		26,459,732	10.581
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	500,205	0.200	500,205		500,205	0.200
1.43 Revenue and assessment obligations						
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	5,131,466	2.052	5,131,466		5,131,466	2.052
1.513 All other						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA						
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	16,846,389	6.737	16,846,389		16,846,389	6.737
1.523 All other	35,311,507	14.120	35,311,507		35,311,507	14.120
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	115,803,027	46.307	115,803,027		115,803,027	46.307
2.2 Unaffiliated non-U.S. securities (including Canada)						
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						
3.32 Unaffiliated						
3.4 Other equity securities:						
3.41 Affiliated	8,204,400	3.281	8,204,400		8,204,400	3.281
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 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	19,564	0.008	19,564		19,564	0.008
9. Securities Lending (Line 10, Asset Page reinvested collateral)				XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	40,019,125	16.003	40,019,125		40,019,125	16.003
11. Other invested assets						
12. Total invested assets	250,075,660	100.000	250,075,660		250,075,660	100.000

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

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:
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)

NONE

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
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)

NONE

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**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.....	575,507,646
2.	Cost of bonds and stocks acquired, Part 3, Column 7.....	128,805,303
3.	Accrual of discount.....	1,350,852
4.	Unrealized valuation increase (decrease):	
4.1	Part 1, Column 12.....	21,552
4.2	Part 2, Section 1, Column 15.....	
4.3	Part 2, Section 2, Column 13.....	322,513
4.4	Part 4, Column 11.....	(22,179)
5.	Total gain (loss) on disposals, Part 4, Column 19.....	321,886
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....	7,975,737
7.	Deduct amortization of premium.....	501,044,584
8.	Total foreign exchange change in book/adjusted carrying value:	2,879,869
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.....	
9.2	Part 2, Section 1, Column 17.....	
9.3	Part 2, Section 2, Column 14.....	
9.4	Part 4, Column 13.....	
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	210,036,971
11.	Deduct total nonadmitted amounts.....	
12.	Statement value at end of current period (Line 10 minus Line 11).....	210,036,971

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**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 .....	17,958,303	17,973,256	17,882,651	17,770,808
	2. Canada .....				
	3. Other Countries .....				
	4. Totals	17,958,303	17,973,256	17,882,651	17,770,808
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	26,459,732	29,032,801	25,995,474	28,606,591
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	500,205	512,705	501,370	500,000
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	5,131,464	5,392,575	5,049,387	5,030,055
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8. United States .....	138,197,392	141,578,406	140,137,875	136,145,849
	9. Canada .....	3,025,380	3,116,817	3,073,050	3,000,000
	10. Other Countries .....	10,560,093	10,718,494	10,565,066	10,475,000
	11. Totals	151,782,865	155,413,717	153,775,991	149,620,849
Parent, Subsidiaries and Affiliates	12. Totals				
	<b>13. Total Bonds</b>	201,832,569	208,325,054	203,204,873	201,528,303
<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	8,204,400	8,204,400	8,204,400	
	<b>25. Total Common Stocks</b>	8,204,400	8,204,400	8,204,400	
	26. Total Stocks	8,204,400	8,204,400	8,204,400	
	<b>27. Total Bonds and Stocks</b>	210,036,969	216,529,454	211,409,273	

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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

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 NAIC 1	1,979,047	2,501,682	1,115,307	8,433,024	5,458,707	19,487,768	8.6	28,845,152	4.4	19,487,768	
1.2 NAIC 2											
1.3 NAIC 3											
1.4 NAIC 4											
1.5 NAIC 5											
1.6 NAIC 6											
1.7 Totals	1,979,047	2,501,682	1,115,307	8,433,024	5,458,707	19,487,768	8.6	28,845,152	4.4	19,487,768	
<b>2. All Other Governments</b>											
2.1 NAIC 1								8,590,517	1.3		
2.2 NAIC 2											
2.3 NAIC 3											
2.4 NAIC 4											
2.5 NAIC 5											
2.6 NAIC 6											
2.7 Totals								8,590,517	1.3		
<b>3. U.S. States, Territories and Possessions, etc., Guaranteed</b>											
3.1 NAIC 1	2,913,078	7,100,786	6,504,731	5,348,128		21,866,722	9.7	1,657,297	0.3	18,817,739	3,048,983
3.2 NAIC 2		3,155,703	1,437,306			4,593,009	2.0			4,593,009	
3.3 NAIC 3											
3.4 NAIC 4											
3.5 NAIC 5											
3.6 NAIC 6											
3.7 Totals	2,913,078	10,256,489	7,942,037	5,348,128		26,459,732	11.7	1,657,297	0.3	23,410,748	3,048,983
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 NAIC 1	500,205					500,205	0.2	1,945,854	0.3	500,205	
4.2 NAIC 2								1,381,953	0.2		
4.3 NAIC 3											
4.4 NAIC 4											
4.5 NAIC 5											
4.6 NAIC 6											
4.7 Totals	500,205					500,205	0.2	3,327,807	0.5	500,205	
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b>											
5.1 NAIC 1	680,119	1,709,701	2,085,238	487,887	168,520	5,131,466	2.3	37,645,268	5.8	5,131,466	
5.2 NAIC 2								5,341,783	0.8		
5.3 NAIC 3								871,998	0.1		
5.4 NAIC 4											
5.5 NAIC 5								1,095,719	0.2		
5.6 NAIC 6											
5.7 Totals	680,119	1,709,701	2,085,238	487,887	168,520	5,131,466	2.3	44,954,768	6.9	5,131,466	

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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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

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 NAIC 1 .....	53,285,784	100,445,428	72,934			153,804,145	68.0	535,902,089	81.9	153,804,145	
6.2 NAIC 2 .....	5,260,938	10,723,169	4,199,623	47,259		20,230,990	8.9	29,922,519	4.6	20,230,990	
6.3 NAIC 3 .....	8,248	32,993	115,391	34,645	72,348	263,625	0.1			263,625	
6.4 NAIC 4 .....	455	1,821	10,268			12,544	0.0			12,544	
6.5 NAIC 5 .....	2,558	10,232	12,790	25,580	66,273	117,434	0.1			117,434	
6.6 NAIC 6 .....	6,954	30,206	44,297	120,309	100,840	302,605	0.1	2,099	0.0	302,605	
6.7 Totals	58,564,937	111,243,849	4,455,303	227,794	239,461	174,731,343	77.2	565,826,707	86.5	174,731,343	
<b>7. Hybrid Securities</b>											
7.1 NAIC 1 .....								727,733	0.1		
7.2 NAIC 2 .....											
7.3 NAIC 3 .....											
7.4 NAIC 4 .....								406,606	0.1		
7.5 NAIC 5 .....											
7.6 NAIC 6 .....											
7.7 Totals								1,134,339	0.2		
<b>8. Parent, Subsidiaries and Affiliates</b>											
8.1 NAIC 1 .....											
8.2 NAIC 2 .....											
8.3 NAIC 3 .....											
8.4 NAIC 4 .....											
8.5 NAIC 5 .....											
8.6 NAIC 6 .....											
8.7 Totals											

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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

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 NAIC 1	(d) 59,358,233	111,757,597	9,778,210	14,269,039	5,627,228	200,790,306	88.7	XXX	XXX	197,741,323	3,048,983
9.2 NAIC 2	(d) 5,260,938	13,878,873	5,636,929	47,259		24,823,999	11.0	XXX	XXX	24,823,999	
9.3 NAIC 3	(d) 8,248	32,993	115,391	34,645	72,348	263,625	0.1	XXX	XXX	263,625	
9.4 NAIC 4	(d) 455	1,821	10,268			12,544	0.0	XXX	XXX	12,544	
9.5 NAIC 5	(d) 2,558	10,232	12,790	25,580	66,273	117,434	0.1	XXX	XXX	117,434	
9.6 NAIC 6	(d) 6,954	30,206	44,297	120,309	100,840	302,605	0.1	XXX	XXX	302,605	
9.7 Totals	64,637,386	125,711,722	15,597,885	14,496,833	5,866,689	226,310,514	100.0	XXX	XXX	223,261,531	3,048,983
9.8 Line 9.7 as a % of Col. 6	28.6	55.6	6.9	6.4	2.6	100.0	XXX	XXX	XXX	98.7	1.0
<b>10. Total Bonds Prior Year</b>											
10.1 NAIC 1	280,380,254	311,864,656	16,667,689	5,201,340	472,238	XXX	XXX	614,586,177	93.9	537,867,709	76,718,468
10.2 NAIC 2	21,251,613	8,926,893	4,307,988	2,887,494		XXX	XXX	37,373,988	5.7	34,267,307	3,106,681
10.3 NAIC 3			871,998			XXX	XXX	871,998	0.1	871,998	
10.4 NAIC 4					406,606	XXX	XXX	406,606	0.1		406,606
10.5 NAIC 5				1,095,719		XXX	XXX	1,095,719	0.2	1,095,719	
10.6 NAIC 6		2,099				XXX	XXX	2,099	0.0	2,099	
10.7 Totals	301,631,867	320,793,648	21,847,675	9,184,553	878,844	XXX	XXX	654,336,587	100.0	574,104,832	80,231,755
10.8 Line 10.7 as a % of Col. 8	46.1	49.0	3.3	1.4	0.1	XXX	XXX	100.0	XXX	87.7	12.3
<b>11. Total Publicly Traded Bonds</b>											
11.1 NAIC 1	59,313,537	111,556,341	9,042,709	12,201,509	5,627,228	197,741,323	87.4	537,867,709	82.2	197,741,323	XXX
11.2 NAIC 2	5,260,938	13,878,873	5,636,929	47,259		24,823,999	11.0	34,267,307	5.2	24,823,999	XXX
11.3 NAIC 3	8,248	32,993	115,391	34,645	72,348	263,625	0.1	871,998	0.1	263,625	XXX
11.4 NAIC 4	455	1,821	10,268			12,544	0.0			12,544	XXX
11.5 NAIC 5	2,558	10,232	12,790	25,580	66,273	117,434	0.1	1,095,719	0.2	117,434	XXX
11.6 NAIC 6	6,954	30,206	44,297	120,309	100,840	302,605	0.1	2,099	0.0	302,605	XXX
11.7 Totals	64,592,690	125,510,466	14,862,384	12,429,302	5,866,689	223,261,531	98.7	574,104,832	87.7	223,261,531	XXX
11.8 Line 11.7 as a % of Col. 6	28.9	56.2	6.7	5.6	2.6	100.0	XXX	XXX	XXX	100.0	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	28.5	55.5	6.6	5.5	2.6	98.7	XXX	XXX	XXX	98.7	XXX
<b>12. Total Privately Placed Bonds</b>											
12.1 NAIC 1	44,696	201,256	735,501	2,067,531		3,048,983	1.4	76,718,468	11.7	XXX	3,048,983
12.2 NAIC 2								3,106,681	0.5	XXX	
12.3 NAIC 3										XXX	
12.4 NAIC 4								406,606	0.1	XXX	
12.5 NAIC 5										XXX	
12.6 NAIC 6										XXX	
12.7 Totals	44,696	201,256	735,501	2,067,531		3,048,983	1.4	80,231,755	12.3	XXX	3,048,983
12.8 Line 12.7 as a % of Col. 6	1.5	6.6	24.1	67.8		100.0	XXX	XXX	XXX	XXX	100.0
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	0.0	0.1	0.3	0.9		1.4	XXX	XXX	XXX	XXX	1.4

(a) Includes \$ \_\_\_\_\_ freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$ \_\_\_\_\_ current year, \$ \_\_\_\_\_ prior year of bonds with Z designations and \$ \_\_\_\_\_ current year, \$ \_\_\_\_\_ 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 \$ \_\_\_\_\_ ; NAIC 2 \$ \_\_\_\_\_ ; NAIC 3 \$ \_\_\_\_\_ ; NAIC 4 \$ \_\_\_\_\_ ; NAIC 5 \$ \_\_\_\_\_ ; NAIC 6 \$ \_\_\_\_\_

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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 .....	1,700,273	1,609,436				3,309,709	1.5	4,216,846	0.6	3,309,710	
1.2 Residential Mortgage-Backed Securities .....								24,628,305	3.8		
1.3 Commercial Mortgage-Backed Securities .....											
1.4 Other Loan-Backed and Structured Securities .....	278,774	892,246	1,115,307	8,433,024	5,458,707	16,178,058	7.1	16,178,058		16,178,058	
1.5 Totals	1,979,047	2,501,682	1,115,307	8,433,024	5,458,707	19,487,767	8.6	28,845,151	4.4	19,487,768	
<b>2. All Other Governments</b>											
2.1 Issuer Obligations .....								8,590,517	1.3		
2.2 Residential Mortgage-Backed Securities .....											
2.3 Commercial Mortgage-Backed Securities .....											
2.4 Other Loan-Backed and Structured Securities .....											
2.5 Totals								8,590,517	1.3		
<b>3. U.S. States, Territories and Possessions, Guaranteed</b>											
3.1 Issuer Obligations .....	2,913,078	10,256,489	7,942,037	5,348,128		26,459,732	11.7	1,657,297	0.3	23,410,748	3,048,983
3.2 Residential Mortgage-Backed Securities .....											
3.3 Commercial Mortgage-Backed Securities .....											
3.4 Other Loan-Backed and Structured Securities .....											
3.5 Totals	2,913,078	10,256,489	7,942,037	5,348,128		26,459,732	11.7	1,657,297	0.3	23,410,748	3,048,983
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Issuer Obligations .....	500,205					500,205	0.2	3,327,807	0.5	500,205	
4.2 Residential Mortgage-Backed Securities .....											
4.3 Commercial Mortgage-Backed Securities .....											
4.4 Other Loan-Backed and Structured Securities .....											
4.5 Totals	500,205					500,205	0.2	3,327,807	0.5	500,205	
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b>											
5.1 Issuer Obligations .....								36,743,937	5.6		
5.2 Residential Mortgage-Backed Securities .....	1,560	2,497	5,619	31,201	38,203	79,080	0.0	8,210,832	1.3	79,080	
5.3 Commercial Mortgage-Backed Securities .....											
5.4 Other Loan-Backed and Structured Securities .....	678,559	1,707,205	2,079,619	456,687	130,317	5,052,387	2.2	5,052,387		5,052,387	
5.5 Totals	680,119	1,709,701	2,085,238	487,888	168,520	5,131,467	2.3	44,954,769	6.9	5,131,467	
<b>6. Industrial and Miscellaneous</b>											
6.1 Issuer Obligations .....	41,191,107	93,365,716	4,194,684			138,751,507	61.3	518,695,791	79.3	138,751,507	
6.2 Residential Mortgage-Backed Securities .....								2,584,391	0.4		
6.3 Commercial Mortgage-Backed Securities .....											
6.4 Other Loan-Backed and Structured Securities .....	17,373,830	17,878,133	260,619	227,794	239,461	35,979,837	15.9	44,546,524	6.8	35,979,836	
6.5 Totals	58,564,937	111,243,849	4,455,303	227,794	239,461	174,731,344	77.2	565,826,706	86.5	174,731,343	
<b>7. Hybrid Securities</b>											
7.1 Issuer Obligations .....								1,134,339	0.2		
7.2 Residential Mortgage-Backed Securities .....											
7.3 Commercial Mortgage-Backed Securities .....											
7.4 Other Loan-Backed and Structured Securities .....											
7.5 Totals								1,134,339	0.2		
<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 and Structured Securities .....											
8.5 Totals											

