



QUARTERLY STATEMENT
AS OF JUNE 30, 2011
OF THE CONDITION AND AFFAIRS OF THE
TRIAD GUARANTY INSURANCE CORPORATION

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

OFFICERS

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

OTHER OFFICERS

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

DIRECTORS OR TRUSTEES

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

State of North Carolina

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.

Kenneth Wayne Jones
CEO and Chief Financial Officer

Earl Franklin Wall
Secretary

Kenneth Stephen Dwyer
Chief Accounting Officer

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

Subscribed and sworn to before me this day of

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

STATEMENT AS OF JUNE 30, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	710,210,371		710,210,371	769,319,565
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	8,803,173		8,803,173	10,178,989
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....38,820,195 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....65,170,382 ) .....	103,990,577		103,990,577	73,744,813
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....	611		611	41,814
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	823,004,731	0	823,004,731	853,285,181
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	7,334,438		7,334,438	8,027,403
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	11,572,405		11,572,405	12,609,842
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	14,904,630		14,904,630	14,772,375
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	10,419,478		10,419,478	10,909,914
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	11,706,978
18.2 Net deferred tax asset .....			0	0
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....	1,362,863	1,306,336	56,527	73,573
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	160,695	160,695	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	76,937		76,937	43,795
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	3,969,450	3,932,026	37,424	37,424
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	872,805,629	5,399,057	867,406,572	911,466,484
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	872,805,629	5,399,057	867,406,572	911,466,484
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Prepaid expenses .....	1,628,816	1,628,816	0	0
2502. Accounts receivable .....	2,340,634	2,303,210	37,424	37,424
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	3,969,450	3,932,026	37,424	37,424

STATEMENT AS OF JUNE 30, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....84,219,888 ) .....	501,704,519	565,786,910
2. Reinsurance payable on paid losses and loss adjustment expenses .....		0
3. Loss adjustment expenses .....	13,792,295	15,817,694
4. Commissions payable, contingent commissions and other similar charges .....	6,259	0
5. Other expenses (excluding taxes, licenses and fees) .....	12,530,768	13,793,107
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	1,138,378	2,170,257
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....		0
7.2 Net deferred tax liability .....		0
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....57,225 and including warranty reserves of \$ ..... ) .....	8,584,980	8,979,142
10. Advance premium .....		0
11. Dividends declared and unpaid:		
11.1 Stockholders .....		0
11.2 Policyholders .....		0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	1,421,294	1,909,420
13. Funds held by company under reinsurance treaties .....		0
14. Amounts withheld or retained by company for account of others .....	53,110,952	47,474,969
15. Remittances and items not allocated .....	86,972	130,744
16. Provision for reinsurance .....		0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		0
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....		0
20. Derivatives .....		0
21. Payable for securities .....		0
22. Payable for securities lending .....		0
23. Liability for amounts held under uninsured plans .....		0
24. Capital notes \$ ..... and interest thereon \$ .....		0
25. Aggregate write-ins for liabilities .....	30,701,428	29,474,514
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	623,077,845	685,536,758
27. Protected cell liabilities .....		0
28. Total liabilities (Lines 26 and 27) .....	623,077,845	685,536,758
29. Aggregate write-ins for special surplus funds .....	517,193,062	415,657,496
30. Common capital stock .....	3,500,000	3,500,000
31. Preferred capital stock .....		0
32. Aggregate write-ins for other than special surplus funds .....	7,787,500	6,675,000
33. Surplus notes .....	25,000,000	25,000,000
34. Gross paid in and contributed surplus .....	105,215,928	105,215,928
35. Unassigned funds (surplus) .....	(414,367,763)	(330,118,698)
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....		0
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) .....	244,328,727	225,929,726
38. Totals (Page 2, Line 28, Col. 3)	867,406,572	911,466,484
<b>DETAILS OF WRITE-INS</b>		
2501. Rescinded premium payable .....	30,701,428	29,474,514
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	30,701,428	29,474,514
2901. Deferred Payment Obligation including carrying charges .....	517,193,062	415,657,496
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	517,193,062	415,657,496
3201. Unapproved interest due on Surplus Note .....	7,787,500	6,675,000
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	7,787,500	6,675,000

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 75,336,506 )	75,751,672	129,397,017	219,112,249
1.2 Assumed (written \$ 15 )	59	260	534
1.3 Ceded (written \$ 4,373,211 )	4,394,258	12,939,242	18,775,902
1.4 Net (written \$ 70,963,310 )	71,357,472	116,458,035	200,336,881
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 87,829,217 ):			
2.1 Direct	157,586,441	211,480,639	368,191,801
2.2 Assumed		0	
2.3 Ceded	4,721,138	18,967,715	22,713,254
2.4 Net	152,865,302	192,512,924	345,478,547
3. Loss adjustment expenses incurred	1,959,186	9,545,667	10,358,443
4. Other underwriting expenses incurred	8,942,867	15,695,810	29,777,443
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	163,767,355	217,754,401	385,614,433
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(92,409,883)	(101,296,366)	(185,277,552)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	7,541,981	15,179,194	26,462,859
10. Net realized capital gains (losses) less capital gains tax of \$	2,348,588	(1,189,949)	11,810,785
11. Net investment gain (loss) (Lines 9 + 10)	9,890,569	13,989,245	38,273,644
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ )		0	0
13. Finance and service charges not included in premiums		0	0
14. Aggregate write-ins for miscellaneous income	55,902	(7,728)	22,786
15. Total other income (Lines 12 through 14)	55,902	(7,728)	22,786
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(82,463,412)	(87,314,849)	(146,981,122)
17. Dividends to policyholders		0	0
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)	(82,463,412)	(87,314,849)	(146,981,122)
19. Federal and foreign income taxes incurred		0	0
20. Net income (Line 18 minus Line 19)(to Line 22)	(82,463,412)	(87,314,849)	(146,981,122)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	225,929,726	122,814,126	122,814,125
22. Net income (from Line 20)	(82,463,412)	(87,314,849)	(146,981,122)
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(1,375,816)	(558,642)	3,385,779
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax		(267,067,664)	(267,067,664)
27. Change in nonadmitted assets	702,664	263,531,586	266,507,092
28. Change in provision for reinsurance		0	0
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	101,535,566	123,782,544	247,271,516
38. Change in surplus as regards policyholders (Lines 22 through 37)	18,399,001	32,372,975	103,115,601
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	244,328,727	155,187,101	225,929,726
<b>DETAILS OF WRITE-INS</b>			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income - Service Fees on Information Technology	55,902	(7,728)	22,786
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	55,902	(7,728)	22,786
3701. Deferred Payment Obligation	101,535,566	123,782,544	247,271,516
3702. Increase in Contingency Reserve	35,678,736	58,228,942	(109,556,124)
3703. Decrease in Contingency Reserve	(35,678,736)	(58,228,942)	109,556,124
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	101,535,566	123,782,544	247,271,516

