



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2014
OF THE CONDITION AND AFFAIRS OF THE

TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

NAIC Group Code 0421 , 0421 NAIC Company Code 24350 Employer's ID Number 56-1570971
(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, US 60606
(Street and Number) (City or Town, State, Country and Zip Code)

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

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

Primary Location of Books and Records 101 South Stratford Road Winston-Salem, NC, US 27104 336-723-1282-1155
(Street and Number) (City or Town, State, Country 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)
rshields@tgic.com 336-761-5174-1155
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
_____	_____	_____	_____
_____	_____	_____	_____

OTHER OFFICERS

DIRECTORS OR TRUSTEES

State of

County ofss

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.

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 _____, _____

**STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

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	188,303,571		188,303,571	201,832,571
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	8,201,053		8,201,053	8,204,400
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$8,485,127), cash equivalents (\$) and short-term investments (\$7,185,141)	15,670,268		15,670,268	40,019,126
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities	11,663		11,663	19,564
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	212,186,555		212,186,555	250,075,661
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	1,638,499		1,638,499	2,211,842
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	4,969,601		4,969,601	5,347,410
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	15,619,650		15,619,650	20,130,436
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	628,255		628,255	1,894,534
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	29,402		29,402	22,966
21. Furniture and equipment, including health care delivery assets (\$)	27,476	27,476		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	177		177	23,654
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	235,099,615	27,476	235,072,139	279,706,503
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	235,099,615	27,476	235,072,139	279,706,503
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)				

**STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$64,528,637)	407,815,726	500,806,385
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	973,838	3,137,948
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	9,516,017	9,711,118
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	31,312	562,611
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$36,172 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	2,726,698	3,594,166
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	974,284	766,509
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	147,940	360,376
15. Remittances and items not allocated	162,021	599,414
16. Provision for reinsurance (including \$ certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		12,535
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	642,192,339	605,871,209
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	1,064,540,175	1,125,422,271
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	1,064,540,175	1,125,422,271
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	3,500,000	3,500,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		13,350,000
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)	(963,183,964)	(992,781,696)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	(829,468,036)	(845,715,768)
38. Totals (Page 2, Line 28, Col. 3)	235,072,139	279,706,503
DETAILS OF WRITE-INS		
2501. Deferred Premium Refund	363,159	11,381
2502. Deferred Payment Obligation, including carry charges	639,807,497	600,130,107
2503. Rescinded Premium Payable	2,021,683	5,729,721
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	642,192,339	605,871,209
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201. Unapproved interest due on Surplus Note		13,350,000
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		13,350,000

**STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

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 \$ 75,956,419)	76,830,295	87,952,772	115,104,905
1.2 Assumed (written \$ (322))	(181)	138	138
1.3 Ceded (written \$ 3,012,067)	3,018,617	4,193,802	5,450,478
1.4 Net (written \$ 72,944,030)	73,811,497	83,759,108	109,654,565
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 66,712,181):			
2.1 Direct	61,347,379	108,636,761	130,753,572
2.2 Assumed	(10,000)		
2.3 Ceded	798,941	1,322,244	1,893,890
2.4 Net	60,538,438	107,314,517	128,859,682
3. Loss adjustment expenses incurred	(835,150)	(1,928,802)	(1,816,226)
4. Other underwriting expenses incurred	6,667,769	3,425,350	5,597,178
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	66,371,057	108,811,065	132,640,634
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	7,440,440	(25,051,957)	(22,986,068)
INVESTMENT INCOME			
9. Net investment income earned	3,880,860	13,380,371	16,196,546
10. Net realized capital gains (losses) less capital gains tax of \$	1,478,971	1,142,669	7,984,982
11. Net investment gain (loss) (Lines 9 + 10)	5,359,831	14,523,040	24,181,528
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	2,395,833	2,395,847	4,791,680
15. Total other income (Lines 12 through 14)	2,395,833	2,395,847	4,791,680
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	15,196,104	(8,133,070)	5,987,140
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	15,196,104	(8,133,070)	5,987,140
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19)(to Line 22)	15,196,104	(8,133,070)	5,987,140
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	(845,715,766)	(852,748,289)	(852,748,289)
22. Net income (from Line 20)	15,196,104	(8,133,070)	5,987,140
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(2,720)	(126,085)	322,513
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	857,479	695,692	722,869
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles	196,867		
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	16,247,730	(7,563,463)	7,032,522
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	(829,468,036)	(860,311,752)	(845,715,766)
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			
1401. Income received under Asset Purchase Agreement	2,395,833	2,395,847	4,791,680
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	2,395,833	2,395,847	4,791,680
3701. Increase in Contingency Reserve	1,216,684,903	(41,879,554)	(54,827,282)
3702. Decrease in Contingency Reserve	(1,216,684,903)	41,879,554	54,827,282
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)			

**STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

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.....	74,327,535	92,003,804	119,527,897
2. Net investment income	5,505,662	14,792,939	21,534,907
3. Miscellaneous income	2,395,833	2,395,847	4,791,680
4. Total (Lines 1 to 3)	82,229,030	109,192,590	145,854,484
5. Benefit and loss related payments	113,913,097	139,942,392	510,518,993
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions	6,501,377	10,139,514	12,237,329
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....			
10. Total (Lines 5 through 9)	120,414,474	150,081,906	522,756,323
11. Net cash from operations (Line 4 minus Line 10)	(38,185,444)	(40,889,316)	(376,901,838)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	68,191,748	216,603,293	499,961,260
12.2 Stocks	331	2,882	2,068
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		2,691	28,853
12.7 Miscellaneous proceeds	455	8,147	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	68,192,534	216,617,013	499,992,181
13. Cost of investments acquired (long-term only):			
13.1 Bonds	54,319,287	125,714,765	128,805,300
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	4,634		3,990
13.7 Total investments acquired (Lines 13.1 to 13.6)	54,323,921	125,714,765	128,809,290
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	13,868,613	90,902,248	371,182,891
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied).....	(32,027)	127,405	(84,073,382)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(32,027)	127,405	(84,073,382)
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)	(24,348,858)	50,140,337	(89,792,330)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	40,019,126	129,811,456	129,811,456
19.2 End of period (Line 18 plus Line 19.1)	15,670,268	179,951,793	40,019,126

NOTES TO FINANCIAL STATEMENTS

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

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:
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
.....
- 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 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 [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 [] No [] NA [X]
- 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 or revoked by several states as the Company is in Rehabilitation.....
- 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 Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

**STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

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: \$

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		2
	Prior Year-End Book/Adjusted Carrying Value		Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$		\$
14.22 Preferred Stock	\$		\$
14.23 Common Stock	\$ 8,204,400		\$ 8,201,053
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).....	\$ 8,204,400		\$ 8,201,053
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.

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

GENERAL INTERROGATORIES

- 16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$
- 16.3 Total payable for securities lending reported on the liability page \$

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

17.1 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
The Northern Trust Company.....	50 South LaSalle Street, Chicago, Illinois 60603.....

17.2 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)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes No

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

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

17.5 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
111135.....	Mesirow Financial Investment Management, Inc.....	353 N. Clark Street, Chicago, Illinois 60654.....

