

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

2012

OF
Chicago
IN THE STATE OF
Illinois
TO THE
INSURANCE DEPARTMENT
OF THE
STATE OF
FOR THE YEAR ENDED
DECEMBER 31, 2012

PROPERTY AND CASUALTY

2012

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	567,626,387		567,626,387	712,059,028
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	7,881,259		7,881,259	8,370,920
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$43,101,259 , Schedule E-Part 1), cash equivalents (\$, Schedule E-Part 2) and short-term investments (\$86,710,197 , Schedule DA).....	129,811,456		129,811,456	67,828,847
6. Contract loans (including \$ premium notes).....				
7. Derivatives (Schedule DB).....				
8. Other invested assets (Schedule BA)				
9. Receivables for securities	11,084		11,084	12,977
10. Securities lending reinvested collateral assets (Schedule DL).....				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	705,330,186		705,330,186	788,271,772
13. Title plants less \$ charged off (for Title insurers only).....				
14. Investment income due and accrued	5,052,181		5,052,181	6,468,052
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	8,306,965	3,050	8,303,915	10,788,415
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....	28,558,421		28,558,421	29,849,630
15.3 Accrued retrospective premiums.....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	2,702,913		2,702,913	4,389,006
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.....	303,041	289,713	13,328	41,239
21. Furniture and equipment, including health care delivery assets (\$)	54,412	54,412		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	25,360		25,360	40,977
24. Health care (\$) and other amounts receivable.....				
25. Aggregate write-ins for other than invested assets	1,260,649	1,260,649		38,304
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	751,594,128	1,607,824	749,986,304	839,887,395
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....				
28. Total (Lines 26 and 27)	751,594,128	1,607,824	749,986,304	839,887,395
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. Prepaid expenses.....	1,260,649	1,260,649		
2502. Accounts receivable.....				38,304
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,260,649	1,260,649		38,304

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	677,015,521	478,850,170
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	7,372,569	9,636,988
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	17,410,060	12,059,704
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	439,439	1,031,810
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$60,205 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)	5,794,670	6,801,773
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,132,333	1,304,768
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others	84,434,829	63,076,924
15. Remittances and items not allocated	869,318	214,849
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 8)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		167,247
20. Derivatives		
21. Payable for securities	8,042	
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	808,257,811	32,624,666
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	1,602,734,592	605,768,899
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	1,602,734,592	605,768,899
29. Aggregate write-ins for special surplus funds		629,700,281
30. Common capital stock	3,500,000	3,500,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	11,125,000	8,900,000
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)	(997,589,216)	(538,197,713)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	(852,748,288)	234,118,496
38. Totals (Page 2, Line 28, Col. 3)	749,986,304	839,887,395
DETAILS OF WRITE-INS		
2501. Deferred Payment Obligation including carrying charges	803,978,629	
2502. Rescinded Premium Payable	4,279,182	32,624,666
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	808,257,811	32,624,666
2901. Deferred Payment Obligation including carrying charges		629,700,281
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		629,700,281
3201. Unapproved interest due on Surplus Note	11,125,000	8,900,000
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)	11,125,000	8,900,000

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	129,937,366	158,861,597
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	234,199,845	353,408,298
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	3,982,824	814,766
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	20,373,906	17,376,304
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	258,556,575	371,599,368
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(128,619,209)	(212,737,770)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	3,179,661	11,313,225
10. Net realized capital gains (losses) less capital gains tax of \$	985,163	14,378,183
11. Net investment gain (loss) (Lines 9 + 10)	4,164,824	25,691,409
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income	4,768,751	66,753
15. Total other income (Lines 12 through 14)	4,768,751	66,753
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(119,685,634)	(186,979,609)
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)	(119,685,634)	(186,979,609)
19. Federal and foreign income taxes incurred		
20. Net income (Line 18 minus Line 19) (to Line 22)	(119,685,634)	(186,979,609)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	234,118,495	225,929,726
22. Net income (from Line 20)	(119,685,634)	(186,979,609)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(489,661)	(1,808,068)
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	825,164	3,668,733
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles	(337,816,371)	(20,735,071)
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	(629,700,282)	214,042,785
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	(1,086,866,784)	8,188,770
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	(852,748,289)	234,118,495
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. Other Income - Service Fees on information technology.....	(22,915)	66,753
1402. Income received under Asset Purchase Agreement.....	4,791,666	
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	4,768,751	66,753
3701. Deferred Payment Obligation.....	(629,700,282)	214,042,785
3702. Increase in Contingency Reserve.....	(64,968,682)	(79,430,799)
3703. Decrease in Contingency Reserve.....	64,968,682	79,430,799
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(629,700,282)	214,042,785

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
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CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	104,915,178	146,077,106
2. Net investment income	27,105,934	34,020,621
3. Miscellaneous income	4,807,801	65,873
4. Total (Lines 1 through 3)	136,828,913	180,163,600
5. Benefit and loss related payments	222,626,806	265,755,614
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	14,880,173	18,628,384
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....		(11,706,978)
10. Total (Lines 5 through 9)	237,506,979	272,677,020
11. Net cash from operations (Line 4 minus Line 10)	(100,678,066)	(92,513,420)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	183,023,268	344,661,987
12.2 Stocks	7,198	1,593
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	(766)	(9,742)
12.7 Miscellaneous proceeds	9,939	28,838
12.8 Total investment proceeds (Lines 12.1 to 12.7)	183,039,639	344,682,676
13. Cost of investments acquired (long-term only):		
13.1 Bonds	41,584,493	276,054,017
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	41,584,493	276,054,017
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	141,455,146	68,628,659
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).....	21,205,529	17,968,795
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	21,205,529	17,968,795
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)	61,982,609	(5,915,966)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	67,828,847	73,744,813
19.2 End of year (Line 18 plus Line 19.1)	129,811,456	67,828,847

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire				
2.	Allied lines				
3.	Farmowners multiple peril				
4.	Homeowners multiple peril				
5.	Commercial multiple peril				
6.	Mortgage guaranty	128,930,099	6,801,587	5,794,529	129,937,157
8.	Ocean marine				
9.	Inland marine				
10.	Financial guaranty				
11.1	Medical professional liability-occurrence				
11.2	Medical professional liability-claims-made				
12.	Earthquake				
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health				
16.	Workers' compensation				
17.1	Other liability - occurrence				
17.2	Other liability - claims-made				
17.3	Excess workers' compensation				
18.1	Products liability-occurrence				
18.2	Products liability-claims-made				
19.1,19.2	Private passenger auto liability				
19.3,19.4	Commercial auto liability				
21.	Auto physical damage				
22.	Aircraft (all perils)				
23.	Fidelity				
24.	Surety				
26.	Burglary and theft				
27.	Boiler and machinery				
28.	Credit				
29.	International				
30.	Warranty				
31.	Reinsurance-nonproportional assumed property				
32.	Reinsurance-nonproportional assumed liability				
33.	Reinsurance-nonproportional assumed financial lines	164	186	141	209
34.	Aggregate write-ins for other lines of business				
35.	TOTALS	128,930,263	6,801,773	5,794,670	129,937,366
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 above)				

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire					
2. Allied lines					
3. Farmowners multiple peril					
4. Homeowners multiple peril					
5. Commercial multiple peril					
6. Mortgage guaranty	2,579,272	3,215,257			5,794,529
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical professional liability-occurrence					
11.2 Medical professional liability-claims-made					
12. Earthquake					
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability-occurrence					
17.2 Other liability-claims-made					
17.3 Excess workers' compensation					
18.1 Products liability-occurrence					
18.2 Products liability-claims-made					
19.1,19.2 Private passenger auto liability					
19.3,19.4 Commercial auto liability					
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-nonproportional assumed property					
32. Reinsurance-nonproportional assumed liability					
33. Reinsurance-nonproportional assumed financial lines		141			141
34. Aggregate write-ins for other lines of business					
35. TOTALS	2,579,272	3,215,398			5,794,670
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					5,794,670
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 above)					

(a) State here basis of computation used in each case.

1. Annual policies - monthly pro rata. Monthly policies - in month coverage is provided. 2. Per Illinois Regulation 203.50

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire						
2. Allied lines						
3. Farmowners multiple peril						
4. Homeowners multiple peril						
5. Commercial multiple peril						
6. Mortgage guaranty	134,059,397			1,031,506	4,097,792	128,930,099
8. Ocean marine						
9. Inland marine						
10. Financial guaranty						
11.1 Medical professional liability-occurrence						
11.2 Medical professional liability-claims-made						
12. Earthquake						
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability-occurrence						
17.2 Other liability-claims-made						
17.3 Excess workers' compensation						
18.1 Products liability-occurrence						
18.2 Products liability-claims-made						
19.1,19.2 Private passenger auto liability						
19.3,19.4 Commercial auto liability						
21. Auto physical damage						
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-nonproportional assumed property	XXX					
32. Reinsurance-nonproportional assumed liability	XXX					
33. Reinsurance-nonproportional assumed financial lines	XXX		164			164
34. Aggregate write-ins for other lines of business						
35. TOTALS	134,059,397		164	1,031,506	4,097,792	128,930,263
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 above)						

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

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

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

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UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire								
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril								
6. Mortgage guaranty	388,784,185		14,933,320	373,850,865	677,005,521	816,656,541	234,199,845	180.2
8. Ocean marine								
9. Inland marine								
10. Financial guaranty								
11.1 Medical professional liability-occurrence								
11.2 Medical professional liability-claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability-occurrence								
17.2 Other liability-claims-made								
17.3 Excess workers' compensation								
18.1 Products liability-occurrence								
18.2 Products liability-claims-made								
19.1,19.2 Private passenger auto liability								
19.3,19.4 Commercial auto liability								
21. Auto physical damage								
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-nonproportional assumed property	XXX							
32. Reinsurance-nonproportional assumed liability	XXX							
33. Reinsurance-nonproportional assumed financial lines	XXX				10,000	10,000		
34. Aggregate write-ins for other lines of business								
35. TOTALS	388,784,185		14,933,320	373,850,865	677,015,521	816,666,541	234,199,845	180.2
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 + 3498) (Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire									
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty	673,017,461		18,633,637	654,383,824	23,312,586		690,889	677,005,521	7,372,569
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical professional liability-occurrence									
11.2 Medical professional liability-claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability-occurrence									
17.2 Other liability-claims-made									
17.3 Excess workers' compensation									
18.1 Products liability-occurrence									
18.2 Products liability-claims-made									
19.1,19.2 Private passenger auto liability									
19.3,19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-nonproportional assumed property	XXX				XXX				
32. Reinsurance-nonproportional assumed liability	XXX				XXX				
33. Reinsurance-nonproportional assumed financial lines	XXX				XXX	10,000		10,000	
34. Aggregate write-ins for other lines of business									
35. TOTALS	673,017,461		18,633,637	654,383,824	23,312,586	10,000	690,889	677,015,521	7,372,569
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 + 3498) (Line 34 above)								

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

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	(1,957,727)			(1,957,727)
1.2 Reinsurance assumed				
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	(1,957,727)			(1,957,727)
2. Commission and brokerage:				
2.1 Direct, excluding contingent		47,709		47,709
2.2 Reinsurance assumed, excluding contingent		40		40
2.3 Reinsurance ceded, excluding contingent		702,768		702,768
2.4 Contingent-direct				
2.5 Contingent-reinsurance assumed				
2.6 Contingent-reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		(655,019)		(655,019)
3. Allowances to manager and agents				
4. Advertising				
5. Boards, bureaus and associations		2,183		2,183
6. Surveys and underwriting reports	28,510			28,510
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	1,795,209	5,577,136		7,372,345
8.2 Payroll taxes	93,782	111,366		205,148
9. Employee relations and welfare	249,572	389,621		639,193
10. Insurance	25,173	12,224		37,397
11. Directors' fees		2,250		2,250
12. Travel and travel items	1,395	32,905		34,300
13. Rent and rent items	607,834	357,341		965,175
14. Equipment	28,823	(2,722)		26,101
15. Cost or depreciation of EDP equipment and software		708,303		708,303
16. Printing and stationery	4,750	45,454		50,204
17. Postage, telephone and telegraph, exchange and express	49,144	88,142		137,286
18. Legal and auditing		862,114	950,516	1,812,630
19. Totals (Lines 3 to 18)	2,884,192	8,186,317	950,516	12,021,025
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		1,832,625		1,832,625
20.2 Insurance department licenses and fees		43,821		43,821
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		1,876,446		1,876,446
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	3,056,359	10,966,162	2,962	14,025,483
25. Total expenses incurred	3,982,824	20,373,906	953,478 (a)	25,310,208
26. Less unpaid expenses-current year	7,372,569	17,849,499	167,506	25,389,574
27. Add unpaid expenses-prior year	9,636,988	13,091,514	122,837	22,851,339
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	6,247,243	15,615,921	908,809	22,771,973
DETAILS OF WRITE-INS				
2401. Investigative Services.....	3,055,763			3,055,763
2402. Data processing.....		4,018,228		4,018,228
2403. Misc. consulting fees.....	389	119,493		119,882
2498. Summary of remaining write-ins for Line 24 from overflow page	207	6,828,441	2,962	6,831,610
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	3,056,359	10,966,162	2,962	14,025,483

(a) Includes management fees of \$ to affiliates and \$780,268 to non-affiliates.

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a).....674,616	.....615,829
1.1 Bonds exempt from U.S. tax	(a).....3,907,645	.....3,609,759
1.2 Other bonds (unaffiliated)	(a).....18,059,495	.....17,200,193
1.3 Bonds of affiliates	(a).....	.....
2.1 Preferred stocks (unaffiliated)	(b).....	.....
2.11 Preferred stocks of affiliates	(b).....	.....
2.2 Common stocks (unaffiliated)	.....	.....
2.21 Common stocks of affiliates	.....	.....
3. Mortgage loans	(c).....	.....
4. Real estate	(d).....	.....
5. Contract loans	.....	.....
6. Cash, cash equivalents and short-term investments	(e).....409,915	.....1,200,497
7. Derivative instruments	(f).....	.....
8. Other invested assets	.....	.....
9. Aggregate write-ins for investment income	.....	.....
10. Total gross investment income	23,051,671	22,626,278
11. Investment expenses		(g).....953,478
12. Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13. Interest expense		(h).....
14. Depreciation on real estate and other invested assets		(i).....
15. Aggregate write-ins for deductions from investment income		.....18,493,139
16. Total deductions (Lines 11 through 15)		.....19,446,617
17. Net investment income (Line 10 minus Line 16)		3,179,661
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)		
1501. Carrying charge on Deferred Payment Obligation		.....18,493,139
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		18,493,139

(a) Includes \$ 1,508,530 accrual of discount less \$ 5,481,125 amortization of premium and less \$ 238,467 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ 4,414 accrual of discount less \$ 697,670 amortization of premium and less \$ paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	1,048,495	(69,764)	978,731		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	7,198		7,198		
2.21 Common stocks of affiliates				(489,665)	
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments		(766)	(766)		
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	1,055,693	(70,530)	985,163	(489,665)	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)					

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			
6. Contract loans			
7. Derivatives (Schedule DB).....			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL).....			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only).....			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	3,050	261	(2,789)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			
15.3 Accrued retrospective premiums.....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset.....			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software.....	289,713	925,968	636,255
21. Furniture and equipment, including health care delivery assets.....	54,412	124,857	70,445
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable.....			
25. Aggregate write-ins for other than invested assets	1,260,649	1,381,902	121,253
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,607,824	2,432,988	825,164
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
28. Total (Lines 26 and 27)	1,607,824	2,432,988	825,164
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. Prepaid expenses.....	1,260,649	1,381,902	121,253
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)	1,260,649	1,381,902	121,253

TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

NOTES TO FINANCIAL STATEMENTS

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

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

Prior to entering Rehabilitation, the Company was operating under a Corrective Order ("Order") issued by the Director effective June 1, 2009, which required all valid claims under the Company's mortgage guaranty insurance policies be paid 60% in cash and 40% by the creation of a deferred payment obligation ("DPO"). The DPO was represented by a separate entry into the Company's financial statement and was shown as a component of Policyholders' Surplus. The DPO also accrued a carrying charge based on the investment yield earned by the Company. The Company's loss reserves were adjusted to reflect only the estimated cash payment portion for claims under this Order. This was a prescribed practice and was not addressed in the NAIC's *Accounting Practices and Procedures Manual* ("SAP").

In Rehabilitation, the Company continues to pay valid claims 60% in cash and 40% by the creation of a DPO, however, the DPO is no longer shown as a component of Policyholders' Surplus, but is included in the liabilities of the Company and no carrying charges accrued after November 30, 2012. In addition, the Company's loss reserves were increased to reflect to total estimated claim amount, including the DPO. These changes resulted in the Company reporting a December 31, 2012 deficit in Policyholders' Surplus of \$852,748,289.

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

	<u>State of Domicile</u>	<u>2012</u>	<u>2011</u>
NET INCOME			
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	Illinois	\$(119,685,634)	\$(186,979,608)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP: Change in direct loss reserves		.....	.....(65,330,591)
		.....	.....0
(4) NAIC SAP (1-2-3=4)		\$(119,685,634)	\$(121,649,017)
SURPLUS			
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)		\$(852,748,289)	\$234,118,496
(6) State Prescribed Practices that increase/(decrease) NAIC SAP: Loss Reserves		.....	.....337,816,371
Deferred Payment Obligation		.....	.....629,700,281
		.....	.....0
(8) NAIC SAP (5-6-7=8)		\$(852,748,289)	\$(733,398,156)

B. Use of Estimates

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

C. Accounting Policies

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

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

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are carried at amortized cost using the interest method.
- (3) Common stocks are carried at market except for investments in 100% owned subsidiaries, which are carried on the equity basis.
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No.32.
- (5) The Company owns no mortgage loans.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The Company uses the prospective method to value all securities, including loan-backed and asset backed securities.
- (7) The reporting entity has one subsidiary, Triad Guaranty Assurance Corporation. This subsidiary is carried on the equity basis.
- (8) The reporting entity has no ownership in joint ventures, partnerships or limited liability companies.
- (9) The Company had no call options or other derivatives written at year-end 2012 or 2011.
- (10) Anticipated investment income is not utilized as a factor in premium deficiency calculations.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from frequency and severity factors applied to each delinquent loan that the Company refers to as case reserves, and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and the ultimate liability may be in excess of or less than the amount provided. Management periodically reviews and refines its assumptions and estimates with any adjustments reflected in the period adjustments are made.
- (12) The Company has not modified its capitalization policy from the prior period.

2. Accounting Changes and Corrections of Errors

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

Also under the Corrective Order effective June 1, 2009, the Company was directed to include the DPO portion of the claim settlement as a component of Policyholders' Surplus. In Rehabilitation, the Company continues to pay valid claims 60% in cash and 40% by the creation of a DPO, however, the DPO is no longer shown as a component of Policyholders' Surplus, but is included in the liabilities of the Company. This change resulted in a decrease in Policyholders' Surplus of \$629,700,282.

Effective July 1, 2011, the Company elected to change the basis for establishing reserves, requiring reserves be provided on loans two months or greater in default, loans in foreclosure, and real estate owned. Previously, the Company provided reserves on loans in default four months or greater, loans in foreclosure, and real estate owned. In accordance with SSAP No. 3, paragraph 3, a change in the method of calculating the reserve for losses is treated as a change in accounting principle. The Company adopted this change on a prospective basis; accordingly, the prior year financial statements have not been restated. The Company recorded the cumulative effect of the change by restating the reserves as of the first day of 2011 as if the Company had previously utilized the new method. The impact of adoption increased reserves and decreased surplus by \$20,735,071 as of January 1, 2011.

3. Business Combinations and Goodwill

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

4. Discontinued Operations

The Company has no discontinued operations.

TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

5. Investments

- A. The Company does not have any mortgage loan investments.
- B. The Company does not have any restructured debt investments.
- C. The Company does not have any reverse mortgage investments.
- D. Loan-Backed Securities

(1) The Company uses a proprietary model for loss assumptions and widely accepted models for prepayment assumptions in valuing mortgage-back asset-backed securities with inputs from major third party data providers. The models combine the effects of interest rates, volatility, and pre-payment speeds based on various scenario (Monte Carlo) simulations with resulting effective analytics (spreads, duration, convexity) and cash-flows on a monthly basis. Model assumptions are specific to asset class and collateral types and are regularly evaluated and adjusted where appropriate.

(2) 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.