STATEMENT AS OF JUNE 30, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	72,627,583	89,862,428	166,021,468
2. Net investment income .....	17,823,468	18,152,351	36,840,754
3. Miscellaneous income .....	55,902	7,273	35,158
4. Total (Lines 1 to 3) .....	90,506,952	108,022,052	202,897,380
5. Benefit and loss related payments .....	127,353,374	(14,830,160)	148,206,002
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	10,461,825	13,058,556	22,676,364
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	(11,706,978)	(1,179,567)	(1,179,853)
10. Total (Lines 5 through 9) .....	126,108,221	(2,951,171)	169,702,513
11. Net cash from operations (Line 4 minus Line 10) .....	(35,601,269)	110,973,223	33,194,866
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	93,872,306	136,306,832	434,704,823
12.2 Stocks .....	1,424	12,196	20,444
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	60	(29,924)	(36,439)
12.7 Miscellaneous proceeds .....	41,204	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	93,914,994	136,289,104	434,688,828
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	33,564,367	250,238,201	468,251,278
13.2 Stocks .....	0	0	0
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	38,343	41,815
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	33,564,367	250,276,544	468,293,093
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	60,350,627	(113,987,440)	(33,604,265)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied).....	5,496,406	21,171,375	30,881,136
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	5,496,406	21,171,375	30,881,136
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	30,245,764	18,157,158	30,471,738
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	73,744,813	43,273,074	43,273,075
19.2 End of period (Line 18 plus Line 19.1) .....	103,990,577	61,430,232	73,744,813

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### a. Accounting Practices

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

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

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

	<u>2011</u>
Net income, Illinois basis	\$(82,463,413)
State prescribed practice (incurred losses)	
Change in direct loss reserves	<u>49,989,556</u>
Net income, NAIC SAP	<u>\$(32,473,857)</u>
Statutory surplus, Illinois basis	\$244,328,727
State prescribed practices (surplus)	
Loss reserves	(353,157,406)
Deferred payment obligation	<u>(517,193,062)</u>
Statutory surplus, NAIC SAP	<u>\$(626,021,741)</u>

b. No change from year-end 2010.

c. No change from year-end 2010.

### 2. Accounting Changes and Corrections of Errors

No change from year-end 2010.

### 3. Business Combinations and Goodwill

No change from year-end 2010.

### 4. Discontinued Operations

No change from year-end 2010.

### 5. Investments

a. No change from year-end 2010.

b. No change from year-end 2010.

c. No change from year-end 2010.

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 and asset-backed securities with inputs from major third party data providers. It combines the effects of interest rates, volatility, and pre-payment speeds based on various scenario (Monte Carlo) simulations with credit loss analysis and resulting effective analytics (spreads, duration, convexity) and cash-flows on a monthly basis. Model assumptions are specific to asset class and collateral types and are regularly evaluated and adjusted where appropriate.

(2) An OTTI is recognized on any security whose market value is less than its amortized cost because the Company may not have the ability to hold the security for a period of time sufficient to recover the amortized cost basis.

(3) The Company does not have investments where an OTTI was recognized to the discounted cash flows because the company does not expect to recover the amortized cost basis of the investment.

(4) The Company does not have investments held showing Unrealized Losses - Greater and Less than 1 year.

(5) There are a number of factors that are considered in determining if there is not an other-than-temporary-impairment on an investment, including but not limited to, debt burden, credit ratings, sector, liquidity, financial flexibility, company management, expected earnings and cash flow stream, and economic prospects associated with the investment.

e. No change from year-end 2010.

f. The Company recognized no additional real estate impairment losses since year-end 2010.

g. No change from year-end 2010.

### 6. Joint Ventures, Partnerships and Limited Liability Companies

No change from year-end 2010.

### 7. Investment Income

No change from year-end 2010.

### 8. Derivative Instruments

No change from year-end 2010.

### 9. Income Taxes

No changes have occurred from year-end 2010 that would have a material impact on the Company.

## NOTES TO FINANCIAL STATEMENTS

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

- a. No change from year-end 2010.
- b. No change from year-end 2010.
- c. No change from year-end 2010.
- d. No change from year-end 2010.
- e. No change from year-end 2010.
- f. No change in arrangements from year-end 2010.
- g. No change from year-end 2010.
- h. No change from year-end 2010.
- i. No change from year-end 2010.
- j. No change from year-end 2010.
- k. No change from year-end 2010.
- l. No change from year-end 2010.

### 11. Debt

No change from year-end 2010.

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

The total amount employees are allowed to defer in 2011 in the Company's defined contribution 401(k) plan is \$16,500, except for employees 50 or older who may defer an additional \$5,500.

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

- (1) No change from year-end 2010.
- (2) No change from year-end 2010.
- (3) No change from year-end 2010.
- (4) No change from year-end 2010.
- (5) No change from year-end 2010.
- (6) No change from year-end 2010.
- (7) No change from year-end 2010.
- (8) No change from year-end 2010.
- (9) No change from year-end 2010.
- (10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains and losses was \$3,767,190.
- (11) There was no interest paid in the current year on the Company's surplus note. At June 30, 2011, interest past due of \$7,787,500 remained unapproved by the Illinois Department of Insurance. No other change from year-end 2010.
- (12) No change from year-end 2010.
- (13) No change from year-end 2010.

### 14. Contingencies

- a. No change from year-end 2010.
- b. No change from year-end 2010.
- c. No change from year-end 2010.
- d. No change from year-end 2010.
- e. No change from year-end 2010.

### 15. Leases

- a. Lessee Operating Lease
  - (1) No change from year-end 2010.
  - (2) Account changes from year-end 2010 are not significant in either amount or composition.
  - (3) No change from year-end 2010.
- b. Lessor Lease
  - (1) No change from year-end 2010.
  - (2) Account changes from year-end 2010 are not significant in either amount or composition.

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

No change from year-end 2010.

## NOTES TO FINANCIAL STATEMENTS

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

No change from year-end 2010. 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

No change from year-end 2010.

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

No change from year-end 2010.

### 20. Fair Value Measurements

A. The Company did not have any assets measured at fair value on a recurring basis.

B. The Company did not have any material assets measured at fair value on a non-recurring basis.

(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).

(2) 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.

(3) 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.

## NOTES TO FINANCIAL STATEMENTS

**21. Other Items**

The Company's subprime mortgage related risk exposure has not changed substantially from year-end 2010 except as noted in the tables below.

