



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2011
OF THE CONDITION AND AFFAIRS OF THE

TRIAD GUARANTY INSURANCE CORPORATION

NAIC Group Code 0421 , 0421 NAIC Company Code 24350 Employer's ID Number 56-1570971
(Current Period) (Prior Period)

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
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 101 South Stratford Road Winston-Salem, NC 27104 336-723-1282
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address Post Office Box 2300 , Winston-Salem, NC 27102-2300
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 101 South Stratford Road Winston-Salem, NC 27104 336-723-1282-1155
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.triadguaranty.com

Statutory Statement Contact Randall Keith Shields 336-723-1282-1155
(Name) (Area Code) (Telephone Number) (Extension)
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OFFICERS

Name	Title	Name	Title
<u>Kenneth Wayne Jones</u>	<u>CEO and Chief Financial Officer</u>	<u>Earl Franklin Wall</u>	<u>Secretary</u>
<u>Kenneth Stephen Dwyer</u>	<u>Chief Accounting Officer</u>		

OTHER OFFICERS

<u>Shirley Aldridge Gaddy</u>	<u>SVP</u>		
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DIRECTORS OR TRUSTEES

<u>Howard Anthony Davis</u>	<u>Kenneth Stephen Dwyer</u>	<u>Mark Raphael Goodman</u>	<u>Kenneth Wayne Jones</u>
<u>William Thomas Ratliff III</u>	<u>Jerome Francis Schutzbach</u>	<u>Earl Franklin Wall</u>	

State of North Carolina

County of Forsyth ss

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

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 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 SEPTEMBER 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	690,664,971		690,664,971	769,319,565
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	8,309,662		8,309,662	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 (\$ 64,667,191), cash equivalents (\$ 0) and short-term investments (\$ 32,616,576)	97,283,767		97,283,767	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	6,485		6,485	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)	796,264,885	0	796,264,885	853,285,181
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	7,384,140		7,384,140	8,027,403
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	11,958,078	520	11,957,557	12,609,842
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	25,680,704		25,680,704	14,772,375
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	3,524,823		3,524,823	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	1,158,454	1,109,753	48,701	73,573
21. Furniture and equipment, including health care delivery assets (\$)	142,785	142,785	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	45,995		45,995	43,795
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	3,772,693	3,716,746	55,947	37,424
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	849,932,558	4,969,804	844,962,754	911,466,484
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	849,932,558	4,969,804	844,962,754	911,466,484
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
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	1,376,924	1,376,924	0	0
2502. Accounts receivable	2,395,769	2,339,821	55,947	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)	3,772,693	3,716,746	55,947	37,424

STATEMENT AS OF SEPTEMBER 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 \$113,938,283)	481,945,812	565,786,910
2. Reinsurance payable on paid losses and loss adjustment expenses		0
3. Loss adjustment expenses	11,937,173	15,817,694
4. Commissions payable, contingent commissions and other similar charges	5,590	0
5. Other expenses (excluding taxes, licenses and fees)	12,057,734	13,793,107
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,167,191	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 \$74,304 and including warranty reserves of \$)	7,561,863	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)	1,507,813	1,909,420
13. Funds held by company under reinsurance treaties		0
14. Amounts withheld or retained by company for account of others	56,813,820	47,474,969
15. Remittances and items not allocated	482,630	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	30,894,817	29,474,514
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	604,374,441	685,536,758
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	604,374,441	685,536,758
29. Aggregate write-ins for special surplus funds	576,509,513	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)	(477,424,627)	(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)	240,588,313	225,929,726
38. Totals (Page 2, Line 28, Col. 3)	844,962,754	911,466,484
DETAILS OF WRITE-INS		
2501. Rescinded premium payable	30,894,817	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)	30,894,817	29,474,514
2901. Deferred Payment Obligation including carrying charges	576,509,513	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)	576,509,513	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
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 125,606,765)	127,027,959	176,022,006	219,112,249
1.2 Assumed (written \$ 138)	193	332	534
1.3 Ceded (written \$ 6,649,283)	6,653,252	15,959,240	18,775,902
1.4 Net (written \$ 118,957,620)	120,374,900	160,063,099	200,336,881
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 125,208,745):			
2.1 Direct	253,651,418	294,540,661	368,191,801
2.2 Assumed		0	
2.3 Ceded	9,714,181	22,699,884	22,713,254
2.4 Net	243,937,237	271,840,777	345,478,547
3. Loss adjustment expenses incurred	1,448,201	10,036,288	10,358,443
4. Other underwriting expenses incurred	13,199,070	21,652,839	29,777,443
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	258,584,508	303,529,904	385,614,433
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(138,209,608)	(143,466,805)	(185,277,552)
INVESTMENT INCOME			
9. Net investment income earned	9,809,740	22,044,310	26,462,859
10. Net realized capital gains (losses) less capital gains tax of \$	3,613,044	12,779,722	11,810,785
11. Net investment gain (loss) (Lines 9 + 10)	13,422,783	34,824,032	38,273,644
OTHER INCOME			
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	65,874	(37,209)	22,786
15. Total other income (Lines 12 through 14)	65,874	(37,209)	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)	(124,720,951)	(108,679,982)	(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)	(124,720,951)	(108,679,982)	(146,981,122)
19. Federal and foreign income taxes incurred		0	0
20. Net income (Line 18 minus Line 19)(to Line 22)	(124,720,951)	(108,679,982)	(146,981,122)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	225,929,726	122,814,126	122,814,125
22. Net income (from Line 20)	(124,720,951)	(108,679,982)	(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 \$	(1,869,325)	448,458	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	1,131,917	263,975,750	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	(20,735,071)	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	160,852,017	183,333,870	247,271,516
38. Change in surplus as regards policyholders (Lines 22 through 37)	14,658,587	72,010,433	103,115,601
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	240,588,313	194,824,559	225,929,726
DETAILS OF WRITE-INS			
0501.		0	0
0502.		0	0
0503.		0	0
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	65,874	(37,209)	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)	65,874	(37,209)	22,786
3701. Deferred Payment Obligation	160,852,017	183,333,870	247,271,516
3702. Increase in Contingency Reserve	(60,187,450)	(80,031,550)	(109,556,124)
3703. Decrease in Contingency Reserve	60,187,450	80,031,550	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)	160,852,017	183,333,870	247,271,516