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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

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

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>9. Total Bonds Current Year</b>											
9.1 Issuer Obligations .....	46,304,663	105,231,642	12,136,721	5,348,128		169,021,154	74.7	XXX	XXX	165,972,170	3,048,983
9.2 Residential Mortgage-Backed Securities .....	1,560	2,497	5,619	31,201	38,203	79,080	0.0	XXX	XXX	79,080	
9.3 Commercial Mortgage-Backed Securities .....								XXX	XXX		
9.4 Other Loan-Backed and Structured Securities .....	18,331,163	20,477,583	3,455,545	9,117,505	5,828,485	57,210,281	25.3	XXX	XXX	57,210,281	
9.5 Totals .....	64,637,386	125,711,722	15,597,885	14,496,833	5,866,688	226,310,515	100.0	XXX	XXX	223,261,531	3,048,983
9.6 Lines 9.5 as a % Col. 6 .....	28.6	55.6	6.9	6.4	2.6	100.0	XXX	XXX	XXX	98.7	1.3
<b>10. Total Bonds Prior Year</b>											
10.1 Issuer Obligations .....	259,860,301	286,757,092	18,782,358	8,560,177	406,606	XXX	XXX	574,366,534	87.8	500,677,406	73,689,131
10.2 Residential Mortgage-Backed Securities .....	3,110,106	4,966,097	1,622,406	624,376	472,238	XXX	XXX	10,795,223	1.6	10,589,802	205,419
10.3 Commercial Mortgage-Backed Securities .....	4,889,432	18,295,961	1,442,912			XXX	XXX	24,628,305	3.8	24,628,305	
10.4 Other Loan-Backed and Structured Securities .....	33,772,028	10,774,496				XXX	XXX	44,546,524	6.8	38,209,319	6,337,205
10.5 Totals .....	301,631,867	320,793,646	21,847,676	9,184,553	878,844	XXX	XXX	654,336,586	100.0	574,104,832	80,231,755
10.6 Line 10.5 as a % of Col. 8 .....	46.1	49.0	3.3	1.4	0.1	XXX	XXX	100.0	XXX	87.7	12.3
<b>11. Total Publicly Traded Bonds</b>											
11.1 Issuer Obligations .....	46,259,967	105,030,386	11,401,220	3,280,597		165,972,170	73.3	500,677,406	76.5	165,972,170	XXX
11.2 Residential Mortgage-Backed Securities .....	1,560	2,497	5,619	31,201	38,203	79,080	0.0	10,589,803	1.6	79,080	XXX
11.3 Commercial Mortgage-Backed Securities .....								24,628,305	3.8		XXX
11.4 Other Loan-Backed and Structured Securities .....	18,331,163	20,477,583	3,455,545	9,117,505	5,828,485	57,210,281	25.3	38,209,319	5.8	57,210,281	XXX
11.5 Totals .....	64,592,690	125,510,466	14,862,384	12,429,302	5,866,688	223,261,531	98.7	574,104,833	87.7	223,261,531	XXX
11.6 Line 11.5 as a % of Col. 6 .....	28.9	56.2	6.7	5.6	2.6	100.0	XXX	XXX	XXX	100.0	XXX
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9 .....	28.5	55.5	6.6	5.5	2.6	98.7	XXX	XXX	XXX	98.7	XXX
<b>12. Total Privately Placed Bonds</b>											
12.1 Issuer Obligations .....	44,696	201,256	735,501	2,067,531		3,048,984	1.3	73,689,131	11.3	XXX	3,048,984
12.2 Residential Mortgage-Backed Securities .....								205,419	0.0	XXX	
12.3 Commercial Mortgage-Backed Securities .....										XXX	
12.4 Other Loan-Backed and Structured Securities .....								6,337,205	1.0	XXX	
12.5 Totals .....	44,696	201,256	735,501	2,067,531		3,048,984	1.3	80,231,755	12.3	XXX	3,048,984
12.6 Line 12.5 as a % of Col. 6 .....	1.5	6.6	24.1	67.8		100.0	XXX	XXX	XXX	XXX	100.0
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9 .....	0.0	0.1	0.3	0.9		1.3	XXX	XXX	XXX	XXX	1.3

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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 .....	86,710,197			86,710,197	
2. Cost of short-term investments acquired .....	716,645,315	231,542,869		485,102,446	
3. Accrual of discount .....	26,081	26,081			
4. Unrealized valuation increase (decrease) .....					
5. Total gain (loss) on disposals .....	5,651	5,651			
6. Deduct consideration received on disposals .....	777,819,534	221,379,158		556,440,376	
7. Deduct amortization of premium .....	1,089,766	1,089,766			
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) .....	24,477,944	9,105,677		15,372,267	
11. Deduct total nonadmitted amounts .....					
12. Statement value at end of current period (Line 10 minus Line 11)	24,477,944	9,105,677		15,372,267	

(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**

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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. Cost of cash equivalents acquired.....	11,282,964	11,282,964	
3. Accrual of discount.....	2,036	2,036	
4. Unrealized valuation increase (decrease).....			
5. Total gain (loss) on disposals.....			
6. Deduct consideration received on disposals.....	11,285,000	11,285,000	
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 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	Stated Contractual Maturity Date
Bonds - U.S. Governments - Issuer Obligations																					
912828-DV-9	UNITED STATES TREAS NTS				1FE	397,288		105,3203	370,000	377,636		(5,413)		4.125	4.344	MN	1,982	13,185	03/29/2010	05/15/2015	
912828-EE-6	UNITED STATES TREAS					781,357		106,4030	725,000	742,829		(10,623)		4.250	2.689	FA	11,638	30,813	03/29/2010	08/15/2015	
912828-KN-9	UNITED STATES TREAS				1FE	168,756		100,5742	171,000	170,808		562		1.875	1.886	AO	836	2,644	03/29/2010	04/30/2014	
912828-MR-8	UNITED STATES TREAS				1	485,864		102,5200	490,000	488,971		856		2.375	2.434	FA	9,298	6,294	03/29/2010	02/28/2015	
0199999 - Bonds - U.S. Governments - Issuer Obligations																					
						1,833,265		1,838,327	1,756,000	1,780,244		(14,618)		XXX	XXX	XXX	23,754	52,936	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																					
383766-6E-5	GNMA				1	8,254,794		100,1676	8,274,187	8,255,934	(1,259)	(74)		1.622	1.637	MON	11,184	134,175	11/10/2011	07/16/2033	
383766-AG-5	GNMA				1	225,140		100,0684	217,133	224,684	17,003	(30,719)		3.304	3.112	MON	598	7,063	10/26/2011	04/16/2038	
383766-R0-5	GNMA				1	3,702,865		102,7670	3,660,120	3,827,026		80,536		3.810	3.555	MON	11,621	139,451	08/12/2010	08/16/2039	
38378B-AH-2	GNMA				1	3,866,587		100,1250	3,863,368	3,870,415	589	3,783		1.570	1.562	MON	5,053	60,625	12/05/2011	12/16/2037	
0499999 - Bonds - U.S. Governments - Other Loan-Backed and Structured Securities																					
						16,049,386	XXX	16,134,929	16,014,808	16,178,059	16,333	53,526		XXX	XXX	XXX	28,456	341,314	XXX	XXX	
0599999 - Bonds - U.S. Governments - Subtotals - U.S. Governments																					
						17,882,651	XXX	17,973,256	17,770,808	17,958,303	16,333	38,908		XXX	XXX	XXX	52,210	394,250	XXX	XXX	
Bonds - All Other Governments - Issuer Obligations																					
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																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
010257-EY-5	ALABAMA DRINKING WTR FIN AUTH				1FE	1,837,600		100,2580	2,000,000	1,873,060		8,626		4.625	4.637	FA	34,944	92,500	11/21/2003	08/15/2024	
013538-H0-9	ALBUQUERQUE N MEX ARPT REV				1FE	1,566,832		102,2850	1,665,000	1,604,191		9,150		5.000	5.785	JJ	41,625	83,250	10/04/2004	07/01/2019	
041841-AR-8	ARLINGTON TEX SPL OBLIG				1FE	1,080,902		106,7060	1,000,000	1,040,690		(24,329)		5.000	2.425	FA	18,889	50,000	03/23/2010	08/15/2015	
106214-DX-4	BRAZOS RIVER AUTH TEX REV				1FE	264,727		107,3850	335,000	292,023		6,958		5.050	8.325	MN	2,820	16,918	12/01/2003	11/01/2018	
130911-X3-9	DEV AUTH REV				1FE	666,340		105,8820	690,000	671,467		1,649		5.000	5.394	FA	14,375	34,500	11/20/2003	08/01/2022	
18085P-DY-7	CLARK CNTY NEV ARPT REV				1FE	935,570		102,2310	1,000,000	959,647		5,953		5.500	6.381	JJ	27,500	55,000	07/29/2004	07/01/2019	
199546-A0-5	COLUMBUS OHIO REGL ARPT AUTH REV				1	503,349		100,0000	535,000	535,000		22,193		5.500	6.342	JJ	14,713	29,425	10/01/2003	01/01/2019	
251255-S7-1	DETROIT MICH WTR SUPPLY SYS REV				2FE	996,169		100,8000	1,000,000	998,710		795		5.000	5.090	JJ	25,000	50,000	03/04/2005	07/01/2015	
392053-AR-5	EXEMPT FAC SP				1	246,163		100,4070	250,000	247,860		414		5.350	5.570	JD	1,115	13,375	03/13/2001	06/01/2018	
419811-CH-4	HAWAII ST HBR SYS REV				1FE	1,478,263		100,0000	1,430,000	1,430,000		(6,067)		5.000	4.561	JJ	35,750	71,500	05/27/2004	01/01/2014	
45129T-H0-3	IDAHO HSG & FIN ASSN				1	10,000		100,3100	10,000	10,001		1		5.850	5.850	JJ	293	585	03/20/1997	07/01/2016	
472628-PM-2	JEFFERSON CNTY ALA				1	290,543		95,8450	425,000	303,146		7,819		5.000	9.778	AO	5,313	21,250	03/07/2003	04/01/2023	
472628-PZ-3	JEFFERSON CNTY ALA				2FE	1,057,905		99,0410	1,574,752	1,134,160		47,534		5.000	11.565	AO	19,875	79,500	07/28/2004	04/01/2020	
485427-X3-7	KANSAS ST DEV FIN AUTH REV				1	395,000		100,1410	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 ARPT REV				1	488,430		100,3900	500,000	499,460		2,654		4.850	5.416	MS	8,083	24,250	03/07/2002	03/01/2014	
509354-DR-4	LAKE CNTY IND PUB LIBR DIST				1	920,036		100,3830	1,000,000	936,955		7,175		4.750	5.609	FA	19,792	47,500	10/29/2003	02/01/2024	
54811A-X9-9	LOWER COLO RIV AUTH TEX REV				1	163,074		100,2680	175,469	164,380		954		4.750	5.670	MN	1,062	8,313	08/21/2012	05/15/2022	
59455P-ZD-5	MICHIGAN MUN BD AUTH REV				1	103,849		100,3180	105,334	104,907		96		5.400	5.500	MN	945	5,670	11/17/1999	11/01/2014	
59455R-BN-5	MICHIGAN MUN BD AUTH REV				1	252,646		100,2230	255,569	254,019		136		5.375	5.451	MN	2,284	13,706	06/24/1999	11/01/2019	
602248-CB-0	MILWAUKEE CNTY WIS ARPT REV				1	977,430		104,1220	1,000,000	992,399		3,644		5.000	5.420	JD	4,167	50,000	05/18/2004	12/01/2015	
605275-MQ-6	MISS INDL	13			1FE	529,608		101,1980	551,591	532,252		1,615		8.000	8.611	JAJO	11,032	44,127	12/15/1998	01/01/2022	
639066-BF-5	NAUGATUCK CONN CTFB PARTN				1	751,288		101,5050	755,000	752,404		666		5.000	5.109	JD	1,678	37,750	12/13/2002	06/15/2017	
65818P-CP-2	NORTH CAROLINA CAP FACS FIN AGY EDL FACS				1	240,895		100,0000	250,000	245,951		1,393		5.000	5.000	AO	9,375	8,598	01/01/2009	04/01/2018	
68607F-CY-4	OREGON ST				1	132,868		100,2890	135,390	134,181		282		5.550	5.566	FA	3,122	7,493	01/18/1996	08/01/2016	
68607L-JU-2	OREGON ST				1	388,050		100,3520	391,373	389,654		171		4.750	4.799	AO	4,631	18,525	11/02/2001	10/01/2015	
68607L-KL-0	OREGON ST				1	658,925		100,3300	665,000	663,482		487		4.850	4.866	AO	24,189	16,126	11/02/2001	10/01/2016	