The total reserves as of June 30, 2011 based upon credit ratings was as follows:

		As % of total
Prime	\$595,635,882	55.40%
Alt -A	436,597,155	40.60%
A-Minus	36,830,433	3.40%
Subprime (A)	6,625,338	0.60%
Total	\$1,075,688,808	100%

Losses and reserves related as of June 30, 2011 were as follows:

	Total	Subprime	Subprime as % of Total
Losses Paid	\$235,027,908	\$1,735,982	0.74%
Case Reserves	\$1,075,688,808	\$6,625,338	0.62%
Incurred Losses	\$113,683,105	\$1,849,856	1.63%

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

**22. Events Subsequent**

The Company is unaware of any subsequent events that would have a material effect on its financial condition.

**23. Reinsurance**

- Account changes since year-end 2010 are not significant in either amount or composition.
- No change from year-end 2010.
- Account changes since year-end 2010 are not significant in either amount or composition.
- The Company has written off in the current year reinsurance balances due from the companies listed below of \$224,633, which is reflected as:
 

(1) Losses incurred	\$ -	
(2) Loss adjustment expenses incurred	\$ -	
(3) Premiums earned	\$ -	
(4) Other	\$ -	
(5) Company		Amount
Chase Home Mortgage		\$ 224,633
- The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:
 

(1) Losses incurred	\$ -	
(2) Loss adjustment expenses incurred	\$ -	
(3) Premiums earned	\$ -	
(4) Other	\$ -	
(5) Company		Amount
Bank of America		\$6,319,018
DRH FS Mortgage Re. LTD		\$ 12
UGMP Reinsurance LTD.		\$ 41,822
- No change from year-end 2010.
- No change from year-end 2010.

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

No change from year-end 2010.

**25. Change in Incurred Claims and Claim Adjustment Expenses**

Reserves as of December 31, 2010 were \$565.8 million. As of June 30, 2011, \$217.1 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$430.1 million as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$65.6 million unfavorable prior year development since December 31, 2010.

**26. Intercompany Pooling Arrangements**

No change from year-end 2010.

**27. Structured Settlements**

No change from year-end 2010.

**28. Health Care Receivables**

No change from year-end 2010.

## NOTES TO FINANCIAL STATEMENTS

**29. Participating Policies**

No change from year-end 2010.

**30. Premium Deficiency Reserves**

No change from year-end 2010.

**31. High Deductibles**

No change from year-end 2010.

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

No change from year-end 2010.

**33. Asbestos/Environmental Reserves**

No change from year-end 2010.

**34. Subscriber Savings Accounts**

No change from year-end 2010.

**35. Multiple Peril Crop Insurance**

No change from year-end 2010.

**36. Financial Guaranty Insurance**

The Company has no financial guaranty insurance exposure.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes  No
- 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes  No
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes  No
- 2.2 If yes, date of change: .....
3. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes  No   
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes  No
- 4.2 If yes, provide the name of 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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes  No  NA   
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2007
- 6.2 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
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 06/03/2009
- 6.4 By what department or departments?  
Illinois Department of Insurance.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes  No  NA
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes  No  NA
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes  No
- 7.2 If yes, give full information:  
The Company's insurance license has been suspended by Alaska, Arkansas, Florida (also expired), Oklahoma, Tennessee, and West Virginia while the Company is in runoff.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes  No
- 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
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

## GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes  No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 (c) Compliance with applicable governmental laws, rules and regulations;  
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 (e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:  
 .....

- 9.2 Has the code of ethics for senior managers been amended? ..... Yes  No

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
 .....

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes  No

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).  
 .....

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes  No

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ ..... 17,600

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes  No

11.2 If yes, give full and complete information relating thereto:  
 .....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ .....

13. Amount of real estate and mortgages held in short-term investments: ..... \$ .....

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes  No

14.2 If yes, please complete the following:

		1 Prior Year-End Book/Adjusted Carrying Value		2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$	.....	\$	.....
14.22 Preferred Stock .....	\$	.....	\$	.....
14.23 Common Stock .....	\$	10,178,989	\$	8,803,173
14.24 Short-Term Investments .....	\$	.....	\$	.....
14.25 Mortgage Loans on Real Estate .....	\$	.....	\$	.....
14.26 All Other .....	\$	.....	\$	.....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$	10,178,989	\$	8,803,173
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$	.....	\$	.....

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes  No

- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes  No

If no, attach a description with this statement.

**GENERAL INTERROGATORIES**

16. 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 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? .....

Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
Bank of America.....	504 W. Madison St., Chicago, IL 60661.....

16.2 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)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? .....

Yes [ ] No [X]

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

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

16.5 Identify all investment advisors, broker/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	2 Name(s)	3 Address
DTC ABA: 107423.....	Conning Asset Management.....	One Financial Plaza, Hartford, CT 06103.....

17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? .....

Yes [X] No [ ]

17.2 If no, list exceptions:

.....