18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes No

18.2 If no, list exceptions:
.....

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
<p>NONE</p>						

**STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

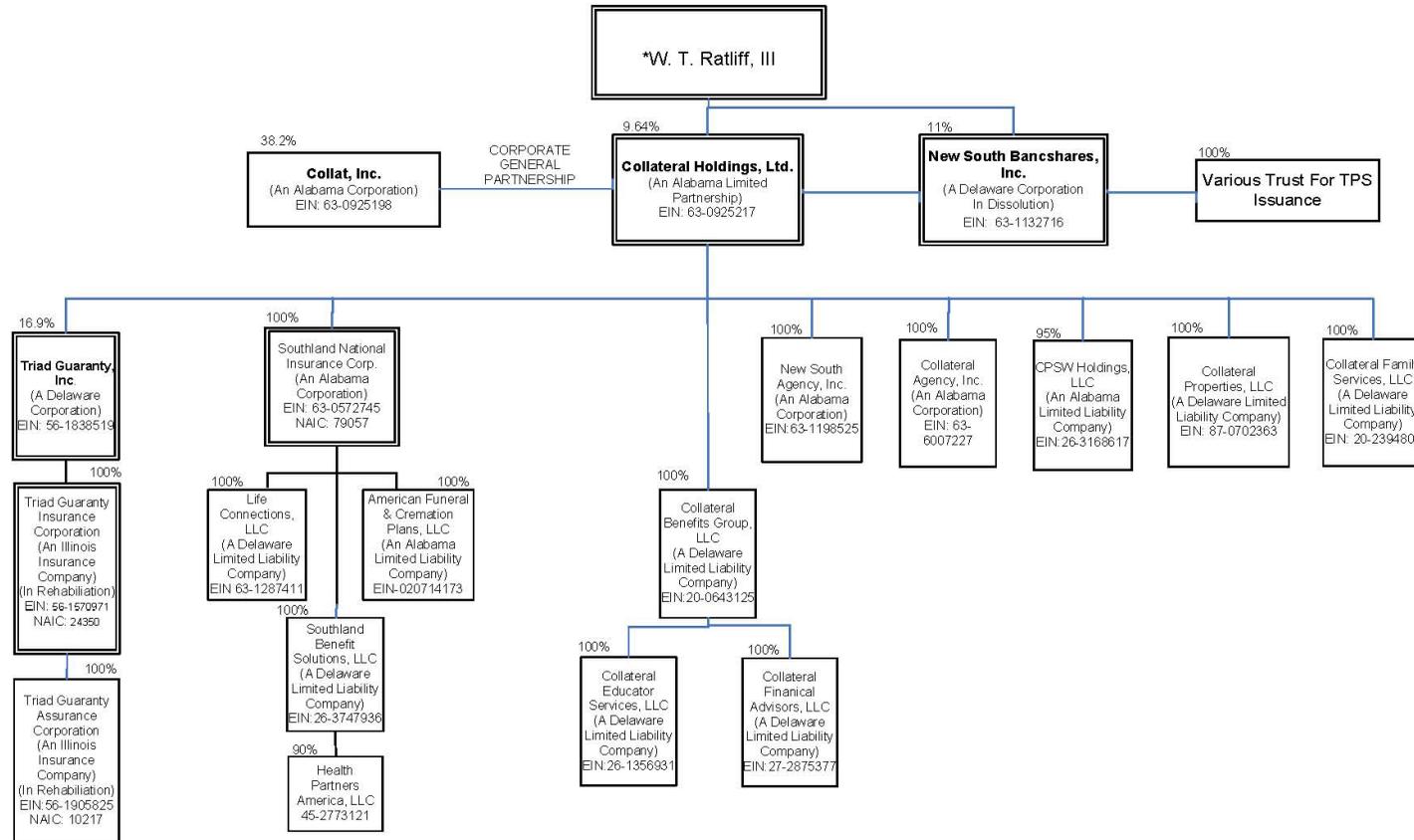
	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2	3	4	5	6	7	
States, etc.	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	
1. Alabama	AL	L	220,717	273,897	320,529	527,420	969,154	1,231,138
2. Alaska	AK	L						
3. Arizona	AZ	L	1,142,911	1,346,671	2,107,345	6,628,002	2,701,125	4,892,999
4. Arkansas	AR	L	357,765	489,232	395,020	764,343	924,833	1,594,445
5. California	CA	L	16,171,854	18,375,344	41,811,919	66,488,458	118,983,185	162,555,189
6. Colorado	CO	L	3,392,719	3,107,489	7,443,099	9,341,168	13,368,367	16,612,342
7. Connecticut	CT	L	248,400	260,359	336,630	123,392	1,732,864	1,892,299
8. Delaware	DE	L	81,608	87,865	45,257	180,037	104,521	214,477
9. Dist. Columbia	DC	L	1,879,726	2,591,874	13,929,966	22,579,049	41,423,812	58,047,547
10. Florida	FL	L	2,854,671	3,394,296	11,876,286	15,796,740	25,031,310	37,509,794
11. Georgia	GA	L	1,209,915	1,617,517	1,827,955	3,244,044	3,176,958	5,555,310
12. Hawaii	HI	L	4,638	4,643			816	990
13. Idaho	ID	L	8,324	8,505	23,363		15,474	75,769
14. Illinois	IL	L	2,041,722	2,323,743	6,154,945	10,076,883	10,989,256	15,826,108
15. Indiana	IN	L	152,488	251,883	156,525	406,408	668,679	999,381
16. Iowa	IA	L	27,821	25,601	18,578	51,265	81,063	90,756
17. Kansas	KS	L	122,196	159,257	218,334	215,850	331,026	423,012
18. Kentucky	KY	L	447,987	629,865	958,624	1,382,195	1,430,647	2,310,753
19. Louisiana	LA	L	115,986	138,904	99,851	179,880	134,666	259,466
20. Maine	ME	L						
21. Maryland	MD	L	871,299	811,090	1,972,815	1,923,677	6,193,984	7,472,775
22. Massachusetts	MA	L	476,178	526,386	926,341	1,109,325	2,671,343	3,488,533
23. Michigan	MI	L	1,112,638	1,458,776	3,027,309	3,430,447	4,780,471	7,188,826
24. Minnesota	MN	L	13,282,763	16,336,400	25,664,428	45,159,064	59,129,441	84,939,218
25. Mississippi	MS	L	82,162	111,368	(1,196)	101,021	306,118	190,588
26. Missouri	MO	L	210,220	258,419	183,946	323,783	335,351	523,764