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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	Stated Contractual Maturity Date
709221-JX-4.	PENNSYLVANIA ST TPK COMMN OIL FRANCHISE PHILADELPHIA PA HOSPS &			1	1FE	63,177		106,467	65,000	64,034		115			5.000	5.201	JD	271	3,250	08/13/1998	12/01/2023
717903-YN-2.	HIGHER ED FACS A			1	1FE	175,000		100,271	175,000	175,000					5.300	5.300	JJ	4,638	9,275	12/30/1997	01/01/2018
73358T-FB-2.	PORT AUTH N Y & N J			1	1FE	981,890		102,589	1,000,000	989,453		1,844			5.250	5.500	MN	8,750	52,500	07/08/2004	11/01/2018
76223P-CP-8.	RHODE ISLAND ST ECONOMIC DEV CORP ARPT R			1	2FE	981,320		101,692	1,000,000	990,863		2,318			5.000	5.289	JJ	25,000	50,000	07/08/2004	07/01/2017
76223P-CQ-6.	RHODE ISLAND ST ECONOMIC DEV CORP ARPT R			1	2FE	1,125,499		102,183	1,220,000	1,166,130		10,108			5.000	6.138	JJ	30,500	61,000	08/17/2004	07/01/2018
79765A-YN-0.	SAN FRANCISCO CALIF CITY & CNTY ARPTS CO			1	1FE	488,655		100,408	500,000	499,015		2,531			5.250	5.799	MN	4,375	26,250	02/20/2003	05/01/2014
798055-JS-9.	PROJ REV			1	1FE	917,690		100,797	1,000,000	935,005		4,243			5.000	5.821	A0	12,500	50,000	10/19/2004	10/01/2024
882720-VM-4.	TEXAS ST			1	1FE	465,965		100,275	500,000	472,532		1,611			5.250	5.911	FA	10,938	26,250	05/02/2002	08/01/2025
896479-BN-1.	TRINITY CNTY CALIF PUB UTILS DIST CTF PA			1	1FE	1,271,280		100,318	1,500,000	1,324,741		13,289			5.000	5.016	A0	18,750	75,000	10/31/2003	04/01/2023
914692-A4-0.	UNIV OF NEW MEXICO			1	1FE	1,159,691		106,517	1,305,000	1,212,384		17,023			5.000	6.860	JJ	32,625	65,250	10/18/2004	07/01/2018
921624-AG-7.	VANCOUVER WASH DOWNTOWN REDEV AUTH REV			1	1FE	1,081,651		100,000	1,900,000	1,130,576		34,857			5.250	11.111	JJ	49,875	99,750	01/06/2004	01/01/2028
988169-AT-5.	YSLETA TEX INDPT SCH DIST PUB FAC CORP L			1	1FE	347,194		101,787	335,000	335,000					5.250	4.646	MN	2,247	17,588	09/13/2002	11/15/2020
1199999	Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations					25,995,474	XXX	29,032,801	28,606,591	26,459,732		187,908			XXX	XXX	XXX	539,888	1,436,514	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																					
1799999	Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Subtotals - U.S. States, Territories and Possessions (Direct and Guaranteed)					25,995,474	XXX	29,032,801	28,606,591	26,459,732		187,908			XXX	XXX	XXX	539,888	1,436,514	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
798136-MD-5.	SAN JOSE CA			1	1FE	501,370		102,541	500,000	500,205		(145)			5.000	4.671	MS	8,333	25,000	06/10/2004	03/01/2014
1899999	Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations					501,370	XXX	512,705	500,000	500,205		(145)			XXX	XXX	XXX	8,333	25,000	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)					501,370	XXX	512,705	500,000	500,205		(145)			XXX	XXX	XXX	8,333	25,000	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																					
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																					
31403D-VZ-9.	FNMA			1		32,460		111,1047	29,664	79,080		6,259			6.500	1.962	MON	161	1,921	03/29/2010	11/01/2036
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					32,460	XXX	32,959	29,664	79,080		6,259			XXX	XXX	XXX	161	1,921	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																					
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																					
3128MB-VP-9.	FEDERAL HOME LN MTG CORP			1		545,309		107,889	558,397	531,152		7,170			5.000	6.199	MON	2,327	27,792	06/16/2008	04/01/2023
3128PK-7A-6.	FEDERAL HOME LN MTG CORP			1		878,171		106,117	880,096	878,192		(159)			5.500	5.564	MON	4,034	48,374	06/16/2008	06/01/2023
3128PK-XM-1.	FEDERAL HOME LN MTG CORP			1		518,593		107,913	518,593	518,593					5.500	5.413	MON	2,377	28,500	06/12/2008	05/01/2023
31349U-B3-1.	FEDERAL HOME LN MTG CORP			3		101,566		103,969	94,099	106,487		(1,763)			2.782	3.573	MON	674	5,155	03/24/2010	11/01/2036
314020-ZE-4.	FNMA			3		14,362		106,066	14,779	14,540		43			2.696	2.250	MON	37	377	03/29/2010	02/01/2035
31403B-PC-1.	FNMA			1		33,720		106,417	32,288	34,035		295			4.500	2.240	MON	121	1,445	03/29/2010	11/01/2018
31403D-RH-4.	FNMA			3		152,312		106,079	143,087	131,091		(20,189)			2.525	2.083	MON	301	4,515	03/24/2010	08/01/2036

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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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 F o r e i g n	5			8	9			12	13	14	15	16	17	18	19	20	21
CUSIP Identification	Description	Code	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	Stated Contractual Maturity Date
31404V-Y6-9	FNMA			1	106,790		106,4180	102,293	108,512		(712)			4.500	2.204	MON	384	4,584	03/24/2010	05/01/2019
31405H-6L-7	FNMA		3	1	9,242		106,5600	8,942	9,446		72			2.786	2.200	MON	21	234	03/29/2010	08/01/2034
31405R-CR-5	FNMA			1	137,772		106,4540	140,176	140,406		(684)			4.500	2.180	MON	494	5,911	03/24/2010	10/01/2019
31410K-JY-1	FNMA			1	128,770		110,7108	133,372	120,469	1,790	(6,987)			6.000	5.412	MON	602	7,192	03/29/2010	05/01/2038
31410R-6J-3	FNMA		3	1	238,112		105,2060	242,289	230,300	38	(3,533)			2.576	2.335	MON	494	6,353	03/24/2010	06/01/2036
31411Y-DP-5	FNMA		3	1	34,341		107,3640	35,085	32,679		976			5.700	3.311	MON	155	1,866	03/29/2010	05/01/2037
31412W-SD-1	FNMA			1	42,233		110,6590	43,809	58,523	2,356	5,302			6.000	2.165	MON	198	2,367	03/29/2010	05/01/2038
31414D-UF-1	FNMA			1	1,615,870		107,9760	1,773,291	1,642,301	(2,834)	19,969			5.000	5.254	MON	6,843	81,815	06/12/2008	05/01/2023
31416J-PH-8	FNMA			1	83,501		112,2210	86,209	76,820		8,035			6.000	1.322	MON	384	4,607	03/29/2010	11/01/2032
31417Y-T7-2	FNMA			1	376,263		104,6430	374,826	380,354	326	2,198			3.500	3.219	MON	1,093	13,089	10/28/2010	11/01/2025
2899999	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				5,016,927	XXX	5,359,616	5,000,391	5,052,384	1,812	10,589			XXX	XXX	XXX	20,533	244,176	XXX	XXX
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				5,049,387	XXX	5,392,575	5,030,055	5,131,464	8,071	29,963			XXX	XXX	XXX	20,694	246,097	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																				
025816-BD-0	AMERICAN EXPRESS CO			2FE	60,828		92,7674	65,000	60,840		12			2.650	3.491	JD	139		12/17/2013	12/02/2022
037833-AF-7	APPLE INC		3	1FE	4,000,000		99,9788	3,999,152	4,000,000					0.292	0.292	FMAN	1,914	6,529	04/30/2013	05/03/2016
060505-CS-1	BANK AMER CORP			2FE	335,783		111,5000	390,034	341,173		2,782			5.625	6.626	AO	2,211	19,688	03/29/2010	10/14/2016
060516-DZ-9	BANK AMER FDG			2FE	3,102,660		124,0327	3,720,981	3,009,860		(11,797)			7.625	7.024	JD	19,063	228,750	06/17/2010	06/01/2019
06406H-BQ-1	BANK NEW YORK INC ME			1FE	3,994,840		103,5200	4,140,800	4,000,000		1,027			2.950	3.054	JD	4,261	118,000	06/11/2010	06/18/2015
071813-AW-9	BAXTER INTL INC			1FE	5,760,100		112,6810	5,634,050	5,388,600		(138,421)			5.900	2.851	MS	98,333	295,000	07/21/2010	09/01/2016
10138M-AG-0	BOTTLING GROUP LLC			1FE	5,633,950		110,1625	5,508,125	5,295,800		(125,869)			5.500	2.767	AO	68,750	275,000	07/09/2010	04/01/2016
125720-AD-7	CME GROUP INC			1FE	399,356		100,6500	402,345	400,000		109			5.750	5.784	FA	8,689	23,000	03/29/2010	02/15/2014
125720-AD-7	CME GROUP INC			1FE	493,370		100,6500	452,638	451,418		(11,656)			5.750	5.784	FA	9,775	25,875	03/29/2010	02/15/2014
14912L-AM-0	CATERPILLAR FINL SVCS			1FE	4,049,520		103,3740	4,125,880	4,015,440		(10,177)			2.750	2.482	JD	2,139	110,000	07/12/2010	06/24/2015
20825C-AT-1	CONOCOPHILLIPS		1	1FE	4,265,000		104,2375	4,169,500	4,167,400		(97,600)			4.600	0.554	JJ	84,844	92,000	05/17/2013	01/15/2015
24422E-QY-8	JOHN DEERE CAP CO			1FE	2,051,260		102,8820	2,057,640	2,000,000		(13,097)			2.950	2.266	MS	18,356	59,000	09/20/2010	03/09/2015
29250R-AR-7	ENBRIDGE ENERGY PARTNERS L P			2FE	1,058,000		129,3880	1,035,104	800,000		(1,053,984)			9.875	3.164	MS	26,333		11/25/2013	03/01/2019
345397-WH-2	FORD MTR CR CO LLC		3	2FE	4,000,000		101,4673	4,058,692	4,000,000					1.489	1.489	FMAN	8,771	31,596	05/06/2013	05/09/2016
36962G-AT-8	GENERAL ELEC CAP COR			1FE	2,393,700		103,0611	2,576,528	2,500,000		21,749			2.250	3.198	MN	8,125	56,250	12/20/2010	11/09/2015
373334-6A-3	GEORGIA PWR CO		1	1FE	3,999,920		108,4220	4,336,880	4,000,000		(12)			5.250	5.250	JD	9,333	210,000	05/29/2008	12/15/2015
38141G-EE-0	GOLDMAN SACHS GROUP INC			2FE	2,050,300		108,2174	2,164,348	2,026,520		(12,173)			5.350	4.659	JJ	49,339	107,000	12/20/2010	01/15/2016
459200-HL-8	CORP			1FE	3,490,130		99,1562	3,470,467	3,500,000		2,100			0.450	0.545	MN	2,406	7,831	05/02/2013	05/06/2016
46625H-HR-4	JPMORGAN CHASE & CO			1FE	2,494,875		103,8440	2,596,100	2,500,000		1,040			3.400	3.445	JD	1,653	85,000	06/17/2010	06/24/2015
478160-AQ-7	JOHNSON & JOHNSON		1	1FE	1,318,086		114,1425	1,302,366	1,141,000		(1,925)			5.550	6.335	FA	23,923		12/12/2013	08/15/2017
589331-AP-2	MERCK & CO INC		1	1FE	4,681,106		105,0663	4,938,116	4,700,000		3,229			4.000	4.203	JD	522	188,000	03/29/2010	06/30/2015
589331-AP-2	MERCK & CO INC		1	1FE	313,613		105,0663	315,199	300,000		(2,644)			4.000	4.203	JD	33	12,000	03/29/2010	06/30/2015
595620-AD-7	MIDAMERICAN ENERGY CO		1	1FE	4,231,760		103,1260	4,125,040	4,126,800		(104,960)			4.650	0.411	AO	46,500	93,000	05/14/2013	10/01/2014
61746S-BR-9	MORGAN STANLEY FOR EQUITY ISSU			2FE	1,954,260		107,5571	2,151,142	1,977,000		11,701			5.375	6.057	AO	22,694	107,500	12/20/2010	10/15/2015
637432-HT-5	NATIONAL RURAL UTIL COOP			1FE	3,674,939		111,4139	3,765,790	3,380,000		(42,561)			5.450	3.974	AO	46,053	184,210	06/15/2010	04/10/2017
69349L-AL-2	PNC BK N A PITTSBURGH PA			1FE	4,000,000		100,0490	4,001,960	4,000,000					0.584	0.583	JAJO	4,151	11,990	05/07/2013	04/29/2016
717081-DA-8	PFIZER INC		1	1FE	3,808,976		105,8410	3,606,357	3,413,000					5.350	2.267	MS	53,764	182,596	07/28/2010	03/15/2015
78355H-JL-4	RYDER SYS INC MEDIUM TERM NTS			2FE	5,259,950		100,8540	5,042,700	5,259,950					5.850	1.335	MS	97,500	292,500	07/27/2012	03/01/2014
91159H-GT-1	US BANCORP			1FE	253,758		102,3070	256,208	250,000		(875)			2.875	2.511	MN	819	7,188	06/24/2010	11/20/2014
91159H-GU-8	U S BANCORP MEDIUM			1FE	7,080,430		103,2820	7,213,178	7,000,000		(17,445)			3.150	2.887	MS	71,663	220,500	06/14/2010	03/04/2015
931142-CT-8	WAL-MART STORES INC			1FE	1,455,566		102,6455	1,437,037	1,400,000		(16,100)			2.250	2.310	JJ	15,138	15,750	05/14/2013	07/08/2015
931142-CT-8	WAL-MART STORES INC			1FE	1,589,696		102,6455	1,642,328	1,600,000		2,327			2.250	2.310	JJ	17,300	36,000	05/14/2013	07/08/2015
931142-CX-9	WAL-MART STORES INC			1FE	1,024,630		101,9029	1,019,029	1,000,000		(6,260)			1.500	0.483	AO	2,750	7,500	05/14/2013	10/25/2015