**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (Yes or No)
<b>NONE</b>				

STATEMENT AS OF JUNE 30, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL L	282,802	336,468	478,652	432,976	1,041,802	1,061,633
2. Alaska	AK L		0		0		0
3. Arizona	AZ L	1,652,056	2,430,721	13,570,175	14,809,742	12,542,943	18,121,549
4. Arkansas	AR L	548,484	703,437	1,372,690	799,285	1,168,411	1,659,865
5. California	CA L	18,737,884	25,723,381	46,662,174	44,052,348	147,978,919	167,263,903
6. Colorado	CO L	838,430	6,992,695	4,869,418	11,817,882	8,241,048	22,448,850
7. Connecticut	CT L	207,515	272,801	149,081	263,169	739,550	965,520
8. Delaware	DE L	59,756	74,488	25,540	0	93,183	139,189
9. District of Columbia	DC L	8,559,679	17,378,456	48,385,482	73,182,406	100,231,797	151,268,149
10. Florida	FL L	2,673,396	4,410,068	10,279,539	11,780,090	33,057,928	39,269,213
11. Georgia	GA L	1,659,950	2,144,277	3,890,726	3,480,455	5,441,450	6,358,529
12. Hawaii	HI L	3,992	10,174		0	565	7,590
13. Idaho	ID L	16,089	32,611	58,177	0	2,275	32,944
14. Illinois	IL L	2,080,064	2,861,887	4,927,369	4,824,787	14,471,243	15,952,110
15. Indiana	IN L	277,706	417,449	588,850	508,932	816,635	1,108,239
16. Iowa	IA L	37,232	56,269	(48,160)	66,698	73,409	63,009
17. Kansas	KS L	171,464	225,518	461,911	376,334	402,441	569,140
18. Kentucky	KY L	787,367	992,867	402,749	932,534	2,400,198	2,409,599
19. Louisiana	LA L	126,772	152,996	95,853	101,668	300,538	350,583
20. Maine	ME L	0	0		0		0
21. Maryland	MD L	693,540	1,114,697	2,206,205	1,744,362	4,235,895	5,737,292
22. Massachusetts	MA L	439,635	597,371	844,720	1,098,556	2,160,703	3,240,740
23. Michigan	MI L	1,608,160	2,030,775	3,158,421	4,189,931	6,956,878	8,078,645
24. Minnesota	MN L	14,336,721	19,202,446	47,970,002	51,640,102	85,145,723	102,996,387
25. Mississippi	MS L	125,971	159,812	385,228	279,533	343,472	371,721
26. Missouri	MO L	265,839	329,995	196,664	340,634	395,660	483,794
27. Montana	MT L	6,981	9,359		0	987	965
28. Nebraska	NE L	1,581	1,577		0	224	163
29. Nevada	NV L	284,583	567,220	2,418,415	2,143,886	3,221,989	4,170,329
30. New Hampshire	NH L	5,196	28,286		0	2,327	41,534
31. New Jersey	NJ L	1,338,465	1,635,394	835,289	1,175,585	9,888,796	9,067,130
32. New Mexico	NM L	149,933	183,937	225,239	318,900	540,452	603,058
33. New York	NY L	477,770	694,396	258,393	825,673	5,423,052	5,500,038
34. North Carolina	NC L	3,042,960	3,900,752	3,721,773	3,350,017	10,161,442	11,000,070
35. North Dakota	ND L	0	0		0		0
36. Ohio	OH L	1,243,280	1,531,170	1,784,977	2,808,816	6,030,727	6,126,997
37. Oklahoma	OK L	1,067,837	1,353,277	526,684	905,543	1,656,141	1,605,476
38. Oregon	OR L	216,846	273,189	295,331	486,064	1,125,200	709,308
39. Pennsylvania	PA L	1,013,237	1,337,365	1,315,007	1,219,485	3,744,426	3,726,537
40. Rhode Island	RI L	69,060	75,957	236,506	78,863	526,178	407,058
41. South Carolina	SC L	1,735,870	2,084,365	2,347,885	2,557,550	6,390,046	6,181,626
42. South Dakota	SD L	3,877	9,978		0	12,398	1,029
43. Tennessee	TN L	845,779	1,053,809	885,947	1,297,901	2,126,973	2,268,090
44. Texas	TX L	4,305,148	20,604,734	13,779,103	36,494,609	31,842,213	104,942,886
45. Utah	UT L	182,936	256,129	423,004	611,768	796,146	1,150,702
46. Vermont	VT L	0	0		0		0
47. Virginia	VA L	2,544,687	3,575,943	11,799,282	17,525,512	15,802,149	30,196,165
48. Washington	WA L	261,954	328,770	513,915	408,225	1,044,617	1,266,712
49. West Virginia	WV L	111,110	147,689		0	94,130	176,666
50. Wisconsin	WI L	186,279	216,804	272,559	619,517	1,055,669	1,047,542
51. Wyoming	WY L	50,631	67,543		15,773	7,160	148,859
52. American Samoa	AS		0		0		0
53. Guam	GU		0		0		0
54. Puerto Rico	PR		0		0		0
55. U.S. Virgin Islands	VI		0		0		0
56. Northern Mariana Islands	MP		0		0		0
57. Canada	CN		0		0		0
58. Aggregate Other Alien	OT XXX	0	0	0	0	0	0
59. Totals	(a) 51	75,336,506	128,589,302	232,570,775	299,566,111	529,736,109	740,297,133
<b>DETAILS OF WRITE-INS</b>							
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX	0	0	0	0	0	0
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0

(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.

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

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

**NONE**

**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire			0.0	0.0
2. Allied lines			0.0	0.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril			0.0	0.0
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty	75,751,672	157,586,441	208.0	163.4
8. Ocean marine			0.0	0.0
9. Inland marine			0.0	0.0
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability -occurrence			0.0	0.0
11.2 Medical professional liability -claims made			0.0	0.0
12. Earthquake			0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation			0.0	0.0
17.1 Other liability occurrence			0.0	0.0
17.2 Other liability-claims made			0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence			0.0	0.0
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability			0.0	0.0
19.3,19.4 Commercial auto liability			0.0	0.0
21. Auto physical damage			0.0	0.0
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	75,751,672	157,586,441	208.0	163.4
<b>DETAILS OF WRITE-INS</b>				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	0		0
2. Allied lines	0		0
3. Farmowners multiple peril	0		0
4. Homeowners multiple peril	0		0
5. Commercial multiple peril	0		0
6. Mortgage guaranty	35,982,280	75,336,506	128,589,300
8. Ocean marine	0		0
9. Inland marine	0		0
10. Financial guaranty	0		0
11.1 Medical professional liability-occurrence	0		0
11.2 Medical professional liability-claims made	0		0
12. Earthquake	0		0
13. Group accident and health	0		0
14. Credit accident and health	0		0
15. Other accident and health	0		0
16. Workers' compensation	0		0
17.1 Other liability occurrence	0		0
17.2 Other liability-claims made	0		0
17.3 Excess Workers' Compensation	0		0
18.1 Products liability-occurrence	0		0
18.2 Products liability-claims made	0		0
19.1,19.2 Private passenger auto liability	0		0
19.3,19.4 Commercial auto liability	0		0
21. Auto physical damage	0		0
22. Aircraft (all perils)	0		0
23. Fidelity	0		0
24. Surety	0		0
26. Burglary and theft	0		0
27. Boiler and machinery	0		0
28. Credit	0		0
29. International	0		0
30. Warranty	0		0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	35,982,280	75,336,506	128,589,300
<b>DETAILS OF WRITE-INS</b>			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF JUNE 30, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2011 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2008 + Prior	120,499	0	120,499	31,204		31,204	112,735		0	112,735	23,441	0	23,441
2. 2009	380,249	1,229	381,477	104,055		104,055	317,354		0	317,354	41,160	(1,229)	39,931
3. Subtotals 2009 + prior	500,747	1,229	501,976	135,259	0	135,259	430,089	0	0	430,089	64,601	(1,229)	63,372
4. 2010	68,571	11,058	79,629	81,840		81,840	(1,043)	0	1,055	11	12,226	(10,003)	2,223
5. Subtotals 2010 + prior	569,318	12,287	581,605	217,099	0	217,099	429,045	0	1,055	430,100	76,826	(11,232)	65,595
6. 2011	XXX	XXX	XXX	XXX	3,833	3,833	XXX	75,902	9,494	85,396	XXX	XXX	XXX
7. Totals	569,318	12,287	581,605	217,099	3,833	220,932	429,045	75,902	10,549	515,497	76,826	(11,232)	65,595
8. Prior Year-End Surplus As Regards Policy-holders	225,930												
											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 13.5	2. (91.4)	3. 11.3
													Col. 13, Line 7 Line 8
													4. 29.0

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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 on "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.