STATEMENT AS OF SEPTEMBER 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
Cash from Operations			
1. Premiums collected net of reinsurance.....	110,106,922	128,019,865	166,021,468
2. Net investment income	25,750,977	26,934,947	36,840,754
3. Miscellaneous income	65,874	9,248	35,158
4. Total (Lines 1 to 3)	135,923,772	154,964,060	202,897,380
5. Benefit and loss related payments	198,865,337	66,978,582	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	14,611,132	17,564,235	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)	(1,179,853)	(1,179,853)
10. Total (Lines 5 through 9)	201,769,491	83,362,964	169,702,513
11. Net cash from operations (Line 4 minus Line 10)	(65,845,719)	71,601,096	33,194,866
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	170,605,913	373,684,936	434,704,823
12.2 Stocks	1,593	20,444	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	(2,138)	(36,338)	(36,439)
12.7 Miscellaneous proceeds	35,330	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	170,640,697	373,669,042	434,688,828
13. Cost of investments acquired (long-term only):			
13.1 Bonds	90,431,105	452,667,724	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	24,139	41,815
13.7 Total investments acquired (Lines 13.1 to 13.6)	90,431,105	452,691,863	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)	80,209,593	(79,022,821)	(33,604,265)
Cash from Financing and Miscellaneous Sources			
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).....	9,175,080	25,142,598	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).....	9,175,080	25,142,598	30,881,136
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	23,538,954	17,720,873	30,471,738
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	73,744,813	43,273,075	43,273,075
19.2 End of period (Line 18 plus Line 19.1)	97,283,767	60,993,948	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.

	2011
Net income, Illinois basis	\$ (124,720,949)
State prescribed practice (incurred losses)	
Change in direct loss reserves	62,306,123
Net income, NAIC SAP	\$ (62,414,826)
Statutory surplus, Illinois basis	\$ 240,588,313
State prescribed practices (surplus)	
Loss reserves	(340,840,840)
Deferred payment obligation	(576,509,513)
Statutory surplus, NAIC SAP	\$(676,762,040)

- b. No change from year-end 2010.
c. No change from year-end 2010.

2. Accounting Changes and Corrections of Errors

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

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

3. Business Combinations and Goodwill

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.

NOTES TO FINANCIAL STATEMENTS

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.

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 \$3,273,679.
- (11) There was no interest paid in the current year on the Company's surplus note. At September 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.

NOTES TO FINANCIAL STATEMENTS

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.

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 September 30, 2011 based upon credit ratings was as follows:

		As % of total
Prime	\$553,543,904	59.0%
Alt -A	341,496,291	36.5%
A-Minus	35,723,467	3.8%
Subprime (A)	6,737,729	0.7%
Total	\$937,501,391	100%

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

	Total	Subprime	Subprime as % of Total
Losses Paid	\$369,509,825	\$1,976,052	0.53%
Case Reserves	\$937,501,391	\$6,737,729	0.72%
Incurred Losses	\$109,977,605	\$2,202,318	2.00%

(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

- a. Account changes since year-end 2010 are not significant in either amount or composition.
- b. No change from year-end 2010.
- c. Account changes since year-end 2010 are not significant in either amount or composition.
- d. The Company has written off in the current year reinsurance balances due from the companies listed below of \$35,212, which is reflected as:

(1) Losses incurred	\$ -
(2) Loss adjustment expenses incurred	\$ -
(3) Premiums earned	\$ -
(4) Other	\$ -
(5) Company	Amount
Chase Home Mortgage	\$ 35,212

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

(1) Losses incurred	\$ -
(2) Loss adjustment expenses incurred	\$ -
(3) Premiums earned	\$ -
(4) Other	\$ -
(5) Company	Amount
Bank of America	\$6,319,018
DRH FS Mortgage Re. LTD	\$ 12
UGMP Reinsurance LTD.	\$ 41,822

- f. No change from year-end 2010.
- g. 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

Loss and LAE reserves as of December 31, 2010 were \$581.6 million, but were restated to \$602.3 million due to a change in the method of calculating the reserve (see Note 2). As of September 30, 2011, \$342.1 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 \$378.0 million as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$117.8 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 [X]
- 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 [X]
- 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 [X]
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 [X]
- 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	2	3
Name of Entity	NAIC Company Code	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 [X]
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 [X] No [] NA []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] 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 [X] 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 [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 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	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	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: \$0

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	\$8,309,662
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	\$8,309,662
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:

.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] NA [X]
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
 If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto.