	(1) Amortized Cost Basis Before Other-than-Temporary Impairment	(2) Other-than-Temporary Impairment Recognized in Loss	(3) Fair Value 1 - 2
OTTI recognized 1 st Quarter			
a. Intent to sell	\$	\$	\$ 0
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ 217,711	\$ 12,345	\$ 205,366
c. Total 1 st Quarter	\$ 217,711	\$ 12,345	\$ 205,366
OTTI recognized 2 nd Quarter			
d. Intent to sell	\$	\$	\$ 0
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ 281,618	\$ 1,085	\$ 280,534
f. Total 2 nd Quarter	\$ 281,618	\$ 1,085	\$ 280,534
OTTI recognized 3 rd Quarter			
g. Intent to sell	\$	\$	\$ 0
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ 207,415	\$ 929	\$ 206,486
i. Total 3 rd Quarter	\$ 207,415	\$ 929	\$ 206,486
OTTI recognized 4 th Quarter			
j. Intent to sell	\$	\$	\$ 0
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ 414,149	\$ 3,287	\$ 410,862
l. Total 4 th Quarter	\$ 414,149	\$ 3,287	\$ 410,862
m. Annual Aggregate Total	\$ 1,120,893	\$ 17,646	\$ 1,103,248

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

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

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

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

F. The Company does not have investments in real estate.

G. The Company does not have investments in low-income housing tax credits.

6. Joint Ventures, Partnerships and Limited Liability Companies

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

7. Investment Income

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

8. Derivative Instruments

The Company had no derivative investments at year-end 2012 or 2011.

TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

9. Income Taxes

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

1.

12/31/2012			
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 389,649,149	\$ 2,016,460	\$ 391,665,609
(b) Statutory Valuation Allowance Adjustments	\$ 389,422,267	\$ 2,016,460	\$ 391,438,727
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 226,882	\$ 0	\$ 226,882
(d) Deferred Tax Assets Nonadmitted	\$ 0	\$ 0	\$ 0
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 226,882	\$ 0	\$ 226,882
(f) Deferred Tax Liabilities	\$ 226,882	\$ 0	\$ 226,882
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 0	\$ 0	\$ 0

12/31/2011			
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 228,040,836	\$ 3,588,127	\$ 231,628,963
(b) Statutory Valuation Allowance Adjustments	\$ 227,494,559	\$ 3,588,127	\$ 231,082,686
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 546,277	\$ 0	\$ 546,277
(d) Deferred Tax Assets Nonadmitted	\$ 0	\$ 0	\$ 0
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 546,277	\$ 0	\$ 546,277
(f) Deferred Tax Liabilities	\$ 546,277	\$ 0	\$ 546,277
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 0	\$ 0	\$ 0

Change			
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ 161,608,313	\$ (1,571,667)	\$ 160,036,646
(b) Statutory Valuation Allowance Adjustments	\$ 161,927,708	\$ (1,571,667)	\$ 160,356,041
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ (319,395)	\$ 0	\$ (319,395)
(d) Deferred Tax Assets Nonadmitted	\$ 0	\$ 0	\$ 0
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ (319,395)	\$ 0	\$ (319,395)
(f) Deferred Tax Liabilities	\$ (319,395)	\$ 0	\$ (319,395)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 0	\$ 0	\$ 0

2.

12/31/2012			
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 0	\$ 0	\$ 0
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 0	\$ 0	\$ 0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ XXX	\$ XXX	\$ XXX
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$ 0	\$ 0	\$ 0
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 0	\$ 0	\$ 0
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 0	\$ 0	\$ 0

12/31/2011			
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 0	\$ 0	\$ 0
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 0	\$ 0	\$ 0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ XXX	\$ XXX	\$ XXX
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$ 0	\$ 0	\$ 0
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 0	\$ 0	\$ 0
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 0	\$ 0	\$ 0

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

3.

	2012	2011
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	0.000	0.000
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ (852,748,288.000)	\$ 234,118,496.000

TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

9. Income Taxes (continued)

4.

Impact of Tax-Planning Strategies

12/31/2012		
(1)	(2)	(3)
Ordinary Percent	Capital Percent	(Col 1+2) Total Percent
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)0.0
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)0.0

12/31/2011		
(4)	(5)	(6)
Ordinary Percent	Capital Percent	(Col 4+5) Total Percent
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0.0	0.0
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.0	0.0

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary Percent	(Col 2-5) Capital Percent	(Col 7+8) Total Percent
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0.0	0.0
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.0	0.0

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

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

1. Current Income Tax

	(1)	(2)	(3)
	12/31/2012	12/31/2011	(Col 1-2) Change
(a) Federal	\$ 0.0	\$ 0.0	\$ 0.0
(b) Foreign	\$ 0.0	\$ 0.0	\$ 0.0
(c) Subtotal	\$ 0.0	\$ 0.0	\$ 0.0
(d) Federal income tax on net capital gains	\$ 0.0	\$ 0.0	\$ 0.0
(e) Utilization of capital loss carry-forwards	\$ 0.0	\$ 0.0	\$ 0.0
(f) Other	\$ 0.0	\$ 0.0	\$ 0.0
(g) Federal and foreign income taxes incurred	\$ 0.0	\$ 0.0	\$ 0.0

2. Deferred Tax Assets:

	(1)	(2)	(3)
	12/31/2012	12/31/2011	(Col 1-2) Change
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 7,430,825	\$ 6,325,909	\$ 1,104,916
(2) Unearned premium reserve	\$ 1,746,110	\$ 1,906,879	\$ (160,769)
(3) Policyholder reserves	\$ 0	\$ 0	\$ 0
(4) Investments	\$ 0	\$ 0	\$ 0
(5) Deferred acquisition costs	\$ 0	\$ 0	\$ 0
(6) Policyholder dividends accrual	\$ 0	\$ 0	\$ 0
(7) Fixed assets	\$ 335,408	\$ 453,454	\$ (118,046)
(8) Compensation and benefits accrual	\$ 814,080	\$ 476,183	\$ 337,897
(9) Pension accrual	\$ 0	\$ 0	\$ 0
(10) Receivables - nonadmitted	\$ 0	\$ 0	\$ 0
(11) Net operating loss carry-forward	\$ 375,765,219	\$ 216,299,099	\$ 159,466,120
(12) Tax credit carry-forward	\$ 0	\$ 0	\$ 0
(13) Other (including items <5% of total ordinary tax assets)	\$ 3,557,507	\$ 2,579,312	\$ 978,195
(99) Subtotal	\$ 389,649,149	\$ 228,040,836	\$ 161,608,313
(b) Statutory valuation allowance adjustment	\$ 389,422,267	\$ 227,494,559	\$ 161,927,708
(c) Nonadmitted	\$ 0	\$ 0	\$ 0
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 226,882	\$ 546,277	\$ (319,395)
(e) Capital:			
(1) Investments	\$ 2,016,460	\$ 3,588,127	\$ (1,571,667)
(2) Net capital loss carry-forward	\$ 0	\$ 0	\$ 0
(3) Real estate	\$ 0	\$ 0	\$ 0
(4) Other (including items <5% of total capital tax assets)	\$ 0	\$ 0	\$ 0
(99) Subtotal	\$ 2,016,460	\$ 3,588,127	\$ (1,571,667)
(f) Statutory valuation allowance adjustment	\$ 2,016,460	\$ 3,588,127	\$ (1,571,667)
(g) Nonadmitted	\$ 0	\$ 0	\$ 0
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 0	\$ 0	\$ 0
(i) Admitted deferred tax assets (2d + 2h)	\$ 226,882	\$ 546,277	\$ (319,395)

3. Deferred Tax Liabilities:

	(1)	(2)	(3)
	12/31/2012	12/31/2011	(Col 1-2) Change
(a) Ordinary			
(1) Investments	\$ 0	\$ 0	\$ 0
(2) Fixed assets	\$ 120,444	\$ 367,789	\$ (247,345)
(3) Deferred and uncollected premium	\$ 0	\$ 0	\$ 0
(4) Policyholder reserves	\$ 0	\$ 0	\$ 0
(5) Other (including items <5% of total ordinary tax liabilities)	\$ 106,438	\$ 178,488	\$ (72,050)
(99) Subtotal	\$ 226,882	\$ 546,277	\$ (319,395)
(b) Capital:			
(1) Investments	\$ 0	\$ 0	\$ 0
(2) Real estate	\$ 0	\$ 0	\$ 0
(3) Other (including items <5% of total capital tax liabilities)	\$ 0	\$ 0	\$ 0
(99) Subtotal	\$ 0	\$ 0	\$ 0
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 226,882	\$ 546,277	\$ (319,395)

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

	\$ 0	\$ 0	\$ 0
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TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

9. Income Taxes (continued)

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

	<u>Tax effect</u>	Effective Tax Rate
Provision computed at statutory rate	\$ (41,889,972)	35.00%
Tax exempt income deduction	(1,073,903)	2.56%
NOL Carryforward	157,184,261	-375.23%
Change in accounting principle recorded in surplus	(118,235,730)	282.25%
Other	4,015,344	-9.59%
Total statutory income taxes	<u>\$ -</u>	0.00%

E. (1) The Company has an operating loss carry forward of \$1,073,614 to offset future net income subject to income taxes expiring as follows:

<u>Tax Year</u>	<u>Amount</u>	<u>Expires in</u>
2008	\$ 195,336,440	2028
2009	83,748,117	2029
2010	121,168,117	2030
2011	224,264,095	2031
2012	449,097,889	2032
	<u>\$ 1,073,614,912</u>	

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

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

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

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

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

G. The Company does not have any federal or foreign income tax loss contingencies.

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

- a.) The Company is a subsidiary of Triad Guaranty Inc., an insurance holding company. The Company has one mortgage insurance subsidiary, Triad Guaranty Assurance Corporation, in Rehabilitation and owns 100 percent of the shares of the company. Collateral Holdings Ltd. (CHL), a mortgage banking and real estate lending firm, owns approximately 17% of Triad Guaranty Inc., the Company's parent. CHL and its subsidiaries are considered to be affiliated companies in terms of definitions of SSAP No. 25. On December 11, 2012, the Company and its subsidiary were placed in rehabilitation and are now under the control of the Special Deputy Receiver to the Director of Insurance and The Office of Special Deputy Receiver.
- b.) The Company issued a \$25,000,000 surplus debenture to its parent, Triad Guaranty Inc., on January 29, 1998 (see Note 13, paragraph 11).
- c.) The Company had no transactions with any affiliates other than for reinsurance and cost allocation transactions.
- d.) The Company cannot recognize any interest payable on the surplus note until the Department of Insurance in Illinois, the Company's domiciliary state, authorizes interest payments. The Company was issued a corrective order from the Illinois Department of Insurance that prohibits the payment of interest. There were no other material amounts due from or to related parties as of the balance sheet dates presented other than for reinsurance transactions in the normal course of business.
- e.) The Company has not made any guarantees or undertakings for the benefit of its parent, or any affiliates or subsidiaries that result in a material contingent exposure of the Company's or any related party's assets or liabilities.
- f.) There was a capital management agreement between the Company and its parent, Triad Guaranty Inc., to provide capital raising and strategic planning services in which the Company will reimburse its parent for specific costs incurred on behalf of the Company. Amounts reimbursed are subject to approval by the Illinois Department of Insurance under the first corrective order. Amounts incurred for reimbursement to the parent company under the capital management agreement totaled \$1,081,293 and \$705,373 in 2012 and 2011, respectively which included Directors fees, D&O insurance coverage, legal fees, and consulting fees among others. The Company was placed in Rehabilitation on Dec 11, 2012 and no further cost will be reimbursed.
- g.) All outstanding shares of the Company are owned by the parent company, Triad Guaranty Inc., an insurance holding company domiciled in the State of Delaware.
- h.) The Company does not own any shares of an upstream intermediate or ultimate parent, either directly or indirectly via a downstream subsidiary, controlled or affiliated entity (SCA).
- i.) The Company does not have any investments in an SCA that exceeds 10% of admitted assets.
- j.) The Company does not have any investments in an SCA that exceeds 10% of admitted assets.
- k.) The Company does not have any investments in a foreign insurance subsidiary.
- l.) The Company does not have any investment in a downstream noninsurance holding company.

11. Debt

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

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

The Company has no defined benefit retirement plan or postretirement benefit plan. The Company does have a defined contribution 401(k) Plan. Under this plan, employees can elect to defer a portion of their wages with the Company matching a percentage of the employee deferral. Company matching in 2012 was 100% of the first 3% of employee deferrals to the 401(k) plan and 50% of the next 2% of employee deferrals. The total amount employees were allowed to defer in 2012 in the 401(k) plan was \$16,500, except for employees 50 or older who could defer an additional \$5,500. The Company's match in 2012 and 2011 was \$212,314 and \$200,164, respectively.

TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

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

- (1) The Company has 1,000,000 shares of common stock authorized, with 350,000 shares issued and outstanding as of December 31, 2012. The shares have a par value of \$10 per share.
- (2) The Company has no preferred stock outstanding.
- (3) Section 27 of the Illinois Insurance code ("the Code") permits dividends to be paid only out of earned surplus. In addition, Section 131.20a requires prior approval of extraordinary dividends. An extraordinary dividend is defined as any dividend or distribution of cash or other property whose fair market value, together with that of other dividends or distributions made within a period of twelve consecutive months, exceeds the greater of (a) 10 percent of the Company's policyholders' surplus or (b) the Company's net income for the calendar year preceding the date of the dividend. Section 31.16 requires that the Company notify the Director of the Illinois Department of Insurance within 5 business days after any dividend is declared. In addition to these statutory limitations on dividends, Section 202.30(b)(10) of the Regulations provides that a mortgage guaranty insurer may not declare any dividends except from undivided profits remaining on hand over and above the amount of its policyholder reserve. The amount of the required policyholder reserve is determined pursuant to the procedures contained in Section 202.30(b)(7) of the Regulations.
- (4) Capital restriction requirements by the Illinois Department of Insurance currently prohibit the Company from making any dividend payments.
- (5) In August 2008, the Company entered into a corrective order with the Illinois Department of Insurance as part of the Company's run-off plan. The corrective order prohibits dividend payments to the Company's parent, Triad Guaranty Inc., as well as interest and principal payments on the Company's \$25 million surplus note without prior approval of the Illinois Department of Insurance. In addition, the corrective order prohibits the Company from making any payments or entering into any transaction that transfers assets to or liabilities from affiliated parties or from entering into certain transactions with unaffiliated parties without approval from the Illinois Department of Insurance. On December 11, 2012 the Company was placed in Rehabilitation and is now under the control of the Special Deputy Receiver and the Office of the Special Deputy Receiver.
- (6) Restrictions have been placed on the unassigned surplus funds by the Illinois Department of Insurance (see Note 13. (5) above).
- (7) The Company is not a mutual or similarly organized company.
- (8) The Company held no shares of stock for special purposes.
- (9) There were no changes in the balances of any special surplus funds from the prior period
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$2,845,277
- (11) The Company has the following Surplus Note:

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Date Issued	Interest Rate	Par Value (Face Amount of Note)	Carrying Value of Note Outstanding	Interest Paid Current Year	Total Interest Paid	Unapproved Interest	Date of Maturity
	January 29, 1998	8.90%	\$25,000,000	\$25,000,000	\$0	\$22,138,765	11,125,000	January 10, 2028

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

14. Contingencies

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

15. Leases

A. Lessee Operating Lease

(1) The Company leases office facilities and office equipment under various operating lease agreements. Rental expense for all leases totaled approximately \$280,609 and \$291,438 in 2012 and 2011, respectively.

(2)

- a. At January 1, 2013, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2013	\$ 371,852
2.	2014	\$ 342,495
3.	2015	\$
4.	2016	\$
5.	2017	\$
6.	Total	\$ 714,347

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

B. The Company has no Lessor Leases.

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

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

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

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

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

The Company has no insured accident and health plans.

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

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

TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

20. Fair Value Measurements

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

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

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

Fair Value Measurements at Reporting Date

	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Common Stock				
Parent, Subsidiaries, and Affiliates	\$0	\$7,881,259	\$0	\$7,881,259
Total assets at fair value	\$0	\$7,881,259	\$0	\$7,881,259
b. Liabilities at fair value				
None				
Total liabilities at fair value	\$0	\$0	\$0	\$0

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

Description	Beginning Balance on 1/1/2012	Transfer into Level 3	Transfer out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2012
Assets										
Industrial & Miscellaneous	\$360,783	\$0	\$0	\$0	\$(360,783)	\$0	\$0	\$0	\$0	\$0
Total Assets	\$360,783	\$0	\$0	\$0	\$(360,783)	\$0	\$0	\$0	\$0	\$0
Liabilities										
none	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

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

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

C. The Company had the following financial instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Assets						
Bonds	\$591,709,536	\$567,626,390	\$0	\$591,709,536	\$0	\$0
Common Stock	7,881,259	7,881,259	0	7,881,259	0	0
Cash and short-term investments	129,811,456	129,811,456	129,811,456	0	0	0
Total	\$729,402,252	\$705,319,106	\$129,811,456	\$599,590,795	\$0	\$0

D. Not Practicable to Estimate Fair Value:

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

21. Other Items

- A. The Company does not have any Extraordinary Items.
 B. The Company does not have any Troubled Debt Restructuring: Debtors.
 C. The Company does not have any Other Disclosures.
 D. The Company has no Uncollectible Assets.
 E. The Company has no Business Interruption Insurance Recoveries.
 F. The Company has no State Transferable and Non-transferable Tax Credits

G. Subprime-Mortgage-Related Risk Exposure

Subprime Mortgage Exposures

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

For purposes of this disclosure, the Company defines the credit quality of its portfolio primarily based upon FICO or credit scores. The Company has four different classifications of credit quality of the loans that we insure: 1) subprime, 2) A-minus, 3) Alt-A, and 4) prime. Subprime is defined as FICO scores less than 575. A-minus is defined as FICO scores greater than or equal to 575 and less than or equal to 619. Alt-A is defined as loans with FICO scores equal to or greater than 620 written with reduced or no documentation. Prime loans are all loans that are not subprime, A-minus or Alt-A. At December 31, 2012, the Company had the following insurance in force amounts and percentages based on the credit classifications described above:

Credit Quality Classification	Insurance In Force	Percentage
Prime	\$17,100,533,168	73.0%
Alt-A	5,509,025,898	23.5%
A-Minus	723,637,606	3.1%
Subprime	103,803,689	0.4%
Total	\$23,437,000,361	100.0%

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

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

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

TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

21. Other Items (continued)

- (3) Direct exposure through other investments.

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	10,803,758	10,795,222	11,676,662	
b. Commercial mortgage-backed securities	24,673,375	24,628,305	25,317,578	
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investment in SCAs				
f. Other assets	12,860,354	12,807,364	13,376,047	
g. Total	48,337,487	48,230,891	50,370,287	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		As a % of total
Prime	\$ 440,555,909	62.8%
Alt-A	227,594,100	32.5%
A-Minus	28,248,245	4.0%
Subprime (A)	<u>4,910,938</u>	<u>0.7%</u>
Total	<u>\$701,309,192</u>	100%

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

	Total	Subprime
Losses paid	\$ 388,784,185	\$2,792,023
Incurred losses	225,312,996	933,274
Case reserves	701,309,192	4,910,938
IBNR reserves	24,160,900	0

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

22. Events Subsequent

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

TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

23. Reinsurance

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

Fed ID Number	NAIC Group Code	Name	Aggregate Amount
56-1905825	10217	Triad Guaranty Assurance Corporation, in Rehabilitation	7,102,017

B. The Company has no Reinsurance Recoverable in Dispute.

C. Reinsurance Assumed and Ceded

(1)

	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>
a. Affiliates	\$	\$	\$ 30,003	\$ 9,001	\$(30,003)	\$ (9,001)
b. All Other	\$197	\$25	\$ 30,202	\$ 4,773	\$(30,202)	\$ (4,773)
c. TOTAL	\$197	\$25	\$ 60,205	\$ 13,774	\$(60,205)	\$(13,774)
d. Direct Unearned Premium Reserve			\$ 5,854,735			

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

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

(3)The Company has no protected cells.

D. Uncollectible Reinsurance

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

a. Losses incurred	\$
b. Loss adjustment expenses incurred	\$
c. Premiums earned	\$
d. Other	\$
e. <u>Company</u>	<u>Amount</u>
BB&T Mortgage Reinsurance Corp	\$1,903,834

E. Commutation of Ceded Reinsurance

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

(1) Losses incurred	\$
(2) Loss adjustment expenses incurred	\$
(3) Premiums earned	\$
(4) Other	\$
(5) <u>Company</u>	<u>Amount</u>
Cap Re of Vermont LLC	\$2,089,146

F. The Company does not have any retroactive reinsurance agreements.

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

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

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

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

25. Changes in Incurred Losses and Loss Adjustment Expenses

Loss and LAE Reserves as of December 31, 2011 were \$488,478,158 but were restated effective January 1, 2012 due to the change in reserving basis (see Note 2) to \$826,303,529. As of December 31, 2012, \$342,351,564 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$455,307,202 as a result of re-estimation of unpaid losses and loss adjustment expenses adjusted for paid claims during 2012 relating to 2011 and prior. Therefore, there has been a \$32,973,071 favorable prior-year development since December 31, 2011 to December 31, 2012. The Schedule P deficiency of \$309,170,611 does not reflect the restatement of January 1, 2012 reserves. Reserves are established using estimated claims rates (frequency) and claim amounts (severity) to estimate ultimate losses. Management periodically reviews the loss reserve process and refines its methodology as appropriate. The reserving process gives effect to current economic conditions and profiles delinquencies by such factors as policy year, originations within bulk and flow channels, and the number of months a policy has been in default. The Company does not adjust premiums based on claim activity.