27. Montana	MT	L	8,211	9,939			1,444	2,119
28. Nebraska	NE	L	132	239			23	51
29. Nevada	NV	L	263,457	313,121	599,022	1,858,261	1,919,210	2,376,854
30. New Hampshire	NH	L	23,173	23,371		92,338	4,075	4,982
31. New Jersey	NJ	L	1,499,409	1,663,489	2,555,595	2,674,776	15,475,550	17,379,351
32. New Mexico	NM	L	154,953	179,174	111,050	640,997	724,224	842,281
33. New York	NY	L	625,491	682,616	887,989	1,387,977	6,727,698	7,429,633
34. No. Carolina	NC	L	2,349,910	3,024,743	3,770,837	5,888,230	6,874,187	10,197,967
35. No. Dakota	ND	L						
36. Ohio	OH	L	879,162	1,173,358	2,087,426	2,941,934	3,553,454	6,165,009
37. Oklahoma	OK	L	645,453	882,424	875,864	692,088	1,138,408	2,039,252
38. Oregon	OR	L	154,358	200,705	132,914	787,670	696,452	922,438
39. Pennsylvania	PA	L	879,842	1,067,205	1,268,583	2,122,790	4,561,671	5,145,336
40. Rhode Island	RI	L	56,918	71,685	128,489	92,198	603,253	661,446
41. So. Carolina	SC	L	1,347,143	1,736,123	1,983,257	3,885,011	5,293,907	7,935,915
42. So. Dakota	SD	L	4,009	4,012			705	855
43. Tennessee	TN	L	569,554	772,341	894,291	1,294,549	1,718,777	2,710,029
44. Texas	TX	L	17,968,530	17,368,871	18,466,058	22,618,097	59,992,148	67,875,863
45. Utah	UT	L	152,036	183,491	248,405	490,596	551,963	634,201
46. Vermont	VT	L						
47. Virginia	VA	L	1,357,220	1,660,545	2,866,420	5,380,754	8,901,456	11,501,137
48. Washington	WA	L	187,908	244,718	646,140	788,292	830,159	1,713,557
49. West Virginia	WV	L	90,861	116,527	63,579	37,505	191,049	288,874
50. Wisconsin	WI	L	172,425	210,037	448,498	447,436	696,188	1,004,538
51. Wyoming	WY	L	49,556	53,946		74,192	8,715	11,498
52. American Samoa	AS							
53. Guam	GU							
54. Puerto Rico	PR							
55. U.S. Virgin Islands	VI							
56. Northern Mariana Islands	MP							
57. Canada	CAN							
58. Aggregate Other Alien	OT	XXX						
59. Totals	(a) 51		75,956,419	86,232,062	157,532,286	244,228,142	415,949,180	560,738,665
DETAILS OF WRITE-INS								
58001.		XXX						
58002.		XXX						
58003.		XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page.		XXX						
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)		XXX						