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
TOTAL			0	0	0	0	0	0	0	0

5. Operating Percentages:

5.1 A&H loss percent %
 5.2 A&H cost containment percent %
 5.3 A&H expense percent excluding cost containment expenses %

6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date \$ _____

6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

6.4 If yes, please provide the balance of the funds administered as of the reporting date \$ _____

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)
NONE				

STATEMENT AS OF SEPTEMBER 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	415,380	493,672	831,411	559,810	986,950	1,146,539
2. Alaska	AK	L		0		0		0
3. Arizona	AZ	L	2,408,214	3,274,322	22,341,747	22,751,943	10,472,807	17,106,259
4. Arkansas	AR	L	798,719	1,022,366	1,697,230	1,623,482	1,290,129	1,597,769
5. California	CA	L	29,077,282	35,913,560	75,835,415	72,505,864	147,843,670	164,516,678
6. Colorado	CO	L	1,794,028	9,369,969	6,978,310	15,192,962	9,130,594	16,773,791
7. Connecticut	CT	L	307,212	356,558	149,081	278,515	852,374	983,367
8. Delaware	DE	L	92,215	110,010	25,540	0	156,724	146,584
9. District of Columbia	DC	L	21,457,517	22,130,806	84,944,786	106,243,631	83,736,920	133,016,308
10. Florida	FL	L	4,218,433	5,966,989	15,389,227	17,269,519	33,345,760	37,507,037
11. Georgia	GA	L	2,441,511	3,073,020	5,480,224	4,947,124	5,763,290	6,522,962
12. Hawaii	HI	L	5,615	11,743		0	578	7,551
13. Idaho	ID	L	26,438	38,100	58,177	0	4,480	42,703
14. Illinois	IL	L	3,147,622	3,958,086	7,160,983	7,307,079	14,877,510	16,333,425
15. Indiana	IN	L	436,819	617,201	810,317	870,438	864,591	1,007,599
16. Iowa	IA	L	54,971	77,136	27,026	92,590	80,265	61,663
17. Kansas	KS	L	245,799	319,218	544,446	474,043	411,269	599,309
18. Kentucky	KY	L	1,146,685	1,450,262	1,007,900	1,331,676	2,368,381	2,555,329
19. Louisiana	LA	L	190,075	211,363	95,853	101,668	371,133	296,313
20. Maine	ME	L		0		0		0
21. Maryland	MD	L	1,072,463	1,469,979	2,872,277	2,904,474	4,465,608	5,152,866
22. Massachusetts	MA	L	630,466	841,492	1,319,287	2,245,244	2,224,658	2,867,827
23. Michigan	MI	L	2,370,070	2,891,899	5,013,399	6,058,342	6,920,107	8,051,330
24. Minnesota	MN	L	20,556,237	27,614,450	70,009,110	75,163,372	79,670,188	101,792,340
25. Mississippi	MS	L	183,696	235,949	549,918	305,601	258,423	389,132
26. Missouri	MO	L	390,897	478,721	299,534	457,644	450,965	489,227
27. Montana	MT	L	6,392	13,658		0	3,136	1,034
28. Nebraska	NE	L	2,184	2,367		0	225	179
29. Nevada	NV	L	442,308	753,679	4,150,661	3,014,907	2,843,841	4,243,957
30. New Hampshire	NH	L	13,063	38,554		0	21,082	37,817
31. New Jersey	NJ	L	2,008,639	2,296,114	1,772,635	1,863,087	9,947,882	9,173,534
32. New Mexico	NM	L	228,878	271,630	225,239	404,972	642,631	766,034
33. New York	NY	L	732,551	943,066	274,203	1,075,830	5,927,961	5,669,634
34. North Carolina	NC	L	4,514,833	5,593,222	5,122,330	6,003,805	10,891,758	11,096,459
35. North Dakota	ND	L		0		0		0
36. Ohio	OH	L	1,829,299	2,196,027	2,936,538	4,105,746	5,826,378	6,121,650
37. Oklahoma	OK	L	1,553,419	1,958,642	981,554	1,433,773	1,770,112	1,480,689
38. Oregon	OR	L	322,649	383,243	794,723	628,928	949,091	696,562
39. Pennsylvania	PA	L	1,508,452	1,890,616	2,031,594	1,815,924	3,819,371	3,720,469
40. Rhode Island	RI	L	100,760	113,160	299,699	78,863	574,888	497,098
41. South Carolina	SC	L	2,580,285	3,051,089	3,023,080	3,840,601	6,936,241	6,755,561
42. South Dakota	SD	L	5,812	11,918		0	14,359	903
43. Tennessee	TN	L	1,243,106	1,541,576	1,260,702	1,849,490	2,427,094	2,180,448
44. Texas	TX	L	10,212,328	24,516,148	22,044,289	46,078,049	35,256,728	81,817,116
45. Utah	UT	L	278,687	348,342	996,623	1,040,399	773,978	917,644
46. Vermont	VT	L		0		0		0
47. Virginia	VA	L	3,652,881	5,128,065	18,279,855	28,136,899	13,599,153	24,537,032
48. Washington	WA	L	385,286	472,175	612,363	655,385	1,231,105	1,175,960
49. West Virginia	WV	L	165,972	210,686		16,973	145,776	211,600
50. Wisconsin	WI	L	275,532	305,192	389,757	879,747	1,076,655	973,429
51. Wyoming	WY	L	75,088	99,947		167,003	34,439	109,145
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		125,606,765	174,065,991	368,637,046	441,775,400	511,261,260	681,147,864
DETAILS OF WRITE-INS								
5801.	XXX			0		0		0
5802.	XXX			0		0		0
5803.	XXX			0		0		0
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	127,027,959	253,651,418	199.7	167.3
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	127,027,959	253,651,418	199.7	167.3
DETAILS OF WRITE-INS				
3401.			0.0	0.0
3402.			0.0	0.0
3403.			0.0	0.0
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	50,270,260	125,606,765	174,065,990
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	50,270,260	125,606,765	174,065,990
DETAILS OF WRITE-INS			
3401.	0		0
3402.	0		0
3403.	0		0
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 SEPTEMBER 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	61,516		61,516	46,175			46,175	(12,808)	0	(12,808)
2. 2009	380,249	1,229	381,477	151,135		151,135	166,475			166,475	(62,638)	(1,229)	(63,867)
3. Subtotals 2009 + prior	500,747	1,229	501,976	212,651	0	212,651	212,650	0	0	212,650	(75,446)	(1,229)	(76,674)
4. 2010	82,582	17,782	100,364	129,449		129,449	164,181		1,219	165,400	211,048	(16,563)	194,485
5. Subtotals 2010 + prior	583,329	19,011	602,340	342,101	0	342,101	376,831	0	1,219	378,050	135,602	(17,792)	117,811
6. 2011	XXX	XXX	XXX	XXX	11,741	11,741	XXX	104,862	10,971	115,833	XXX	XXX	XXX
7. Totals	583,329	19,011	602,340	342,101	11,741	353,842	376,831	104,862	12,190	493,883	135,602	(17,792)	117,811
8. Prior Year-End Surplus As Regards Policyholders	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. 23.2	2. (93.6)	3. 19.6
													Col. 13, Line 7 Line 8
													4. 52.1