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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	Stated Contractual Maturity Date
94974B-ET-3	WELLS FARGO & CO NE				1FE	3,000,000		102,5476	3,000,000	2,999,850		(19)			3.750	3.750	AO	28,125	112,500	09/24/2009	10/01/2014
98385X-AH-9	XTO ENERGY INC.			1	1FE	4,569,226		110,4241	4,000,000	4,271,770		(116,066)			5.650	6.239	AO	56,500	226,000	08/24/2010	04/01/2016
98389B-AP-5	XCEL ENERGY INC.				2FE	2,374,430		99,1567	2,375,000	2,374,525		95			0.750	0.758	MN	2,573	8,906	05/06/2013	05/09/2016
893526-DH-3	TRANSCANADA PIPELINE		A		1FE	3,073,050		103,8939	3,000,000	3,025,380		(17,436)			3.400	2.785	JD	8,500	102,000	03/03/2011	06/01/2015
80105N-AD-7	SANOFI		F		1FE	2,974,200		103,9854	3,000,000	2,987,880		5,113			2.625	2.811	MS	20,125	78,750	03/22/2011	03/29/2016
822582-AF-9	SHELL INTL FIN.		F	1	1FE	4,998,650		100,7938	5,000,000	4,999,400		3			4.000	4.006	MS	55,556	200,000	03/18/2009	03/21/2014
85771P-AB-8	STATOIL ASA		F		1FE	502,536		104,9730	475,000	502,393		(143)			3.125	1.486	FA	5,525		12/19/2013	08/17/2017
89152U-AE-2	TOTAL CAP		F		1FE	2,089,680		103,0310	2,000,000	2,070,420		(19,260)			2.300	0.688	MS	13,544	23,000	05/17/2013	03/15/2016
3299999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					117,862,134	XXX	119,399,688	113,599,000	116,048,526		(819,959)			XXX	XXX	XXX	1,019,692	3,860,409	XXX	XXX
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																					
02005J-AC-3	ALLY AUTO RECV.				1FE	1,030,333		100,0680	1,028,726	1,030,035		(299)			0.970	0.826	MON	444	4,989	06/14/2013	08/17/2015
02006A-AC-1	ALLY AUTO RECV.				1FE	3,049,633		100,1731	3,040,606	3,048,073		(1,560)			0.740	0.537	MON	1,000	13,125	05/10/2013	04/15/2016
02006J-AA-6	2013-1			1	1FE	1,604,372		100,0212	1,605,752	1,604,605		233			0.460	0.539	MON	328	3,693	06/19/2013	10/15/2015
03064N-AD-8	AMERICREDIT AUTO RECV.				1FE			100,0283							1.610	1.380	MON			05/10/2013	10/08/2015
03064T-AB-9	RECEIVABLES TR 20				1FE			100,0000							1.190	1.165	MON			10/26/2011	08/08/2015
03064U-AB-6	RECEIVABLES TR 20				1FE	26,795		100,0057	26,797	26,797		(3)			0.910	0.909	MON	16	241	01/31/2012	10/08/2015
1248MP-AB-0	CREDIT-BASED ASSET SERVICING			3	6FE	204,848		91,9661	250,000	175,959		(29,460)			5.763	10.176	MON	1,201	14,446	03/29/2010	12/25/2036
12613S-AB-8	CNH EQUIP TR 2013-C				1FE	2,299,996		100,1065	2,302,450	2,299,996					0.630	0.631	MON	644	4,267	08/20/2013	01/17/2017
12668B-TJ-2	COUNTRYWIDE ALTERNATIVE LOAN TRUST				5FE	52,470		89,8034	71,391	46,122		(741)			6.000	6.000	MON	357	4,293	03/29/2010	04/25/2036
12669G-LP-4	CWMB INC			3	5FE	30,509		93,4532	46,225	27,451		(163)			2.669	2.824	MON	103	1,286	03/29/2010	03/25/2035
12669Y-AC-6	CWMB MTG PASS-THROUGH TR 2006-J4				6FE	52,911		86,1867	82,065	43,761		(1,656)			6.250	6.250	MON	427	5,154	03/29/2010	09/25/2036
14313G-AC-1	CARMAX AUTO OWNER TR 2012-1				1FE			100,3027							0.890	0.588	MON			05/10/2013	09/15/2016
14313M-AB-0	CARMAX AUTO OWNER TR 2013-2				1FE	3,695,326		100,0129	3,695,433	3,695,344		18			0.420	0.422	MON	690	9,011	05/08/2013	06/15/2016
15200D-AC-1	CENTERPOINT ENERGY INC.				1FE	823,289		100,3856	756,060	779,751		(34,035)			5.090	1.351	FA	16,035	38,483	08/18/2010	08/01/2015
17310S-AC-1	CITICORP MTG SECS TR SER 2007-1				6FE	126,828		99,4793	134,824	81,016		(16,896)			5.750	5.750	MON	646	7,671	03/23/2010	01/25/2037
22541S-GM-4	CREDIT SUISSE FIRST BOSTON MTG SECS CORP				1FE	89,971		102,4728	89,634	90,942		64			5.000	4.659	MON	373	4,475	03/23/2010	04/25/2019
225458-XS-2	CREDIT SUISSE FIRST BOSTON MTG SECS CORP				4FE	12,764		102,9531	12,972	12,544		(56)			4.750	5.353	MON	51	612	03/29/2010	07/25/2020
345280-AQ-7	FORD CREDIT				1FE	755,489		104,0217	790,000	758,839		919			4.200	4.335	MON	1,419	31,920	03/29/2010	02/15/2017
34529T-AC-1	FORD CR AUTO LEASE TR 2011-B				1FE	531,883		100,0204	531,043	531,677		(206)			1.050	0.401	MON	248	2,319	09/05/2013	10/15/2014
34529Y-AB-2	FORD CR AUTO OWNER TR 2012-C				1FE	1,599,882		100,0806	1,600,000	1,599,914		6			0.580	0.584	MON	412	9,280	07/17/2012	12/15/2016
34530E-AB-3	FORD CR AUTO OWNER TR 2013-B				1FE	3,164,116		99,9773	3,164,371	3,164,161		46			0.380	0.386	MON	534	6,814	05/14/2013	02/15/2016
36162D-AB-5	GE EQUIP SMALL TICKET LLC SER 2011-2				1FE			100,0000							1.140	1.146	MON			11/16/2011	06/23/2014
36242D-QY-2	GS MTG SECS CORP				3FE	33,073		102,7841	43,651	17,809		(1,357)			5.000	13.452	MON	177	2,117	03/29/2010	12/25/2034
36830H-AC-6	GE EQUIP SMALL TICKET L L C SER 2011-1				1FE	43,445		100,0281	43,316	43,495		(869)			1.450	1.249	MON	17	619	12/05/2011	01/21/2018
41283T-AC-2	HARLEY DAVIDSON MOTORCYCLE TR 2012-1				1FE	499,913		100,0827	500,000	499,926		(5)			0.680	0.690	MON	151	3,400	07/17/2012	04/17/2017
43813X-AC-8	HONDA AUTO RECEIVABLES 2012-3				1FE	2,499,982		100,1296	2,500,000	2,500,010		24			0.560	0.560	MON	622	14,000	07/17/2012	05/15/2016
43814E-AC-9	HONDA AUTO RECEIVABLES 2013-2				1FE	47,062		99,9675	47,000	47,062		(1)			0.530	0.445	MON	10	21	12/05/2013	02/16/2017
44890H-AC-7	HYUNDAI AUTO RECEIVABLES TR 2012-B				1FE	1,040,163		100,1369	1,040,340	1,040,220		20			0.620	0.629	MON	287	6,450	07/10/2012	09/15/2016
44890L-AB-0	HYUNDAI AUTO RECEIVABLES TR 2013-B				1FE	3,999,982		100,0582	4,000,000	3,999,984		3			0.530	0.531	MON	942	9,893	06/19/2013	03/15/2016

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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	Stated Contractual Maturity Date
477867-AC-9. 57643M-DE-1.	JOHN DEERE OWNER TR MASTR ASSET SECURITIZATION TR MERCEDES BENZ AUTO LEASE TRS				1FE 3FE	1,083,370 119,815	100.1010 103.5928	1,078,427 122,647	1,077,437 118,394	1,081,465 121,987		(7,285) 761			1.290 5.000	0.510 4.348	MON MON	618 493	13,899 5,865	10/27/2011 03/23/2010	01/15/2016 07/25/2019
58768T-AC-0. 65477M-AC-2.	2012-A NISSAN AUTO RECEIVABLES 2013- C OWNER TR RESIDENTIAL ACCREDIT LNS INC MTG PASS TH				1FE 1FE	2,367,025 102,979	100.0586 99.7333	2,368,542 102,725	2,367,155 103,000	2,367,108 102,979		859,718			0.880 0.670	0.886 0.680	MON MON	926 31	20,831	03/15/2012 12/04/2013	11/17/2014 08/15/2018
761118-TB-4. 80282U-AB-0.	SANTANDER DRIVE AUTO RECEIVABLES TR 2012 SANTANDER DRIVE AUTO RECEIVABLES TR 2012				1FE 1FE	1,203,781 518,556	100.0088 100.0110	1,203,174 518,168	1,203,068 518,111	1,203,639 518,472		(142) (84)			0.570 0.790	0.312 0.707	MON MON	305 182	3,772 1,996	06/18/2013 06/18/2013	12/15/2015 08/17/2015
80282X-AB-4. 80283C-AB-9.	SANTANDER DRIVE AUTO RECEIVABLES TR 2012 STRUCTURED ASSET MTG INVTS II INC			3	5FE 6FE	49,873 1,516	74.0147 32.7362	76,085 2,610	102,797 7,972	43,862 1,871	(689) (312)				3.773 0.470	3.928 0.507	MON MON	324 240	3,913 1,801	03/29/2010 09/05/2013	01/25/2036 09/15/2015
86359L-TB-5. 92867F-AC-9.	VOLKSWAGEN AUTO LEASE TR 2011-A WELLS FARGO MTG BACKED SECS 2004-0 TR				1FE 3FE	97,611 122,011	100.0411 101.6180	97,579 123,831	97,539 121,859	97,556 123,831		(111) (253)			1.200 4.928	1.160 4.787	MON MON	36 500	1,155 5,996	12/07/2011 03/23/2010	10/20/2014 08/25/2034
949758-AD-8. 94979X-AA-5.	WELLS FARGO MTG BACKED SECS 2003-H TR WORLD OMNI AUTO RECEIVABLES TR 2012-A			3	2FE 1FE	83,430 1,699,873	100.2327 100.1979	86,306 1,703,364	86,106 1,700,000	57,136 1,699,917	(1,501) 17	(20,611)			2.619 0.644	5.444	MON MON	188 484	3,282 10,880	03/23/2010 07/11/2012	09/25/2033 02/15/2017
98157H-AB-3.					1FE	1,699,873	100.1979	1,703,364	1,700,000	1,699,917		17			0.644		MON	484	10,880	07/11/2012	02/15/2017
3599999	- Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities					35,913,858	XXX	36,014,031	36,021,850	35,734,341	(2,852)	741,472			XXX	XXX	XXX	31,462	272,009	XXX	XXX
3899999	- Bonds - Industrial and Miscellaneous (Unaffiliated) - Subtotals - Industrial and Miscellaneous (Unaffiliated)					153,775,992	XXX	155,413,719	149,620,850	151,782,867	(2,852)	(78,487)			XXX	XXX	XXX	1,051,154	4,132,418	XXX	XXX
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 - 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					146,192,243	XXX	150,783,521	144,461,591	144,788,707		(646,814)			XXX	XXX	XXX	1,591,667	5,374,859	XXX	XXX
7899999	- Bonds - Total Bonds - Subtotals - Residential Mortgage-Backed Securities					32,460	XXX	32,959	29,664	79,080	6,259	19,374			XXX	XXX	XXX	161	1,921	XXX	XXX
8099999	- Bonds - Total Bonds - Subtotals - Other Loan-Backed and Structured Securities					56,980,171	XXX	57,508,576	57,037,049	56,964,784	15,293	805,587			XXX	XXX	XXX	80,451	857,499	XXX	XXX
8399999 Subtotals - Total Bonds																					
						203,204,874	XXX	208,325,056	201,528,304	201,832,571	21,552	178,147			XXX	XXX	XXX	1,672,279	6,234,279	XXX	XXX

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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

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

Showing all **COMMON STOCKS** Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Book / Adjusted Carrying Value	Fair Value		9 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value				17 NAIC Market Indicator (a)	18 Date Acquired
		3 Code	4 Foreign			7 Rate per Share Used To Obtain Fair Value	8 Fair Value		10 Declared but Unpaid	11 Amount Received During Year	12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase/ (Decrease)	14 Current Year's Other-Than- Temporary Impairment Recognized	15 Total Change in B./A.C.V. (13-14)	16 Total Foreign Exchange Change in B./A.C.V.		
Industrial and Miscellaneous (Unaffiliated)																	
Parent, Subsidiaries, and Affiliates																	
895990-35-6	TRIAD GUARANTY ASSURANCE CORP			250,000.000	8,204,400	20.144	8,204,400	8,204,400				322,513		322,513		A	02/15/1995
9199999	- Parent, Subsidiaries and Affiliates				8,204,400	XXX	8,204,400	8,204,400				322,513		322,513		XXX	XXX
Mutual Funds																	
Money Market Mutual Funds																	
9799999	Total Common Stocks				8,204,400	XXX	8,204,400	8,204,400				322,513		322,513		XXX	XXX
9899999	Total Preferred and Common Stocks				8,204,400	XXX	8,204,400	8,204,400				322,513		322,513		XXX	XXX

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues \_\_\_\_\_, the total \$ value (included in Column 8) of all such issues \$ \_\_\_\_\_