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

(a) Insert the number of L responses except for Canada and Other Alien. Premiums are allocated to states based on location of insured.

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

COLLATERAL FAMILY OF COMPANIES



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

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
0421	Collateral Holding, Ltd.						William T. Ratliff, and family	USA	UDP	Collat general partnership, William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		63-0925217				Collateral Holdings, Ltd.	USA	UDP	William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	.5
0421	Collateral Holding, Ltd.		63-0925198				Collat, Inc.	USA	NIA	William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	.4
0421	Collateral Holding, Ltd.		56-1838519		0000911631	OTCBB	Triad Guaranty, Inc.	USA	NIA	Collateral Holdings, Ltd.	Ownership	16.9	William T. Ratliff, and family	.1
0421	Collateral Holding, Ltd.	24350	56-1570971				Triad Guaranty Insurance Corporation (In Rehabilitation)	USA	IA	Triad Guaranty, Inc.	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.	10217	56-1905825				Triad Guaranty Assurance Corporation (In Rehabilitation)	USA	IA	Triad Guaranty Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.	79057	63-0572745				Southland National Insurance Corporation	USA		Collateral Holdings, Ltd.	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		02-0714173				American Funeral & Cremation Plans, LLC	USA	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		26-3747936				Southland Benefits Solutions, LLC	USA	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		45-2773121				Health Partner America, LLC	USA	DS	Southland Benefit Solutions, LLC	Ownership	90.0	William T. Ratliff, and family	.2
0421	Collateral Holding, Ltd.		63-6007227				Collateral Agency, Inc.	USA	NIA	Collateral Holdings, Ltd.	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		20-2394804				Collateral Family Services, LLC	USA	NIA	Collateral Holdings, Ltd.	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		26-3168617				CPSW Holdings, LLC	USA	NIA	Collateral Holdings, Ltd.	Ownership	95.0	William T. Ratliff, and family	.3
0421	Collateral Holding, Ltd.		87-0702363				Collateral Properties, LLC	USA	NIA	Collateral Holdings, Ltd.	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		20-0643125				Collateral Benefits Group, LLC	USA	NIA	Collateral Holdings, Ltd.	Ownership	100.0	William T. Ratliff, and family	

**STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

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				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty	76,830,295	61,347,379	79.8	123.5
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability -occurrence				
11.2 Medical professional liability -claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability occurrence				
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1,19.2 Private passenger auto liability				
19.3,19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	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				
35. TOTALS	76,830,295	61,347,379	79.8	123.5
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)				

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty		25,910,741	86,232,062
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability occurrence			
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1,19.2 Private passenger auto liability			
19.3,19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	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			
35. TOTALS	25,910,741	75,956,419	86,232,062
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

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)	2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2014 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. 2011 + Prior	271,248		271,248	87,144		87,144	203,239			203,239	19,135		19,135
2. 2012	95,706	1,932	97,639	33,803		33,803	62,665			62,665	762	(1,932)	(1,171)
3. Subtotals 2012 + prior	366,955	1,932	368,887	120,947		120,947	265,904			265,904	19,897	(1,932)	17,964
4. 2013	117,666	17,392	135,057	31,682		31,682	77,000		1,300	78,300	(8,984)	(16,092)	(25,076)
5. Subtotals 2013 + prior	484,620	19,324	503,944	152,629		152,629	342,904		1,300	344,204	10,913	(18,025)	(7,112)
6. 2014	XXX	XXX	XXX	XXX	2,229	2,229	XXX	52,890	11,696	64,586	XXX	XXX	XXX
7. Totals	484,620	19,324	503,944	152,629	2,229	154,858	342,904	52,890	12,995	408,790	10,913	(18,025)	(7,112)
8. Prior Year-End Surplus As Regards Policy-holders	(845,716)												
											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. 2.3	2. (93.3)	3. (1.4)
													Col. 13, Line 7 Line 8
													4. 0.8

**STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	<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 Insurance Coverage 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 4 4 9 0 0 0 0 0 3
2.	 2 4 3 5 0 2 0 1 4 4 5 5 0 0 0 0 3
3.	 2 4 3 5 0 2 0 1 4 3 6 5 0 0 0 0 3
4.	 2 4 3 5 0 2 0 1 4 5 0 5 0 0 0 0 3

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

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

NONE

SCHEDULE B – VERIFICATION

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

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

NONE

SCHEDULE D – VERIFICATION

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	210,036,971	575,507,646
2. Cost of bonds and stocks acquired	54,319,287	128,805,303
3. Accrual of discount	150,760	1,350,852
4. Unrealized valuation increase (decrease)	(2,720)	321,886
5. Total gain (loss) on disposals	1,478,183	7,975,737
6. Deduct consideration for bonds and stocks disposed of	68,191,748	501,044,584
7. Deduct amortization of premium	1,286,111	2,879,869
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	196,504,622	210,036,971
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	196,504,622	210,036,971

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

SCHEDULE D - PART 1B

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

NAIC Designation	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. NAIC 1 (a).....	186,001,381	5,161,828	17,535,659	(289,485)	194,836,800	186,001,381	173,338,065	200,790,306
2. NAIC 2 (a).....	22,704,403		1,026,965	(20,313)	22,729,570	22,704,403	21,657,125	24,823,998
3. NAIC 3 (a).....	209,266		19,535	(25,200)	225,310	209,266	164,531	263,627
4. NAIC 4 (a).....	187,760		404	461	188,486	187,760	187,817	12,544
5. NAIC 5 (a).....	108,014	665	6,543	.65	110,957	108,014	102,201	117,435
6. NAIC 6 (a).....	71,001	184	32,180	(31)	106,587	71,001	38,974	302,606
7. Total Bonds	209,281,825	5,162,677	18,621,286	(334,503)	218,197,710	209,281,825	195,488,713	226,310,516
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock.....								
15. Total Bonds & Preferred Stock	209,281,825	5,162,677	18,621,286	(334,503)	218,197,710	209,281,825	195,488,713	226,310,516