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

OVERFLOW PAGE FOR WRITE-INS

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
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation		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
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0
10. Deduct current year's other than temporary impairment recognized		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
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
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		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	90,431,105	468,251,278
3. Accrual of discount	1,371,379	2,490,958
4. Unrealized valuation increase (decrease)	(1,869,326)	3,385,779
5. Total gain (loss) on disposals	6,102,889	16,424,088
6. Deduct consideration for bonds and stocks disposed of	170,607,506	434,725,267
7. Deduct amortization of premium	3,464,753	3,089,642
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized	2,487,708	4,564,236
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	698,974,633	779,498,553
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	698,974,633	779,498,553

STATEMENT AS OF SEPTEMBER 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
BONDS								
1. Class 1 (a).....	749,389,951	118,137,743	172,045,658	(2,349,082)	761,819,505	749,389,951	693,132,953	774,435,498
2. Class 2 (a).....	23,610,231	11,618,826	7,535,297	1,568	32,890,309	23,610,231	27,695,328	28,802,898
3. Class 3 (a).....	1,267,348			76,923	3,968,255	1,267,348	1,344,271	1,264,034
4. Class 4 (a).....	0		1,432	36,937	0	0	35,506	0
5. Class 5 (a).....	1,066,712			4,275	1,061,886	1,066,712	1,070,987	1,057,854
6. Class 6 (a).....	46,512			(44,009)	266,463	46,512	2,503	258,002
7. Total Bonds	775,380,753	129,756,569	179,582,387	(2,273,389)	800,006,418	775,380,753	723,281,547	805,818,286
PREFERRED STOCK								
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	775,380,753	129,756,569	179,582,387	(2,273,389)	800,006,418	775,380,753	723,281,547	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 \$32,616,576 ; NAIC 2 \$0 ;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$0 ; 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	32,616,576	XXX	32,616,576		3,278

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	223,178,046	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	224,064,333	345,574,578
7. Deduct amortization of premium.....	12,712	16,048
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....	2,198	26,920
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	32,616,576	33,499,507
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	32,616,576	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	19,998,254	93,983,481
3. Accrual of discount	2,532	20,550
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals.....		(6,241)
6. Deduct consideration received on disposals	23,000,000	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 SEPTEMBER 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	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous (Unaffiliated)									
03064R-AB-3	AMCAR 2011-4 A2		09/08/2011	J.P. MORGAN		999,939	1,000,000		1FE
054303-AT-9	AVON PRODUCTS INC.		09/13/2011	CITIGROUP GLOBAL MARKETS		1,795,491	1,707,000	3,414	2FE
216871-AB-9	COOPER US INC.		07/21/2011	WELLS FARGO SECURITIES LLC		5,821,640	5,500,000	56,948	1FE
233851-AE-4	DAIMLER FINANCE NA LLC		09/07/2011	DEUTSCHE BANK		3,000,000	3,000,000		1FE
244217-BK-0	JOHN DEERE CAPITAL CORP.		09/06/2011	US BANCORP INVESTMENTS INC.		2,414,554	2,277,000	17,419	1FE
34529R-AB-7	FORDO 2011-B A2		07/19/2011	CITIGROUP GLOBAL MARKETS		699,958	700,000		1FE
38143U-AB-7	GOLDMAN SACHS GROUP INC.		07/12/2011	JEFFERIES & CO		4,304,160	4,000,000		1FE
41283N-AB-7	HDMOT 2011-1 A2A		08/04/2011	CITIGROUP GLOBAL MARKETS		999,921	1,000,000		1FE
441812-KA-1	HSBC FINANCE CORP.		07/18/2011	MORGAN STANLEY		5,344,450	5,000,000	47,813	1FE
487836-AZ-1	KELLOGG CO.		09/13/2011	STIFEL NICOLAUS & CO.		1,840,895	1,750,000	25,661	1FE
617446-V8-9	MORGAN STANLEY		07/15/2011	BNP PARIBUS SECURITIES		2,891,378	2,750,000	61,493	1FE
65475H-AB-7	NALT 2011-A A2A		07/14/2011	J.P. MORGAN		2,324,973	2,325,000		1FE
724479-AF-7	PITNEY BOWES INC.		09/06/2011	JEFFERIES & CO.		5,177,150	5,000,000	101,493	2FE
75953M-AD-2	CNP 2001-1 A4		09/07/2011	BARCLAYS AMERICAN		4,528,264	4,298,879	118,997	1FE
87612E-AW-6	TARGET CORP.		07/13/2011	BARCLAYS AMERICAN		499,910	500,000		1FE
949746-NW-7	WELLS FARGO & COMPANY		07/20/2011	WELLS FARGO SECURITIES LLC		1,582,065	1,500,000	20,125	1FE
73755L-AC-1	POTASH CORP-SASKATCHEWAN	A	09/13/2011	CITIGROUP GLOBAL MARKETS		1,057,320	1,000,000	2,031	2FE
878742-AD-7	TECK RESOURCES LIMITED	A	07/21/2011	DEUTSCHE BANK		3,588,865	3,387,000	86,274	2FE
2515A0-NY-5	DEUTSCHE BANK AG LONDON	F	07/13/2011	DEUTSCHE BANK		2,870,559	2,700,000	21,206	1FE
65557C-AE-3	NORDEA BANK AB	F	07/19/2011	VARIOUS		5,125,247	5,035,000	24,126	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						56,866,738	54,429,879	587,000	XXX
8399997 - Subtotals- Bonds - Part 3						56,866,738	54,429,879	587,000	XXX
8399999 - Subtotals - Bonds						56,866,738	54,429,879	587,000	XXX
Common Stocks - Industrial and Miscellaneous									
749121-10-9	QWEST COMMUNICATIONS INTL		07/06/2011	CLASS ACTION	1.000				L
9999999 Totals						56,866,738	XXX	587,000	XXX