	<u>Response</u>
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	.....NO.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	.....NO.....

**Explanation:**

- 1.
- 2.
- 3.
- 4.

**Bar Code:**

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

**OVERFLOW PAGE FOR WRITE-INS**

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**SCHEDULE A – VERIFICATION**

**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	0	0
2.2 Additional investment made after acquisition .....	0	0
3. Current year change in encumbrances .....	0	0
4. Total gain (loss) on disposals .....	0	0
5. Deduct amounts received on disposals .....	0	0
6. Total foreign exchange change in book/adjusted carrying value .....	0	0
7. Deduct current year's other than temporary impairment recognized .....	0	0
8. Deduct current year's depreciation .....	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	0	0
10. Deduct total nonadmitted amounts .....	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

NONE

**SCHEDULE B – VERIFICATION**

**Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	0	0
2.2 Additional investment made after acquisition .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	0	0
5. Unrealized valuation increase (decrease) .....	0	0
6. Total gain (loss) on disposals .....	0	0
7. Deduct amounts received on disposals .....	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0
12. Total valuation allowance .....	0	0
13. Subtotal (Line 11 plus Line 12) .....	0	0
14. Deduct total nonadmitted amounts .....	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

NONE

**SCHEDULE BA – VERIFICATION**

**Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	0	0
2.2 Additional investment made after acquisition .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	0	0
5. Unrealized valuation increase (decrease) .....	0	0
6. Total gain (loss) on disposals .....	0	0
7. Deduct amounts received on disposals .....	0	0
8. Deduct amortization of premium and depreciation .....	0	0
9. Total foreign exchange change in book/adjusted carrying value .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8+9-10) .....	0	0
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

NONE

**SCHEDULE D – VERIFICATION**

**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	779,498,553	731,325,589
2. Cost of bonds and stocks acquired .....	33,564,367	468,251,283
3. Accrual of discount .....	1,006,387	2,490,958
4. Unrealized valuation increase (decrease) .....	(1,375,816)	3,385,779
5. Total gain (loss) on disposals .....	3,516,078	16,424,093
6. Deduct consideration for bonds and stocks disposed of .....	93,873,730	434,725,271
7. Deduct amortization of premium .....	2,154,745	3,089,642
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	1,167,550	4,564,236
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	719,013,544	779,498,553
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	719,013,544	779,498,553

STATEMENT AS OF JUNE 30, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	761,819,505	108,215,855	123,450,765	2,805,354	761,819,505	749,389,951	0	774,435,498
2. Class 2 (a).....	32,890,309		5,263,966	(4,016,113)	32,890,309	23,610,231	0	28,802,898
3. Class 3 (a).....	3,968,255		2,707,024	6,117	3,968,255	1,267,348	0	1,264,034
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	1,061,886			4,825	1,061,886	1,066,712	0	1,057,854
6. Class 6 (a).....	266,463	2,503	2,158	(220,295)	266,463	46,512	0	258,002
7. Total Bonds	800,006,418	108,218,358	131,423,913	(1,420,112)	800,006,418	775,380,754	0	805,818,286
<b>PREFERRED STOCK</b>								
8. Class 1.....	0				0	0	0	0
9. Class 2.....	0				0	0	0	0
10. Class 3.....	0				0	0	0	0
11. Class 4.....	0				0	0	0	0
12. Class 5.....	0				0	0	0	0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	800,006,418	108,218,358	131,423,913	(1,420,112)	800,006,418	775,380,754	0	805,818,286

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....65,170,382 ; NAIC 2 \$ ..... ;  
NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

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**SCHEDULE DA - PART 1**

## Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	65,170,382	XXX	65,170,382		

**SCHEDULE DA - VERIFICATION**

## Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	33,499,507	24,277,386
2. Cost of short-term investments acquired .....	170,286,469	354,835,397
3. Accrual of discount .....	18,206	7,375
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....	60	(3,105)
6. Deduct consideration received on disposals .....	138,628,910	345,574,578
7. Deduct amortization of premium.....	4,950	16,048
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		26,920
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	65,170,382	33,499,507
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	65,170,382	33,499,507

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

**SCHEDULE E - VERIFICATION**

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	2,999,214	0
2. Cost of cash equivalents acquired .....		93,983,481
3. Accrual of discount .....	786	20,550
4. Unrealized valuation increase (decrease) .....		0
5. Total gain (loss) on disposals.....		(6,241)
6. Deduct consideration received on disposals .....	3,000,000	90,998,403
7. Deduct amortization of premium .....		0
8. Total foreign exchange change in book/adjusted carrying value .....		0
9. Deduct current year's other than temporary impairment recognized .....		173
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	0	2,999,214
11. Deduct total nonadmitted amounts .....		0
12. Statement value at end of current period (Line 10 minus Line 11)	0	2,999,214

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

**STATEMENT AS OF JUNE 30, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Special Revenue</b>									
38376G-WH-9	GNR 2010-132 AD		04/27/2011	J.P. MORGAN		5,009,375	5,000,000	437	1
3199999	Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions					5,009,375	5,000,000	437	XXX
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
949746-QU-8	WELLS FARGO & COMPANY		04/07/2011	WELLS FARGO SECURITIES LLC		1,012,870	1,000,000	2,757	1FE
74040K-AC-6	PREFERRED TERM SECS 11	F	06/01/2011	CAPITALIZED INTEREST		2,503	2,503		6FE
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)					1,015,373	1,002,503	2,757	XXX
8399997	Subtotals- Bonds - Part 3					6,024,748	6,002,503	3,194	XXX
8399999	Subtotals - Bonds					6,024,748	6,002,503	3,194	XXX
<b>Common Stocks - Industrial and Miscellaneous</b>									
110122-10-8	BRISTOL-MYERS SQUIBB CO		05/12/2011	CLASS ACTION	1.000				L
111320-10-7	BROADCOM CORP-CL A		05/17/2011	CLASS ACTION	1.000				L
49455P-10-1	KINDER MORGAN INC		05/20/2011	CLASS ACTION	1.000				L
91324P-10-2	UNITEDHEALTH GROUP INC		05/03/2011	CLASS ACTION	1.000				L
<b>9999999 Totals</b>						6,024,748	XXX	3,194	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....