(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 \$; 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	7,185,141	XXX	7,185,141	2,410	

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.....	24,477,944	86,710,197
2. Cost of short-term investments acquired	17,325,351	716,646,323
3. Accrual of discount	80	26,081
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals		4,643
6. Deduct consideration received on disposals	34,481,638	777,819,534
7. Deduct amortization of premium.....	136,596	1,089,766
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	7,185,141	24,477,944
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11)	7,185,141	24,477,944

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

**STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

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. Cost of cash equivalents acquired		11,282,964
3. Accrual of discount		2,036
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals		11,285,000
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

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, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

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	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
383766-6E-5	GNMA		09/01/2014	PAYDOWN		666,794	666,794	666,231	666,728		66		66		666,794				8,008	07/16/2033	1
383766-R0-5	GNMA		09/01/2014	PAYDOWN		285,195	285,195	288,526	287,637		(2,442)		(2,442)		285,195				6,464	08/16/2039	1
38378B-AH-2	GNMA		09/01/2014	PAYDOWN		272,995	272,995	273,222	273,054		(59)		(59)		272,995				3,069	12/16/2037	1
0599999 - Bonds - U.S. Governments						1,224,984	1,224,984	1,226,980	1,227,419		(2,435)		(2,435)		1,224,984				17,541	XXX	XXX
Bonds - All Other Governments																					
Bonds - U.S. States, Territories and Possessions																					
013538-H0-9	ALBUQUERQUE N MEX ARPT REV.		07/01/2014	CALLED		1,665,000	1,665,000	1,566,832	1,604,191		4,774		4,774		1,608,965		56,035	83,250	07/01/2019	1FE	
18085P-DY-7	CLARK CNTY NEV ARPT REV.		07/01/2014	CALLED		1,000,000	1,000,000	935,570	959,647		3,120		3,120		962,767		37,233	55,000	07/01/2019	1FE	
251255-S7-1	DETROIT MICH WTR SUPPLY SYS REV.		09/04/2014	DIR		1,015,000	1,000,000	996,169	998,710		500		500		999,210		15,790	58,750	07/01/2015	2FE	
605275-M0-6	MISSISSIPPI BUSINESS FIN CORP MISS INDL		07/02/2014	DIR		24,791	24,791	23,803	23,921		39		39		23,960		830	1,487	01/01/2022	2	
65818P-CP-2	NORTH CAROLINA CAP FACS		08/31/2013	CALLED		250,000	250,000	240,895	245,951		4,052		4,052		250,004		(4)	(4)	04/01/2018	1FE	
68607F-CY-4	OREGON ST		08/01/2014	CALLED		40,000	40,000	39,368	39,757		54		54		39,811		189	1,562	08/01/2016	1FE	
709221-JX-4	PENNSYLVANIA ST TPK COMMN OIL FRANCHISE		09/17/2014	CALLED		65,000	65,000	63,177	64,034		55		55		64,090		910	2,582	12/01/2023	1FE	
717903-YN-2	HIGHER ED FACS A		07/01/2014	CALLED		30,000	30,000	30,000	30,000						30,000			1,590	01/01/2018	1FE	
73358T-FB-2	PORT AUTH N Y & N J		09/22/2014	CALLED		1,010,000	1,000,000	981,890	989,453		1,419		1,419		990,872		19,128	46,813	11/01/2018	1FE	
1799999 - Bonds - U.S. States, Territories and Possessions						5,099,791	5,074,791	4,877,703	4,955,666		14,013		14,013		4,969,679		130,112	130,112	251,034	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
3128M9-3H-3	FEDERAL HOME LN MTG CORP		09/01/2014	PAYDOWN		118,808	118,808	132,489	30,255	(13,681)		(13,681)		118,808				1,745	05/01/2044	1	
3128MB-VP-9	FEDERAL HOME LN MTG CORP		09/01/2014	PAYDOWN		30,647	30,647	29,929	30,647		392		392		30,647			1,025	04/01/2023	1	
3128MJ-JF-5	FEDERAL HOME LN MTG CORP		09/01/2014	PAYDOWN		32,958	32,958	33,344	30,647	(386)		(386)		32,958				304	04/01/2044	1	
3128PK-7A-6	FEDERAL HOME LN MTG CORP		09/01/2014	PAYDOWN		56,546	56,546	56,422	56,520	26		26		56,546				1,953	06/01/2023	1	
3128PK-XM-1	FEDERAL HOME LN MTG CORP		09/01/2014	PAYDOWN		117,472	117,472	117,472	117,472					117,472				4,745	05/01/2023	1	
31349U-B3-1	FEDERAL HOME LN MTG CORP		09/01/2014	PAYDOWN		9,698	9,698	10,468	10,132	(434)		(434)		9,698				223	11/01/2036	1	
31402Q-ZE-4	FNMA		09/01/2014	PAYDOWN		115	115	119	116	(1)		(1)		115				2	02/01/2035	1	
31403B-PC-1	FNMA		09/01/2014	PAYDOWN		1,721	1,721	1,798	1,721	(30)		(30)		1,721				52	11/01/2018	1	
31403D-RH-4	FNMA		09/01/2014	PAYDOWN		1,164	1,164	1,239	1,164					1,164				18	08/01/2036	1	
31403D-VZ-9	FNMA		09/01/2014	PAYDOWN		2,116	2,116	2,316	2,992	(875)		(875)		2,116				90	11/01/2036	1	
31404V-Y6-9	FNMA		09/01/2014	PAYDOWN		11,047	11,047	11,533	11,276	(229)		(229)		11,047				330	05/01/2019	1	
31405H-6L-7	FNMA		09/01/2014	PAYDOWN		84	84	86	88	(4)		(4)		84				1	08/01/2034	1	
31405R-CR-5	FNMA		09/01/2014	PAYDOWN		9,861	9,861	10,317	10,085	(225)		(225)		9,861				289	10/01/2019	1	
31410K-JY-1	FNMA		09/01/2014	PAYDOWN		9,407	9,407	10,055	9,553	(146)		(146)		9,407				374	05/01/2038	1	
31410R-6J-3	FNMA		09/01/2014	PAYDOWN		16,032	16,032	16,576	16,050	(18)		(18)		16,032				243	06/01/2036	1	
31411Y-DP-5	FNMA		09/01/2014	PAYDOWN		37	37	39	42	(5)		(5)		37				1	05/01/2037	1	
31412W-SD-1	FNMA		09/01/2014	PAYDOWN		1,155	1,155	1,232	1,234	(79)		(79)		1,155				51	05/01/2038	1	
31414D-JF-1	FNMA		09/01/2014	PAYDOWN		107,445	107,445	105,716	107,066	379		379		107,445				3,402	05/01/2023	1	
31416J-PH-8	FNMA		09/01/2014	PAYDOWN		899	899	977	1,167	(268)		(268)		899				36	11/01/2032	1	
31417Y-T7-2	FNMA		09/01/2014	PAYDOWN		19,151	19,151	19,224	19,194	(43)		(43)		19,151				441	11/01/2025	1	
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						546,363	546,363	561,351	396,158		(15,627)		(15,627)		546,363				15,325	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
02006A-AC-1	ALLY AUTO RECV		09/15/2014	PAYDOWN		618,264	618,264	620,099	619,746	(1,482)		(1,482)		618,264				3,038	04/15/2016	1FE	
02006J-AA-6	ALLY AUTO RECEIVABLES TR 2013-1		09/15/2014	PAYDOWN		510,917	510,917	510,478	510,278	639		639		510,917				1,561	10/15/2015	1FE	
12613S-AB-8	CNH EQUIP TR 2013-C		09/15/2014	PAYDOWN		841,364	841,364	841,362	841,363	1		1		841,364				3,349	01/17/2017	1FE	
12668B-TJ-2	COUNTRYWIDE ALTERNATIVE LOAN TRUST		09/25/2014	VARIOUS		2,808	3,020	2,277	2,804					3,020		(212)	(212)	115	04/25/2036	5FE	
12669G-LP-4	CWBS INC		09/01/2014	PAYDOWN		754	754	498	754					754				13	03/25/2035	5FE	
12669Y-AC-6	2006-J4		09/01/2014	VARIOUS		4,582	4,766	3,139	4,634	(53)		(53)		4,766		(184)	(184)	193	09/25/2036	6FE	
14313M-AB-0	2013-2		09/15/2014	PAYDOWN		821,219	821,219	821,195	821,200	19		19		821,219				2,298	06/15/2016	1FE	
173105-AC-1	2007-1		09/01/2014	PAYDOWN		26,325	26,325	24,764	26,325					26,325				960	01/25/2037	6FE	
22541S-GM-4	CREDIT SUISSE FIRST BOSTON MTG SECS CORP		09/01/2014	PAYDOWN		4,337	4,337	4,354	4,365	(27)		(27)		4,337				144	04/25/2019	1FE	