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

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STATEMENT AS OF SEPTEMBER 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)
Bonds - U.S. Governments																					
313461-LJ-1	FREDDIE MAC		07/14/2011	CALLED BY ISSUER at 100.000		3,000,000	3,000,000	3,000,000	3,000,000				0		3,000,000			0	33,750	01/14/2013	1
0599999 - Bonds - U.S. Governments						3,000,000	3,000,000	3,000,000	3,000,000	0	0	0	0	0	3,000,000	0	0	0	33,750	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
04780M-BB-4	ATLANTA GA ARPT REV. CLARK CNTY NEV PASSENGER		08/15/2011	CALLED BY ISSUER at 100.500		1,206,000	1,200,000	1,206,954	1,205,332		668		668		1,206,000			0	75,750	01/01/2019	1FE
181006-DL-8	FAC C		07/01/2011	MATURITY		1,000,000	1,000,000	1,005,540	1,001,436		(1,436)		(1,436)		1,000,000			0	52,500	07/01/2011	1FE
3128MB-VP-9	FG 613122		09/01/2011	MBS PAYMENT		225,674	225,674	220,385	224,210		1,464		1,464		225,674			0	7,489	10/01/2022	1
3128PK-7A-6	FG J08089		09/01/2011	MBS PAYMENT		300,107	300,107	299,451	299,959		748		748		300,107			0	10,593	01/01/2023	1
3128PK-XM-1	FG J07884		09/01/2011	MBS PAYMENT		196,005	196,005	196,005	196,005		0		0		196,005			0	6,690	10/01/2022	1
3133XB-G7-4	FHLB 6A-2012 1		09/25/2011	MBS PAYMENT		2,224	2,224	2,313	2,271		(47)		(47)		2,224			0	74	04/25/2012	1
31349U-B3-1	FH 782758		09/15/2011	VARIOUS		29,412	29,412	30,995	29,912		(500)		(500)		29,412			0	1,201	11/01/2036	1
31393U-UC-5	FNR 2003-134 ME		09/01/2011	MBS PAYMENT		1,633	1,633	1,684	1,644		(11)		(11)		1,633			0	49	10/01/2018	1
31395R-AR-9	FHRR R001 AE		09/01/2011	MBS PAYMENT		6,177	6,177	6,291	6,306		(129)		(129)		6,177			0	180	10/01/2012	1
31396E-E3-0	FHR 3059 CB		09/01/2011	MBS PAYMENT		1,364,238	1,364,238	1,380,439	1,366,272		(2,034)		(2,034)		1,364,238			0	45,381	07/01/2012	1
31396E-2U-9	FHR 3053 OD		09/01/2011	MBS PAYMENT		808,294	808,294	821,934	809,253		(759)		(759)		808,294			0	11,101	10/01/2012	1
31396E-G7-0	FHRR R004 AL		09/01/2011	MBS PAYMENT		11,017	11,017	11,213	11,200		(183)		(183)		11,017			0	377	03/01/2012	1
31396U-3A-6	FHRR R008 FK		09/15/2011	MBS PAYMENT		7,223	7,223	7,201	7,212		11		11		7,223			0	30	03/15/2014	1
31396X-CV-4	FNR 2007-79 MA		09/01/2011	MBS PAYMENT		914,058	914,058	933,125	916,355		(2,297)		(2,297)		914,058			0	33,405	01/01/2012	1
31397B-MQ-1	FHRR R009 AJ		09/01/2011	MBS PAYMENT		8,303	8,303	8,602	8,471		(168)		(168)		8,303			0	321	02/01/2013	1
31397E-MK-8	FHR 3262 PA		08/01/2011	MBS PAYMENT		520,830	520,830	531,409	523,167		(2,338)		(2,338)		520,830			0	17,827	08/01/2011	1
31397N-FZ-3	FNR 2009-17 DA		09/01/2011	MBS PAYMENT		10,358	10,358	10,474	10,397		(38)		(38)		10,358			0	390	10/01/2015	1
31402Q-ZE-4	FN 735241		09/01/2011	MBS PAYMENT		202	202	209	203		(1)		(1)		202			0	3	12/01/2034	1
31403B-PC-1	FN 743919		09/01/2011	MBS PAYMENT		3,708	3,708	3,904	3,742		(33)		(33)		3,708			0	116	06/01/2018	1
31403D-RH-4	FN 745788		09/01/2011	MBS PAYMENT		64,982	64,982	67,902	65,418		(436)		(436)		64,982			0	2,217	12/01/2036	1
31403D-VZ-9	FN 745932		09/01/2011	MBS PAYMENT		5,574	5,574	6,058	5,635		(61)		(61)		5,574			0	243	12/01/2035	1
31404V-Y6-9	FN 780233		09/01/2011	MBS PAYMENT		18,138	18,138	19,068	18,386		(248)		(248)		18,138			0	545	07/01/2018	1