26. Intercompany Pooling Arrangements

The Company has no intercompany pooling arrangements.

27. Structured Settlements

The Company has no structured settlements.

28. Health Care Receivables

The Company has no health care receivables.

29. Participating Policies

The Company has no participating policies.

30. Premium Deficiency Reserves

The Company has no premium deficiency reserves.

31. High Deductibles

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

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

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

33. Asbestos/Environmental Reserves

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

34. Subscriber Savings Accounts

The Company has no subscriber savings accounts.

TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

35. Multiple Peril Crop Insurance

The Company has no multiple peril crop insurance exposure.

36. Financial Guaranty Insurance

The Company has no financial guaranty insurance exposure.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

GENERAL INTERROGATORIES

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

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 N/A.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
 10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
 10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [] No [] N/A [X]
 10.6 If the response to 10.5 is no or n/a, please explain

The Audit Committee was dissolved when the Company was placed in Rehabilitation.....
 11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Jonathan M. Guy, FCAS MAAA, Triad Guaranty Insurance Corporation, in Rehabilitation, 101 S. Stratford Rd Winston Salem, NC 27104, VP Lead Actuary.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved
 12.13 Total book/adjusted carrying value \$.....

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

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

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s)

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

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

FINANCIAL

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

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] NA [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
 - 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
 - 24.103 Total payable for securities lending reported on the liability page \$.....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [] No [X]

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

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

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

GENERAL INTERROGATORIES

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

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	654,336,587	677,007,963	22,671,376
30.2 Preferred Stocks.....			
30.3 Totals	654,336,587	677,007,963	22,671,376

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

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any? \$2,183

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

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

34.1 Amount of payments for legal expenses, if any? \$552,335

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Locke Lord LLP.....	\$.....461,618

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$

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

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

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

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

1.6 Individual policies:

Most current three years:

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

All years prior to most current three years:

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

1.7 Group policies:

Most current three years:

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

All years prior to most current three years:

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

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$ .....	\$	.....
2.2	Premium Denominator	\$129,937,366	\$	.....158,861,597
2.3	Premium Ratio (2.1/2.2)	.....		.....
2.4	Reserve Numerator	\$ .....	\$	.....
2.5	Reserve Denominator	\$690,182,760	\$	.....495,288,931
2.6	Reserve Ratio (2.4/2.5)	.....		.....

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]

3.2 If yes, state the amount of calendar year premiums written on:

- 3.21 Participating policies \$
- 3.22 Non-participating policies \$

4. For Mutual reporting entities and Reciprocal Exchanges only:

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

5. For Reciprocal Exchanges Only:

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

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

- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?..... Yes [] No []

5.5 If yes, give full information

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

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

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

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

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

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

 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?..... Yes [] No []
 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?..... Yes [] No []
 14.5 If the answer to 14.4 is no, please explain:

 15.1 Has the reporting entity guaranteed any financed premium accounts?..... Yes [] No [X]
 15.2 If yes, give full information
- 16.1 Does the reporting entity write any warranty business? Yes [] No [X]
 If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

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

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

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

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

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

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

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

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

FIVE-YEAR HISTORICAL DATA

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

	1 2012	2 2011	3 2010	4 2009	5 2008
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	134,059,397	165,251,331	216,016,245	217,011,874	316,308,951
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	164	225	480	489	692
6. Total (Line 35)	134,059,561	165,251,556	216,016,725	217,012,363	316,309,643
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	128,930,099	156,684,003	197,519,899	185,717,454	236,571,394
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	164	225	480	489	692
12. Total (Line 35)	128,930,263	156,684,228	197,520,379	185,717,943	236,572,086
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(128,619,209)	(212,737,770)	(185,277,553)	(619,953,312)	(592,503,814)
14. Net investment gain (loss) (Line 11)	4,164,824	25,691,409	38,273,644	27,088,652	24,041,551
15. Total other income (Line 15)	4,768,751	66,753	22,786	12,955,515	
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)				(2,793,643)	(2,357,178)
18. Net income (Line 20)	(119,685,634)	(186,979,608)	(146,981,122)	(577,115,502)	(566,105,085)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	749,986,304	839,887,395	911,466,484	826,982,369	1,047,039,591
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	8,303,915	10,788,415	12,609,842	16,816,752	20,056,087
20.2 Deferred and not yet due (Line 15.2)	28,558,421	29,849,630	14,772,375		
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	1,602,734,592	605,768,899	685,536,758	704,168,243	959,012,162
22. Losses (Page 3, Line 1)	677,015,521	478,850,170	565,786,910	587,917,301	856,913,387
23. Loss adjustment expenses (Page 3, Line 3)	7,372,569	9,636,988	15,817,694	21,816,808	12,797,066
24. Unearned premiums (Page 3, Line 9)	5,794,670	6,801,773	8,979,142	11,795,644	15,283,488
25. Capital paid up (Page 3, Lines 30 & 31)	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	(852,748,288)	234,118,496	225,929,726	122,814,126	88,027,429
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(100,678,066)	(92,513,420)	33,194,866	(144,574,483)	23,906,383
Risk-Based Capital Analysis					
28. Total adjusted capital					
29. Authorized control level risk-based capital					
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	80.5	90.3	90.2	93.5	90.8
31. Stocks (Lines 2.1 & 2.2)	1.1	1.1	1.2	0.9	1.4
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					0.1
34. Cash, cash equivalents and short-term investments (Line 5)	18.4	8.6	8.6	5.6	7.8
35. Contract loans (Line 6)					
36. Derivatives (Line 7)				XXX	XXX
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)	0.0	0.0	0.0		0.0
39. Securities lending reinvested collateral assets (Line 10)				XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	7,881,259	8,370,920	10,178,989	6,793,210	12,211,426
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47	7,881,259	8,370,920	10,178,989	6,793,210	12,211,426
49. Total Investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	(0.9)	3.6	4.5	5.5	13.9

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

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2012	2 2011	3 2010	4 2009	5 2008
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(489,661)	(1,808,068)	3,385,779	(3,492,658)	(2,393,972)
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	(1,086,866,784)	8,188,770	103,115,601	34,786,697	(109,685,626)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	388,784,185	486,950,552	591,853,961	575,450,153	237,577,270
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	388,784,185	486,950,552	591,853,961	575,450,153	237,577,270
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	373,850,865	461,080,109	367,608,938	603,459,544	139,206,034
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	373,850,865	461,080,109	367,608,938	603,459,544	139,206,034
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	180.2	222.5	172.4	398.0	319.2
68. Loss expenses incurred (Line 3) .....	.3	.5	5.2	12.9	6.7
69. Other underwriting expenses incurred (Line 4)	15.7	10.9	14.9	16.8	22.6
70. Net underwriting gain (loss) (Line 8)	(99.0)	(133.9)	(92.5)	(327.7)	(248.5)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	12.1	11.0	15.1	10.1	22.8
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	183.3	223.0	177.6	410.9	325.9
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	(15.1)	66.9	87.4	151.2	268.7
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	309,171	162,932	31,479	(132,110)	(81,730)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	132.1	72.1	25.6	(150.1)	(41.3)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	379,933	144,389	(45,231)	(173,419)	33,418
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	168.2	117.6	(51.4)	(87.7)	19.8

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

Yes [] No []

If no, please explain

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



ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0421

BUSINESS IN THE STATE OF Consolidated

DURING THE YEAR 2012

NAIC Company Code 24350

Table with columns: Line of Business, Gross Premiums, Dividends Paid, Direct Unearned Premium Reserves, Direct Losses Paid, Direct Losses Incurred, Direct Losses Unpaid, Direct Defense and Cost Containment Expense Paid, Direct Defense and Cost Containment Expense Incurred, Direct Defense and Cost Containment Expense Unpaid, Commissions and Brokerage Expenses, Taxes, Licenses and Fees. Includes rows for various insurance lines and a TOTALS row.

19.GT

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

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE F - PART 2

Premium Portfolio Reinsurance Effectuated or (Canceled) during Current Year

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE F - PART 3

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

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Cols. 15 - [16 + 17]	19 Funds Held By Company Under Reinsurance Treaties
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commis-sions	15 Cols. 7 through 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			
Authorized - Affiliates - U.S. Intercompany Pooling																			
Authorized - Affiliates - U.S. Non-Pool																			
56-1905825	10217	TRIAD GUAR ASSUR CORP.	IL		1,032	522		6,340		211		30		7,102	141		6,961		
0299999 - Total Authorized - Affiliates - U.S. Non-Pool					1,032	522	6,340		211		30		7,102	141		6,961			
Authorized - Affiliates - Other (Non-U.S.)																			
0499999 - Total Authorized - Affiliates - Total Authorized - Affiliates					1,032	522	6,340		211		30		7,102	141		6,961			
Authorized - Other U.S. Unaffiliated Insurers																			
Authorized - Pools - Mandatory Pools																			
Authorized - Pools - Voluntary Pools																			
Authorized - Other Non-U.S. Insurers																			
0999999 - Total Authorized - Total Authorized					1,032	522	6,340		211		30		7,102	141		6,961			
Unauthorized - Affiliates - U.S. Intercompany Pooling																			
Unauthorized - Affiliates - U.S. Non-Pool																			
Unauthorized - Affiliates - Other (Non-U.S.)																			
Unauthorized - Other U.S. Unaffiliated Insurers																			
36-4255472	11466	AAMBG REINS INC.	VT		641	122		3,439		91		1		3,654	165		3,489		
59-3537743	11476	BB&T MORTGAGE REINSURANCE CO.	VT		718	726		2,203		84		1		3,014	167		2,847		
23-2878531	11340	CAP RE OF VERMONT	VT		(480)														
75-1870029	43192	COLONIAL MORTGAGE INS CO.	TX		272	134		148		6			289	63		226			
03-0351351	11301	CROSS COUNTRY INS CO.	VT		1,966	701		3,194		117		24		4,035	363		3,672		
20-3581081	12470	PNC RE, INC.	VT		120	296		1,214				1		1,510	29		1,481		
03-0371020	11394	SCM CAPTIVE REINS CO.	VT		262	56		1,001		97		1		1,155	59		1,096		
58-2343351	11349	TWIN RIVERS INSURANCE CO.	VT		281	68		385		13		2		468	71		397		
1499998 - Total Unauthorized - Other U.S. Unaffiliated Insurers (Under \$100,000)					21		17		52				69	3		66			
1499999 - Total Unauthorized - Other U.S. Unaffiliated Insurers					3,801	2,104	11,601		461		29		14,195	921		13,274			
Unauthorized - Pools - Mandatory Pools																			
Unauthorized - Pools - Voluntary Pools																			
Unauthorized - Other non-U.S. Insurers																			
AA-0050269	00000	EXPANDED MORTGAGE REINSURANCE CO LTD.	TCA		158	61		114		19		1		195	39		156		
1799998 - Total Unauthorized - Other Non-U.S. Insurers (under \$100,000)					139	16	579						596	32		564			
1799999 - Total Unauthorized - Other Non-U.S. Insurers					297	77	693		19		1		791	71		720			
1899999 - Total Unauthorized - Total Unauthorized					4,098	2,181	12,294		480		30		14,986	992		13,994			
Certified - Affiliates - U.S. Intercompany Pooling																			
Certified - Affiliates - U.S. Non-Pool																			
Certified - Affiliates - Other (Non-U.S.)																			
Certified - Other U.S. Unaffiliated Insurers																			
Certified - Pools - Mandatory Pools																			
Certified - Pools - Voluntary Pools																			
2899999 - Total Authorized, Unauthorized and Certified					5,129	2,703	18,634		691		60		22,088	1,132		20,955			
9999999 Totals					5,129	2,703	18,634		691		60		22,088	1,132		20,955			

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

	1	2	3
	<u>Name of Reinsurer</u>	<u>Commission Rate</u>	<u>Ceded Premium</u>
1.	TRIAD GUARANTY ASSURANCE CORPORATION.....	30.000	1,031,709
2.	CROSS COUNTRY INSURANCE COMPANY.....	25.000	1,966,401
3.	.....	
4.	.....	
5.	.....	

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

	1	2	3	4
	<u>Name of Reinsurer</u>	<u>Total Recoverables</u>	<u>Ceded Premiums</u>	<u>Affiliated</u>
1.	TRIAD GUARANTY ASSURANCE CORPORATION.....	7,102,017	1,031,709	Yes [X] No []
2.	CROSS COUNTRY INSURANCE COMPANY.....	4,035,452	1,966,401	Yes [] No [X]
3.	AAMBG REINSURANCE CORPORATION.....	3,653,909	640,725	Yes [] No [X]
4.	BB&T MORTGAGE REINSURANCE COMPANY.....	3,013,920	717,815	Yes [] No [X]
5.	PNC Re, Inc.....	1,510,314	120,432	Yes [] No [X]

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE F - PART 4

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

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses							12 Percentage Overdue Col. 10/Col. 11	13 Percentage More Than 120 Days Overdue Col. 9 / Col. 11
				5 Current	Overdue					11 Total Due Cols. 5 + 10		
					6 1 to 29 Days	7 30 - 90 Days	8 91 - 120 Days	9 Over 120 Days	10 Total Overdue Cols. 6 + 7 + 8 + 9			
Authorized - Affiliates - U.S. Intercompany Pooling												
Authorized - Affiliates - U.S. Non-Pool												
56-1905825	10217	TRIAD GUAR ASSUR CORP	IL	522						522		
0299999 - Total Authorized - Affiliates - U.S. Non-Pool				522						522		
Authorized - Affiliates - Other (Non-U.S.)												
0499999 - Total Authorized - Affiliates				522						522		
Authorized - Other U.S. Unaffiliated Insurers												
Authorized - Pools - Mandatory Pools												
Authorized - Pools - Voluntary Pools												
Authorized - Other Non-U.S. Insurers												
0999999 - Total Authorized - Total Authorized				522						522		
Unauthorized - Affiliates - U.S. Intercompany Pooling												
Unauthorized - Affiliates - U.S. Non-Pool												
Unauthorized - Affiliates - Other (Non-U.S.)												
Unauthorized - Other U.S. Unaffiliated Insurers												
36-4255472	11466	AAMBG REINS INC	VT	122						122		
59-3537743	11476	BB&T MORTGAGE REINSURANCE CO	VT	726						726		
75-1870029	43192	COLONIAL MORTGAGE INS CO	TX	134						134		
03-0351351	11301	CROSS COUNTRY INS CO	VT	701						701		
27-0009777	12085	NATIONAL CITY MORTGAGE INS CO INC	HI	296						296		
03-0371020	11394	SCM CAPTIVE REINS CO	VT	56						56		
58-2343351	11349	TWIN RIVERS INSURANCE CO	VT	68						68		
1499999 - Total Unauthorized - Other U.S. Unaffiliated Insurers				2,104						2,104		
Unauthorized - Pools - Mandatory Pools												
Unauthorized - Pools - Voluntary Pools												
Unauthorized - Other Non-U.S. Insurers												
AA-0050269	00000	EXPANDED MORTGAGE REINSURANCE CO LTD	TCA	61						61		
AA-0050242	00000	TXL REINSURANCE LTD	TCA	16						16		
1799999 - Total Unauthorized - Other Non-U.S. Insurers				77						77		
1899999 - Total Unauthorized - Total Unauthorized				2,181						2,181		
Certified - Affiliates - U.S. Intercompany Pooling												
Certified - Affiliates - U.S. Non-Pool												
Certified - Affiliates - Other (Non-U.S.)												
Certified - Other U.S. Unaffiliated Insurers												
Certified - Pools - Mandatory Pools												
2899999 - Total Authorized, Unauthorized and Certified												
9999999 Totals				2,703						2,703		

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE F - PART 5

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

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Recoverable All Items Schedule F Part 3, Col. 15	6 Funds Held By Company Under Reinsurance Treaties	7 Letters of Credit	8 Letter of Credit Issuing or Confirming Bank (a)			11 Ceded Balances Payable	12 Miscellaneous Balances	13 Other Allowed Offset Items	14 Cols. 6+7+11+12+13 but not in excess of Col. 5	15 Subtotal Col. 5 minus Col. 14	16 Recoverable Paid Losses & LAE Expenses Over 90 Days past Due not in Dispute	17 20% of Amount in Col. 16	18 Smaller of Col. 14 or Col. 17	19 Smaller of Col. 14 or 20% of Amount in Dispute Included in Col. 5	20 Total Provision for Unauthorized Reinsurance Smaller of Col. 5 or Cols. 15 + 18 + 19
							8 American Bankers Association (ABA) Routing Number	9 Letter of Credit Code	10 Bank Name										
Affiliates - U.S. Intercompany Pooling																			
Affiliates - U.S. Non-Pool																			
Affiliates - Other Non-U.S. Insurers																			
Other U.S. Unaffiliated Insurers																			
36-4255472	11466	AAMBG REINS INC	VT	3,654						165		12,601	3,654						
59-3537743	11476	BB&T MORTGAGE REINSURANCE CO	VT	3,014						167		2,847	3,014						
75-1870029	43192	COLONIAL MORTGAGE INS CO	TX	289						63		1,191	289						
03-0351351	11301	CROSS COUNTRY INS CO	VT	4,035						363		4,915	4,035						
03-0362485	11326	HMC REINS CO	VT	17						3		152	17						
27-0009777	12085	NATIONAL CITY MORTGAGE INS CO INC	HI	1,510						29		1,945	1,510						
03-0371020	11394	SCM CAPTIVE REINS CO	VT	1,155						59		3,671	1,155						
58-2343351	11349	TWIN RIVERS INSURANCE COMPANY	VT	468						71		1,628	468						
0599999 - Total Other U.S. Unaffiliated Insurers				14,143				XXX	XXX	XXX		921		28,949	14,143				
Pools and Associations - Mandatory																			
Pools and Associations - Voluntary																			
Other Non-U.S. Insurers																			
AA-0050269	00000	EXPANDED MORTGAGE REINSURANCE CO LTD	TCA	195						39		1,216	195						
AA-0054526	00000	SIDUS FINANCIAL REINSURANCE	TCA	367						16		420	367						
AA-0050242	00000	TXL REINSURANCE LTD	TCA	281						15		635	281						
0899999 - Total Other Non-U.S. Insurers				843				XXX	XXX	XXX		70		2,272	843				
0999999 - Total Affiliates and Others				14,986				XXX	XXX	XXX		991		31,221	14,986				
9999999 Totals				14,986				XXX	XXX	XXX		991		31,221	14,986				

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

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

Schedule F - Part 6 - Section 1

NONE

Schedule F - Part 6 - Section 2

NONE

Schedule F - Part 7

NONE

Schedule F - Part 8

NONE

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

SCHEDULE F - PART 9

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12)	705,330,186		705,330,186
2. Premiums and considerations (Line 15)	36,862,336		36,862,336
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1).....	2,702,913	(2,702,913)	
4. Funds held by or deposited with reinsured companies (Line 16.2).....			
5. Other assets			
6. Net amount recoverable from reinsurers	5,090,869	20,955,311	26,046,180
7. Protected cell assets (Line 27)			
8. Totals (Line 28)	749,986,304	18,252,398	768,238,702
LIABILITIES (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3)	684,388,090	19,324,526	703,712,616
10. Taxes, expenses, and other obligations (Lines 4 through 8)	17,849,499		17,849,499
11. Unearned premiums (Line 9)	5,794,670	60,205	5,854,875
12. Advance premiums (Line 10)			
13. Dividends declared and unpaid (Line 11.1 and 11.2)			
14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12)	1,132,333	(1,132,333)	
15. Funds held by company under reinsurance treaties (Line 13)			
16. Amounts withheld or retained by company for account of others (Line 14)	84,434,829		84,434,829
17. Provision for reinsurance (Line 16)			
18. Other liabilities	809,135,171		809,135,171
19. Total liabilities excluding protected cell business (Line 26)	1,602,734,592	18,252,398	1,620,986,990
20. Protected cell liabilities (Line 27)			
21. Surplus as regards policyholders (Line 37)	(852,748,288)	X X X	(852,748,288)
22. Totals (Line 38)	749,986,304	18,252,398	768,238,702

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

If yes, give full explanation:

Schedule H - Part 1

NONE

Schedule H - Part 2

NONE

Schedule H - Part 3

NONE

Schedule H - Part 4

NONE

Schedule H - Part 5 - Health Claims

NONE

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(1)							(1)	XXX
2. 2003	146,958	28,686	118,272	35,022	368			862		38	35,515	XXX
3. 2004	176,384	37,079	139,305	45,594	686			1,239		54	46,146	XXX
4. 2005	209,709	42,793	166,916	57,248	797			2,022		63	58,474	XXX
5. 2006	257,007	48,725	208,282	91,323	912			3,196		71	93,607	XXX
6. 2007	334,407	60,763	273,644	299,165	99,341			7,889		319	207,713	XXX
7. 2008	318,239	79,815	238,425	752,252	(27,517)			17,083		1,092	796,852	XXX
8. 2009	220,722	31,516	189,206	675,471	224,585			16,702		1,322	467,588	XXX
9. 2010	219,113	18,776	200,337	354,108	25,327			7,225		823	336,006	XXX
10. 2011	167,438	8,576	158,862	157,549	13,222			2,948		1,341	147,275	XXX
11. 2012	135,076	5,139	129,938	31,951	452			898		62	32,397	XXX
12. Totals	XXX	XXX	XXX	2,499,682	338,173			60,064		5,185	2,221,573	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1.	47	(18)										65	XXX
2.	51	(19)										70	XXX
3.	446	(68)						8				522	XXX
4.	899	(582)						11				1,492	XXX
5.	1,645	(831)						19				2,495	XXX
6.	10,179	452						85				9,812	XXX
7.	50,361	46,264						481				4,578	XXX
8.	124,627	(7,210)						1,217				133,054	XXX
9.	132,001	(4,348)						1,401				137,750	XXX
10.	146,545	(10,246)	2,332	69				2,088				161,141	XXX
11.	206,217	(4,761)	20,990	622				2,063				233,409	XXX
12.	673,017	18,634	23,323	691				7,373				684,388	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount							
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid						
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	65							
2.	35,935	350	35,585	24.5	1.2	30.1				70							
3.	47,287	619	46,668	26.8	1.7	33.5				8							
4.	60,181	214	59,966	28.7	0.5	35.9				11							
5.	96,183	81	96,102	37.4	0.2	46.1				19							
6.	317,318	99,793	217,525	94.9	164.2	79.5				85							
7.	820,177	18,747	801,430	257.7	23.5	336.1				481							
8.	818,016	217,375	600,641	370.6	689.7	317.5				1,217							
9.	494,735	20,979	473,755	225.8	111.7	236.5				1,401							
10.	311,462	3,045	308,416	186.0	35.5	194.1				2,088							
11.	262,119	(3,687)	265,806	194.1	(71.8)	204.6				2,063							
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	677,016							

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	11 One Year	12 Two Year
1. Prior	9,929	17,821	18,203	18,880	19,057	19,041	18,926	18,884	18,924	18,908	(15)	24
2. 2003	17,439	24,377	31,536	34,960	35,309	35,114	34,660	34,781	34,844	34,724	(120)	(57)
3. 2004	XXX	20,031	35,566	44,024	45,466	45,676	44,573	45,714	45,297	45,421	124	(293)
4. 2005	XXX	XXX	41,878	51,792	54,171	56,177	54,532	54,875	57,147	57,933	787	3,058
5. 2006	XXX	XXX	XXX	67,844	102,519	94,910	81,523	83,091	92,219	92,887	668	9,796
6. 2007	XXX	XXX	XXX	XXX	320,301	244,172	169,188	182,703	205,652	209,551	3,899	26,847
7. 2008	XXX	XXX	XXX	XXX	XXX	735,809	695,387	765,620	754,812	783,866	29,054	18,246
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	466,941	411,541	501,224	582,722	81,499	171,182
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	314,000	364,021	465,129	101,108	151,130
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	211,212	303,381	92,169	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	262,846	XXX	XXX
										12. Totals	309,171	379,933

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	000	14,765	17,168	18,483	18,766	18,831	18,831	18,830	18,844	18,843	XXX	XXX
2. 2003	646	13,453	29,530	33,484	34,431	34,553	34,553	34,656	34,686	34,654	XXX	XXX
3. 2004	XXX	488	26,617	40,599	44,041	44,503	44,572	44,864	44,910	44,907	XXX	XXX
4. 2005	XXX	XXX	3,570	35,214	49,914	52,961	53,775	54,748	55,608	56,452	XXX	XXX
5. 2006	XXX	XXX	XXX	7,251	66,758	84,776	86,760	88,550	89,701	90,411	XXX	XXX
6. 2007	XXX	XXX	XXX	XXX	20,764	76,030	163,457	183,416	195,208	199,824	XXX	XXX
7. 2008	XXX	XXX	XXX	XXX	XXX	62,331	509,497	678,684	744,283	779,769	XXX	XXX
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	66,367	183,588	367,048	450,886	XXX	XXX
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	58,086	223,948	328,781	XXX	XXX
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32,267	144,327	XXX	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	31,499	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior	324									
2. 2003	2,924	366								
3. 2004	XXX	3,293	1,085							
4. 2005	XXX	XXX	9,761	634						
5. 2006	XXX	XXX	XXX	5,705	4,835					
6. 2007	XXX	XXX	XXX	XXX	43,514	4,815				
7. 2008	XXX	XXX	XXX	XXX	XXX	43,331	212			
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	1,910	1,216		
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,942	2,134	
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,210	2,263
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,369

Schedule P - Part 1A - Home/Farm

NONE

Schedule P - Part 1B - Private Passenger

NONE

Schedule P - Part 1C - Comm Auto/Truck

NONE

Schedule P - Part 1D - Workers' Comp

NONE

Schedule P - Part 1E - Comm Multi Peril

NONE

Schedule P - Part 1F - Med Pro Liab Occ

NONE

Schedule P - Part 1F - Med Pro Liab Clm

NONE

Schedule P - Part 1G - Special Liability

NONE

Schedule P - Part 1H - Other Liab Occur

NONE

Schedule P - Part 1H - Other Liab Claims

NONE

Schedule P - Part 1I - Special Property

NONE

Schedule P - Part 1J - Auto Physical

NONE

Schedule P - Part 1K - Fidelity/Surety

NONE

Schedule P - Part 1L - Other

NONE

Schedule P - Part 1M - International

NONE

Schedule P - Part 1N - Reinsurance

NONE

Schedule P - Part 1O - Reinsurance

NONE

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						12 Number of Claims Reported Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct And Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2003	2		2									XXX
3. 2004	1		1									XXX
4. 2005	1		1									XXX
5. 2006	1		1									XXX
6. 2007	1		1									XXX
7. 2008	1		1									XXX
8. 2009	1		1									XXX
9. 2010	1		1									XXX
10. 2011												XXX
11. 2012												XXX
12. Totals	XXX	XXX	XXX									XXX

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

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

Schedule P - Part 1R - Prod Liab Occur

NONE

Schedule P - Part 1R - Prod Liab Claims

NONE

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4	5	6	7	8	9				
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded				Direct and Assumed	Ceded
1. Prior	XXX	XXX	XXX	232,146	1,855					3,313	1,368	233,605	XXX
2. 2011	167,437	8,576	158,861	157,549	13,222					2,948	1,341	147,275	XXX
3. 2012	135,076	5,139	129,937	31,951	452					898	62	32,397	XXX
4. Totals	XXX	XXX	XXX	421,646	15,529					7,159	2,771	413,277	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1.	320,256	33,640							3,222			289,838	1,173
2.	146,545	(10,246)	2,332	69					2,088			161,141	760
3.	206,217	(4,761)	20,990	622					2,063			233,409	751
4.	673,017	18,634	23,323	691					7,373			684,388	2,684

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	286,616	3,222
2.	311,462	3,045	308,416	186.0	35.5	194.1				159,054	2,088
3.	262,119	(3,687)	265,806	194.1	(71.8)	204.6				231,346	2,063
4.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	677,016	7,373

Schedule P - Part 1T - Warranty

NONE

Schedule P - Part 2A

NONE

Schedule P - Part 2B

NONE

Schedule P - Part 2C

NONE

Schedule P - Part 2D

NONE

Schedule P - Part 2E

NONE

Schedule P - Part 2F - Section 1

NONE

Schedule P - Part 2F - Med Pro Liab Clm

NONE

Schedule P - Part 2G

NONE

Schedule P - Part 2H - Other Liab Occur

NONE

Schedule P - Part 2H - Other Liab Claim

NONE

Schedule P - Part 2I

NONE

Schedule P - Part 2J

NONE

Schedule P - Part 2K

NONE

Schedule P - Part 2L

NONE

Schedule P - Part 2M

NONE

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	11 One Year	12 Two Year
1. Prior												
2. 2003												
3. 2004	.XXX											
4. 2005	.XXX	.XXX										
5. 2006	.XXX	.XXX	.XXX									
6. 2007	.XXX	.XXX	.XXX	.XXX								
7. 2008	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
11. 2012	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
12. Totals												

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

1. Prior												
2. 2003												
3. 2004	.XXX											
4. 2005	.XXX	.XXX										
5. 2006	.XXX	.XXX	.XXX									
6. 2007	.XXX	.XXX	.XXX	.XXX								
7. 2008	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2010	.XXX											
10. 2011	.XXX				.XXX							
11. 2012	.XXX		.XXX	.XXX								
12. Totals												

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

1. Prior	.14	.2										
2. 2003	.15	.3										
3. 2004	.XXX	.11	.4									
4. 2005	.XXX	.XXX	.15	.3								
5. 2006	.XXX	.XXX	.XXX	.13	.3							
6. 2007	.XXX	.XXX	.XXX	.XXX	.13	.3						
7. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.14	.1					
8. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.9	.1				(.1)
9. 2010	.XXX	.9	.1		(.1)	(.9)						
10. 2011	.XXX	.9		(.9)	.XXX							
11. 2012	.XXX		.XXX	.XXX								
12. Totals											(.10)	(.10)

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	11 One Year	12 Two Year
1. Prior												
2. 2003												
3. 2004	XXX											
4. 2005	XXX	XXX										
5. 2006	XXX	XXX	XXX									
6. 2007	XXX	XXX	XXX	XXX								
7. 2008	XXX	XXX	XXX	XXX	XXX							
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

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

1. Prior												
2. 2003												
3. 2004	XXX											
4. 2005	XXX	XXX										
5. 2006	XXX	XXX	XXX									
6. 2007	XXX	XXX	XXX	XXX								
7. 2008	XXX	XXX	XXX	XXX	XXX							
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2010	XXX											
10. 2011	XXX				XXX							
11. 2012	XXX		XXX	XXX								
12. Totals												

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

1. Prior	XXX	565,777	728,718	945,720	217,003	379,943						
2. 2011	XXX	211,203	303,381	92,178	XXX							
3. 2012	XXX	XXX	262,846	XXX	XXX							
4. Totals											309,181	379,943

SCHEDULE P - PART 2T - WARRANTY

1. Prior	XXX											
2. 2011	XXX				XXX							
3. 2012	XXX		XXX	XXX								
4. Totals												

Schedule P - Part 3A

NONE

Schedule P - Part 3B

NONE

Schedule P - Part 3C

NONE

Schedule P - Part 3D

NONE

Schedule P - Part 3E

NONE

Schedule P - Part 3F - Med Pro Liab Occ

NONE

Schedule P - Part 3F - Med Pro Liab Clm

NONE

Schedule P - Part 3G

NONE

Schedule P - Part 3H - Other Liab Occur

NONE

Schedule P - Part 3H - Other Liab Claims

NONE

Schedule P - Part 3I

NONE

Schedule P - Part 3J

NONE

Schedule P - Part 3K

NONE

Schedule P - Part 3L

NONE

Schedule P - Part 3M

NONE

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

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

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1	2	3	4	5	6	7	8	9	10			
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012			
1. Prior	.000											XXX	XXX
2. 2003												XXX	XXX
3. 2004	XXX											XXX	XXX
4. 2005	XXX	XXX										XXX	XXX
5. 2006	XXX	XXX	XXX									XXX	XXX
6. 2007	XXX	XXX	XXX	XXX								XXX	XXX
7. 2008	XXX	XXX	XXX	XXX	XXX							XXX	XXX
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX						XXX	XXX
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

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

1. Prior	.000											XXX	XXX
2. 2003												XXX	XXX
3. 2004	XXX											XXX	XXX
4. 2005	XXX	XXX										XXX	XXX
5. 2006	XXX	XXX	XXX									XXX	XXX
6. 2007	XXX	XXX	XXX	XXX								XXX	XXX
7. 2008	XXX	XXX	XXX	XXX	XXX							XXX	XXX
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX						XXX	XXX
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

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

1. Prior	.000											XXX	XXX
2. 2003												XXX	XXX
3. 2004	XXX											XXX	XXX
4. 2005	XXX	XXX										XXX	XXX
5. 2006	XXX	XXX	XXX									XXX	XXX
6. 2007	XXX	XXX	XXX	XXX								XXX	XXX
7. 2008	XXX	XXX	XXX	XXX	XXX							XXX	XXX
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX						XXX	XXX
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
1. Prior	.000											
2. 2003												
3. 2004	.XXX											
4. 2005	.XXX	.XXX										
5. 2006	.XXX	.XXX	.XXX									
6. 2007	.XXX	.XXX	.XXX	.XXX								
7. 2008	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
11. 2012	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		

NONE

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

1. Prior	.000											
2. 2003												
3. 2004	.XXX											
4. 2005	.XXX	.XXX										
5. 2006	.XXX	.XXX	.XXX									
6. 2007	.XXX	.XXX	.XXX	.XXX								
7. 2008	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2010	.XXX											
10. 2011	.XXX											
11. 2012	.XXX											

NONE

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

1. Prior	.XXX	.000	428,814	659,105	.XXX	.XXX						
2. 2011	.XXX	32,267	144,327	.XXX	.XXX							
3. 2012	.XXX	31,499	.XXX	.XXX								

SCHEDULE P - PART 3T - WARRANTY

1. Prior	.XXX	.000										
2. 2011	.XXX											
3. 2012	.XXX											

NONE

Schedule P - Part 4A

NONE

Schedule P - Part 4B

NONE

Schedule P - Part 4C

NONE

Schedule P - Part 4D

NONE

Schedule P - Part 4E

NONE

Schedule P - Part 4F - Med Pro Liab Occ

NONE

Schedule P - Part 4F - Med Pro Liab Clm

NONE

Schedule P - Part 4G

NONE

Schedule P - Part 4H - Other Liab Occur

NONE

Schedule P - Part 4H - Other Liab Claims

NONE

Schedule P - Part 4I

NONE

Schedule P - Part 4J

NONE

Schedule P - Part 4K

NONE

Schedule P - Part 4L

NONE

Schedule P - Part 4M

NONE

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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

1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX									
9. 2011	XXX									
11. 2012	XXX									

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

1. Prior										
2. 2003	10	1								
3. 2004	XXX	9	1							
4. 2005	XXX	XXX	9	1						
5. 2006	XXX	XXX	XXX	9	1					
6. 2007	XXX	XXX	XXX	XXX	9	1				
7. 2008	XXX	XXX	XXX	XXX	XXX	9	1			
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	9	1		
9. 2010	XXX	9	1							
9. 2011	XXX	9								
11. 2012	XXX									

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

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

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

1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX									
10. 2011	XXX									
11. 2012	XXX									

NONE

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

1. Prior	XXX	12,148	2,133							
2. 2011	XXX	19,201	2,263							
3. 2012	XXX	XXX	20,369							

SCHEDULE P - PART 4T - WARRANTY

1. Prior	XXX									
2. 2011	XXX									
3. 2012	XXX									

NONE

Schedule P - Part 5A- SN1

NONE

Schedule P - Part 5A- SN2

NONE

Schedule P - Part 5A- SN3

NONE

Schedule P - Part 5B- SN1

NONE

Schedule P - Part 5B- SN2

NONE

Schedule P - Part 5B- SN3

NONE

Schedule P - Part 5C- SN1

NONE

Schedule P - Part 5C- SN2

NONE

Schedule P - Part 5C- SN3

NONE

Schedule P - Part 5D- SN1

NONE

Schedule P - Part 5D- SN2

NONE

Schedule P - Part 5D- SN3

NONE

Schedule P - Part 5E- SN1

NONE

Schedule P - Part 5E- SN2

NONE

Schedule P - Part 5E- SN3

NONE

Schedule P - Part 5F- SN1A

NONE

Schedule P - Part 5F- SN2A

NONE

Schedule P - Part 5F- SN3A

NONE

Schedule P - Part 5F- SN1B

NONE

Schedule P - Part 5F- SN2B

NONE

Schedule P - Part 5F- SN3B

NONE

Schedule P - Part 5H- SN1A

NONE

Schedule P - Part 5H- SN2A

NONE

Schedule P - Part 5H- SN3A

NONE

Schedule P - Part 5H- SN1B

NONE

Schedule P - Part 5H- SN2B

NONE

Schedule P - Part 5H- SN3B

NONE

Schedule P - Part 5R- SN1A

NONE

Schedule P - Part 5R- SN2A

NONE

Schedule P - Part 5R- SN3A

NONE

Schedule P - Part 5R- SN1B

NONE

Schedule P - Part 5R- SN2B

NONE

Schedule P - Part 5R- SN3B

NONE

Schedule P - Part 5T- SN1

NONE

Schedule P - Part 5T- SN2

NONE

Schedule P - Part 5T- SN3

NONE

Schedule P - Part 6C - SN1

NONE

Schedule P - Part 6C - SN2

NONE

Schedule P - Part 6D - SN1

NONE

Schedule P - Part 6D - SN2

NONE

Schedule P - Part 6E - SN1

NONE

Schedule P - Part 6E - SN2

NONE

Schedule P - Part 6H - SN1A

NONE

Schedule P - Part 6H - SN2A

NONE

Schedule P - Part 6H - SN1B

NONE

Schedule P - Part 6H - SN2B

NONE

Schedule P - Part 6M - SN1

NONE

Schedule P - Part 6M - SN2

NONE

Schedule P - Part 6N - SN1

NONE

Schedule P - Part 6N - SN2

NONE

Schedule P - Part 6O - SN1

NONE

Schedule P - Part 6O - SN2

NONE

Schedule P - Part 6R - SN1A

NONE

Schedule P - Part 6R - SN2A

NONE

Schedule P - Part 6R - SN1B

NONE

Schedule P - Part 6R - SN2B

NONE

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

SECTION 1

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/Farmowners						
2. Private Passenger Auto Liability/Medical						
3. Commercial Auto/Truck Liability/Medical						
4. Workers' Compensation						
5. Commercial Multiple Peril						
6. Medical Professional Liability-Occurrence						
7. Medical Professional Liability -Claims-Made						
8. Special Liability						
9. Other Liability-Occurrence						
10. Other Liability-Claims-Made						
11. Special Property						
12. Auto Physical Damage						
13. Fidelity/Surety						
14. Other						
15. International						
16. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX	XXX	XXX
17. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX	XXX	XXX
18. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX	XXX	XXX
19. Products Liability-Occurrence						
20. Products Liability-Claims-Made						
21. Financial Guaranty/Mortgage Guaranty	684,378			128,930		
22. Warranty						
23. Totals	684,378			128,930		

SECTION 2

Years in Which Policies Were Issued	INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3

Years in Which Policies Were Issued	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED)									
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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REHABILITATION**

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

SECTION 4

Years in Which Policies Were Issued	NET EARNED PREMIUMS REPORTED AT YEAR END (\$000 OMITTED)									
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 5

Years in Which Policies Were Issued	NET RESERVE FOR PREMIUM ADJUSTMENTS AND ACCRUED RETROSPECTIVE PREMIUMS AT YEAR END (\$000 OMITTED)									
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

SECTION 1

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/Farmowners						
2. Private Passenger Auto Liability/Medical						
3. Commercial Auto/Truck Liability/Medical						
4. Workers' Compensation						
5. Commercial Multiple Peril						
6. Medical Professional Liability-Occurrence						
7. Medical Professional Liability -Claims-Made						
8. Special Liability						
9. Other Liability-Occurrence						
10. Other Liability-Claims-made						
11. Special Property						
12. Auto Physical Damage						
13. Fidelity/Surety						
14. Other						
15. International						
16. Reinsurance-Nonproportional Assumed Property						
17. Reinsurance-Nonproportional Assumed Liability						
18. Reinsurance-Nonproportional Assumed Financial Lines	10					
19. Products Liability-Occurrence						
20. Products Liability-Claims-Made						
21. Financial Guaranty/Mortgage Guaranty	684,378			128,930		
22. Warranty						
23. Totals	684,388			128,930		

SECTION 2

Years in Which Policies Were Issued	INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3

Years in Which Policies Were Issued	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED)									
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

SECTION 4

Years in Which Policies Were Issued	NET EARNED PREMIUMS REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 5

Years in Which Policies Were Issued	NET RESERVE FOR PREMIUM ADJUSTMENTS AND ACCRUED RETROSPECTIVE PREMIUMS AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 6

Years in Which Policies Were Issued	INCURRED ADJUSTABLE COMMISSIONS REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 7

Years in Which Policies Were Issued	RESERVES FOR COMMISSION ADJUSTMENTS AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE P INTERROGATORIES

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

Years in Which Premiums Were Earned and Losses Were Incurred		DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid	
		1 Section 1: Occurrence	2 Section 2: Claims-Made
1.601	Prior		
1.602	2003		
1.603	2004		
1.604	2005		
1.605	2006		
1.606	2007		
1.607	2008		
1.608	2009		
1.609	2010		
1.610	2011		
1.611	2012		
1.612	Totals		

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Yes [X] No []
3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement?: Yes [X] No []
4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? Yes [] No [X]
 If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.
 Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.
 Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.
5. What were the net premiums in force at the end of the year for:
 (in thousands of dollars)
- | | | |
|--|--------------|----------|
| | 5.1 Fidelity | \$ |
| | 5.2 Surety | \$ |
6. Claim count information is reported per claim or per claimant. (indicate which).....CLAIM
 If not the same in all years, explain in Interrogatory 7.
- 7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses? Yes [X] No []
- 7.2 An extended statement may be attached.
 Effective December 11, 2012, The Company was placed in receivership through court Petitions and Orders filed in the domicile state of Illinois. The Company is now under the supervision of the Office of the Special deputy Receiver under the Illinois Department of Insurance. The Company was instructed to disregard the prior corrective orders that required the recording of only the cash portion of the expected claim reserve for defaults and the carrying of the DPO as a component of surplus. This resulted in a \$338 million increase to the January 1, 2012 reserves and a like decrease in surplus.....