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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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								
Bonds - Industrial and Miscellaneous (Unaffiliated)								
.02005J-AC-3	ALLY AUTO RECV		06/14/2013	DIRECT	XXX	3,527,943	3,522,439	380
.02006A-AC-1	ALLY AUTO RECV		05/10/2013	DIRECT	XXX	4,011,875	4,000,000	
.02006J-AA-6	ALLY AUTO RECEIVABLES TR 2013-1		06/19/2013	DIRECT	XXX	1,998,281	2,000,000	230
.025816-BD-0	AMERICAN EXPRESS CO		12/17/2013	DIRECT	XXX	60,828	65,000	86
.03064N-AD-8	AMERICREDIT AUTO RECV		05/10/2013	DIRECT	XXX	3,953,259	3,942,172	1,234
.037833-AF-7	APPLE INC		04/30/2013	DIRECT	XXX	6,000,000	6,000,000	
.12613S-AB-8	CNH EQUIP TR 2013-C		08/20/2013	DIRECT	XXX	2,299,996	2,300,000	
.14313G-AC-1	CARMAX AUTO OWNER TR 2012-1		05/10/2013	DIRECT	XXX	4,019,688	4,000,000	
.14313M-AB-0	CARMAX AUTO OWNER TR 2013-2		05/08/2013	DIRECT	XXX	3,999,885	4,000,000	
.20825C-AT-1	CONOCOPHILLIPS		05/17/2013	DIRECT	XXX	4,265,000	4,000,000	64,911
.29250R-AR-7	ENBRIDGE ENERGY PARTNERS L P		11/25/2013	FTNFINAN	XXX	1,058,000	800,000	19,311
.34529T-AC-1	FORD CR AUTO LEASE TR 2011-B		09/05/2013	VARIOUS	XXX	5,472,757	5,464,377	2,588
.34530E-AB-3	FORD CR AUTO OWNER TR 2013-B		05/14/2013	DIRECT	XXX	3,999,678	4,000,000	
.345397-WH-2	FORD MTR CR CO LLC		05/06/2013	DIRECT	XXX	4,000,000	4,000,000	
.43814E-AC-9	HONDA AUTO RECEIVABLES 2013-2 OWNER TR		12/05/2013	DIRECT	XXX	47,062	47,000	17
.44890L-AB-0	HYUNDAI AUTO RECEIVABLES TR 2013-B		06/19/2013	DIRECT	XXX	3,999,982	4,000,000	
.459200-HL-8	INTERNATIONAL BUSINESS MACHS CORP		05/02/2013	DIRECT	XXX	3,490,130	3,500,000	
.478160-AQ-7	JOHNSON & JOHNSON		12/12/2013	SOUTHWEST	XXX	1,318,086	1,141,000	21,347
.595620-AD-7	MIDAMERICAN ENERGY CO		05/14/2013	DIRECT	XXX	4,231,760	4,000,000	23,767
.65477M-AC-2	NISSAN AUTO RECEIVABLES 2013-C OWNER TR		12/04/2013	DIRECT	XXX	102,979	103,000	
.69349L-AL-2	PNC BK N A PITTSBURGH PA MEDIUM TERM SUB		05/07/2013	DIRECT	XXX	4,000,000	4,000,000	662
.80282U-AB-0	SANTANDER DRIVE AUTO RECEIVABLES TR 2012		06/18/2013	DIRECT	XXX	4,311,469	4,308,857	108
.80282X-AB-4	SANTANDER DRIVE AUTO RECEIVABLES TR 2012		06/18/2013	DIRECT	XXX	3,997,336	3,993,903	526
.80283C-AB-9	SANTANDER DRIVE AUTO RECEIVABLES TR 2012	F	09/05/2013	VARIOUS	XXX	2,779,423	2,780,400	907
.931142-CT-8	WAL-MART STORES INC		05/14/2013	DIRECT	XXX	1,455,566	1,400,000	11,288
.931142-CX-9	WAL-MART STORES INC		05/14/2013	DIRECT	XXX	1,024,630	1,000,000	917
.98389B-AP-5	XCEL ENERGY INC		05/06/2013	DIRECT	XXX	2,374,430	2,375,000	
.85771P-AB-8	STATOIL ASA	F	12/19/2013	DIRECT	XXX	502,536	475,000	5,237
.89152U-AE-2	TOTAL CAP	F	05/17/2013	DIRECT	XXX	2,089,680	2,000,000	8,561
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						84,392,259	83,218,148	162,077
Bonds - Hybrid Securities								
Bonds - Parent, Subsidiaries, and Affiliates								
8399997 - Bonds - Subtotals - Bonds - Part 3						84,392,259	83,218,148	162,077
8399998 - Bonds - Summary item from Part 5 for Bonds						44,413,044	43,741,047	132,798
8399999 - Bonds - Subtotals - Bonds						128,805,303	126,959,195	294,875
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								
<b>9999999 Totals</b>						<b>128,805,303</b>	<b>XXX</b>	<b>294,875</b>

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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	Stated Contractual Maturity Date
<b>Bonds - U.S. Governments</b>																				
383766-6E-5	GNMA		12/01/2013	PAYDOWN		1,407,253	1,407,253	1,403,955	1,406,406	1,259	(413)		846		1,407,253				8,770	10/01/2016
383766-AG-5	GNMA		12/01/2013	PAYDOWN		3,114,095	3,114,095	3,228,928	3,192,998	(17,003)	(61,900)		(78,903)		3,114,095				50,203	02/01/2017
383766-R0-5	GNMA		12/01/2013	PAYDOWN		1,339,880	1,339,880	1,355,528	1,293,053		46,827		46,827		1,339,880				45,353	07/01/2039
38378B-AH-2	GNMA		12/01/2013	PAYDOWN		932,617	932,617	933,393	931,993	(589)	1,212		623		932,617				8,273	06/01/2016
912828-H0-6	UNITED STATES TREAS.		01/31/2013	MATURED		780,000	780,000	782,956	780,848		(848)		(848)		780,000				11,213	01/31/2013
912828-HY-9	UNITED STATES TREAS.		04/30/2013	MATURED		120,000	120,000	121,387	120,576		(576)		(576)		120,000				1,875	04/30/2013
912828-KF-6	UNITED STATES TREAS NTS.		12/05/2013	FIRST BOSTON		1,531,369	1,525,000	1,510,465	1,520,560		3,507		3,507		1,524,066		7,303	7,303	30,319	02/28/2014
<b>0599999 - Bonds - U.S. Governments</b>						9,225,213	9,218,845	9,336,612	9,246,434	(16,333)	(12,190)		(28,523)		9,217,911		7,303	7,303	156,006	XXX
<b>Bonds - All Other Governments</b>																				
<b>Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)</b>																				
02765P-AF-2	AMERICAN MUNI PWR		02/01/2013	MATURED		1,000,000	1,000,000	1,005,770	997,081		2,919		2,919		1,000,000				25,000	02/01/2013
207714-AF-3	CONNECTICUT ST SPL OBLIG PKG REV		11/13/2013	VARIOUS		1,004,300	1,000,000	849,510	871,998		16,887		16,887		888,885		115,415	115,415	86,273	01/01/2014
392274-NX-0	GREATER ORLANDO AVIATION AUTH		10/01/2013	MATURED		725,000	725,000	746,569	728,374		(3,374)		(3,374)		725,000				38,063	10/01/2013
400524-DB-7	GUADALUPE-BLANCO RIV AUTH TEX CONTRACT R	E	08/13/2013	DIRECT		540,000	540,000	549,081	540,985		17,413		17,413		558,398		(18,398)	(18,398)	23,468	04/15/2019
419800-EW-3	HAWAII ST DEPT BUDGET & FIN SPL PURP REV		10/18/2013	DIRECT		1,600,000	1,600,000	1,323,120	1,372,729		15,943		15,943		1,388,672		211,328	211,328	70,444	12/01/2022
45129T-H0-3	IDAHO HSG & FIN ASSN		07/01/2013	DIRECT		10,000	10,000	10,000	10,000						10,000				585	07/01/2016
49151E-T0-6	KENTUCKY ST PPTY & BLDGS COMM REVS		11/01/2013	DIRECT		500,000	500,000	487,575	491,344		(67,689)		(67,689)		423,655		76,345	76,345	25,000	11/01/2023
52349M-DS-8	LEE CNTY FLA INDL DEV AUTH UTILS REV		11/01/2013	CALLED		500,000	500,000	452,120	458,031		41,969		41,969		500,000				25,000	11/01/2023
546540-AM-7	LOUISIANA ST UNIV & AGRIC & MECHANICAL C		09/04/2013	DIRECT		70,000	70,000	70,000	70,000						70,000				3,441	05/01/2020
560425-04-5	MAINE HEALTH & HIGHER EDL FACS AUTH REV		09/25/2013	DIRECT		25,000	25,000	26,348	25,000		1,789		1,789		26,789		(1,789)	(1,789)	1,850	07/01/2029
59455P-ZC-7	MICHIGAN MUN BD AUTH REV		11/01/2013	MATURED		100,000	100,000	100,327	99,952		48		48		100,000				5,400	11/01/2013
605275-M0-6	MISSISSIPPI BUSINESS FIN CORP MISS INDL		07/01/2013	DIRECT		43,384	43,384	41,655	41,736		1,648		1,648		43,384				1,735	01/01/2022
64971K-VF-0	NEW YORK N Y CITY TRANSITIONAL FIN AUTH		08/01/2013	DIRECT		250,000	250,000	242,726	246,208		(45,641)		(45,641)		200,568		49,433	49,433	12,500	08/01/2024
65818P-CP-2	NORTH CAROLINA CAP FACS FIN AGY EDL FACS		08/09/2013	DIRECT		1,025,000	1,025,000	987,669	1,002,689		2,261		2,261		1,004,950		20,050	20,050	35,250	04/01/2013
717903-YN-2	PHILADELPHIA PA HOSPS & HIGHER ED FACS A		07/01/2013	DIRECT		55,000	55,000	55,000	55,000						55,000				2,120	01/01/2014
762242-0F-5	RHODE ISLAND ST HEALTH & EDL BLDG CORP R		11/04/2013	DIRECT		215,000	215,000	218,763	215,000		414		414		215,414		(414)	(414)	12,840	04/01/2014
928077-DT-0	VIRGINIA PORT AUTH PORT FAC REV		11/21/2013	DIRECT		1,010,000	1,000,000	998,670	999,059		51		51		999,111		10,889	10,889	72,917	07/01/2014
669827-FX-0	NOVA SCOTIA PROV CDA	A	11/26/2013	MERRILL LYNCH		3,716,532	3,600,000	3,583,008	3,591,028		3,104		3,104		3,594,132		122,400	122,400	116,613	07/21/2015
683234-8Y-7	ONTARIO PROV CDA	A	11/26/2013	DAIN RAUSCHER		5,180,400	5,000,000	4,999,050	4,999,489		161		161		4,999,650		180,750	180,750	129,750	06/16/2015
<b>1799999 - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)</b>						17,569,616	17,258,384	16,746,960	16,815,703	(12,096)	(12,096)		(12,096)		16,803,607		766,009	766,009	688,248	XXX
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)</b>																				
013538-HJ-5	ALBUQUERQUE NM 013538HJ5		07/01/2013	MATURED		1,665,000	1,665,000	1,705,509	1,667,834		(2,834)		(2,834)		1,665,000				83,250	07/01/2013
164243-NH-6	CHEROKEE CNTY GA		08/01/2013	DIRECT		800,000	800,000	817,399	803,628		31,212		31,212		834,840		(34,840)	(34,840)	40,000	08/01/2017
40579E-AV-8	HALIFAX CNTY VA		06/01/2013	DIRECT		500,000	500,000	402,120	412,098		85,722		85,722		497,820		2,180	2,180	12,500	06/01/2028
45528S-AU-0	INDIANAPOLIS IN LOCAL PUB IMPT BOND BK		01/02/2013	DIRECT		1,000,000	1,000,000	843,330	866,483		133,517		133,517		1,000,000				25,000	01/01/2014
483862-GV-4	KANE CNTY IL FOREST PRES DIST		06/17/2013	DIRECT		1,000,000	1,000,000	1,085,450	1,016,074		21,046		21,046		1,037,120		(37,120)	(37,120)	25,000	12/15/2014
73674N-BA-8	PORTLAND OR		06/17/2013	DIRECT		780,000	780,000	740,657	763,699		25,629		25,629		789,329		(9,329)	(9,329)	19,500	06/15/2023
798136-NC-7	SAN JOSE CA		03/01/2013	MATURED		1,000,000	1,000,000	1,008,460	1,000,327		(327)		(327)		1,000,000				25,000	03/01/2013
<b>2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)</b>						6,745,000	6,745,000	6,602,925	6,530,143		293,966		293,966		6,824,109		(79,109)	(79,109)	230,250	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>																				
3128MB-VF-9	FEDERAL HOME LN MTG CORP		12/01/2013	PAYDOWN		506,112	506,112	494,250	509,711		(3,599)		(3,599)		506,112				11,814	09/01/2022
3128PK-7A-6	FEDERAL HOME LN MTG CORP		12/01/2013	PAYDOWN		658,875	658,875	657,433	658,377	159	339		498		658,875				17,442	10/01/2022
3128PK-XM-1	FEDERAL HOME LN MTG CORP		12/01/2013	PAYDOWN		435,972	435,972	435,972	435,972						435,972				9,108	04/01/2022
31349U-B3-1	FEDERAL HOME LN MTG CORP		12/01/2013	PAYDOWN		95,540	95,540	103,121	96,437		(897)		(897)		95,540				2,870	11/01/2036
31359M-R6-0	FNMA		03/15/2013	MATURED		200,000	200,000	202,192	201,541		(1,541)		(1,541)		200,000				4,375	03/15/2013
31402Q-ZE-4	FNMA		12/01/2013	PAYDOWN		3,093	3,093	3,188	3,045		47		47		3,093				46	12/01/2034
31403B-PC-1	FNMA		12/01/2013	PAYDOWN		17,861	17,861	18,653	18,094		(295)		(295)		17,861				444	06/01/2018
31403D-RH-4	FNMA		12/01/2013	PAYDOWN		40,431	40,431	43,037	44,070		(3,639)		(3,639)		40,431				722	01/01/2036
31403D-VZ-9	FNMA		12/01/2013	PAYDOWN		22,376	22,376	24,484	24,653		(6,259)		(6,259)		22,376				718	10/01/2035
31404V-Y6-9	FNMA		12/01/2013	PAYDOWN		47,786	47,786	49,887	47,267		519		519		47,786				1,053	07/01/2018
31405H-6L-7	FNMA		12/01/2013	PAYDOWN		2,658	2,658	2,747	2,608		50		50		2,658				41	08/01/2034
31405R-CR-5	FNMA		12/01/2013	PAYDOWN		58,882	58,882	61,607	58,227		655		655		58,882				1,273	05/01/2019
31410K-JY-1	FNMA		12/01/2013	PAYDOWN		112,852	112,852	120,627	118,067		(1,790)		(1,790)		112,852				3,284	02/01/2037
31410R-6J-3	FNMA		12/01/2013	PAYDOWN		58,460	58,460	60,443	59,156		(38)		(659)		58,460				1,057	05/01/2036