31405H-6L-7	FN 790275		09/01/2011	MBS PAYMENT		748	748	776	751		(3)		(3)		748			0	14	08/01/2034	1
31405R-CR-5	FN 796680		09/01/2011	MBS PAYMENT		15,665	15,665	16,468	15,834		(169)		(169)		15,665			0	492	06/01/2019	1
31410K-JY-1	FN 889579		09/01/2011	MBS PAYMENT		33,360	33,360	35,493	33,705		(345)		(345)		33,360			0	1,330	03/01/2037	1
31410R-GJ-3	FN 895573		09/01/2011	MBS PAYMENT		27,160	27,160	28,103	27,347		(187)		(187)		27,160			0	915	05/01/2036	1
31411V-DP-5	FN 918210		09/01/2011	MBS PAYMENT		2,279	2,279	2,288	2,288		(9)		(9)		2,279			0	76	05/01/2017	1
31412M-SD-1	FN 929416		09/01/2011	MBS PAYMENT		12,783	12,783	13,594	12,920		(137)		(137)		12,783			0	494	11/01/2037	1
31414D-UF-1	FN 963282		09/01/2011	MBS PAYMENT		258,022	258,022	253,869	257,358		863		863		258,022			0	8,738	01/01/2023	1
31416J-PH-8	FN A41323		09/01/2011	MBS PAYMENT		46,491	46,491	50,596	47,642		(1,151)		(1,151)		46,491			0	1,719	07/01/2031	1
31417Y-T7-2	FN MA0573		09/01/2011	MBS PAYMENT		39,703	39,703	39,863	39,729		(27)		(27)		39,703			0	927	08/01/2025	1
341080-AS-8	REV. FLORIDA PORTS FING COMM		03/31/2011	ADJUSTMENT				10	10		10		(10)					0		06/01/2027	2FE
38375P-MQ-1	GNR 2008-9 PD		09/01/2011	MBS PAYMENT		375,731	375,731	369,156	375,304		427		427		375,731			0	6,459	01/01/2025	1
38375X-GH-1	GNR 2008-49 PB		09/01/2011	MBS PAYMENT		199,083	199,083	199,799	199,105		(22)		(22)		199,083			0	6,272	11/01/2037	1
45129T-GY-7	IDAHO ST HSG & FIN ASSN		07/01/2011	CALLED BY ISSUER at 100.000		5,000	5,000	4,980	5,000				0		5,000			0	305	07/01/2016	1FE
45129T-HQ-3	IDAHO ST HSG & FIN ASSN		07/01/2011	CALLED BY ISSUER at 100.000		5,000	5,000	4,965	5,000				0		5,000			0	293	07/01/2016	1FE
511665-GR-6	LAKELAND FL HOSP SYS REVENUE		09/01/2011	CALLED BY ISSUER at 100.500		502,500	500,000	493,080	497,188		5,312		5,312		502,500			0	21,649	11/15/2015	2FE
544552-JX-1	LOS ANGELES CALIF HBR DEPT REV		08/01/2011	CALLED BY ISSUER at 100.000		1,000,000	1,000,000	979,180	981,567		18,433		18,433		1,000,000			0	55,000	08/01/2019	1FE
605275-MQ-6	MISSISSIPPI BUSINESS FIN CORP		07/01/2011	SINK		18,593	18,593	17,777	18,548		45		45		18,593			0	1,116	01/01/2022	2Z
717903-YN-2	PHILADELPHIA PA HOSPS & HGR ED		07/01/2011	CALLED BY ISSUER at 100.000		25,000	25,000	25,000	25,000				0		25,000			0	1,325	01/01/2018	1Z
735240-UK-7	PORT PORTLAND ORE ARPT REV		07/01/2011	CALLED BY ISSUER at 101.000		1,010,000	1,000,000	1,017,290	1,008,949		1,051		1,051		1,010,000			0	53,750	07/01/2011	1FE
759911-Q2-9	REGIONAL TRANSN AUTH LLL		03/31/2011	ADJUSTMENT				646	646		646		(646)					0		06/01/2011	1Z
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						10,281,277	10,262,777	10,324,196	10,266,481	0	15,453	656	14,797	0	10,281,277	0	0	0	427,352	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
02660V-AU-6	AHM 2006-2 3A2		09/01/2011	MBS PAYMENT		9,182	9,182	5,319	5,319		0		0		5,319			0	3,864	06/01/2036	12*
05948X-6S-5	BOAMS 2004-5 2A1		09/01/2011	MBS PAYMENT		26,210	26,210	22,015	23,804		2,405		2,405		26,210			0	958	10/01/2015	12*
05950T-AC-9	BOAMS 2006-B 2A1		09/01/2011	MBS PAYMENT		31,138	31,138	24,183	24,183		0		0		24,183			0	6,956	09/01/2040	12*
06052M-AC-9	BAAT 2010-2 A3		09/15/2011	MBS PAYMENT		68,682	68,682	68,680	68,646		35		35		68,682			0	675	01/15/2013	1FE