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

States, etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	L	447,536	468,834		608,599	434,476	1,405,583	
2. Alaska	AK	L							
3. Arizona	AZ	L	2,318,502	2,317,071		18,215,729	9,233,450	9,229,980	
4. Arkansas	AR	L	819,255	842,555		1,201,873	953,672	1,912,580	
5. California	CA	L	33,112,134	32,869,625		112,599,064	67,385,423	209,714,686	
6. Colorado	CO	L	4,822,917	4,828,003		10,486,195	14,695,114	20,810,945	
7. Connecticut	CT	L	372,330	375,723		384,718	562,809	1,941,294	
8. Delaware	DE	L	123,807	123,606		59,170	97,379	266,029	
9. Dist. Columbia	DC	L	9,114,092	9,354,913		53,964,854	11,309,515	83,729,498	
10. Florida	FL	L	5,376,029	5,589,706		16,594,623	8,482,185	49,078,309	
11. Georgia	GA	L	2,697,766	2,703,468		5,361,825	3,335,726	7,418,657	
12. Hawaii	HI	L	6,291	6,291			(566)	1,094	
13. Idaho	ID	L	14,566	14,566			(4,007)	79,208	
14. Illinois	IL	L	3,771,268	3,765,557		10,305,963	5,816,612	21,892,639	
15. Indiana	IN	L	493,317	507,800		910,492	690,309	1,272,126	
16. Iowa	IA	L	53,577	53,596		17,011	34,638	156,302	
17. Kansas	KS	L	271,440	281,245		486,381	101,076	485,818	
18. Kentucky	KY	L	1,134,516	1,140,325		2,054,207	1,243,391	3,322,460	
19. Louisiana	LA	L	211,572	218,842		367,212	135,703	351,931	
20. Maine	ME	L							
21. Maryland	MD	L	1,221,029	1,275,796		2,260,208	2,519,035	8,236,569	
22. Massachusetts	MA	L	765,811	762,111		1,475,080	1,206,605	3,643,484	
23. Michigan	MI	L	2,470,620	2,480,262		6,492,121	3,566,149	9,303,008	
24. Minnesota	MN	L	25,093,328	25,432,183		53,871,831	34,573,148	93,206,738	
25. Mississippi	MS	L	189,863	223,041		266,188	196,780	338,717	
26. Missouri	MO	L	421,809	438,157		916,505	817,943	815,242	
27. Montana	MT	L	11,307	10,943			(16,093)	1,966	
28. Nebraska	NE	L	1,238	1,238			(424)	215	
29. Nevada	NV	L	417,306	411,321		3,016,740	1,601,837	3,473,838	
30. New Hampshire	NH	L	35,777	35,777		35,025	90,214	136,031	
31. New Jersey	NJ	L	2,443,853	2,436,541		2,969,505	3,840,841	18,755,072	
32. New Mexico	NM	L	270,197	269,671		585,485	512,820	1,035,016	
33. New York	NY	L	994,870	994,971		1,162,686	(625,983)	8,376,872	
34. No. Carolina	NC	L	5,016,393	5,092,781		8,681,185	4,286,701	14,143,932	
35. No. Dakota	ND	L							
36. Ohio	OH	L	1,874,585	1,888,931		3,781,978	2,711,706	8,175,056	
37. Oklahoma	OK	L	1,496,650	1,540,340		1,739,903	551,221	2,216,308	
38. Oregon	OR	L	338,476	339,459		889,005	838,275	1,472,479	
39. Pennsylvania	PA	L	1,659,851	1,675,121		2,654,415	2,123,265	6,281,858	
40. Rhode Island	RI	L	115,932	114,422		321,282	36,944	672,833	
41. So. Carolina	SC	L	2,827,991	2,840,721		5,703,310	3,279,315	9,941,018	
42. So. Dakota	SD	L	6,336	6,336		35,834	9,181	1,102	
43. Tennessee	TN	L	1,297,502	1,321,268		2,065,856	1,018,725	3,170,221	
44. Texas	TX	L	15,778,933	15,783,417		44,567,338	48,298,387	70,104,474	
45. Utah	UT	L	289,202	294,627		1,000,066	650,628	1,143,822	
46. Vermont	VT	L							
47. Virginia	VA	L	2,850,606	2,933,263		9,017,767	2,589,076	14,837,379	
48. Washington	WA	L	408,271	407,406		649,029	919,683	2,071,546	
49. West Virginia	WV	L	198,022	202,413		290,900	84,549	127,558	
50. Wisconsin	WI	L	321,470	320,288		717,027	370,239	1,476,616	
51. Wyoming	WY	L	81,253	81,253			15,632	101,937	
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		134,059,396	135,075,784		388,784,185	240,573,304	696,330,046	
DETAILS OF WRITE-INS									
58001.		XXX							
58002.		XXX							
58003.		XXX							
58998. Sum. of remaining write-ins for Line 58 from overflow page.		XXX							
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)		XXX							

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

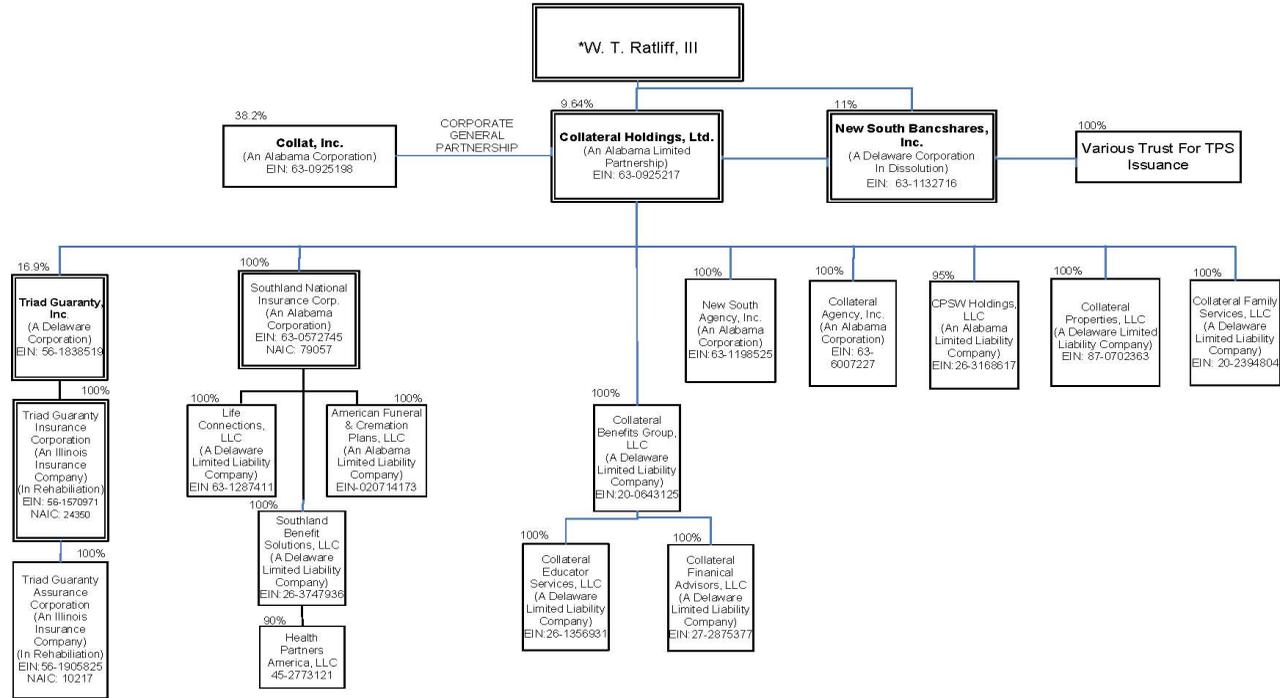
Allocated By States and Territories

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

NONE

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

COLLATERAL FAMILY OF COMPANIES



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

ANNUAL STATEMENT FOR THE YEAR 2012 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.		63-1132716				New South Bancshares, Inc.	USA	NIA	William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.						Various Trust for TPS Issurance	USA	NIA	New South Bancshares, Inc.	Ownership	100.0	William T. Ratliff, and family	6
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.		64-0858642				Southland National Trust Company, Inc.	USA	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		63-1065494				Southland National Funeral Group, Inc.	USA	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		63-1287411				Life Connections, LLC	USA	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
0421	Collateral Holding, Ltd.		63-1263856				Benefit Resource Group, LLC	USA	DS	Southland National Insurance Corporation	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	

SCHEDULE Y

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

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
00000	63-0925217	CHL			37,340		187,774				225,114	
00000	63-0925198	Collat Inc					99,840				99,840	
79057	63-0572745	Southland National Insurance Corporation	150,000	15,898	(37,340)		(542,856)				(414,298)	
10217	56-1905825	Triad Guaranty Assurance Corporation						(1,996,739)			(1,996,739)	(7,100,035)
00000	56-1838519	Triad Guaranty Inc					1,081,293				1,081,293	
24350	56-1570971	Triad Guaranty Insurance Corporation					(1,081,293)	1,996,739			915,446	7,100,035
00000	26-3747936	Southland Benefit Solutions	(150,000)				255,242				105,242	
00000	63-1263856	Benefit Resource Group, LLC (Dissolved)		(5,899)							(5,899)	
00000	64-0858642	Southland National Trust Co (Dissolved)		(7,406)							(7,406)	
00000	63-1065494	Southland National Funeral Gr (Dissolved)		(2,593)							(2,593)	
9999999 Control Totals												
										XXX		

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

APRIL FILING

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

AUGUST FILING

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

Explanation:

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

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

- 30.
- 31.
- 32.
- 33. Company is in Rehabilitation and has been instructed not to file by the Office of Special Deputy Receiver.

Bar Code:

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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

32. 
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**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

OVERFLOW PAGE FOR WRITE-INS

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

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. Contract underwriting fees.....		5,929,760		5,929,760
2405. Miscellaneous expenses.....	207	23,727		23,934
2406. Holding company expenses.....		822,855		822,855
2407. Bank fees and service charges.....		52,099	2,962	55,061
2497. Summary of remaining write-ins for Line 24 from page 11	207	6,828,441	2,962	6,831,610

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3+4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	4,216,847	0.598	4,216,847		4,216,847	0.598
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies						
1.22 Issued by U.S. government sponsored agencies						
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	8,590,517	1.218	8,590,517		8,590,517	1.218
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations	1,657,297	0.235	1,657,297		1,657,297	0.235
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	3,327,807	0.472	3,327,807		3,327,807	0.472
1.43 Revenue and assessment obligations	36,743,938	5.210	36,743,938		36,743,938	5.209
1.44 Industrial development and similar obligations						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA						
1.512 Issued or guaranteed by FNMA and FHLMC	8,210,831	1.164	8,210,831		8,210,831	1.164
1.513 All other						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	24,628,305	3.492	24,628,305		24,628,305	3.492
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521						
1.523 All other	47,130,915	6.682	47,130,915		47,130,915	6.682
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	309,821,991	43.926	309,821,991		309,821,991	43.926
2.2 Unaffiliated non-U.S. securities (including Canada)	123,297,942	17.481	123,297,942		123,297,942	17.481
2.3 Affiliated securities						
3. Equity interests:						
3.1 Investments in mutual funds						
3.2 Preferred stocks:						
3.21 Affiliated						
3.22 Unaffiliated						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated						
3.32 Unaffiliated						
3.4 Other equity securities:						
3.41 Affiliated	7,881,259	1.117	7,881,259		7,881,259	1.117
3.42 Unaffiliated						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated						
3.52 Unaffiliated						
4. Mortgage loans:						
4.1 Construction and land development						
4.2 Agricultural						
4.3 Single family residential properties						
4.4 Multifamily residential properties						
4.5 Commercial loans						
4.6 Mezzanine real estate loans						
5. Real estate investments:						
5.1 Property occupied by company						
5.2 Property held for production of income (including \$of property acquired in satisfaction of debt)						
5.3 Property held for sale (including \$ property acquired in satisfaction of debt)						
6. Contract loans						
7. Derivatives						
8. Receivables for securities			11,084		11,084	0.002
9. Securities Lending (Line 10, Asset Page reinvested collateral)				XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	129,811,456	18.405	129,811,456		129,811,456	18.404
11. Other invested assets						
12. Total invested assets	705,319,105	100.000	705,330,189		705,330,189	100.000

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE A – VERIFICATION BETWEEN YEARS

Real Estate

- 1. Book/adjusted carrying value, December 31 of prior year.....
- 2. Cost of acquired:
 - 2.1 Actual cost at time of acquisition (Part 2, Column 6).....
 - 2.2 Additional investment made after acquisition (Part 2, Column 9).....
- 3. Current year change in encumbrances:
 - 3.1 Totals, Part 1, Column 13.....
 - 3.2 Totals, Part 3, Column 11.....
- 4. Total gain (loss) on disposals, Part 3, Column 18.....
- 5. Deduct amounts received on disposals, Part 3, Column 15.....
- 6. Total foreign exchange change in book/adjusted carrying value:
 - 6.1 Totals, Part 1, Column 15.....
 - 6.2 Totals, Part 3, Column 13.....
- 7. Deduct current year's other than temporary impairment recognized:
 - 7.1 Totals, Part 1, Column 12.....
 - 7.2 Totals, Part 3, Column 10.....
- 8. Deduct current year's depreciation:
 - 8.1 Totals, Part 1, Column 11.....
 - 8.2 Totals, Part 3, Column 9.....
- 9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8).....
- 10. Deduct total nonadmitted amounts.....
- 11. Statement value at end of current period (Line 9 minus Line 10).....

NONE

SCHEDULE B – VERIFICATION BETWEEN YEARS

Mortgage Loans

- 1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....
- 2. Cost of acquired:
 - 2.1 Actual cost at time of acquisition (Part 2, Column 7).....
 - 2.2 Additional investment made after acquisition (Part 2, Column 8).....
- 3. Capitalized deferred interest and other:
 - 3.1 Totals, Part 1, Column 12.....
 - 3.2 Totals, Part 3, Column 11.....
- 4. Accrual of discount.....
- 5. Unrealized valuation increase (decrease):
 - 5.1 Totals, Part 1, Column 9.....
 - 5.2 Totals, Part 3, Column 8.....
- 6. Total gain (loss) on disposals, Part 3, Column 18.....
- 7. Deduct amounts received on disposals, Part 3, Column 15.....
- 8. Deduct amortization of premium and mortgage interest points and commitment fees.....
- 9. Total foreign exchange change in book value/recorded investment excluding accrued interest:
 - 9.1 Totals, Part 1, Column 13.....
 - 9.2 Totals, Part 3, Column 13.....
- 10. Deduct current year's other than temporary impairment recognized:
 - 10.1 Totals, Part 1, Column 11.....
 - 10.2 Totals, Part 3, Column 10.....
- 11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....
- 12. Total valuation allowance.....
- 13. Subtotal (Line 11 plus Line 12).....
- 14. Deduct total nonadmitted amounts.....
- 15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14).....

NONE

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

SCHEDULE BA – VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

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

NONE

SCHEDULE D – VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year.....		720,429,949
2.	Cost of bonds and stocks acquired, Part 3, Column 7.....		41,584,494
3.	Accrual of discount.....		1,508,530
4.	Unrealized valuation increase (decrease):		
4.1	Part 1, Column 12.....		
4.2	Part 2, Section 1, Column 15.....		
4.3	Part 2, Section 2, Column 13.....	(489,665)	
4.4	Part 4, Column 11.....		(489,665)
5.	Total gain (loss) on disposals, Part 4, Column 19.....		1,055,693
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....		183,030,465
7.	Deduct amortization of premium.....		5,481,125
8.	Total foreign exchange change in book/adjusted carrying value:		
8.1	Part 1, Column 15.....		
8.2	Part 2, Section 1, Column 19.....		
8.3	Part 2, Section 2, Column 16.....		
8.4	Part 4, Column 15.....		
9.	Deduct current year's other than temporary impairment recognized:		
9.1	Part 1, Column 14.....	39,544	
9.2	Part 2, Section 1, Column 17.....		
9.3	Part 2, Section 2, Column 14.....		
9.4	Part 4, Column 13.....	30,218	69,762
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....		575,507,649
11.	Deduct total nonadmitted amounts.....		
12.	Statement value at end of current period (Line 10 minus Line 11)		575,507,649

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	28,845,152	29,663,715	28,951,670	28,676,551
	2. Canada	8,590,517	9,029,910	8,582,058	8,600,000
	3. Other Countries				
	4. Totals	37,435,669	38,693,625	37,533,728	37,276,551
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	1,657,297	1,694,246	1,645,808	1,690,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	3,327,807	3,940,929	3,353,933	4,015,000
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	44,954,769	48,687,593	44,619,429	47,195,011
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8. United States	356,952,906	371,275,322	360,008,306	353,459,303
	9. Canada	18,840,957	19,199,348	19,251,830	18,750,000
	10. Other Countries	104,456,985	108,218,470	105,201,907	103,820,000
	11. Totals	480,250,848	498,693,140	484,462,043	476,029,303
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	567,626,390	591,709,533	571,614,941	566,205,865
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States				
	15. Canada				
	16. Other Countries				
	17. Totals				
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks				
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States				
	21. Canada				
	22. Other Countries				
	23. Totals				
Parent, Subsidiaries and Affiliates	24. Totals	7,881,259	7,881,259	5,035,982	
	25. Total Common Stocks	7,881,259	7,881,259	5,035,982	
	26. Total Stocks	7,881,259	7,881,259	5,035,982	
	27. Total Bonds and Stocks	575,507,649	599,590,792	576,650,923	

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 1A - SECTION 1

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments											
1.1 Class 1	5,790,856	21,611,384	1,442,912			28,845,152	4.4	9,538,045	1.3	28,845,152	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals	5,790,856	21,611,384	1,442,912			28,845,152	4.4	9,538,045	1.3	28,845,152	
2. All Other Governments											
2.1 Class 1		8,590,517				8,590,517	1.3	8,586,982	1.2	8,590,517	
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals		8,590,517				8,590,517	1.3	8,586,982	1.2	8,590,517	
3. U.S. States, Territories and Possessions, etc., Guaranteed											
3.1 Class 1	10,000	1,176,376		470,921		1,657,297	0.3	1,759,882	0.2	1,657,297	
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals	10,000	1,176,376		470,921		1,657,297	0.3	1,759,882	0.2	1,657,297	
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Class 1	1,016,074			929,780		1,945,854	0.3	4,624,766	0.6	1,945,853	
4.2 Class 2			1,086,626	295,327		1,381,953	0.2	1,333,811	0.2	1,381,953	
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals	1,016,074		1,086,626	1,225,107		3,327,807	0.5	5,958,577	0.8	3,327,806	
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Class 1	10,617,916	11,856,367	11,859,127	3,304,362	7,496	37,645,268	5.8	97,546,600	13.2	37,645,269	
5.2 Class 2	330,000		3,147,349	1,864,434		5,341,783	0.8	6,653,937	0.9	5,341,783	
5.3 Class 3			871,998			871,998	0.1	864,854	0.1	871,998	
5.4 Class 4											
5.5 Class 5				1,095,719		1,095,719	0.2	1,076,061	0.1	1,095,719	
5.6 Class 6											
5.7 Totals	10,947,916	11,856,367	15,878,474	6,264,515	7,496	44,954,768	6.9	106,141,452	14.3	44,954,769	

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 Class 1	262,945,408	268,630,012	3,365,650	496,277	464,742	535,902,089	81.9	556,000,068	75.1	459,183,621	76,718,468
6.2 Class 2	20,921,613	8,926,893	74,013			29,922,519	4.6	51,126,689	6.9	27,543,571	2,378,948
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6		2,099				2,099	0.0	26,053	0.0	2,099	
6.7 Totals	283,867,021	277,559,004	3,439,663	496,277	464,742	565,826,707	86.5	607,152,810	82.0	486,729,291	79,097,416
7. Hybrid Securities											
7.1 Class 1								720,301	0.1		
7.2 Class 2				727,733		727,733	0.1				727,733
7.3 Class 3								405,961	0.1		
7.4 Class 4					406,606	406,606	0.1				406,606
7.5 Class 5											
7.6 Class 6											
7.7 Totals				727,733	406,606	1,134,339	0.2	1,126,262	0.2		1,134,339
8. Parent, Subsidiaries and Affiliates											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 Totals											