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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	Stated Contractual Maturity Date	
31411Y-DP-5	FNMA	12/01/2013	PAYDOWN		27,943	27,943	29,364	23,470		4,473		4,473		27,943				729	05/01/2017	
31412M-SD-1	FNMA	12/01/2013	PAYDOWN		31,742	31,742	33,862	25,703	(2,356)	8,395		6,039		31,742				838	10/01/2037	
31414D-UF-1	FNMA	12/01/2013	PAYDOWN		827,538	827,538	814,219	818,452	2,834	6,252		9,086		827,538				19,363	01/01/2023	
31416J-PH-8	FNMA	12/01/2013	PAYDOWN		68,106	68,106	74,029	51,906		16,200		16,200		68,106				2,012	12/01/2030	
31417Y-T7-2	FNMA	12/01/2013	PAYDOWN		143,756	143,756	144,307	142,857	(326)	1,225		899		143,756				2,212	05/01/2025	
38376G-U0-1	GNMA	09/01/2013	PAYDOWN		1,686,898	1,686,898	1,702,186	1,695,655		(6,757)		(6,757)		1,686,898				12,970	08/01/2015	
3199999	Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions				5,046,879	5,046,879	5,075,607	5,014,596	(8,071)	40,353		32,282		5,046,879				92,373	XXX	
Bonds - Industrial and Miscellaneous (Unaffiliated)																				
003723-AA-1	ABN AMRO NA HOLDING CORP	04/03/2013	DIRECT		1,000,000	1,000,000	405,618	406,606		593,394		593,394		1,000,000				13,788	12/31/2049	
02003M-B0-6	ALLSTATE GLOBAL	04/30/2013	MATURED		8,000,000	8,000,000	8,150,960	7,973,299		26,701		26,701		8,000,000				215,000	04/30/2013	
02005J-AC-3	ALLY AUTO RECV	12/15/2013	PAYDOWN		2,493,713	2,493,713	2,497,609	2,497,609	(3,896)			(3,896)		2,493,713				6,771	08/17/2015	
02005X-AB-4	ALLY AUTO RECV	02/15/2013	PAYDOWN		257,324	257,324	256,987	257,286		37		37		257,324				179	02/15/2013	
02006A-AC-1	ALLY AUTO RECV	12/15/2013	PAYDOWN		959,394	959,394	959,394	959,394	(2,848)			(2,848)		959,394				3,380	04/15/2016	
02006J-AA-6	ALLY AUTO RECEIVABLES TR 2013-1	12/15/2013	PAYDOWN		394,248	394,248	393,909	393,909		339		339		394,248				819	10/15/2015	
02580E-CN-1	AMERICAN EXPRESS BK FSB MEDIUM TERM BK N	04/16/2013	MATURED		825,000	825,000	838,811	814,050		10,950		10,950		825,000				22,688	04/16/2013	
02580M-CW-7	AMERICAN EXPRESS	05/02/2013	MATURED		5,000,000	5,000,000	5,097,450	4,935,261		64,739		64,739		5,000,000				146,875	05/02/2013	
02660Y-AU-6	AMERICAN HOME MTG INVT TR SER 2006-2	11/12/2013	VARIOUS		182,182	317,809	161,081	161,081		(2,777)		(2,777)		158,304		23,877		23,877	16,187	06/25/2036
026680-G8-0	AMERICAN HONDA FIN C	09/20/2013	MATURED		6,875,000	6,875,000	6,941,894	6,901,875		(26,875)		(26,875)		6,875,000				111,719	09/20/2013	
03064N-AD-8	AMERICREDIT AUTO RECV	12/09/2013	VARIOUS		3,942,172	3,942,172	3,953,259	3,911,907		(10,818)		(10,818)		3,942,441		(269)		(269)	18,632	10/08/2015
03064R-AB-3	AMERICREDIT AUTO	07/08/2013	PAYDOWN		413,867	413,867	413,867	413,867		192		192		413,867				1,219	07/08/2013	
03064T-AB-9	AMERICREDIT AUTOMOBILE RECEIVABLES TR 20	10/08/2013	VARIOUS		1,923,334	1,923,334	1,923,249	1,923,616		(242)		(242)		1,923,375		(41)		(41)	10,318	11/08/2013
03064U-AB-6	AMERICREDIT AUTOMOBILE RECEIVABLES TR 20	12/08/2013	PAYDOWN		719,643	719,643	719,604	719,653		(10)		(10)		719,643				3,361	02/08/2014	
035231-AR-9	ANHEUSER BUSCH INBEV	03/26/2013	MATURED		7,000,000	7,000,000	7,039,900	7,024,766		(24,766)		(24,766)		7,000,000				87,500	03/26/2013	
037411-AT-2	APACHE CORP	04/15/2013	MATURED		1,000,000	1,000,000	1,015,470	1,001,907		(1,907)		(1,907)		1,000,000				26,250	04/15/2013	
037411-AU-9	APACHE CORP	09/15/2013	MATURED		1,930,000	1,930,000	2,008,667	1,951,004		(21,004)		(21,004)		1,930,000				115,800	09/15/2013	
037833-AF-7	APPLE INC	05/02/2013	DIRECT		2,002,020	2,000,000	2,000,000	2,000,000						2,000,000		2,020		2,020	72	05/03/2016
054303-AT-9	AVON PRODUCTS	03/01/2013	MATURED		1,707,000	1,707,000	1,718,591	1,712,352		(5,352)		(5,352)		1,707,000				40,968	03/01/2013	
054303-AV-4	AVON PRODUCTS	04/16/2013	DIRECT		2,086,904	2,000,000	1,989,100	1,996,994		706		706		1,997,700		89,204		89,204	70,000	03/01/2014
05531F-AG-8	BB&T CORP	12/05/2013	USBANCIL		4,200,120	4,000,000	3,972,640	3,981,720		5,120		5,120		3,986,840		213,280		213,280	158,222	03/15/2016
06052M-AC-9	BANK AMER AUTO TR 20	02/15/2013	PAYDOWN		102,312	102,312	102,309	102,312						102,312				163	02/15/2013	
06406H-BL-2	BANK NEW YORK INC ME	12/05/2013	WARBURG PINCUS DONALDSON LIFKIN		584,873	575,000	604,175	585,092		(6,895)		(6,895)		578,197				6,676	05/15/2014	
06406H-B0-1	BANK NEW YORK INC ME	12/02/2013	JENNERETTE		3,113,580	3,000,000	2,996,130	2,998,000		710		710		2,998,710		114,870		114,870	85,304	06/18/2015
079860-AL-6	BELLSOUTH CORP	12/05/2013	CORPACTION		2,243,260	2,000,000	2,200,300	2,127,431		(28,351)		(28,351)		2,099,080		144,180		144,180	101,111	12/15/2016
084664-BG-5	BERKSHIRE HATHAWAY	05/01/2013	DIRECT		278,504	275,000	300,024	279,744		(2,651)		(2,651)		277,093		1,411		1,411	9,969	08/15/2011
09657M-AC-2	BMW VEHICLE OWN	04/25/2013	VARIOUS		166,529	166,529	166,585	166,529						166,529				348	05/25/2013	
10138M-AG-0	BOTTLING GROUP LLC	11/26/2013	STIFEL NICHOLS		2,217,320	2,000,000	2,253,580	2,168,668		(46,228)		(46,228)		2,122,440		94,880		94,880	128,639	04/01/2016
12616V-AB-8	CNH EQUIP TR 2011-C	08/15/2013	PAYDOWN		1,543,876	1,543,876	1,543,126	1,543,596		280		280		1,543,876				4,250	09/15/2013	
12668B-TJ-2	COUNTRYWIDE ALTERNATIVE LOAN TRUST	12/26/2013	VARIOUS		20,791	20,791	15,281	20,887		(96)		(96)		20,791				649	04/25/2036	
12669G-LP-4	CWMS INC	12/01/2013	PAYDOWN		8,475	8,475	5,593	8,489		(14)		(14)		8,475				123	03/25/2035	
12669V-AC-6	CWMS MTG PASS-THROUGH TR 2006-J4	12/01/2013	VARIOUS		20,564	20,564	13,258	20,753		(189)		(189)		20,564				649	09/25/2036	
14313G-AC-1	CARMAX AUTO OWNER TR 2012-1	12/02/2013	VARIOUS		4,011,273	4,000,000	4,019,687	4,011,273		(4,025)		(4,025)		4,015,663		(4,389)		(4,389)	19,678	09/15/2016
14313M-AB-0	CARMAX AUTO OWNER TR 2013-2	12/15/2013	PAYDOWN		304,567	304,567	304,559	304,559		9		9		304,567				730	06/15/2016	
144141-CT-3	CAROLINA PMR & LT	09/15/2013	MATURED		4,202,000	4,202,000	4,352,432	4,327,406		(25,026)		(25,026)		4,202,000				215,353	09/15/2013	
14912L-4M-0	CATERPILLAR FINL SVCS	10/31/2013	MCDONALD		3,104,310	3,000,000	3,012,380	3,006,404		(2,154)		(2,154)		3,004,250		100,060		100,060	71,271	06/24/2015
15200D-AC-1	CENTERPOINT ENERGY INC	08/01/2013	PAYDOWN		1,358,239	1,358,239	1,479,014	1,346,056		12,184		12,184		1,358,239				49,376	02/01/2014	
16162M-AL-3	CHASE MTGE FIN	02/01/2013	PAYDOWN		126,078	126,078	127,603	127,477		(1,399)		(1,399)		126,078				983	10/01/2018	
16162M-BZ-1	CHASE MTGE FIN	02/01/2013	PAYDOWN		137,400	137,400	139,060	138,923		(1,524)		(1,524)		137,400				1,106	11/01/2018	
17275R-AC-6	CISCO SYS	11/01/2013	WACHOVIA		7,766,570	7,000,000	7,859,740	7,565,366		(147,816)		(147,816)		7,417,550		349,020		349,020	464,139	02/22/2016
172973-AG-6	CITICORP MTG SECS INC	10/25/2013	VARIOUS		190,189	190,189	178,430	178,978		(24,348)		(24,348)		154,629		35,559		35,559	6,587	01/01/2024
173105-AC-1	CITICORP MTG SECS TR SER 2007-1	12/01/2013	PAYDOWN		198,500	198,500	186,728	215,643		(17,143)		(17,143)		198,500				7,087	11/01/2022	
191219-BV-5	COCA COLA	04/05/2013	DIRECT		4,272,720	4,000,000	4,310,440	4,165,045		(19,445)		(19,445)		4,145,600		127,120		127,120	101,056	03/01/2015
19416Q-DN-7	NTS BOO	11/26/2013	WACHOVIA		277,140	265,000	266,940	265,978		(342)		(342)		265,636				11,504	08/05/2015	
202795-HW-3	COMWLTH EDISON	11/26/2013	SALOMAN BROTHERS		5,408,478	5,400,000	5,439,527	5,419,941		(17,702)		(17,702)		5,402,239		6,239		6,239	121,144	01/15/2014
22541S-GM-4	CREDIT SUISSE FIRST BOSTON MTG SECS CORP	12/01/2013	PAYDOWN		91,748	91,748	92,093	91,136	(64)	676		612		91,748				2,182	02/01/2019	
225458-XS-2	CREDIT SUISSE FIRST BOSTON MTG SECS CORP	12/																		