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STATEMENT AS OF SEPTEMBER 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	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)	
097014-AH-7	BOEING CAPITAL CORP.	09/02/2011	RBC CAPITAL MARKETS																		
125430-AB-4	CWHL 2006-11 1A2	09/01/2011	SECURITIES - US		10,710,200	10,000,000	10,616,450	10,287,070		(94,117)		(94,117)		10,192,953		517,247	517,247	664,583	01/15/2013	1FE	
126685-CZ-7	CWHL 2006-S1 A2	09/01/2011	MBS PAYMENT		5,999	5,999	1,432	1,432						1,432		4,567	4,567	244	11/01/2011	42*	
126688-TJ-2	CWALT 2006-J2 A6	09/01/2011	MBS PAYMENT		5,791	6,972	5,068	5,068						5,068		723	723	258	09/01/2014	12*	
126696-LP-4	CWHL 2005-HYB1 4A1	09/01/2011	MBS PAYMENT		11,291	11,291	9,427	9,427						9,427		1,864	1,864	453	04/01/2036	12*	
126699-AC-6	CWHL 2006-J4 A3	09/01/2011	MBS PAYMENT		1,345	1,345	974	969						969		375	375	25	02/01/2035	12*	
134429-AV-1	CAMPBELL SOUP CO.	03/31/2011	REDUCTION IN BASIS																		
16162W-AL-3	CHASE 2003-S10 A1	09/01/2011	ADJUSTMENT		31,188	31,188	31,646	31,350		(162)		(162)		31,188				1,010	10/01/2018	12*	
16162W-BZ-1	CHASE 2003-S12 2A1	09/01/2011	MBS PAYMENT		26,638	26,638	27,030	26,724		(86)		(86)		26,638				878	11/01/2018	12*	
172973-A6-6	CMSI 2004-S 2A6	09/01/2011	MBS PAYMENT		55,616	55,616	51,897	54,423		1,193		1,193		55,616				1,836	01/01/2024	12*	
173105-AC-1	CMSI 2007-1 1A3	09/01/2011	MBS PAYMENT		94,454	94,454	88,852	88,852						88,852		5,602	5,602	3,763	01/01/2037	12*	
191216-AL-4	COCA-COLA CO/THE	09/01/2011	US BANCORP INVESTMENTS INC.		2,685,950	2,500,000	2,488,625	2,492,415		1,605		1,605		2,494,021		191,929	191,929	88,611	03/15/2014	1FE	
225415-GM-4	CSFB 2004-3 2A1	09/01/2011	MBS PAYMENT		37,184	37,184	37,359	37,228		(44)		(44)		37,184				1,226	03/01/2019	12*	
225458-XS-2	CSFB 2005-6 3A1	09/01/2011	MBS PAYMENT		6,390	6,390	6,329	6,371		19		19		6,390				213	07/01/2020	12*	
254687-CC-8	WALT DISNEY COMPANY/THE	07/15/2011	MATURITY		1,000,000	1,000,000	1,047,260	1,008,501		(8,501)		(8,501)		1,000,000				57,000	07/15/2011	1FE	
291011-AZ-7	EMERSON ELECTRIC CO.	09/06/2011	CORTVIEW CAPITAL HOLDINGS INC.		4,345,277	3,950,000	3,940,244	3,942,567		1,147		1,147		3,943,713		401,563	401,563	146,644	04/15/2015	1FE	
302570-AV-8	NEXTERA ENERGY CAPITAL	09/01/2011	MATURITY		7,000,000	7,000,000	7,177,100	7,038,857		(38,857)		(38,857)		7,000,000				393,750	09/01/2011	2FE	
34529L-AD-6	FORDO 2010-A A3	09/15/2011	MBS PAYMENT		199,184	199,184	199,147	199,072		112		112		199,184				1,939	03/15/2013	1FE	
36158Y-FS-3	GCEMC 2002-2A A2	09/01/2011	MBS PAYMENT		24,932	24,932	25,723	25,414		(482)		(482)		24,932				764	01/01/2012	12*	
36185N-4M-9	GMACM 2004-J4 A8	09/01/2011	MBS PAYMENT		31,366	31,366	29,095	30,321		1,046		1,046		31,366				1,149	03/01/2012	12*	
3622WV-AN-3	GSR 2007-3F 3A2	09/01/2011	MBS PAYMENT		61,059	61,059	54,487	54,306						54,306				6,753	05/01/2037	12*	
36242D-OY-2	GSR 2004-15F 2A2	09/01/2011	MBS PAYMENT		2,694	2,694	2,098	2,098		79		79		2,694				93	11/01/2034	12*	
369626-X8-2	GENERAL ELEC CAP CORP	08/22/2011	MATURITY		325,000	325,000	329,207	325,623		(623)		(623)		325,000				20,139	08/22/2011	1FE	
377372-AC-1	GLAXOSMITHKLINE CAP INC.	09/01/2011	GOLDMAN SACHS		5,361,800	5,000,000	5,421,600	5,330,599		(93,710)		(93,710)		5,236,890		124,910	124,910	196,694	05/15/2013	1FE	
38146F-AF-8	GOLDMAN SACHS GROUP INC.	07/15/2011	VARIOUS		6,400,000	6,400,000	6,460,021	6,420,927		(20,882)	45	(20,927)		6,400,000				104,000	07/15/2011	1FE	
438516-AW-6	HONEYWELL INTERNATIONAL	09/02/2011	RBC CAPITAL MARKETS		8,440,900	8,000,000	7,918,460	7,960,457		12,319		12,319		7,972,777		468,123	468,123	346,257	03/01/2013	1FE	
477874-AC-5	JDOT 2009-A A3	09/15/2011	SECURITIES - US		269,311	269,311	270,948	272,814		(3,504)		(3,504)		269,311				4,640	02/15/2012	1FE	