E04

STATEMENT AS OF JUNE 30, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										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's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Governments</b>																					
31359M-JH-7	FANNIE MAE		05/15/2011	MATURITY		550,000	550,000	569,421	561,570		(11,570)		(11,570)		550,000				16,500	05/15/2011	1
3137EA-BF-5	FREDDIE MAC		04/11/2011	PRIOR YEAR INCOME															8,125	02/25/2011	1
912828-DC-1	US TREASURY N/B		04/27/2011	BANK AMERICA		1,154,262	1,050,000	1,136,379	1,122,839		(6,019)		(6,019)		1,116,820		37,442	37,442	20,710	11/15/2014	1
912828-FD-7	US TREASURY N/B		05/02/2011	VARIOUS		1,000,000	1,000,000	1,015,120	1,015,120		(15,120)		(15,120)		1,000,000				24,375	04/30/2011	1
912828-GH-7	US TREASURY N/B		04/27/2011	BANK AMERICA		1,559,623	1,390,000	1,510,865	1,498,750		(5,391)		(5,391)		1,493,359		66,265	66,265	45,641	02/15/2017	1
912828-GS-3	US TREASURY N/B		04/27/2011	BANK AMERICA		1,203,778	1,080,000	1,163,784	1,155,748		(3,575)		(3,575)		1,152,173		51,605	51,605	22,555	05/15/2017	1
912828-KF-6	US TREASURY N/B		04/27/2011	BANK AMERICA		1,610,745	1,575,000	1,559,989	1,562,797		1,239		1,239		1,564,036		46,709	46,709	19,821	02/28/2014	1
<b>0599999 - Bonds - U.S. Governments</b>						7,078,408	6,645,000	6,955,558	6,916,824	0	(40,436)	0	(40,436)	0	6,876,388	0	202,021	202,021	157,727	XXX	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>																					
100340-BM-9	BÜSSIER PUB TR FING AUTH LA SI		06/01/2011	CALLED BY ISSUER at 100.000		5,000	5,000	5,038	5,000						5,000				200	08/01/2015	1Z
167592-VN-1	CHICAGO ILL O HARE INTL ARPT R		06/09/2011	CALLED BY ISSUER at 101.000		555,500	550,000	558,921	553,696		1,804		1,804		555,500				28,401	01/01/2015	1FE
207904-DP-5	CONNECTICUT ST ARPT REV		04/01/2011	CALLED BY ISSUER at 101.000		151,500	150,000	110,622	111,719		39,781		39,781		151,500				3,844	10/01/2031	1FE
3126MB-VP-9	FG 613122		06/01/2011	MBS PAYMENT		259,659	259,659	253,573	258,587		1,072		1,072		259,659				5,331	10/01/2022	1
3128PK-7A-6	FG J08089		06/01/2011	MBS PAYMENT		446,667	446,667	445,690	446,667		100		100		446,667				10,119	12/01/2022	1
3128PK-XM-1	FG J07884		06/01/2011	MBS PAYMENT		285,065	285,065	285,065	285,065						285,065				6,438	11/01/2022	1
3133XB-G7-4	FHLB 6A-2012 1		06/25/2011	MBS PAYMENT		2,051	2,051	2,134	2,076		(25)		(25)		2,051				42	04/25/2012	1
3133XF-JY-3	FEDERAL HOME LOAN BANK		06/10/2011	MATURITY		1,000,000	1,000,000	1,032,810	1,020,882		(20,882)		(20,882)		1,000,000				26,250	06/10/2011	1
31349U-B3-1	FH 782758		06/15/2011	VARIOUS		42,313	42,313	44,591	42,715		(401)		(401)		42,313				1,181	11/01/2013	1
31393U-UC-5	FNR 2003-134 ME		06/01/2011	MBS PAYMENT		1,870	1,870	1,928	1,876		(7)		(7)		1,870				34	01/01/2019	1
31395R-AR-9	FHRR R001 AE		06/01/2011	MBS PAYMENT		6,005	6,005	6,117	6,082		(77)		(77)		6,005				108	01/01/2012	1
31396E-E3-0	FHR 3059 CB		06/01/2011	MBS PAYMENT		1,350,239	1,350,239	1,366,273	1,351,592		(1,354)		(1,354)		1,350,239				28,036	07/01/2012	1
31396E-2U-9	FHR 3053 OD		06/01/2011	MBS PAYMENT		821,015	821,015	834,869	821,907		(892)		(892)		821,015				12,663	09/01/2012	1
31396E-G7-0	FHRR R004 AL		06/01/2011	MBS PAYMENT		12,477	12,477	12,699	12,604		(127)		(127)		12,477				263	02/01/2012	1
31396U-3A-6	FHRR R008 FK		06/15/2011	MBS PAYMENT		8,624	8,624	8,599	8,615		9		9		8,624				23	07/15/2014	1
31396X-CV-4	FNR 2007-79 MA		06/01/2011	MBS PAYMENT		1,081,191	1,081,191	1,103,744	1,083,035		(1,844)		(1,844)		1,081,191				24,272	01/01/2012	1