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. Total Bonds Current Year											
9.1 Class 1	(d) 280,380,254	311,864,656	16,667,689	5,201,340	472,238	614,586,177	93.9	XXX	XXX	537,867,709	76,718,468
9.2 Class 2	(d) 21,251,613	8,926,893	4,307,988	2,887,494		37,373,988	5.7	XXX	XXX	34,267,307	3,106,681
9.3 Class 3	(d)		871,998			871,998	0.1	XXX	XXX	871,998	
9.4 Class 4	(d)				406,606	406,606	0.1	XXX	XXX		406,606
9.5 Class 5	(d)			1,095,719		1,095,719	0.2	XXX	XXX	1,095,719	
9.6 Class 6	(d)	2,099				2,099	0.0	XXX	XXX	2,099	
9.7 Totals	301,631,867	320,793,648	21,847,675	9,184,553	878,844	(b) 654,336,587	100.0	XXX	XXX	574,104,832	80,231,755
9.8 Line 9.7 as a % of Col. 6	46.1	49.0	3.3	1.4	0.1	100.0	XXX	XXX	XXX	87.7	12.3
10. Total Bonds Prior Year											
10.1 Class 1	143,745,503	481,129,110	37,440,529	14,217,985	2,243,519	XXX	XXX	678,776,646	91.7	579,962,180	98,814,465
10.2 Class 2	28,292,825	23,059,517	3,650,620	4,111,476		XXX	XXX	59,114,438	8.0	56,695,706	2,418,731
10.3 Class 3			864,854		405,961	XXX	XXX	1,270,815	0.2	864,854	405,961
10.4 Class 4						XXX	XXX				
10.5 Class 5				1,076,061		XXX	XXX	(c) 1,076,061	0.1	1,076,061	
10.6 Class 6	26,053					XXX	XXX	(c) 26,053	0.0	26,053	
10.7 Totals	172,064,381	504,188,627	41,956,003	19,405,522	2,649,480	XXX	XXX	(b) 740,264,013	100.0	638,624,854	101,639,157
10.8 Line 10.7 as a % of Col. 8	23.2	68.1	5.7	2.6	0.4	XXX	XXX	100.0	XXX	86.3	13.7
11. Total Publicly Traded Bonds											
11.1 Class 1	252,991,090	262,643,152	16,559,890	5,201,340	472,237	537,867,709	82.2	579,962,180	78.3	537,867,709	XXX
11.2 Class 2	19,197,410	8,676,161	4,233,975	2,159,761		34,267,307	5.2	56,695,706	7.7	34,267,307	XXX
11.3 Class 3			871,998			871,998	0.1	864,854	0.1	871,998	XXX
11.4 Class 4											XXX
11.5 Class 5				1,095,719		1,095,719	0.2	1,076,061	0.1	1,095,719	XXX
11.6 Class 6		2,099				2,099	0.0	26,053	0.0	2,099	XXX
11.7 Totals	272,188,500	271,321,412	21,665,863	8,456,820	472,237	574,104,832	87.7	638,624,854	86.3	574,104,832	XXX
11.8 Line 11.7 as a % of Col. 6	47.4	47.3	3.8	1.5	0.1	100.0	XXX	XXX	XXX	100.0	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	41.6	41.5	3.3	1.3	0.1	87.7	XXX	XXX	XXX	87.7	XXX
12. Total Privately Placed Bonds											
12.1 Class 1	27,389,164	49,221,505	107,799			76,718,468	11.7	98,814,465	13.3	XXX	76,718,468
12.2 Class 2	2,054,203	250,732	74,013	727,733		3,106,681	0.5	2,418,731	0.3	XXX	3,106,681
12.3 Class 3								405,961	0.1	XXX	
12.4 Class 4					406,606	406,606	0.1			XXX	406,606
12.5 Class 5										XXX	
12.6 Class 6										XXX	
12.7 Totals	29,443,367	49,472,237	181,812	727,733	406,606	80,231,755	12.3	101,639,157	13.7	XXX	80,231,755
12.8 Line 12.7 as a % of Col. 6	36.7	61.7	0.2	0.9	0.5	100.0	XXX	XXX	XXX	XXX	100.0
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	4.5	7.6	0.0	0.1	0.1	12.3	XXX	XXX	XXX	XXX	12.3

(a) Includes \$ 79,854,225 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
 (b) Includes \$ 4,652,401 current year, \$ 6,178,961 prior year of bonds with Z designations and \$ current year, \$ prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
 (c) Includes \$ current year, \$ prior year of bonds with 5* designations and \$ current year, \$ prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.
 (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 86,710,197 ; NAIC 2 \$; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 1A - SECTION 2

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.5	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments											
1.1 Issuer Obligations	901,424	3,315,422				4,216,846	0.6	9,538,045	1.3	4,216,847	
1.2 Residential Mortgage-Backed Securities											
1.3 Commercial Mortgage-Backed Securities	4,889,432	18,295,961	1,442,912			24,628,305	3.8			24,628,305	
1.4 Other Loan-Backed and Structured Securities											
1.5 Totals	5,790,856	21,611,383	1,442,912			28,845,151	4.4	9,538,045	1.3	28,845,152	
2. All Other Governments											
2.1 Issuer Obligations		8,590,517				8,590,517	1.3	8,586,982	1.2	8,590,517	
2.2 Residential Mortgage-Backed Securities											
2.3 Commercial Mortgage-Backed Securities											
2.4 Other Loan-Backed and Structured Securities											
2.5 Totals		8,590,517				8,590,517	1.3	8,586,982	1.2	8,590,517	
3. U.S. States, Territories and Possessions, Guaranteed											
3.1 Issuer Obligations	10,000	1,176,376		470,921		1,657,297	0.3	1,759,882	0.2	1,657,297	
3.2 Residential Mortgage-Backed Securities											
3.3 Commercial Mortgage-Backed Securities											
3.4 Other Loan-Backed and Structured Securities											
3.5 Totals	10,000	1,176,376		470,921		1,657,297	0.3	1,759,882	0.2	1,657,297	
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations	1,016,074		1,086,626	1,225,107		3,327,807	0.5	5,958,577	0.8	3,327,807	
4.2 Residential Mortgage-Backed Securities											
4.3 Commercial Mortgage-Backed Securities											
4.4 Other Loan-Backed and Structured Securities											
4.5 Totals	1,016,074		1,086,626	1,225,107		3,327,807	0.5	5,958,577	0.8	3,327,807	
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Issuer Obligations	8,250,972	7,826,487	14,530,062	6,136,416		36,743,937	5.6	53,145,759	7.2	36,743,938	
5.2 Residential Mortgage-Backed Securities	2,696,944	4,029,880	1,348,413	128,099	7,496	8,210,832	1.3	22,480,161	3.0	8,210,831	
5.3 Commercial Mortgage-Backed Securities											
5.4 Other Loan-Backed and Structured Securities											
5.5 Totals	10,947,916	11,856,367	15,878,475	6,264,515	7,496	44,954,769	6.9	106,141,452	14.3	44,954,769	
6. Industrial and Miscellaneous											
6.1 Issuer Obligations	249,681,831	265,848,290	3,165,670			518,695,791	79.3	524,869,997	70.9	446,141,000	72,554,792
6.2 Residential Mortgage-Backed Securities	413,162	936,217	273,993	496,277	464,742	2,584,391	0.4	5,621,181	0.8	2,378,971	205,419
6.3 Commercial Mortgage-Backed Securities											
6.4 Other Loan-Backed and Structured Securities	33,772,028	10,774,496				44,546,524	6.8	75,992,196	10.3	38,209,319	6,337,205
6.5 Totals	283,867,021	277,559,003	3,439,663	496,277	464,742	565,826,706	86.5	607,152,811	82.0	486,729,290	79,097,416
7. Hybrid Securities											
7.1 Issuer Obligations				727,733	406,606	1,134,339	0.2	1,126,262	0.2		1,134,339
7.2 Residential Mortgage-Backed Securities											
7.3 Commercial Mortgage-Backed Securities											
7.4 Other Loan-Backed and Structured Securities											
7.5 Totals				727,733	406,606	1,134,339	0.2	1,126,262	0.2		1,134,339
8. Parent, Subsidiaries and Affiliates											
8.1 Issuer Obligations											
8.2 Residential Mortgage-Backed Securities											
8.3 Commercial Mortgage-Backed Securities											
8.4 Other Loan-Backed and Structured Securities											
8.5 Totals											

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

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

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues											
Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.5	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
9. Total Bonds Current Year											
9.1 Issuer Obligations	259,860,301	286,757,092	18,782,358	8,560,177	406,606	574,366,534	87.8	XXX	XXX	500,677,406	73,689,131
9.2 Residential Mortgage-Backed Securities	3,110,106	4,966,097	1,622,406	624,376	472,238	10,795,223	1.6	XXX	XXX	10,589,802	205,419
9.3 Commercial Mortgage-Backed Securities	4,889,432	18,295,961	1,442,912			24,628,305	3.8	XXX	XXX	24,628,305	
9.4 Other Loan-Backed and Structured Securities	33,772,028	10,774,496				44,546,524	6.8	XXX	XXX	38,209,319	6,337,205
9.5 Totals	301,631,867	320,793,646	21,847,676	9,184,553	878,844	654,336,586	100.0	XXX	XXX	574,104,832	80,231,755
9.6 Lines 9.5 as a % Col. 6	46.1	49.0	3.3	1.4	0.1	100.0	XXX	XXX	XXX	87.7	12.3
10. Total Bonds Prior Year											
10.1 Issuer Obligations	113,648,529	435,789,866	36,346,952	18,794,196	405,961	XXX	XXX	604,985,504	81.7	517,793,164	87,192,340
10.2 Residential Mortgage-Backed Securities	14,436,849	8,096,622	2,713,027	611,326	2,243,519	XXX	XXX	28,101,343	3.8	27,901,603	199,740
10.3 Commercial Mortgage-Backed Securities	3,783,156	24,716,520	2,685,293			XXX	XXX	31,184,969	4.2	31,184,969	
10.4 Other Loan-Backed and Structured Securities	40,195,847	35,585,618	210,731			XXX	XXX	75,992,196	10.3	61,745,119	14,247,077
10.5 Totals	172,064,381	504,188,626	41,956,003	19,405,522	2,649,480	XXX	XXX	740,264,012	100.0	638,624,855	101,639,157
10.6 Line 10.5 as a % of Col. 8	23.2	68.1	5.7	2.6	0.4	XXX	XXX	100.0	XXX	86.3	13.7
11. Total Publicly Traded Bonds											
11.1 Issuer Obligations	235,908,509	238,228,108	18,708,345	7,832,444		500,677,406	76.5	517,793,164	69.9	500,677,406	XXX
11.2 Residential Mortgage-Backed Securities	3,110,106	4,868,477	1,514,607	624,376	472,237	10,589,803	1.6	27,901,603	3.8	10,589,803	XXX
11.3 Commercial Mortgage-Backed Securities	4,889,432	18,295,961	1,442,912			24,628,305	3.8	31,184,969	4.2	24,628,305	XXX
11.4 Other Loan-Backed and Structured Securities	28,280,454	9,928,865				38,209,319	5.8	61,745,119	8.3	38,209,319	XXX
11.5 Totals	272,188,501	271,321,411	21,665,864	8,456,820	472,237	574,104,833	87.7	638,624,855	86.3	574,104,833	XXX
11.6 Line 11.5 as a % of Col. 6	47.4	47.3	3.8	1.5	0.1	100.0	XXX	XXX	XXX	100.0	XXX
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	41.6	41.5	3.3	1.3	0.1	87.7	XXX	XXX	XXX	87.7	XXX
12. Total Privately Placed Bonds											
12.1 Issuer Obligations	23,951,793	48,528,986	74,013	727,733	406,606	73,689,131	11.3	87,192,340	11.8	XXX	73,689,131
12.2 Residential Mortgage-Backed Securities		97,620	107,799			205,419	0.0	199,740	0.0	XXX	205,419
12.3 Commercial Mortgage-Backed Securities										XXX	
12.4 Other Loan-Backed and Structured Securities	5,491,574	845,631				6,337,205	1.0	14,247,077	1.9	XXX	6,337,205
12.5 Totals	29,443,367	49,472,237	181,812	727,733	406,606	80,231,755	12.3	101,639,157	13.7	XXX	80,231,755
12.6 Line 12.5 as a % of Col. 6	36.7	61.7	0.2	0.9	0.5	100.0	XXX	XXX	XXX	XXX	100.0
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	4.5	7.6	0.0	0.1	0.1	12.3	XXX	XXX	XXX	XXX	12.3

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	28,204,983	28,204,983			
2. Cost of short-term investments acquired	315,909,218	315,909,218			
3. Accrual of discount					
4. Unrealized valuation increase (decrease)					
5. Total gain (loss) on disposals					
6. Deduct consideration received on disposals	256,705,568	256,705,568			
7. Deduct amortization of premium	697,670	697,670			
8. Total foreign exchange change in book/adjusted carrying value					
9. Deduct current year's other than temporary impairment recognized	766	766			
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	86,710,197	86,710,197			
11. Deduct total nonadmitted amounts					
12. Statement value at end of current period (Line 10 minus Line 11)	86,710,197	86,710,197			

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

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Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

SCHEDULE E - VERIFICATION BETWEEN YEARS

(Cash Equivalents)

	1	2	3
	Total	Bonds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year.....			
2. Cost of cash equivalents acquired.....	39,995,586	39,995,586	
3. Accrual of discount.....	4,414	4,414	
4. Unrealized valuation increase (decrease).....			
5. Total gain (loss) on disposals.....			
6. Deduct consideration received on disposals.....	40,000,000	40,000,000	
7. Deduct amortization of premium.....			
8. Total foreign exchange change in book/adjusted carrying value.....			
9. Deduct current year's other than temporary impairment recognized.....			
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....			
11. Deduct total nonadmitted amounts.....			
12. Statement value at end of current period (Line 10 minus Line 11)			

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

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
Bonds - U.S. Governments - Issuer Obligations																					
912828-DV-9	US TREASURY N/B	SD			1	397,288		108,992	370,000	383,050	(5,280)			4.125	2.580	MN	4,044	13,200		03/29/2010	05/15/2015
912828-EE-6	US TREASURY N/B	SD			1	781,357		110,1800	725,000	753,452	(10,343)			4.250	2.680	FA	11,638	30,812		03/29/2010	08/15/2015
912828-HQ-6	US TREASURY N/B				1	809,250		100,2190	780,000	780,848	(10,428)			2.875	1.520	JJ	9,384	22,424		03/29/2010	01/31/2013
912828-HY-9	US TREASURY N/B				1	100,443		100,9880	10,000	10,048	(116)			3.125	1.640	AO	54	312		03/29/2010	04/30/2013
912828-HY-9	US TREASURY N/B	SD			1	114,873		100,9880	110,000	110,528	(1,628)			3.125	1.640	AO	589	3,438		03/29/2010	04/30/2013
912828-KF-6	US TREASURY N/B	SD			1	1,510,465		101,9260	1,525,000	1,520,560	3,734			1.875	2.120	FA	9,716	28,594		03/29/2010	02/28/2014
912828-KN-9	US TREASURY N/B				1	25,659		102,1910	26,000	25,885	.67			1.875	2.210	AO	83	488		03/29/2010	04/30/2014
912828-KN-9	US TREASURY N/B	SD			1	143,097		102,1910	145,000	144,361	484			1.875	2.210	AO	747	2,438		03/29/2010	04/30/2014
912828-MR-8	US TREASURY N/B				1	39,662		104,5000	40,000	39,846	.54			2.375	2.550	FA	323	475		03/29/2010	02/28/2015
912828-MR-8	US TREASURY N/B	SD			1	446,202		104,5000	450,000	448,269	782			2.375	2.550	FA	3,631	11,163		03/29/2010	02/28/2015
0199999 - Bonds - U.S. Governments - Issuer Obligations						4,278,296	XXX	4,346,138	4,181,000	4,216,847	(22,674)			XXX	XXX	XXX	40,209	113,344	XXX	XXX	
Bonds - U.S. Governments - Residential Mortgage-Backed Securities																					
Bonds - U.S. Governments - Commercial Mortgage-Backed Securities																					
383766-6E-5	GNR 2011-152 A			2	1	9,658,749		101,6460	9,681,440	9,663,674	5,125			1.622	1.680	MON	13,086	157,032		11/10/2011	07/16/2033
383766-AG-5	GNR 2009-71 A			2	1	3,454,067		103,0360	3,331,228	3,431,398	(98,056)			3.304	1.540	MON	9,172	110,064		10/26/2011	04/16/2038
383766-RQ-5	GNR 2010-74 B			2	1	5,058,393		109,7110	5,000,000	5,039,543	(10,676)			3.810	3.570	MON	15,875	190,500		08/12/2010	08/16/2039
383766-UQ-1	GNR 2010-118 A			2	1	1,702,186		101,0470	1,686,898	1,695,655	(10,973)			1.910	1.450	MON	2,685	32,220		10/20/2011	11/16/2032
38378B-AH-2	GNR 2011-164 A			2	1	4,799,980		101,2140	4,795,985	4,798,036	(2,578)			1.569	1.500	MON	6,273	75,278		12/05/2011	12/16/2037
0399999 - Bonds - U.S. Governments - Commercial Mortgage-Backed Securities						24,673,375	XXX	25,317,578	24,495,551	24,628,306	(117,158)			XXX	XXX	XXX	47,091	565,094	XXX	XXX	
Bonds - U.S. Governments - Other Loan-Backed and Structured Securities																					
0599999 - Bonds - U.S. Governments - Subtotals - U.S. Governments						28,951,671	XXX	29,663,716	28,676,551	28,845,153	(139,832)			XXX	XXX	XXX	87,300	678,438	XXX	XXX	
Bonds - All Other Governments - Issuer Obligations																					
669827-FX-0	NOVA SCOTIA PROVINCE				1FE	3,583,008		104,6100	3,600,000	3,591,028	3,350			2.375	2.470	JJ	38,000	85,500		07/13/2010	07/21/2015
683234-8Y-7	ONTARIO (PROVINCE OF)				1FE	4,999,050		105,2790	5,000,000	4,999,489	185			2.700	2.700	JD	5,625	135,000		06/18/2010	06/16/2015
0699999 - Bonds - All Other Governments - Issuer Obligations						8,582,058	XXX	9,029,910	8,600,000	8,590,517	3,535			XXX	XXX	XXX	43,625	220,500	XXX	XXX	
Bonds - All Other Governments - Residential Mortgage-Backed Securities																					
Bonds - All Other Governments - Commercial Mortgage-Backed Securities																					
Bonds - All Other Governments - Other Loan-Backed and Structured Securities																					
1099999 - Bonds - All Other Governments - Subtotals - All Other Governments						8,582,058	XXX	9,029,910	8,600,000	8,590,517	3,535			XXX	XXX	XXX	43,625	220,500	XXX	XXX	
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
68607F-CY-4	OREGON ST			1	1FE	132,868		100,1290	135,000	133,899	267			5.550	5.800	FA	3,122	7,492		01/18/1996	08/01/2016
68607L-JU-2	OREGON ST			1	1FE	388,050		100,2760	390,000	389,483	163			4.750	4.790	AO	4,631	18,525		11/02/2001	10/01/2015
68607L-KL-0	OREGON ST	SD			1	658,925		100,2760	665,000	662,995	464			4.850	4.930	AO	8,063	32,253		11/02/2001	10/01/2016
882720-VM-4	TEXAS ST			1	1FE	465,965		100,2320	500,000	470,921	1,520			5.250	5.910	FA	10,938	26,250		05/02/2002	08/01/2025
1199999 - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						1,645,808	XXX	1,694,245	1,690,000	1,657,298	2,414			XXX	XXX	XXX	26,754	84,520	XXX	XXX	
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities																					
1799999 - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Subtotals - U.S. States, Territories and Possessions (Direct and Guaranteed)						1,645,808	XXX	1,694,245	1,690,000	1,657,298	2,414			XXX	XXX	XXX	26,754	84,520	XXX	XXX	
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
472628-PM-2	JEFFERSON CNTY AL			1	2FE	290,543		91,9900	425,000	295,327	390,958	6,903		5.000	9.770	AO	5,312	21,250		03/07/2003	04/01/2023
472628-PZ-3	JEFFERSON CNTY AL			1	2FE	1,057,905		93,9630	1,590,000	1,086,626	41,239			5.000	11.560	AO	19,875	79,500		07/28/2004	04/01/2020
483862-GV-4	KANE CNTY IL FOREST PRESERVE			1	1FE	1,085,450		102,1260	1,000,000	1,016,074	(34,939)			5.000	1.440	JD	2,222	50,000		03/23/2010	12/15/2014
509354-DR-4	LAKE CNTY IN PUBLIC LIBRARY			1	1FE	920,036		103,4700	1,000,000	929,780	4,463			4.750	5.600	FA	19,792	47,500		10/29/2003	02/01/2024
1899999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						3,353,934	XXX	3,940,930	4,015,000	3,327,807	17,666			XXX	XXX	XXX	47,201	198,250	XXX	XXX	
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities																					