57643M-DE-1	MASTR 2004-6 4A1	09/01/2011	MBS PAYMENT		19,033	19,033	19,300	19,115		(82)		(82)		19,033				603	12/01/2018	12*	
587682-AC-9	MBART 2010-1 A3	09/15/2011	MBS PAYMENT		40,994	40,994	40,986	40,970		25		25		40,994				437	05/15/2013	1FE	
59022H-JH-6	MLMT 2005-C1P1 A2	09/01/2011	MBS PAYMENT		2,080	2,080	2,112	2,090		(10)		(10)		2,080				62	05/01/2014	12*	
61757U-AF-7	MORGAN STANLEY	09/22/2011	MATURITY		325,000	325,000	330,432	327,667		(2,667)		(2,667)		325,000				6,500	09/22/2011	1FE	
65475V-AC-4	NAROT 2009-1 A3	09/15/2011	MBS PAYMENT		366,390	366,390	375,889	375,050		(8,660)		(8,660)		366,390				12,204	07/15/2012	1FE	
66880H-AA-0	NORVELL CONWAY LLC	09/15/2011	SINK		14,204	14,204	10,905	13,773		431		431		14,204				642	12/15/2018	2Z	
66987X-GV-1	NHEL 2005-3 A2C	09/25/2011	MBS PAYMENT		9,028	9,028	8,702	8,770		257		257		9,028				30	11/25/2012	12*	
66989H-AA-6	NOVARTIS CAPITAL CORP.	09/01/2011	MF GLOBAL		5,407,500	5,000,000	4,994,850	4,996,495		740		740		4,997,236		410,264	410,264	221,719	02/10/2014	1FE	
68233L-AC-3	ONCOR 2003-1 A3	08/15/2011	MBS PAYMENT		755,106	755,106	758,468	756,417		(1,312)		(1,312)		755,106				37,378	02/15/2013	1FE	
693401-AG-6	PERF 2005-2 A2	09/25/2011	MBS PAYMENT		153,234	153,234	157,965	158,017		(4,783)		(4,783)		153,234				5,781	03/25/2012	1FE	
75953W-AD-2	CNP 2001-1 A4	09/15/2011	MBS PAYMENT		1,691,454	1,691,454	1,795,080	1,776,181		(23,688)		(23,688)		1,691,454				68,797	09/15/2013	1FE	
761118-TB-4	RAL 2006-QA1 A21	09/01/2011	MBS PAYMENT		1,341	3,536	1,831	1,831						1,831			(490)	88	01/01/2036	12*	
76111X-ZC-0	RFMSI 2005-SA5 3A	09/01/2011	MBS PAYMENT		49,003	49,542	36,971	36,790						36,790		12,213	12,213	1,557	09/01/2032	12*	
86359L-TB-5	SAMI 2006-AR1 1A2	09/25/2011	MBS PAYMENT		880	880	206	206						206			674	3	08/25/2016	12*	
93364F-AC-5	WAMU 2007-HY7 2A1	09/01/2011	MBS PAYMENT		30,742	41,937	28,177	28,081						28,081		2,661	2,661	1,612	07/01/2037	12*	
949758-AD-8	WFMS 2004-0 A1	09/01/2011	MBS PAYMENT		29,919	29,919	29,972	29,929		(11)		(11)		29,919				984	07/01/2034	12*	
94979X-AA-5	WFMS 2003-H A1	09/01/2011	MBS PAYMENT		31,423	31,423	30,446	31,180		243		243		31,423				947	08/01/2033	12*	
298785-EG-7	EUROPEAN INVESTMENT BANK	09/01/2011	VARIOUS		5,995,250	5,000,000	5,619,644	5,642,600		(62,632)	9,344	(71,977)		5,570,623		424,627	424,627	197,170	05/30/2017	1FE	
822582-AG-7	SHELL INTERNAT LONAL F.IN.	09/22/2011	MATURITY		1,250,000	1,250,000	1,249,950	1,249,975		25		25		1,250,000				16,250	09/22/2011	1FE	
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)				63,452,329	59,970,564	61,874,742	60,292,674	0	(343,131)	22,817	(365,948)	0	60,865,687	0	2,586,642	2,586,642	2,615,028	XXX	XXX	
8399997	Subtotals - Bonds - Part 4				76,733,607	73,233,341	75,198,938	73,559,154	0	(327,678)	23,473	(351,151)	0	74,146,964	0	2,586,642	2,586,642	3,076,130	XXX	XXX	
8399999	Subtotals - Bonds				76,733,607	73,233,341	75,198,938	73,559,154	0	(327,678)	23,473	(351,151)	0	74,146,964	0	2,586,642	2,586,642	3,076,130	XXX	XXX	
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
749121-10-9	QUEST COMMUNICATIONS INTL	07/06/2011	CLASS ACTION		1,000		169	XXX	0	0	0	0	0	0	0	169	169	0	XXX	XXX	
9099999	Common Stocks - Industrial and Miscellaneous (Unaffiliated)				169	XXX	0	0	0	0	0	0	0	0	0	169	169	0	XXX	XXX	
9799997	Subtotals - Common Stocks - Part 4				169	XXX	0	0	0	0	0	0	0	0	0	169	169	0	XXX	XXX	
9799999	Subtotals - Common Stocks				169	XXX	0	0	0	0	0	0	0	0	0	169	169	0	XXX	XXX	
9899999	Subtotals - Preferred and Common Stocks				169	XXX	0	0	0	0	0	0	0	0	0	169	169	0	XXX	XXX	
9999999	Totals				76,733,776																

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 SEPTEMBER 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
NONE							
8699999 Total Cash Equivalents					0	0	0

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