31397B-M0-1	FHRR R009 AJ		06/01/2011	MBS PAYMENT		8,841	8,841	9,160	8,949		(109)		(109)		8,841				207	04/01/2013	1
31397E-MK-8	FHR 3262 PA		06/01/2011	MBS PAYMENT		936,540	936,540	955,563	940,287		(3,747)		(3,747)		936,540				20,860	08/01/2011	1
31397N-FZ-3	FNR 2009-17 DA		06/01/2011	MBS PAYMENT		11,638	11,638	11,768	11,665		(28)		(28)		11,638				253	07/01/2015	1
314020-ZE-4	FN 735241		06/01/2011	MBS PAYMENT		2,584	2,584	2,670	2,591		(6)		(6)		2,584				30	12/01/2034	1
31403B-PC-1	FN 743919		06/01/2011	MBS PAYMENT		5,532	5,532	5,825	5,557		(25)		(25)		5,532				114	06/01/2018	1
31403D-RH-4	FN 745788		06/01/2011	MBS PAYMENT		87,689	87,689	91,630	87,655		34		34		87,689				2,162	01/01/2036	1
31403D-YZ-9	FN 745932		06/01/2011	MBS PAYMENT		7,329	7,329	7,965	7,377		(47)		(47)		7,329				190	12/01/2035	1
31404Y-Y6-9	FN 780233		06/01/2011	MBS PAYMENT		31,017	31,017	32,607	31,250		(233)		(233)		31,017				591	08/01/2018	1
31405H-6L-7	FN 790275		06/01/2011	MBS PAYMENT		562	562	583	563		(1)		(1)		562				6	08/01/2034	1
31405R-CR-5	FN 796880		06/01/2011	MBS PAYMENT		14,415	14,415	15,154	14,523		(108)		(108)		14,415				280	06/01/2019	1
31410K-JY-1	FN 889579		06/01/2011	MBS PAYMENT		40,100	40,100	42,664	40,363		(263)		(263)		40,100				987	03/01/2037	1
31410R-6J-3	FN 889573		06/01/2011	MBS PAYMENT		41,037	41,037	43,056	41,109		(72)		(72)		41,037				1,060	05/01/2036	1
31411Y-DP-5	FN 918210		06/01/2011	MBS PAYMENT		12	12	12	12						12					05/01/2017	1
31412W-SD-1	FN 929416		06/01/2011	MBS PAYMENT		11,395	11,395	12,118	11,467		(72)		(72)		11,395				272	11/01/2037	1
31414D-UF-1	FN 963282		06/01/2011	MBS PAYMENT		235,251	235,251	231,465	234,802		449		449		235,251				4,907	01/01/2023	1
31416J-PH-8	FN AA1323		06/01/2011	MBS PAYMENT		40,039	40,039	43,574	40,621		(582)		(582)		40,039				931	05/01/2031	1
31417Y-T7-2	FN MA0573		06/01/2011	MBS PAYMENT		19,400	19,400	19,478	19,408		(9)		(9)		19,400				287	08/01/2025	1
341080-AS-8	FLORIDA PORTS FING COMMN REV		06/27/2011	VARIOUS		250,000	250,000	250,000	249,980		30	10	20		250,000				7,689	06/01/2027	2FE
341080-BG-3	FLORIDA PORTS FING COMMN REV		06/13/2011	CALLED BY ISSUER at 100.500		2,010,000	2,000,000	2,027,860	2,000,000		10,000		10,000		2,010,000				77,000	10/01/2012	1FE
38375P-M0-1	GNR 2008-9 PD		06/01/2011	MBS PAYMENT		395,184	395,184	388,268	394,782		402		402		395,184				6,653	04/01/2025	1
38375X-GH-1	GNR 2008-49 PB		06/01/2011	MBS PAYMENT		219,466	219,466	220,254	219,485		(20)		(20)		219,466				4,353	11/01/2037	1
759911-02-9	REGIONAL TRANSN AUTH ILL		06/01/2011	VARIOUS		5,400,000	5,400,000	5,400,922	5,402,315		(1,669)	646	(2,315)		5,400,000				80,433	06/01/2011	1Z
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>						15,797,207	15,780,207	15,885,269	15,776,779	0	21,081	656	20,425	0	15,797,207	0	0	0	356,376	XXX	XXX
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																					
02660Y-AU-6	AHM 2006-2 3A2		06/01/2011	MBS PAYMENT		5,129	5,129	3,159	3,159						3,159		1,970	1,970	124	06/01/2036	1Z*
05948X-6S-5	BOAMS 2004-5 2A1		06/01/2011	MBS PAYMENT		56,732	56,732	47,654	54,245		2,487		2,487		56,732				1,333	06/01/2012	1Z*
05950T-AC-9	BOAMS 2006-B 2A1		06/01/2011	MBS PAYMENT		28,568	28,568	22,186	22,186						22,186		6,381	6,381	896	09/01/2040	1Z*
125430-AB-4	CWHL 2006-11 1A2		06/01/2011	MBS PAYMENT		5,109	5,109	2,158	2,158						2,158		2,951	2,951	131	11/01/2011	6Z*
126685-CZ-7	CWHL 2006-S1 A2		06/01/2011	MBS PAYMENT		9,049	11,195	8,138	8,138						8,138		910	910	239	09/01/2014	1Z*
12668B-TJ-2	CWALT 2006-J2 A6		06/01/2011	MBS PAYMENT		11,147	11,147	9,307	9,307						9,307		1,840	1,840	269	04/01/2036	