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	Stated Contractual Maturity Date
2515A0-NY-5	DEUTSCHE BANK	E	05/20/2013	MATURED		2,700,000	2,700,000	2,750,733	2,716,803		(16,803)		(16,803)		2,700,000				65,813	05/20/2013
263534-BY-4	DU PONT		12/05/2013	MORGAN STANLEY		4,642,920	4,500,000	4,670,460	4,587,972		(40,182)		(40,182)		4,547,790		95,130	95,130	205,156	01/15/2015
268759-AF-8	EOD RES INC		12/02/2013	CANTOR FITZGERALD		5,183,300	5,000,000	4,987,300	4,993,547		2,453		2,453		4,996,000		187,300	187,300	149,139	06/01/2015
278058-DF-6	EATON CORP		05/15/2013	MATURED		1,145,000	1,145,000	1,166,217	1,161,645		(16,645)		(16,645)		1,145,000				28,053	05/15/2013
278642-AD-5	EBAY INC		11/25/2013	WACHOVIA		326,485	325,000	325,000	325,000						325,000		1,485	1,485	3,065	07/15/2015
34529L-AD-6	FORD CREDIT AUTO		04/15/2013	PAYDOWN		249,233	249,233	249,188	249,231		2		2		249,233				494	03/15/2013
34529T-AB-3	FORD CREDIT AUTO		05/15/2013	VARIOUS		1,495,285	1,495,285	1,494,801	1,495,017		288		288		1,495,285				3,267	06/15/2013
34529T-AC-1	FORD CR AUTO LEASE TR 2011-B		12/15/2013	PAYDOWN		4,933,334	4,933,334	4,940,874			(7,540)		(7,540)		4,933,334				12,612	10/15/2014
34530E-AB-3	FORD CR AUTO OWNER TR 2013-B		12/15/2013	PAYDOWN		835,629	835,629	835,562			67		67		835,629				1,613	02/15/2016
36162D-AB-5	GS MTG SECS CORP		10/21/2013	VARIOUS		1,036,700	1,036,700	1,036,658	1,036,846		(147)		(147)		1,036,700				5,047	09/21/2013
36242D-QY-2	GS MTG SECS CORP		12/01/2013	PAYDOWN		12,696	12,696	9,887	14,882	1,357	(3,543)		(2,186)		12,696				298	02/01/2028
36830H-AC-6	GE EQUIP SMALL TICKET L L C SER 2011-1		12/21/2013	PAYDOWN		1,795,990	1,795,990	1,801,344	1,796,788		(799)		(799)		1,795,990				13,076	01/21/2014
36962E-AC-5	GENERAL ELEC CAP		12/05/2013	MORGAN STANLEY		4,480,044	4,375,000	4,834,331	4,536,714		(110,833)		(110,833)		4,425,881		54,163	54,163	277,484	05/13/2014
370334-BG-8	GENERAL MILLS		08/15/2013	MATURED		2,000,000	2,000,000	2,063,380	2,052,573		(52,573)		(52,573)		2,000,000				105,000	08/15/2013
373334-JT-9	GEORGIA PWR CO		09/15/2013	MATURED		1,150,000	1,150,000	1,157,786	1,154,132		(4,132)		(4,132)		1,150,000				14,950	09/15/2013
38143U-AB-7	GOLDMAN SACHS GROUP		12/04/2013	MCDONALD		4,020,680	4,000,000	4,076,120	4,039,549		(35,629)		(35,629)		4,003,920		16,760	16,760	286,397	01/15/2014
40427P-AA-3	HSBC AMERS CAP TR I		11/25/2013	FTMFINAN		1,016,250	1,000,000	711,936	727,733		7,556		7,556		735,289		280,961	280,961	74,610	12/15/2013
41283N-AB-7	HARLEY DAVIDSON		03/15/2013	VARIOUS		170,255	170,255	170,058	170,231		25		25		170,255				160	03/15/2013
43811A-AB-2	HONDA AUTO RECV		05/21/2013	VARIOUS		1,484,302	1,484,302	1,484,175	1,484,138		164		164		1,484,302				2,647	06/21/2013
44890H-AC-7	HYUNDAI AUTO RECEIVABLES TR 2012-B		12/15/2013	PAYDOWN		9,660	9,660	9,660							9,660				60	02/15/2015
452308-AF-6	ILLINOIS TOOL WKS INC		11/25/2013	DONALDSON LIFKIN		4,061,520	4,000,000	3,996,800	3,998,806		354		354		3,999,160		62,360	62,360	239,189	04/01/2014
46625H-HN-3	JPMORGAN CHASE & CO		11/26/2013	WACHOVIA		663,748	650,000	684,604	662,272		(7,897)		(7,897)		654,375		9,373	9,373	30,309	06/01/2014
46625H-HP-8	JP MORGAN CHASE		12/05/2013	MONTGOMERY SECURITIES		3,615,605	3,500,000	3,527,965	3,512,727		(5,797)		(5,797)		3,506,930		108,675	108,675	179,861	01/20/2015
477867-AC-9	JOHN DEERE OWNER TR		12/15/2013	PAYDOWN		5,940,829	5,940,829	5,973,541	5,943,365		(2,537)		(2,537)		5,940,829				35,911	04/15/2014
478160-AQ-7	JOHNSON & JOHNSON		12/05/2013	WACHOVIA		2,303,080	2,000,000	2,119,320	2,066,256		(12,416)		(12,416)		2,053,840		249,240	249,240	90,958	08/15/2017
57629W-BM-1	MASSMUTUAL GLOBAL FD		04/29/2013	DIRECT		2,083,660	2,000,000	1,935,580	1,959,593		4,767		4,767		1,964,360		119,300	119,300	27,344	09/28/2015
57643W-DE-1	MASTR ASSET SECURITIZATION TR		12/01/2013	PAYDOWN		73,453	73,453	73,328	73,278	(563)	738		175		73,453				1,468	12/01/2018
581557-AJ-9	MCKESSON CORP NEW		03/01/2013	MATURED		7,000,000	7,000,000	7,069,370	7,049,527		(49,527)		(49,527)		7,000,000				163,750	03/01/2013
585055-AR-7	MEDTRONIC INC		11/25/2013	USBANCI I		723,807	700,000	695,211	697,762		894		894		698,656		25,151	25,151	25,317	03/15/2015
587682-AC-9	MERCEDES BENZ		08/15/2013	PAYDOWN		175,140	175,140	175,106	175,137		4		4		175,140				816	07/15/2013
587681-AC-0	MERCEDES BENZ AUTO LEASE TRS 2012-A		12/15/2013	PAYDOWN		2,632,845	2,632,845	2,632,699	2,632,494		(859,649)		(859,649)		2,632,845				19,819	10/15/2013
587727-AB-4	MERCEDES BENZ AUTO		04/15/2013	PAYDOWN		1,788,652	1,788,652	1,787,711	1,788,512		140		140		1,788,652				3,347	04/15/2013
592179-JG-1	METROPOLITAN LIFE GLOBAL FDG I		04/10/2013	MATURED		5,000,000	5,000,000	5,074,650	4,961,427		38,574		38,574		5,000,000				128,125	04/10/2013
592176-AC-3	MET LIFE GLOBAL		04/29/2013	DIRECT		2,084,360	2,000,000	1,947,680	1,967,142		3,878		3,878		1,971,020		113,340	113,340	29,583	09/29/2015
629491-AA-9	NYSE EURONEXT		06/28/2013	MATURED		5,000,000	5,000,000	5,112,450	4,998,634		1,366		1,366		5,000,000				120,000	06/28/2013
637432-DC-6	NATIONAL RURAL UTILS COOP FIN CORP		11/26/2013	CANTOR FITZGERALD		2,022,080	2,000,000	1,959,980	1,989,358		8,042		8,042		1,997,400		24,680	24,680	124,556	03/01/2014
637432-LM-5	NATL RURAL UTIL		07/01/2013	VARIOUS		1,558,705	1,550,000	1,577,971	1,549,728		122		122		1,549,850		8,855	8,855	75,790	07/01/2013
64952W-AW-3	NEW YORK LIFE		04/26/2013	DIRECT		7,350,840	7,000,000	7,039,640	7,023,892		(3,222)		(3,222)		7,020,670		330,170	330,170	103,250	05/04/2015
65475H-AB-7	NISSAN AUTO LEASE		03/15/2013	PAYDOWN		552,322	552,322	551,634	552,219		104		104		552,322				560	02/15/2013
66880H-AA-0	NORVELL CONWAY LLC		02/04/2013	DIRECT		543,213	461,365	371,908	273,218		273,218		273,218		650,747		(107,534)	(107,534)	3,981	12/15/2018
670346-AJ-4	NUCOR CORP		06/01/2013	MATURED		5,000,000	5,000,000	5,102,200	4,998,049		1,951		1,951		5,000,000				125,000	06/01/2013
68233L-AC-3	ONCOR ELECTRIC		02/15/2013	PAYDOWN		380,543	380,543	381,301	380,738		(195)		(195)		380,543				9,418	02/15/2013
693304-AN-7	PECO ENERGY CO		11/25/2013	SALOMAN BROTHERS		1,762,798	1,700,000	1,698,336	1,699,101		406		406		1,699,507		63,291	63,291	98,694	10/01/2014
69371R-J9-B	PACCAR FINANCIAL 69371RJ98		06/17/2013	MATURED		1,650,000	1,650,000	1,663,778	1,649,641		359		359		1,650,000				16,913	06/17/2013
69373U-AA-5	PACCAR INC MEDIUM TE		12/03/2013	DONALDSON LIFKIN		4,049,640	4,000,000	4,052,940	4,013,147		(11,807)		(11,807)		4,001,340		48,300	48,300	359,792	02/15/2014
73328V-AD-5	PORSCHE AUTO	E	04/20/2013	PAYDOWN		912,845	912,845	912,532	912,775		70		70		912,845				1,506	05/20/2013
73755L-AC-1	POTASH CORP	I	03/01/2013	MATURED		3,750,000	3,750,000	3,750,000	3,774,260		(24,260)		(24,260)		3,750,000				91,406	03/01/2013
744560-AT-3	PUBLIC SVC ELEC GAS		11/01/2013	MATURED		7,800,000	7,800,000	8,197,020	7,798,579		1,421		1,421		7,800,000				493,740	11/01/2013
74834L-AR-1	QUEST DIAGNOSTICS INC		11/01/2013	JENNERETTE		1,484,038	1,425,000	1,416,407	1,419,217		1,436		1,436		1,420,654		63,384	63,384	49,907	04/01/2016
75953M-AD-2	RELIANT ENERGY TRANSITION BD CO LLC		09/15/2013	PAYDOWN		3,162,615	3,162,615	3,303,419	3,245,763		(83,148)		(83,148)		3,162,615				147,467	09/15/2013
761118-TB-4	PASS TH		12/26/2013	VARIOUS		10,249	10,249	4,972	10,294		(46)		(46)		10,249				251	01/25/2036
76111X-ZC-0	RESIDENTIAL FDG MTG SECS I INC MTG PASS		12/09/2013	VARIOUS		567,607	645,617	519,812	457,213		(2									

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	Stated Contractual Maturity Date	
842400-FH-0	SOUTHERN CALIF EDISON CO	F	11/26/2013	WARBURG PINCUS	2,059,160	2,000,000	1,999,720	1,999,799		.41		.41		1,999,840		59,320	59,320	100,753	09/15/2014	
85744N-AA-9	STATE STR BK & TR CO	F	11/26/2013	FTFINAN	299,109	275,000	291,202	283,981	(2,612)			(2,612)		281,369		17,740	17,740	20,122	01/15/2016	
857477-AH-6	STATE STREET CORP	F	11/26/2013	DONALDSON LIFKIN	5,243,700	5,000,000	4,967,000	4,978,068		6,032		6,032		4,984,100		259,600	259,600	177,691	03/07/2016	
86359L-TB-5	STRUCTURED ASSET MTG INVTS II INC	F	12/30/2013	VARIOUS	3,068	3,068	3,068	2,606	312	149		461		3,068				8	02/25/2036	
874060-AA-4	TAKEDA PHARMA	F	11/25/2013	MERRILL LYNCH	604,044	600,000	600,000	600,000						600,000		4,044	4,044	7,423	03/17/2015	
87612E-AN-6	TARGET CORP	F	12/02/2013	MCDONALD	2,837,500	2,500,000	2,872,000	2,755,018		(64,493)		(64,493)		2,690,525		146,975	146,975	203,993	07/15/2016	
87612E-AW-6	TARGET CORP	F	12/02/2013	CANTOR FITZGERALD	502,635	500,000	499,910	499,910		27		27		499,980		2,655	2,655	7,766	07/15/2014	
89233P-4B-9	TOYOTA MTR CR CORP M	F	12/05/2013	GOLDMAN SACHS	5,153,990	4,950,000	4,943,862	4,946,811		1,160		1,160		4,947,971		206,019	206,019	155,320	06/17/2015	
89235Y-AC-9	TOYOTA AUTO REC	F	04/18/2013	PAYDOWN	163,574	163,574	163,559	163,573		1		1		163,574				333	04/15/2013	
911312-AL-0	UNITED PARCEL SVC INC	F	12/02/2013	MERRILL LYNCH	809,096	800,000	836,962	811,931		(8,851)		(8,851)		803,080		6,016	6,016	36,511	04/01/2014	
913017-BW-8	UNITED TECHNOLOGIES CORP	F	12/02/2013	MATURED	6,500,000	6,500,000	6,519,305	6,500,000						6,500,000				36,343	12/02/2013	
918204-AU-2	V F CORP	F	08/23/2013	MATURED	3,600,000	3,600,000	3,619,008	3,599,531		469		469		3,600,000				28,427	08/23/2013	
92867F-AB-1	VOLKSWAGEN AUTO	E	05/20/2013	VARIOUS	459,948	459,948	460,095	460,362		(414)		(414)		459,948				949	06/20/2013	
92867F-AC-9	VOLKSWAGEN AUTO LEASE TR 2011-A	F	12/20/2013	PAYDOWN	2,802,461	2,802,461	2,804,534	2,803,279		(817)		(817)		2,802,461				22,673	03/20/2014	
92867K-AB-0	VOLKSWAGEN AUTO LEASE 2012-A	F	12/20/2013	VARIOUS	237,079	237,079	237,060	237,071		8		8		237,079				832	02/20/2014	
931422-AD-1	WALGREEN CO	F	08/01/2013	MATURED	7,000,000	7,000,000	7,188,790	7,166,581		(166,581)		(166,581)		7,000,000				341,250	08/01/2013	
949758-AD-8	WELLS FARGO MTG BACKED SECS 2004-0 TR	F	12/01/2013	PAYDOWN	81,756	81,756	81,858	80,758	(375)	1,373		998		81,756				2,210	07/01/2034	
94979X-AA-5	WELLS FARGO MTG BACKED SECS 2003-H TR	F	12/01/2013	PAYDOWN	48,707	48,707	47,193	51,760	1,501	(4,554)		(3,053)		48,707				1,034	08/01/2033	
961214-BN-2	WESTPAC BKG CORP	F	12/03/2013	JP MORGAN CHASE	5,201,050	5,000,000	4,977,000	4,987,559		4,241		4,241		4,991,800		209,250	209,250	200,833	08/04/2015	
984121-CE-1	XEROX CORP	F	09/13/2013	MATURED	3,000,000	3,000,000	3,020,100	3,000,000						3,000,000				38,523	09/13/2013	
78008K-BS-1	ROYAL BANK OF CANADA	A	12/03/2013	SCOTIAMCLE	2,079,860	2,000,000	1,993,300	1,997,268		832		832		1,998,100		81,760	81,760	51,188	12/15/2015	
78008T-XB-5	ROYAL BK CDA GLOBAL MEDIUM TERM SR BK NT	A	11/25/2013	DAIN RAUSCHER	5,032,400	5,000,000	4,985,650	4,985,650						4,985,650		46,750	46,750	54,026	10/30/2014	
89352H-AA-7	TRANS-CANADA PIPELINE	F	06/15/2013	MATURED	5,000,000	5,000,000	5,090,800	5,040,963		(40,963)		(40,963)		5,000,000				100,000	06/15/2013	
034863-AC-4	ANGLO AMERN CAP	F	09/27/2013	MATURED	2,000,000	2,000,000	2,014,220	2,001,419		(1,419)		(1,419)		2,000,000				43,000	09/27/2013	
05252A-AM-3	AU & NZ BKG	F	11/22/2013	SALOMAN BROTHERS	5,183,200	5,000,000	5,152,650	5,079,145		(34,795)		(34,795)		5,044,350		138,850	138,850	253,861	01/13/2015	
055451-AG-3	BHP BILLITON FIN USA LTD	F	12/03/2013	DONALDSON LIFKIN	5,083,700	5,000,000	4,983,300	4,994,943		2,957		2,957		4,997,900		85,800	85,800	324,653	04/01/2014	
055451-AM-0	BHP BILLITON FIN USA	F	11/26/2013	JENNERETTE	2,001,214	2,000,000	2,000,000	2,000,000						2,000,000		1,214	1,214	11,612	02/18/2014	
055650-BF-4	BP CAPITAL MKTS	F	11/07/2013	DAIN RAUSCHER	2,000,000	2,000,000	2,085,240	2,066,982		(66,982)		(66,982)		2,000,000				105,000	11/07/2013	
055650-BW-7	BP CAP MKTS P L C	F	12/06/2013	MATURED	5,000,000	5,000,000	5,028,150	5,000,000						5,000,000				45,957	12/06/2013	
2027A0-EM-7	COMMONWEALTH BK AUSTRALIA MEDIUM TERM SR	F	11/22/2013	WACHOVIA	5,196,350	5,000,000	5,118,650	5,067,819		(27,269)		(27,269)		5,040,550		155,800	155,800	208,056	03/19/2015	
223030-AJ-9	COVIDIEN INTL FIN S	F	06/15/2013	MATURED	7,350,000	7,350,000	7,403,435	7,371,941		(21,941)		(21,941)		7,350,000				88,906	06/15/2013	
2515A1-4E-8	DEUTSCHE BK	F	11/22/2013	WIZUHOFX	4,203,120	4,000,000	3,921,960	3,943,607		16,113		16,113		3,959,720		243,400	243,400	179,111	01/11/2016	
25243Y-AJ-8	DIAGEO CAP	F	11/01/2013	MERRILL LYNCH	3,386,910	3,000,000	3,358,890	3,229,462		(49,252)		(49,252)		3,180,210		206,700	206,700	181,042	09/30/2016	
25244S-AF-8	DIAGEO FIN BV	F	11/01/2013	STIFEL NICHOLS	5,167,600	5,000,000	5,131,350	5,072,260		(29,610)		(29,610)		5,042,650		124,950	124,950	212,153	01/15/2015	
298785-FN-1	EUROPEAN INVT BK	F	11/26/2013	SALOMAN BROTHERS	1,048,420	1,000,000	997,550	998,329		(3,519)		(3,519)		994,810		53,610	53,610	26,111	05/16/2016	
55608J-AD-0	MACQUARIE GROUP LTD	F	11/01/2013	DONALDSON LIFKIN	3,800,510	3,500,000	3,300,850	3,331,604		27,311		27,311		3,358,915		441,595	441,595	210,911	08/10/2017	
6325C0-BE-0	NATIONAL AUSTRALIA	F	11/22/2013	JENNERETTE	5,205,150	5,000,000	5,144,500	5,081,934		(33,684)		(33,684)		5,048,250		156,900	156,900	231,771	03/02/2015	
6325C0-BN-0	NATIONAL AUSTRALIA BK LTD GLOBAL MEDIUM	F	11/22/2013	DONALDSON LIFKIN	2,077,180	2,000,000	1,965,900	1,981,662		5,858		5,858		1,987,520		89,660	89,660	64,167	09/28/2015	
718448-AB-9	PHILIPS ELECTR N V	F	08/15/2013	JENNERETTE	1,000,000	1,000,000	1,042,560	1,037,679		(37,679)		(37,679)		1,000,000				72,500	08/15/2013	
771196-AQ-5	ROCHE INC	F	03/21/2013	DIRECT	3,309,998	3,180,000	3,281,537	3,205,961		(4,782)		(4,782)		3,201,179		108,820	108,820	88,333	03/01/2014	
822582-AF-9	SHELL INTL FIN	F	11/26/2013	CANTOR FITZGERALD	2,022,480	2,000,000	1,999,460	1,999,759		1		1		1,999,760		22,720	22,720	95,778	03/21/2014	
86959L-AA-1	SVENSKA HNDLSBKN	F	11/26/2013	WACHOVIA	5,118,400	5,000,000	4,960,945	4,983,870		10,130		10,130		4,994,000		124,400	124,400	238,333	06/10/2014	
88165F-AB-8	TEVA PHARMACEUTICAL	F	11/08/2013	MATURED	5,450,000	5,450,000	5,493,709	5,450,000						5,450,000				65,564	11/08/2013	
89233P-6J-0	TOYOTA MTR CR	F	12/05/2013	DAIN RAUSCHER	855,984	850,000	849,550	849,616		137		137		849,754		6,231	6,231	10,351	07/17/2015	
90261X-GF-3	UBS AG STAMFORD BRH	F	08/12/2013	MATURED	4,900,000	4,900,000	4,954,782	4,870,473		29,527		29,527		4,900,000				110,250	08/12/2013	
92857W-AF-7	VODAPHONE GROUP	F	12/02/2013	GOLDMAN SACHS	7,010,010	7,000,000	7,511,000	7,251,559		(243,579)		(243,579)		7,007,980		2,030	2,030	339,306	12/16/2013	
928670-AC-2	VOLKSWAGEN INTL FIN	F	08/12/2013	MATURED	7,075,000	7,075,000	7,127,780	7,072,838		2,162		2,162		7,075,000				114,969	08/12/2013	
961214-BP-7	WESTPAC BKG CORP	F	12/03/2013	WACHOVIA	2,093,420	2,000,000	1,987,760	1,992,004		2,456		2,456		1,994,460		98,960	98,960	59,500	12/09/2015	
3899999	- Bonds - Industrial and Miscellaneous (Unaffiliated)				418,258,601	409,626,601	416,368,634	384,654,293	2,224	(1,798,528)		(1,796,303)		410,982,597		7,276,004	7,276,004	12,609,318	XXX	
Bonds - Hybrid Securities																				
Bonds - Parent, Subsidiaries, and Affiliates																				
8399997	- Bonds - Subtotals - Bonds - Part 4				456,845,309	447,895,708	454,130,738	422,261,169	(22,179)	(1,488,495)		(1,510,674)		448,875,102		7,970,207	7,970,207	13,776,194	XXX	
8399998	- Bonds - Summary Item from Part 5 for Bonds				44,198,461	43,741,047	44,413,044			(219,299)		(219,299)		44,193,745		4,716	4,716	467,011	XXX	