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities																					
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Subtotals - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)																					
						3,353,934	XXX	3,940,930	4,015,000	3,327,807			17,666		XXX	XXX	XXX	47,201	198,250	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																					
010257-EY-5	ALABAMA ST DRINKING WTR FIN AU			1	2Z	1,837,600		101,3710	2,000,000	1,864,434			8,186		4.625	5.410	FA	34,943	92,500	11/21/2003	08/15/2024
013538-HJ-5	ALBUQUERQUE NM ARPT REVENUE				1FE	1,685,946		102,1870	1,665,000	1,667,834			(5,476)		5.000	4.650	JJ	41,624	83,250	05/20/2004	07/01/2013
013538-HQ-9	ALBUQUERQUE NM ARPT REVENUE			1	1FE	1,566,832		104,4020	1,665,000	1,595,041			8,642		5.000	5.780	JJ	41,625	83,250	10/04/2004	07/01/2019
02765P-AF-2	AMERICAN MUNI PWR-OHIO INC OH				1FE	927,888		100,3100	1,000,000	997,081			31,213		5.000	8.350	FA	20,833	50,000	07/25/2007	02/01/2013
041841-AR-8	ARLINGTON TX SPL OBLIG				1FE	1,080,902		109,0450	1,000,000	1,065,019			(15,883)		5.000	2.420	FA	18,889	50,000	03/23/2010	08/15/2015
106214-DX-4	BRAZOS RIVER AUTH TX				1FE	264,727		110,3710	335,000	285,065			6,414		5.050	8.320	MN	2,820	16,917	12/01/2003	11/01/2018
130911-X3-9	CALIFORNIA ST STWD CMNTYS DEV				1FE	666,340		111,2510	690,000	669,817			1,570		5.000	5.390	FA	14,375	34,500	11/20/2003	08/01/2022
164243-NH-6	CHEROKEE CNTY GA WTR & SWR AUT				1FE	817,399		102,7630	800,000	803,628			(6,066)		5.000	4.190	FA	16,667	40,000	06/12/2003	08/01/2017
18085P-DY-7	CLARK CNTY NV ARPT REVENUE			1	1FE	935,570		105,8330	1,000,000	953,694			5,591		5.500	6.380	JJ	27,500	55,000	07/29/2004	07/01/2019
199546-AQ-5	COLUMBUS OH REGL ARPT AUTH REV			1	1FE	503,349		103,6000	535,000	512,807			2,956		5.500	6.340	JJ	14,713	29,424	10/01/2003	01/01/2019
207714-AF-3	CONNECTICUT ST SPL OBLIG PKG R			1	3FE	849,510		100,1850	1,000,000	871,998			7,144		6.500	9.530	JJ	32,500	65,000	05/23/2000	07/01/2018
251255-S7-1	DETROIT MI WTR SPLY SYS REVENU				1FE	996,169		107,8390	1,000,000	997,915			763		5.000	5.080	JJ	25,000	50,000	03/04/2005	07/01/2015
31359M-RG-0	FANNIE MAE				1	206,534		100,8620	200,000	201,541			(5,760)		4.375	0.610	MS	2,576	8,750	03/29/2010	03/15/2013
392053-AR-5	GTR KELLY TX DEV AUTH EXEMPT F			1	1FE	246,163		100,2570	250,000	247,445			392		5.350	5.570	JD	1,115	13,375	03/13/2001	06/01/2018
392274-NX-0	GTR ORLANDO FL AVIATION AUTH A				1FE	771,545		102,7190	725,000	728,374			(4,393)		5.250	4.600	A0	9,516	38,063	06/15/2004	10/01/2013
400524-DB-7	GUADALUPE-BLANCO RIVER AUTH TX			1	1FE	549,081		101,1430	540,000	540,985			(3,589)		5.250	4.560	A0	5,985	28,350	04/15/2003	04/15/2019
40579E-AV-8	HALIFAX CNTY VA INDL DEV AUTH			1	1FE	402,120		101,4010	500,000	412,098			3,132		5.000	6.860	JD	2,083	25,000	11/07/2002	06/01/2028
419800-EW-3	HAWAII ST DEPT OF BUDGET & FIN			1	2FE	1,323,120		100,4850	1,600,000	1,372,729			15,389		5.000	7.010	JD	6,667	80,000	10/09/2003	12/01/2022
41981T-CH-4	HAWAII ST HARBOR SYS REVENUE				1FE	1,478,263		103,7950	1,430,000	1,436,067			(5,799)		5.000	4.560	JJ	35,750	71,500	05/27/2004	01/01/2014
45129T-HQ-3	IDAHO ST HSG & FIN ASSN			1	1FE	20,000		100,1900	20,000	20,000					5.850	5.840	JJ	585	1,170	03/20/1997	07/01/2016
45528S-AU-0	INDIANAPOLIS IN LOCAL PUBLIC I			1	1FE	843,330		100,0000	1,000,000	866,483			10,338		5.000	7.020	JJ	25,000	50,000	01/22/2003	01/01/2022
485427-X3-7	KANSAS ST DEV FIN AUTH			1	1FE	395,000		100,1710	395,000	395,000					5.200	5.200	MS	6,847	20,540	01/18/2001	03/01/2021
491026-RW-2	KENTON CNTY KY ARPT BRD			1	1FE	488,430		100,2400	500,000	496,806			2,555		4.850	5.410	MS	8,083	24,250	03/07/2002	03/01/2014
49151E-TQ-6	KENTUCKY ST PROPERTY & BLDGS C			1	1FE	487,575		103,9200	500,000	491,344			2,214		5.000	7.160	MN	4,167	25,000	11/07/2003	11/01/2023
52349M-DS-8	LEE CNTY FL INDL DEV AUTH			1	1FE	452,120		102,2690	500,000	458,031			2,671		5.000	6.060	MN	4,167	25,000	09/26/2003	11/01/2023
546540-AM-7	LOUISIANA ST UNIV & AGRIC & ME			1	2FE	70,000		100,2600	70,000	70,000					6.200	6.200	MN	723	4,340	02/03/2000	05/01/2020
54811A-X9-9	LOWER COLORADO RIVER TX AUTH R			1	1FE	163,074		101,2690	175,000	163,425			352		4.750	5.660	MN	1,062	4,156	08/21/2012	05/15/2022
560425-Q4-5	MAINE ST HLTH & HGR EDUCTNL FA			1	1FE	26,348		100,3200	25,000	25,000					6.000	5.320	JJ	750	1,500	01/05/2001	07/01/2029
59455P-ZC-7	MICHIGAN ST MUNI BOND AUTH			1	1FE	99,470		100,3240	100,000	99,952			48		5.400	5.440	MN	900	5,400	11/17/1997	11/01/2013
59455P-ZD-5	MICHIGAN ST MUNI BOND AUTH			1	1FE	103,849		100,3250	105,000	104,811			96		5.400	5.500	MN	945	5,670	11/17/1997	11/01/2014
59455R-BN-5	MICHIGAN ST MUNI BOND AUTH			1	1FE	252,646		100,3170	255,000	253,883			178		5.375	5.450	MN	2,284	15,981	06/24/1999	11/01/2019
602248-CB-0	MILWAUKEE CNTY WI ARPT REVENUE			1	1FE	977,430		105,9940	1,000,000	988,755			3,455		5.000	5.420	JD	4,167	50,000	05/18/2004	12/01/2015
605275-MQ-6	MISSISSIPPI BUSINESS FIN CORP				2	571,262		102,4350	594,975	572,373			3,171		8.000	8.610	JAJO	11,899	48,466	12/15/1998	01/01/2022
639066-BF-5	NAUGATUCK CT COPS			1	1FE	751,288		101,0000	755,000	751,738			606		5.000	5.100	JD	1,678	37,750	12/13/2002	06/15/2017
64971K-VF-0	NEW YORK CITY NY TRANSITIONAL			1	1FE	48,698		102,7750	50,000	49,239			562		5.000	7.700	FA	1,042	2,500	10/29/2003	08/01/2024

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates			
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	Code	For eign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date	
64971K-VF-0.	NEW YORK CITY NY TRANSITIONAL NORTH CAROLINA ST CAPITAL	SD		1	1FE	194,028		102,7750	200,000	196,969		2,247			5.000	7.690	FA	4,167	10,000	10/29/2003	08/01/2024	
65818P-CP-2.	FACS NORTH CAROLINA ST CAPITAL			1	2Z	987,670		1,031,632	1,025,000	1,003,229		3,473			5.000	5.460	A0	12,813	51,250	01/01/2009	04/01/2018	
65818P-CP-2.	FACS NORTH CAROLINA ST CAPITAL	SD		1	2Z	240,895		100,6470	250,000	244,019		954			5.000	5.520	A0	3,125	12,500	01/01/2009	04/01/2018	
709221-JX-4.	PENNSYLVANIA ST TURNPIKE COMM1			1	1FE	63,177		100,2840	65,000	63,919		72			5.000	5.200	JD	271	3,250	08/13/1998	12/01/2023	
717903-YN-2.	PHILADELPHIA PA HOSPS & HGR ED.			1	1Z	230,000		100,3590	230,000	230,000					5.300	5.300	JJ	6,095	12,853	12/30/1997	01/01/2018	
73358T-FB-2.	PORT AUTH OF NEW YORK & NEW JE.			1	1FE	981,890		1,065,520	1,000,000	987,609		1,746			5.250	5.490	MN	8,750	52,500	07/08/2004	11/01/2018	
73674N-BA-8.	PORTLAND OR RIVER DIST URBAN R.			1	1FE	740,657		102,1260	780,000	763,699		18,005			5.000	9.760	JD	1,733	39,000	10/08/2003	06/15/2023	
76223P-CP-8.	RHODE ISLAND ST ECON DEV CORP.			1	1FE	981,320		1,038,8170	1,000,000	988,544		2,200			5.000	5.280	JJ	25,000	50,000	07/08/2004	07/01/2017	
76223P-CQ-6.	RHODE ISLAND ST ECON DEV CORP.			1	1FE	1,125,499		1,037,7420	1,220,000	1,156,023		9,515			5.000	6.130	JJ	30,500	61,000	08/17/2004	07/01/2018	
762242-QF-5.	RHODE ISLAND ST HLTH & EDUCTNL			1	2Z	218,763		100,3760	215,000	215,000					6.000	5.770	A0	3,225	12,900	03/07/1997	04/01/2017	
79765A-YN-0.	SAN FRANCISCO CITY & CNTY CA A.			1	1FE	488,655		101,4700	500,000	496,484		2,438			5.250	5.790	MN	4,375	26,250	02/20/2003	05/01/2014	
798055-JS-9.	SAN JACINTO RIVER TX AUTH			1	1FE	917,690		1,038,8140	1,000,000	930,762		4,006			5.000	5.820	A0	12,500	50,000	10/19/2004	10/01/2024	
798136-NC-7.	SAN JOSE CA ARPT REVENUE			1	1FE	1,009,140		1,006,6270	1,000,000	1,000,327		(2,710)			5.000	4.720	MS	16,667	50,000	06/10/2004	03/01/2013	
798136-ND-5.	SAN JOSE CA ARPT REVENUE			1	1FE	501,370		104,2330	500,000	500,350		(312)			5.000	4.930	MS	8,333	25,000	06/10/2004	03/01/2014	
896479-BN-1.	TRINITY CA PUBLIC UTILITY DIST.			1	1FE	1,271,280		100,2320	1,500,000	1,311,452		12,440			5.000	6.710	A0	18,750	75,000	10/31/2003	04/01/2023	
914692-AA-0.	UNIV OF NEW MEXICO NM			1	1FE	1,159,691		105,8540	1,305,000	1,195,361		15,922			5.000	6.850	JJ	32,625	65,250	10/18/2004	07/01/2018	
921624-AG-7.	VANCOUVER WA DOWNTOWN REDEV AU.			1	5Z	1,081,651		86,6800	1,900,000	1,095,719		19,658			5.250	11.110	JJ	49,875	99,750	01/06/2004	01/01/2028	
928077-DT-0.	VIRGINIA ST PORT AUTH PORT FAC			1	1FE	998,670		102,9380	1,000,000	999,059		119			5.250	5.260	JJ	26,250	52,500	06/19/2003	07/01/2019	
988169-AT-5.	YSLETA TX INDEP SCH DIST PUBLI			1	1FE	347,194		101,1730	335,000	335,000					5.250	4.640	MN	2,247	17,588	09/13/2002	11/15/2020	
2599999	Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations					36,398,818	XXX	39,860,000	39,004,975	36,743,937		160,445			XXX	XXX	XXX		696,781	2,003,193	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Residential Mortgage-Backed Securities																						
3128MB-VP-9.	FG G13122			2	1	1,039,560		107,2440	1,064,508	1,033,692		15,097			5.000	6.190	MON	4,434	53,224	06/16/2008	04/01/2023	
3128PK-7A-6.	FG J08089			2	1	1,535,604		107,9240	1,538,971	1,535,608		1,481			5.500	5.500	MON	7,053	84,643	06/16/2008	06/01/2023	
3128PK-XM-1.	FG J07884			2	1	954,565		107,3620	1,024,840	954,565					5.500	5.410	MON	4,374	52,501	06/12/2008	05/01/2023	
31349U-B3-1.	FH 782758			2	1	204,686		107,9350	204,686	189,639		(4,799)	469		5.732	3.570	MON	1,858	12,261	03/24/2010	11/01/2036	
31402Q-ZE-4.	FN 735241			2	1	17,549		106,4030	18,117	17,541		(161)			2.791	2.250	MON	40	508	03/29/2010	02/01/2035	
31403B-PC-1.	FN 743919			2	1	52,373		107,8460	50,150	52,261		(905)			4.500	2.240	MON	188	2,398	03/29/2010	11/01/2018	
31403D-RH-4.	FN 745788			2	1	195,349		106,4470	195,349	183,518		(7,935)	2,818		3.861	2.080	MON	590	12,685	03/24/2010	08/01/2036	
31403D-VZ-9.	FN 745932			2	1	56,944		112,1800	58,379	57,428		(1,959)			6.500	1.960	MON	282	3,800	03/29/2010	11/01/2036	
31404V-Y6-9.	FN 780233			2	1	156,676		107,8460	161,854	150,079		(3,568)			4.500	2.200	MON	563	7,377	03/24/2010	05/01/2019	
31405H-6L-7.	FN 790275			2	1	11,989		106,5480	12,359	11,600		(58)			2.774	2.200	MON	27	297	03/29/2010	08/01/2034	
31405R-CR-5.	FN 796680			2	1	199,379		107,8460	205,511	190,560		(3,325)			4.500	2.180	MON	715	9,254	03/24/2010	10/01/2019	
31410K-JY-1.	FN 889579			2	1	249,397		109,5200	255,533	233,321		(8,061)			6.000	1.710	MON	1,167	16,125	03/29/2010	05/01/2038	
31410R-GJ-3.	FN 895573			2	1	298,555		105,3100	304,093	288,759		(2,541)			2.945	2.300	MON	709	8,517	03/24/2010	06/01/2036	
31411Y-DP-5.	FN 918210			2	1	63,704		108,0960	65,529	63,670		(1,020)			5.700	3.310	MON	288	3,778	03/29/2010	05/01/2037	
31412M-SD-1.	FN 929416			2	1	76,094		109,2620	77,937	71,331		(3,140)			6.000	2.160	MON	357	5,079	03/29/2010	05/01/2038	
31414D-UF-1.	FN 963282			2	1	2,430,089		108,2830	2,469,838	2,424,075		15,779			5.000	5.650	MON	10,291	123,492	06/12/2008	05/01/2023	
31416J-PH-8.	FN AA1323			2	1	157,530		111,7310	144,927	157,415		(12,077)			6.000	1.320	MON	725	10,777	03/29/2010	11/01/2032	
31417Y-T7-2.	FN MA0573			2	1	520,570		106,1430	518,582	520,691		(783)			3.500	3.210	MON	1,513	20,225	10/28/2010	11/01/2025	