STATEMENT AS OF JUNE 30, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										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's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
16132N-AW-6	CHARTER ONE BANK NA		04/26/2011	MATURITY		250,000	250,000	255,938	252,908		(2,908)		(2,908)		250,000			.0	6,875	04/26/2011	1FE
16162W-AL-3	CHASE 2003-S10 A1		06/01/2011	MBS PAYMENT		37,300	37,300	37,848	37,419		(119)		(119)		37,300			.0	743	10/01/2018	12*
16162W-BZ-1	CHASE 2003-S12 2A1		06/01/2011	MBS PAYMENT		10,483	10,483	10,637	10,505		(22)		(22)		10,483			.0	221	11/01/2018	12*
172973-A6-6	CMS1 2004-5 2A6		06/01/2011	MBS PAYMENT		57,023	57,023	53,209	56,251		771		771		57,023			.0	1,061	08/01/2019	12*
173105-AC-1	CMS1 2007-1 1A3		06/01/2011	MBS PAYMENT		86,491	86,491	81,361	81,361		.0		.0		81,361		5,129	5,129	2,048	01/01/2037	12*
22541S-GM-4	CSFB 2004-3 2A1		06/01/2011	MBS PAYMENT		48,752	48,752	48,981	48,788		(36)		(36)		48,752			.0	1,007	03/01/2019	12*
225458-XS-2	CSFB 2005-6 3A1		06/01/2011	MBS PAYMENT		7,522	7,522	7,450	7,508		14		14		7,522			.0	142	05/01/2020	12*
26442C-AF-1	DUKE ENERGY CAROLINAS		06/28/2011	CITIGROUP GLOBAL MARKETS		6,551,065	5,900,000	6,261,316	6,128,514		(37,421)		(37,421)		6,091,093		459,973	459,973	211,089	11/15/2013	1FE
278058-DF-6	EATON CORP.		06/28/2011	HSBC SECURITIES LIMITED		5,377,450	5,000,000	4,901,350	4,912,753		17,184		17,184		4,929,937		447,513	447,513	152,444	05/15/2013	1FE
34528B-AD-9	FORDO 2008-A A3A		06/15/2011	MBS PAYMENT		291,588	291,588	281,646	288,941		2,647		2,647		291,588			.0	4,720	06/15/2011	1FE
36158Y-FS-3	GECMC 2002-2A A2		06/01/2011	MBS PAYMENT		18,626	18,626	19,217	18,798		(173)		(173)		18,626			.0	336	01/01/2012	12*
36185N-4M-9	GMACM 2004-J4 A8		06/01/2011	MBS PAYMENT		12,333	12,333	11,440	12,121		213		213		12,333			.0	333	03/01/2012	12*
3622MW-AN-3	GSR 2007-3F 3A2		06/01/2011	MBS PAYMENT		79,090	79,090	70,576	70,343		.0		.0		70,343		8,747	8,747	1,862	05/01/2037	12*
36242D-QY-2	GSR 2004-15F 2A2		06/01/2011	MBS PAYMENT		5,330	5,330	4,151	5,243		87		87		5,330			.0	111	11/01/2034	12*
477874-AC-5	JDOT 2009-A A3		06/01/2011	MBS PAYMENT		471,938	471,938	477,722	475,393		(3,455)		(3,455)		471,938			.0	4,900	02/15/2012	1FE
57643M-DE-1	MASTR 2004-6 4A1		06/01/2011	MBS PAYMENT		57,608	57,608	58,417	57,737		(129)		(129)		57,608			.0	1,257	08/01/2018	12*
59022H-JH-6	MLMT 2005-C1P1 A2		06/01/2011	MBS PAYMENT		1,217	1,217	1,236	1,231		(4)		(4)		1,217			.0	28	08/01/2012	12*
65475V-AC-4	NAROT 2009-1 A3		06/15/2011	MBS PAYMENT		444,708	444,708	456,237	450,593		(5,886)		(5,886)		444,708			.0	9,154	06/15/2012	1FE
66880R-AA-0	NORVELL CONWAY LLC		06/15/2011	SINK		13,966	13,966	10,723	13,693		273		273		13,966			.0	395	12/15/2018	2Z
66987X-GV-1	NHEL 2005-3 A2C		06/25/2011	MBS PAYMENT		5,347	5,347	5,137	5,251		96		96		5,347			.0	11	10/25/2012	12*
693401-AG-6	PERF 2005-2 A2		06/25/2011	MBS PAYMENT		132,538	132,538	136,630	135,077		(2,539)		(2,539)		132,538			.0	3,333	03/25/2012	1FE
741933-AE-5	PRIME PROPERTY FNDG ILL		06/15/2011	MATURITY		5,000,000	5,000,000	4,427,250	4,619,442		380,558		380,558		5,000,000			.0	140,000	06/15/2011	2FE
74254P-ZC-9	PRINCIPAL LIFE INC FDG		06/17/2011	MATURITY		700,000	700,000	717,143	709,988		(9,988)		(9,988)		700,000			.0	17,925	06/17/2011	1FE
742718-DM-8	PROCTER & GAMBLE CO/THE		06/28/2011	BANK AMERICA		6,328,222	5,900,000	5,891,241	5,895,675		448		448		5,896,124		432,098	432,098	180,114	02/15/2015	1FE
761118-TB-4	RALI 2006-QA1 A21		06/01/2011	MBS PAYMENT		1,808	1,808	2,244	2,244		.0		.0		2,244		(436)	(436)	69	01/01/2036	12*
76111X-ZC-0	RFMSI 2005-SA5 3A		06/01/2011	MBS PAYMENT		44,998	50,963	38,031	37,846		.0		.0		37,846		7,153	7,153	1,018	09/01/2032	12*
86359L-TB-5	SAMI 2006-AR1 1A2		06/25/2011	MBS PAYMENT		146	146	34	34		.0		.0		34		112	112	112	08/25/2016	12*
913017-BM-0	UNITED TECHNOLOGIES CORP.		06/28/2011	MIZUHO SECURITIES		4,057,725	3,500,000	3,531,360	3,524,310		(1,448)		(1,448)		3,522,862		534,863	534,863	101,378	12/15/2017	1FE
929160-AJ-8	VULCAN MATERIALS		06/17/2011	VARIOUS		2,991,262	2,750,000	2,691,353	2,697,981		9,043		9,043		2,707,024		284,238	284,238	8,439	06/15/2013	3FE
93364F-AC-5	WAMU 2007-HY7 2A1		06/01/2011	MBS PAYMENT		32,365	32,365	21,745	21,672		.0		.0		21,672		10,693	10,693	732	07/01/2037	12*
949758-AD-8	WFMS 2004-0 A1		06/01/2011	MBS PAYMENT		24,720	24,720	24,764	24,725		(5)		(5)		24,720			.0	513	07/01/2034	12*
94979X-AA-5	WFMS 2003-H A1		06/01/2011	MBS PAYMENT		32,825	32,825	31,805	32,687		139		139		32,825			.0	654	08/01/2033	12*
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>						44,162,109	41,531,965	41,191,884	41,269,128	0	346,984	13,428	333,556	0	41,602,686	0	2,559,423	2,559,423	1,169,273	XXX	XXX
<b>Bonds - Hybrid Securities</b>						718,357	747,191	448,315	448,315	0	0	0	0	0	448,315	0	270,042	270,042	23,500	06/15/2023	12*
<b>4899999 - Bonds - Hybrid Securities</b>						718,357	747,191	448,315	448,315	0	0	0	0	0	448,315	0	270,042	270,042	23,500	XXX	XXX
<b>8399997 - Subtotals - Bonds - Part 4</b>						67,756,081	64,704,363	64,481,026	64,411,046	0	327,629	14,084	313,545	0	64,724,596	0	3,031,486	3,031,486	1,706,876	XXX	XXX
<b>8399999 - Subtotals - Bonds</b>						67,756,081	64,704,363	64,481,026	64,411,046	0	327,629	14,084	313,545	0	64,724,596	0	3,031,486	3,031,486	1,706,876	XXX	XXX
<b>Common Stocks - Industrial and Miscellaneous (Unaffiliated)</b>						664	XXX	0	0	0	0	0	0	0	664	0	664	664	0	XXX	XXX
<b>9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)</b>						664	XXX	0	0	0	0	0	0	0	664	0	664	664	0	XXX	XXX
<b>9799997 - Subtotals - Common Stocks - Part 4</b>						664	XXX	0	0	0	0	0	0	0	664	0	664	664	0	XXX	XXX
<b>9799999 - Subtotals - Common Stocks</b>						664	XXX	0	0	0	0	0	0	0	664	0	664	664	0	XXX	XXX
<b>9899999 - Subtotals - Preferred and Common Stocks</b>						664	XXX	0	0	0	0	0	0	0	664	0	664	664	0	XXX	XXX
<b>9999999 Totals</b>						67,756,745	XXX	64,481,026	64,411,046	0	327,629	14,084	313,545	0	64,724,596	0	3,032,150	3,032,150	1,706,876	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**



STATEMENT AS OF JUNE 30, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

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

Show Investments Owned End of Current Quarter

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					0	0	0

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