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**SCHEDULE D - PART 4**

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

1 CUSIP Identi- fication	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 Stated Contractual 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.																									
Common Stocks - Mutual Funds																																							
Common Stocks - Money Market Mutual Funds																																							
9799998 - Common Stocks - Summary item from Part 5 for Common Stocks																				814	XXX													814	814			XXX	
9799999 - Common Stocks - Subtotals - Common Stocks																				814	XXX													814	814			XXX	
9899999 - Common Stocks - Subtotals - Preferred and Common Stocks																				814	XXX													814	814			XXX	
9999999 Totals																				501,044,584	XXX	498,543,782	422,261,169	(22,179)	(1,707,794)					(1,729,973)		493,068,847		7,975,737	7,975,737		14,243,205	XXX	

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ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

SCHEDULE D - PART 5

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stocks)	9 Actual Cost	10 Consideration	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends	
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change In B./A. C.V. (12 + 13 - 14)	16 Total Foreign Exchange Change in B./A. C.V.						
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																					
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
009363-AG-7	AIRGAS INC.		05/14/2013	DIRECT	11/22/2013	DONALDSON LIFKIN	4,000,000	4,199,960	4,123,280	4,120,680		(79,280)		(79,280)			2,600	2,600	126,000	31,000	
03523T-BL-1	ANHEUSER BUSCH		05/14/2013	DIRECT	11/22/2013	MORGAN STANLEY	2,500,000	2,533,575	2,520,400	2,518,275		(15,300)		(15,300)				2,125	32,604	12,813	
12668B-TJ-2	COUNTRYWIDE ALTERNATIVE LOAN TRUST		12/26/2013	DIRECT	12/26/2013	VARIOUS	554	554		554							(554)	(554)			
12669Y-AC-6	CWBS MTG PASS-THROUGH TR 2006-J4		10/25/2013	DIRECT	10/25/2013	DONALDSON LIFKIN	30	30		30							(30)	(30)			
22160K-AD-7	COSTCO WHOLESALE CORP NEW		05/14/2013	DIRECT	11/26/2013	JENNERETTE	4,000,000	4,021,640	4,014,800	4,017,040		(4,600)		(4,600)			(2,240)	(2,240)	25,639	11,556	
368710-AG-4	GENENTECH INC		05/15/2013	DIRECT	11/26/2013	DAIN RAUSCHER	2,870,000	3,124,540	3,067,284	3,061,773		(62,767)		(62,767)			5,510	5,510	120,042	47,335	
494368-BK-8	KIMBERLY CLARK CORP		05/20/2013	DIRECT	11/25/2013	DAIN RAUSCHER	950,000	950,000	950,744	950,000							744	744	1,940		
546676-AS-6	LOUISVILLE GAS & ELEC CO		05/17/2013	DIRECT	11/25/2013	MERRILL LYNCH	4,000,000	4,107,600	4,082,720	4,063,549		(44,051)		(44,051)			19,171	19,171	35,028	1,284	
67021C-AH-0	NSTAR ELEC CO		05/14/2013	DIRECT	11/01/2013	JENNERETTE	3,000,000	3,000,000	2,995,539	3,000,000							(4,461)	(4,461)	7,212		
740189-AJ-4	PRECISION CASTPARTS CORP		05/17/2013	DIRECT	11/25/2013	SALOMAN BROTHERS	4,000,000	4,015,960	4,003,000	4,012,760		(3,200)		(3,200)			(9,760)	(9,760)	26,367	11,822	
74256L-AB-5	GLOBAL MED		05/14/2013	DIRECT	11/25/2013	WACHOVIA	4,000,000	4,042,000	4,032,760	4,032,440		(9,560)		(9,560)			320	320	31,375	7,375	
761118-TB-4	RESIDENTIAL ACCREDIT LNS INC MTG PASS TH		12/26/2013	DIRECT	12/26/2013	VARIOUS	291	291		291							(291)	(291)			
76111X-ZC-0	RESIDENTIAL FDG MTG SECS I INC		11/25/2013	DIRECT	11/25/2013	VARIOUS	168	168		168							(168)	(168)			
86359L-TB-5	STRUCTURED ASSET MTG INVTS II INC		12/26/2013	DIRECT	12/30/2013	VARIOUS	4	1	91	1							90	90			
882508-AT-1	TEXAS INSTRUMENTS INC		05/14/2013	DIRECT	11/25/2013	MERRILL LYNCH	4,000,000	4,001,480	4,001,800	4,001,120		(360)		(360)			680	680	14,800	5,200	
884903-BL-8	THOMSON REUTERS CORP FORMERLY THOMSON C		05/16/2013	DIRECT	11/25/2013	MORGAN STANLEY	2,420,000	2,413,514	2,407,392	2,414,603		1,089		1,089			(7,212)	(7,212)	10,940		
891140-AJ-7	TORONTO DOMINION BK SR MEDIUM TERM BK NT		05/02/2013	DIRECT	12/05/2013	JPM CHASE	3,000,000	3,000,000	3,002,382	3,000,000							2,382	2,382	8,037		
65557F-AE-6	NORDEA BK AG MEDIUM TERM JR SUB NTS BOOK		05/07/2013	DIRECT	11/25/2013	WACHOVIA	4,000,000	3,991,880	3,989,040	3,993,320		1,440		1,440			(4,280)	(4,280)	18,861		
801060-AA-2	SANOFI		08/08/2013	DIRECT	12/02/2013	DAIN RAUSCHER	1,000,000	1,009,850	1,007,230	1,007,140		(2,710)		(2,710)			90	90	8,167	4,433	
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>							<b>43,741,047</b>	<b>44,413,044</b>	<b>44,198,461</b>	<b>44,193,745</b>		<b>(219,299)</b>		<b>(219,299)</b>			<b>4,716</b>	<b>4,716</b>	<b>467,011</b>	<b>132,798</b>	
Bonds - Hybrid Securities																					
Bonds - Parent, Subsidiaries, and Affiliates																					
<b>8399998 - Bonds - Subtotals - Bonds</b>							<b>43,741,047</b>	<b>44,413,044</b>	<b>44,198,461</b>	<b>44,193,745</b>		<b>(219,299)</b>		<b>(219,299)</b>			<b>4,716</b>	<b>4,716</b>	<b>467,011</b>	<b>132,798</b>	
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																					
Preferred Stocks - Parent, Subsidiaries, and Affiliates (Unaffiliated)																					
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
00685R-70-6	ADELPHIA CONTINGENT		05/16/2013	DIRECT	05/16/2013	VARIOUS	3,000	732		732								732	732		
205862-40-2	CONVERSE TECH		04/03/2013	DIRECT	04/03/2013	DIRECT	1,000	56		56								56	56		
63934E-10-8	NAVISTAR INTL CORP		03/11/2013	DIRECT	03/11/2013	DIRECT	1,000	3		3								3	3		
92343X-10-0	VERINT SYS INC		03/08/2013	DIRECT	03/08/2013	DIRECT	1,000	22		22								22	22		
<b>9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)</b>							<b>814</b>	<b>814</b>	<b>814</b>	<b>814</b>							<b>814</b>	<b>814</b>	<b>814</b>	<b>814</b>	
Common Stocks - Parent, Subsidiaries, and Affiliates																					
Common Stocks - Mutual Funds																					
Common Stocks - Money Market Mutual Funds																					
<b>9799998 - Common Stocks - Subtotals - Common Stocks</b>							<b>814</b>	<b>814</b>	<b>814</b>	<b>814</b>							<b>814</b>	<b>814</b>	<b>814</b>	<b>814</b>	
<b>9899999 - Common Stocks - Subtotals - Preferred and Common Stocks</b>							<b>814</b>	<b>814</b>	<b>814</b>	<b>814</b>							<b>814</b>	<b>814</b>	<b>814</b>	<b>814</b>	
<b>9999999 Totals</b>							<b>44,413,044</b>	<b>44,199,275</b>	<b>44,199,275</b>	<b>44,193,745</b>		<b>(219,299)</b>		<b>(219,299)</b>			<b>5,530</b>	<b>5,530</b>	<b>467,011</b>	<b>132,798</b>	

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**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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																					
	UNITED STATES TREAS NTS			12/05/2013	VARIOUS	02/28/2014	1,529,465		(1,617)			1,525,000	1,531,081	9,716		1.875	0.940	FA		8,057	
0199999	Bonds - U.S. Governments - Issuer Obligations						1,529,465		(1,617)			1,525,000	1,531,081	9,716		XXX	XXX	XXX		8,057	
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																					
0599999	Bonds - Subtotals - U.S. Governments						1,529,465		(1,617)			1,525,000	1,531,081	9,716		XXX	XXX	XXX		8,057	
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																					
	CME GROUP INC			05/16/2013	VARIOUS	02/15/2014	3,220,224		(101,056)			3,200,000	3,321,280	69,511		5.750	5.784	FA	92,000	49,067	
	RIO TINTO FIN USA L			06/14/2013	VARIOUS	05/01/2014	4,110,490		(186,450)			4,000,000	4,296,940	59,667		8.950	9.447	MN	179,000	36,919	
3299999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						7,330,714		(287,506)			7,200,000	7,618,220	129,178		XXX	XXX	XXX	271,000	85,986	
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																					
	VOLKSWAGEN AUTO LEASE TR 2013-A			09/05/2013	VARIOUS	08/20/2014	245,498					245,498	245,498	19		0.230	0.014	MON	191	135	
3599999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities						245,498					245,498	245,498	19		XXX	XXX	XXX	191	135	
3899999	Bonds - Subtotals - Industrial and Miscellaneous (Unaffiliated)						7,576,212		(287,506)			7,445,498	7,863,718	129,197		XXX	XXX	XXX	271,191	86,121	
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						8,860,179		(289,123)			8,725,000	9,149,301	138,894		XXX	XXX	XXX	271,000	94,043	
8099999	Total Bonds - Subtotals - Other Loan-Backed and Structured Securities						245,498					245,498	245,498	19		XXX	XXX	XXX	191	135	
8399999	Total Bonds - Subtotals - Bonds						9,105,677		(289,123)			8,970,498	9,394,799	138,913		XXX	XXX	XXX	271,191	94,178	
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																					
60934N-62-5	FEDERATED INV PRM			09/30/2013	VARIOUS		321,416					321,416						N/A		59	
60934N-59-1	FEDERATED PRIME CSH			09/30/2013	VARIOUS		445,354					445,354						N/A		18	
665279-80-B	NORTHERN INSTL FDS			11/29/2013	VARIOUS		14,605,498					14,605,498						N/A		92	
8999999	Class One Money Market Mutual Funds						15,372,268					XXX	15,372,268			XXX	XXX	XXX		169	
Other Short-Term Invested Assets																					
9199999	<b>Total Short-Term Investments</b>						24,477,945		(289,123)			XXX	24,767,067	138,913		XXX	XXX	XXX	271,360	94,178	

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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 - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**



**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**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 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION**

**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	299,370	307,512		
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL	.B on deposit	2,209,326	2,309,961		
11. Georgia	GA	.B on deposit	29,966	30,172		
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL	.B on deposit	1,519,865	1,560,162		
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	102,064	105,320		
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	.B on deposit	501,464	501,406		
31. New Jersey	NJ					
32. New Mexico	NM	.B on deposit	114,872	115,660		
33. New York	NY					
34. North Carolina	NC	.B on deposit	250,000	250,000		
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR	.B on deposit	663,482	667,195		
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC	.B on deposit	149,685	153,756		
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA	.B on deposit	526,537	526,476		
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	CAN					
58. Aggregate Other Alien	OT	XXX	XXX			
59. Total	XXX	XXX	6,366,631	6,527,620		
<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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