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STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

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	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
225458-XS-2	CREDIT SUISSE FIRST BOSTON MTG SECS CORP		09/01/2014	PAYDOWN		404	404	397	401		3		3		404				13	07/25/2020	4FE
34529Y-AB-2	FORD CR AUTO OWNER TR 2012-C		09/15/2014	PAYDOWN		276,502	276,502	276,481	276,492		9		9		276,502				1,066	12/15/2016	1FE
34530E-AB-3	FORD CR AUTO OWNER TR 2013-B		09/15/2014	PAYDOWN		844,875	844,875	844,807	844,799		76		76		844,875				2,132	02/15/2016	1FE
36242D-QY-2	GS MTG SECS CORP		09/01/2014	PAYDOWN		1,660	1,660	1,293	1,526		135		135		1,660				55	12/25/2034	3FE
396789-JU-4	GREENWICH CAPITAL CORP HARLEY DAVIDSON		09/01/2014	PAYDOWN		478,873	478,873	485,907			(7,033)		(7,033)		478,873				8,273	08/10/2042	1FE
41283T-AC-2	MOTORCYCLE TR 2012-1 HONDA AUTO RECEIVABLES		09/15/2014	PAYDOWN		90,353	90,353	90,337	90,343		9		9		90,353				408	04/17/2017	1FE
43813X-AC-8	2012-3 OWNER TR HYUNDAI AUTO RECEIVABLES		09/15/2014	PAYDOWN		475,124	475,124	475,120	475,125		(1)		(1)		475,124				1,770	05/15/2016	1FE
44890H-AC-7	TR 2012-B HYUNDAI AUTO RECEIVABLES		09/15/2014	PAYDOWN		210,060	210,060	210,024	210,038		22		22		210,060				866	09/15/2016	1FE
44890L-AB-0	TR 2013-B MASTR ASSET		09/15/2014	PAYDOWN		1,084,016	1,084,016	1,084,011	1,084,013		4		4		1,084,016				3,828	03/15/2016	1FE
57643M-DE-1	SECURITIZATION TR RESIDENTIAL ACCREDIT LNS		09/01/2014	PAYDOWN		10,210	10,210	10,332	10,357	(40)	(107)		(147)		10,210				317	07/25/2019	3FE
761118-TB-4	INC MTG PASS TH STRUCTURED ASSET MTG		09/25/2014	VARIOUS		2,317	2,770	1,577	2,308		9		9		2,770		(453)	(453)	61	01/25/2036	5FE
86359L-TB-5	INVTs II INC WELLS FARGO MTG BACKED		09/26/2014	VARIOUS		1,090	1,090	208	554	384	151		535		1,090				3	02/25/2036	6FE
949758-AD-8	SECS 2004-O TR WELLS FARGO MTG BACKED		09/01/2014	PAYDOWN		7,664	7,664	7,674	9,595		(1,931)		(1,931)		7,664				226	08/25/2034	3FE
94979X-AA-5	SECS 2003-H TR WORLD OMNI AUTO		09/01/2014	PAYDOWN		3,794	3,794	3,676	3,370		424		424		3,794				68	09/25/2033	2FE
98157H-AB-3	RECEIVABLES TR 2012-A		09/15/2014	PAYDOWN		322,495	322,495	322,470	322,485		9		9		322,495				1,370	02/15/2017	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						6,640,007	6,640,855	6,642,481	6,162,874	345	(9,124)		(8,780)		6,640,855		(848)	(848)	32,127	XXX	XXX
Bonds - Hybrid Securities																					
Bonds - Parent, Subsidiaries, and Affiliates																					
8399997 - Subtotals - Bonds - Part 4						13,511,145	13,486,993	13,308,515	12,742,116	345	(13,173)		(12,828)		13,381,881		129,263	129,263	316,027	XXX	XXX
8399999 - Subtotals - Bonds						13,511,145	13,486,993	13,308,515	12,742,116	345	(13,173)		(12,828)		13,381,881		129,263	129,263	316,027	XXX	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																					
Preferred Stocks - Parent, Subsidiaries, and Affiliates																					
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
Common Stocks - Parent, Subsidiaries, and Affiliates																					
Common Stock - Mutual Funds																					
Common Stocks - Money Market Mutual Funds																					
9999999 Totals						13,511,145	XXX	13,308,515	12,742,116	345	(13,173)		(12,828)		13,381,881		129,263	129,263	316,024	XXX	XXX

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

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Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION

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							