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates			
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date	
2699999	Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Residential Mortgage-Backed Securities					8,220,613	XXX	8,827,595	8,190,036	8,210,828		(17,975)	3,287		XXX	XXX	XXX		35,174	426,941	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Commercial Mortgage-Backed Securities																						
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Other Loan-Backed and Structured Securities																						
3199999	Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Subtotals - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies of Governments and Their Political Subdivisions					44,619,431	XXX	48,687,595	47,195,011	44,954,765			142,470		XXX	XXX	XXX		731,955	2,430,134	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																						
02003M-BQ-6	ALLSTATE LF GLB FN TRST				1FE	7,816,904		101,6560	8,000,000	7,973,298			71,894		5.375	6.340	AO	72,860	430,000	06/04/2008	04/30/2013	
02580E-CN-1	AMERICAN EXPRESS BK FSB				1FE	739,800		101,4470	825,000	814,050			33,798		5.500	10.060	AO	9,452	45,374	04/11/2008	04/16/2013	
02580M-CW-7	AMER EXPRESS CREDIT CO.				1FE	4,564,824		101,8060	5,090,000	4,935,260			173,944		5.875	9.750	MN	48,142	293,750	05/28/2008	05/02/2013	
02666Q-G8-0	AMERICAN HONDA FINANCE				1FE	6,875,413		100,9020	6,875,000	6,901,874			26,463		1.625	1.070	MS	31,343	111,718	11/18/2011	09/20/2013	
035231-AR-9	ANHEUSER-BUSCH INBEV WOR.				1FE	7,129,360		100,4620	7,000,000	7,024,765			(104,594)		2.500	0.990	MS	46,181	175,000	12/07/2011	03/26/2013	
037411-AT-2	APACHE CORP				1FE	1,026,580		101,3070	1,000,000	1,001,907			(6,925)		5.250	4.530	AO	11,083	52,500	03/04/2009	04/15/2013	
037411-AU-9	APACHE CORP				1FE	2,055,025		103,8010	1,930,000	1,951,004			(28,893)		6.000	4.400	MS	34,097	115,800	03/03/2009	09/15/2013	
054303-AT-9	AVON PRODUCTS INC				2FE	1,728,781		100,5310	1,716,064	1,707,000			(9,608)	9,442	4.800	2.860	MS	27,312	81,935	09/13/2011	03/01/2013	
054303-AV-4	AVON PRODUCTS INC				2FE	1,989,100		104,4310	2,000,000	1,996,994			2,280		5.625	5.750	MS	37,500	112,500	02/25/2009	03/01/2014	
05531F-AG-8	BB&T CORPORATION				1FE	3,972,640		106,4350	4,000,000	3,981,720			5,278		3.200	3.350	MS	37,689	128,000	03/08/2011	03/15/2016	
060505-CS-1	BANK OF AMERICA CORP.				1FE	335,783		113,0700	350,000	338,391			2,608		5.625	6.620	AO	4,211	19,687	03/29/2010	10/14/2016	
060516-DZ-9	BANK OF AMERICA CORP.				1FE	3,102,660		127,9570	3,000,000	3,091,657			(11,003)		7.625	7.020	JD	19,063	228,750	06/17/2010	06/01/2019	
06406H-BL-2	BANK OF NEW YORK MELLON				1FE	604,175		105,0970	575,000	585,092			(7,113)		4.300	2.980	MN	3,159	24,725	03/30/2010	05/15/2014	
06406H-BQ-1	BANK OF NEW YORK MELLON				1FE	6,990,970		105,4720	7,000,000	6,995,332			1,780		2.950	2.970	JD	7,457	206,500	06/11/2010	06/18/2015	
071813-AW-9	BAXTER INTERNATIONAL INC.				1FE	5,760,100		117,9030	5,895,150	5,527,021			(134,550)		5.900	2.850	MS	98,333	295,000	07/21/2010	09/01/2016	
079860-AL-6	BELLSOUTH CORP.				1FE	2,200,300		114,6930	2,000,000	2,127,431			(29,576)		5.200	3.460	JD	4,622	104,000	06/16/2010	12/15/2016	
084664-BG-5	BERKSHIRE HATHAWAY FIN.				1FE	300,024		102,8440	275,000	279,744			(7,501)		5.000	2.180	FA	5,194	13,750	03/29/2010	08/15/2013	
10138M-AG-0	BOTTLING GROUP LLC				1FE	7,887,530		114,2730	7,000,000	7,590,337			(171,382)		5.500	2.760	AO	96,250	385,000	07/09/2010	04/01/2016	
12572Q-AD-7	CME GROUP INC				1FE	882,726		105,6050	850,000	862,884			(11,159)		5.750	4.290	FA	18,464	48,875	03/29/2010	02/15/2014	
144141-CT-3	CAROLINA POWER & LIGHT				1FE	4,503,914		103,3220	4,202,000	4,327,406			(176,508)		5.125	0.870	MS	63,409	215,352	11/04/2011	09/15/2013	
14912L-4M-0	CATERPILLAR FIN SERV CRP.				1FE	7,061,900		104,7420	7,000,000	7,032,021			(12,371)		2.750	2.550	JD	3,743	192,500	07/12/2010	06/24/2015	
17275R-AC-6	CISCO SYSTEMS INC				1FE	7,859,740		114,3050	8,001,350	7,565,366			(169,937)		5.500	2.790	FA	137,958	385,000	07/20/2010	02/22/2016	
191219-BV-5	COCA-COLA REFRESH USA				1FE	4,310,440		107,4410	4,000,000	4,165,045			(73,524)		4.250	2.280	MS	56,667	170,000	07/22/2010	03/01/2015	
19416Q-DN-7	COLGATE-PALMOLIVE CO.				1FE	266,940		106,6710	265,000	265,978			(359)		3.150	3.000	FA	3,385	8,347	03/30/2010	08/05/2015	
202795-HW-3	COMMONWEALTH EDISON				1FE	5,439,527		101,0770	5,458,158	5,419,941			(18,951)		1.625	1.260	JJ	40,463	87,750	12/12/2011	01/15/2014	
233851-AD-6	DAIMLER FINANCE NA LLC				1FE	3,970,720		104,6030	4,184,120	3,996,827			886		3.000	3.020	MS	31,000	120,000	03/21/2011	03/28/2016	
233851-AE-4	DAIMLER FINANCE NA LLC				1FE	2,961,450		100,5600	3,016,800	2,961,450					1.509	3.200	MJSD	2,390	50,950	09/07/2011	09/13/2013	
244217-BK-0	JOHN DEERE CAPITAL CORP				1FE	2,280,347		100,1470	2,277,000	2,280,347			372		5.100	0.870	JJ	53,547	116,127	09/06/2011	01/15/2013	
24422E-QY-8	JOHN DEERE CAPITAL CORP				1FE	2,051,260		104,7970	2,095,940	2,029,017			(12,805)		2.950	2.860	MS	18,356	59,000	09/20/2010	03/09/2015	
24702R-AK-7	DELL INC				1FE	2,011,320		100,5460	2,010,920	2,004,480			(6,416)		1.400	1.070	MS	8,633	28,000	12/02/2011	09/10/2013	
24702R-AN-1	DELL INC				1FE	2,856,056		101,8300	2,851,240	2,840,004			(25,590)	5,106	2.100	0.940	AO	14,700	58,800	03/19/2012	04/01/2014	
263534-BY-4	E. I. DU PONT DE NEMOURS				1FE	4,670,460		105,2620	4,736,790	4,587,972			(41,708)		3.250	2.260	JJ	67,438	146,250	07/20/2010	01/15/2015	
26875P-AF-8	EOG RESOURCES INC				1FE	4,987,300		105,1210	5,256,050	4,993,547			2,507		2.950	3.000	JD	12,292	147,500	06/15/2010	06/01/2015	
278642-AD-5	EBAY INC				1FE	325,000		100,3740	325,000	325,000					0.700	0.700	JJ	992		07/19/2012	07/15/2015	
36962G-4C-5	GENERAL ELEC CAP CORP				1FE	4,834,331		107,1710	4,688,731	4,536,714			(114,213)		5.900	3.110	MN	34,417	258,125	04/26/2010	05/13/2014	
36962G-4T-8	GENERAL ELEC CAP CORP				1FE	2,393,700		103,2710	2,581,775	2,435,826			21,140		2.250	3.190	MN	8,125	56,250	12/20/2010	11/09/2015	
370334-BG-8	GENERAL MILLS INC				2FE	2,144,740		102,9130	2,058,260	2,052,573			(83,839)		5.250	1.000	FA	39,667	105,000	11/21/2011	08/15/2013	
373334-GA-3	GEORGIA POWER COMPANY				1FE	3,999,920		112,9450	4,517,800	3,999,892			(1)		5.250	5.250	JD	9,333	210,000	05/29/2008	12/15/2015	
373334-JT-9	GEORGIA POWER COMPANY				1FE	1,160,143		100,5950	1,156,843	1,154,132			(5,818)		1.300	0.780	MS	4,402	14,950	12/14/2011	09/15/2013	
38141G-EE-0	GOLDMAN SACHS GROUP INC				1FE	2,050,300		110,5390	2,210,780	2,038,693			(11,607)		4.650	4.650	JJ	49,339	107,000	12/20/2010	01/15/2016	
38143U-AB-7	GOLDMAN SACHS GROUP INC				1FE	4,076,120		104,2910	4,171,640	4,039,549			(36,571)		5.150	4.160	JJ	94,989	206,000	07/12/2011	01/15/2014	
452308-AF-6	ILLINOIS TOOL WORKS INC				1FE	3,996,800		105,6950	4,227,800	3,998,806			654		5.150	5.160	AO	51,500	206,000	03/23/2009	04/01/2014	
46625H-HN-3	JPMORGAN CHASE & CO				1FE	684,604		105,3610	650,000	662,272			(8,340)		4.650	3.270	JD	2,519	30,225	03/29/2010	06/01/2014	
46625H-HP-8	JPMORGAN CHASE & CO				1FE	3,527,965		105,2880	3,500,000	3,512,727			(5,902)		3.700	3.510	JJ	57,915	129,500	04/26/2010	01/20/2015	

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
46625H-HR-4	JPMORGAN CHASE & CO				1FE	2,494,875		105,5060	2,500,000	2,497,335		1,007			3.400	3.440	JD	1,653	85,000	06/17/2010	06/24/2015
478160-AQ-7	JOHNSON & JOHNSON	SD		1	1FE	2,119,320		120,6480	2,000,000	2,066,256		(12,564)			5.550	4.740	FA	41,933	111,000	05/23/2008	08/15/2017
57629W-BM-1	MASSMUTUAL GLOBAL FUNDIN				1FE	1,935,580		103,8270	2,000,000	1,959,593		13,902			2.300	3.070	MS	11,883	46,000	12/22/2010	09/28/2015
581557-AU-9	MCKESSON CORP			1	1FE	7,345,730		100,7450	7,000,000	7,049,527		(296,203)			5.250	0.980	MS	122,500	367,500	11/01/2011	03/01/2013
585055-AR-7	MEDTRONIC INC			1	1FE	695,211		105,0770	700,000	697,762		957			3.000	3.140	MS	6,183	21,000	03/29/2010	03/15/2015
589331-AP-2	MERCK & CO INC			1	1FE	4,994,719		108,5330	5,000,000	4,998,349		569			4.000	4.010	JD	556	200,000	03/29/2010	06/30/2015
592179-JG-1	MET LIFE GLOB FUNDING I				1FE	4,678,181		101,2520	5,000,000	4,961,427		127,259			5.125	7.900	AO	57,656	256,250	06/04/2008	04/10/2013
59217G-AC-3	MET LIFE GLOB FUNDING I				1FE	1,947,680		104,3160	2,000,000	1,967,142		11,277			2.500	3.120	MS	12,778	50,000	12/21/2010	09/29/2015
61746S-BR-9	MORGAN STANLEY			1	1FE	1,954,260		108,7180	2,000,000	1,965,299		11,039			5.375	6.050	AO	22,694	107,500	12/20/2010	10/15/2015
629491-AA-9	NYSE EURONEXT				1FE	4,992,665		102,0940	5,000,000	4,998,634		2,566			4.800	4.850	JD	2,000	240,000	05/21/2008	06/28/2013
637432-DC-6	NATIONAL RURAL UTIL COOP			1	1FE	1,959,980		104,8050	2,000,000	1,989,358		8,516			4.750	5.210	MS	31,667	95,000	04/16/2009	03/01/2014
637432-HT-5	NATIONAL RURAL UTIL COOP			1	1FE	3,674,939		117,1520	3,959,738	3,574,154		(40,940)			5.450	3.970	AO	41,447	184,210	06/15/2010	04/10/2017
637432-LM-5	NATIONAL RURAL UTIL COOP			1	1FE	1,547,582		102,5130	1,550,000	1,549,728		522			5.500	5.530	JJ	42,625	85,250	06/23/2008	07/01/2013
64952W-AW-3	NEW YORK LIFE GLOBAL FDG				1FE	7,039,640		105,0790	7,000,000	7,023,892		(9,832)			3.000	2.840	MN	33,250	210,000	07/09/2010	05/04/2015
66880#-AA-0	NORVELL CONWAY LLC			2	2	370,245		112,0460	461,365	377,529		20,521			6.780	14.280	MON	1,390	32,199	04/01/1998	12/15/2018
670346-AJ-4	NUCOR CORP			1	1FE	4,983,779		102,0000	5,100,000	4,998,049		3,293			5.000	5.070	JD	20,833	250,000	05/30/2008	06/01/2013
693304-AN-7	PECO ENERGY CO			1	1FE	1,698,336		107,4400	1,700,000	1,699,101		409			5.000	5.020	AO	21,250	85,000	03/19/2009	10/01/2014
69371R-J9-8	PACCAR FINANCIAL CORP				1FE	1,647,806		100,7500	1,650,000	1,649,641		732			2.050	2.090	JD	1,315	33,825	06/09/2010	06/17/2013
69373U-AA-5	PACCAR INC			1	1FE	4,052,940		106,8540	4,000,000	4,013,147		(11,320)			6.875	6.550	FA	103,889	275,000	03/10/2009	02/15/2014
717081-DA-8	PFIZER INC			1	1FE	3,808,976		110,1310	3,413,000	3,638,035		(98,458)			5.350	2.260	MS	53,764	182,596	07/28/2010	03/15/2015
744560-AT-3	PUB SVC ELEC & GAS			1	1FE	7,797,582		104,7770	7,800,000	7,798,579		643			6.330	6.330	MN	82,290	493,740	11/24/2008	11/01/2013
74834L-AR-1	QUEST DIAGNOSTIC INC			1	2FE	1,416,407		105,4730	1,425,000	1,419,217		1,644			3.200	3.330	AO	11,400	45,600	03/21/2011	04/01/2016
771196-AQ-5	ROCHE HDGS INC			1	1FE	3,281,537		105,0460	3,180,000	3,205,961		(21,409)			5.000	4.270	MS	53,000	159,000	06/01/2009	03/01/2014
78355H-JL-4	RYDER SYSTEM INC			1	2FE	5,259,950		105,1990	5,000,000	5,259,950		(92,768)	732		5.850	1.330	MS	97,500	146,250	07/27/2012	03/01/2014
78387G-AL-7	AT&T INC			1	1FE	3,249,440		114,7780	2,898,000	3,127,562		(61,902)			5.625	3.180	JD	7,245	163,013	07/16/2010	06/15/2016
790849-AG-8	ST JUDE MEDICAL INC			1	1FE	7,531,620		101,2270	7,400,000	7,455,946		(78,364)			2.200	1.120	MS	47,936	162,800	11/21/2011	09/15/2013
792860-AH-1	TRAVELERS COS INC			1	1FE	4,451,720		113,1840	4,527,360	4,253,783		(81,775)			5.500	3.200	JD	18,333	220,000	07/06/2010	12/01/2015
828807-BT-3	SIMON PROPERTY GROUP LP			1	1FE	5,234,674		115,3550	4,780,000	5,042,500		(78,175)			6.100	4.180	MN	48,597	291,580	06/15/2010	05/01/2016
842400-FM-0	SOUTHERN CAL EDISON			1	1FE	1,999,720		105,7300	2,000,000	1,999,799		54			4.150	4.150	MS	24,439	83,000	03/17/2009	09/15/2014
85744N-AA-9	STATE STREET BANK & TRST				1FE	291,202		111,6970	275,000	283,981		(2,720)			5.300	4.140	JJ	6,721	14,575	03/29/2010	01/15/2016
857477-AH-6	STATE STREET CORP				1FE	4,967,000		106,0890	5,304,450	4,978,068		6,432			2.875	3.010	MS	45,521	143,750	03/02/2011	03/07/2016
87612E-AN-6	TARGET CORP			1	1FE	2,872,000		117,9680	2,500,000	2,755,018		(67,601)			5.875	2.820	JJ	67,726	146,875	08/24/2010	07/15/2016
87612E-AW-6	TARGET CORP				1FE	499,910		100,9730	500,000	499,953		30			1.125	1.300	JJ	2,547	5,625	07/13/2011	07/18/2014
89233P-4B-9	TOYOTA MOTOR CREDIT CORP			1	1FE	4,943,862		106,0410	4,950,000	4,946,811		1,208			3.200	3.220	JD	6,160	158,400	06/14/2010	06/17/2015
89233P-6J-0	TOYOTA MOTOR CREDIT CORP				1FE	849,550		100,4120	850,000	849,616		67			0.875	0.890	JJ	3,347		07/16/2012	07/17/2015
90261X-GF-3	UBS AG STAMFORD CT		E		1FE	4,812,143		100,9570	4,900,000	4,870,473		46,742			2.250	3.240	FA	42,569	110,250	08/05/2010	08/12/2013
911312-AL-0	UNITED PARCEL SERVICE			1	1FE	836,962		104,2050	800,000	811,931		(9,286)			3.875	2.650	AO	7,750	31,000	03/29/2010	04/01/2014
91159H-GT-1	US BANCORP				1FE	253,758		104,1480	250,000	251,662		(852)			2.875	2.510	MN	819	7,188	06/24/2010	11/20/2014
91159H-GU-8	US BANCORP				1FE	7,080,430		105,3810	7,000,000	7,038,375		(16,936)			3.150	2.880	MS	71,663	220,500	06/14/2010	03/04/2015
913017-BW-8	UNITED TECHNOLOGIES CORP				1FE	6,500,000		100,2740	6,500,000	6,500,000					0.580	0.580	MJSD	3,144	23,823	05/24/2012	12/02/2013
918204-AU-2	VF CORP				1FE	3,000,144		100,4830	3,000,000	3,599,531		(1,324)	4,709		1.061	1.080	FMAN	4,140	44,721	12/02/2011	08/23/2013
931142-CT-8	WAL-MART STORES INC				1FE	1,589,696		104,1080	1,600,000	1,593,993		2,284			2.250	2.400	JJ	17,300	36,000	07/16/2010	07/08/2015
931422-AD-1	WALGREEN CO			1	2FE	7,310,380		102,4670	7,000,000	7,166,581		(286,462)	538		4.875	0.770	FA	142,188	341,250	12/06/2011	08/01/2013
94974B-ET-3	WELLS FARGO & COMPANY				1FE	3,000,000		105,4380	3,000,000	2,999,869					3.750	3.750	AO	28,125	112,500	09/24/2009	10/01/2014
98385X-AH-9	XTO ENERGY INC			1	1FE	4,569,226		115,7250	4,629,000	4,387,836		(113,167)			5.650	2.520	AO	56,500	226,000	08/24/2010	04/01/2016
984121-CE-1	XEROX CORPORATION				2FE	3,000,000		100,6560	3,019,680	3,000,000					1.709	1.730	MJSD	2,707	42,013	03/08/2012	09/15/2013
73755L-AC-1	POTASH CORP-SASKATCHEWAN		A	1	2FE	3,928,780		100,6970	3,776,138	3,774,260		(145,106)			4.875	0.970	MS	60,938	182,813	12/07/2011	03/01/2013
78008K-BS-1	ROYAL BANK OF CANADA		A		1FE	1,993,300		105,5470	2,110,940	1,997,268		872			2.625	2.670	JD	2,333	52,500	07/07/2010	12/15/2015
78008T-XB-5	ROYAL BANK OF CANADA		A		1FE	4,985,650		100,9170	5,000,000	4,985,650					1.013	1.170	JAJO	8,866	59,488	10/25/2011	10/30/2014
893526-DH-3	TRANS-CANADA PIPELINES		A	1	1FE	3,073,050		106,1940	3,185,820	3,042,816		(16,900)			3.400						

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For eign Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
223030-AJ-9	COVIDIEN INTL FINANCE SA	F	1	1FE	7,419,752	100.6760	7,399,686	7,350,000	7,371,941		(47,811)			1.875	1.210	JD	6,125	137,813	11/17/2011	06/15/2013
2515A0-NY-5	DEUTSCHE BANK AG LONDON	F		1FE	2,759,940	101.7360	2,746,872	2,700,000	2,716,803		(43,137)			4.875	3.220	MM	14,991	131,625	07/13/2011	05/20/2013
2515A1-4E-8	DEUTSCHE BANK AG LONDON	F		1FE	3,921,960	105.8200	4,232,800	4,000,000	3,943,607		17,266			3.250	3.740	JJ	61,389	130,000	03/18/2011	01/11/2016
25243Y-AJ-8	DIAGEO CAPITAL PLC	F	1	1FE	3,358,890	116.2200	3,486,600	3,000,000	3,229,462		(56,652)			5.500	3.310	MS	41,708	165,000	06/28/2010	09/30/2016
25244S-AF-8	DIAGEO FINANCE BV	F	1	1FE	5,131,350	105.0330	5,251,650	5,000,000	5,072,260		(34,133)			3.250	2.510	JJ	74,931	162,500	07/16/2010	01/15/2015
278058-DF-6	EATON CORP PLC	F	1	2FE	1,206,109	101.6200	1,163,549	1,145,000	1,161,645		(44,464)			4.900	0.970	MM	7,169	56,105	11/01/2011	05/15/2013
298785-FN-1	EUROPEAN INVESTMENT BANK	F		1FE	997,550	105.9620	1,059,620	1,000,000	998,329		464			2.500	2.550	MM	3,125	25,000	03/09/2011	05/16/2016
55608J-AD-0	MACQUARIE GROUP LTD	F		1FE	3,300,850	107.9710	3,778,985	3,500,000	3,331,604		30,754			4.875	6.080	FA	66,828	170,625	08/03/2010	08/10/2017
6325C0-BE-0	NATIONAL AUSTRALIA BANK	F		1FE	5,144,500	105.9140	5,295,700	5,000,000	5,081,934		(36,110)			3.750	2.960	MS	61,979	187,500	08/02/2010	03/02/2015
6325C0-BN-0	NATIONAL AUSTRALIA BANK	F		1FE	1,965,900	104.4590	2,089,180	2,000,000	1,981,662		6,295			2.750	3.100	MS	14,361	55,000	12/20/2010	09/28/2015
718448-AB-9	PHILIPS ELECTRONICS NV	F		1FE	1,068,110	103.9150	1,039,150	1,000,000	1,037,679		(47,039)	2,543		7.250	1.150	FA	27,389	36,250	03/21/2012	08/15/2013
80105N-AD-7	SANOFI	F	1	1FE	2,974,200	105.2520	3,157,560	3,000,000	2,982,767		4,985			2.625	2.810	MS	20,125	78,750	03/22/2011	03/29/2016
822582-AF-9	SHELL INTERNATIONAL FIN	F	1	1FE	6,998,110	104.4010	7,308,070	7,000,000	6,999,155		393			4.000	4.000	MS	77,778	280,000	03/18/2009	03/21/2014
86959L-AA-1	SVENSKA HANDELSBANKEN AB	F		1FE	4,960,945	105.6760	5,283,800	5,000,000	4,983,870		10,416			4.875	5.100	JD	14,219	243,750	06/03/2009	06/10/2014
874060-AA-4	TAKEDA PHARMACEUTICAL	F		1FE	600,000	100.3960	602,376	600,000	600,000					1.031	1.020	MS	1,787	1,031	07/09/2012	03/17/2015
88165F-AB-8	TEVA PHARMACEUT FIN BV	F		1FE	5,450,000	100.6560	5,485,752	5,450,000	5,450,000					1.211	1.230	FMAN	9,906	75,374	11/07/2011	11/08/2013
92857W-AF-7	VODAFONE GROUP PLC	F	1	1FE	7,511,000	104.2740	7,299,180	7,000,000	7,251,559		(259,441)			5.000	1.210	JD	14,583	350,000	11/01/2011	12/16/2013
928670-AC-2	VOLKSWAGEN INTL FIN NV	F	1	1FE	7,065,175	100.7060	7,124,950	7,075,000	7,072,838		3,465			1.625	1.670	FA	44,391	114,969	12/19/2011	08/12/2013
961214-BN-2	WESTPAC BANKING CORP	F		1FE	4,977,000	105.6170	5,280,850	5,000,000	4,987,559		4,510			3.000	3.100	FA	61,250	150,000	07/26/2010	08/04/2015
961214-BP-7	WESTPAC BANKING CORP	F		1FE	1,987,760	106.0630	2,121,260	2,000,000	1,992,004		2,550			3.000	3.140	JD	3,667	60,000	12/21/2010	12/09/2015
3299999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations				435,992,786	XXX	449,099,865	426,463,365	431,985,594		(3,110,069)	23,442		XXX	XXX	XXX	3,964,193	16,385,899	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities																				
02660Y-AU-6	AHM 2006-2 3A2		2	1FM	161,081	60.7470	193,060	317,809	161,080					6.200	6.200	MON	1,641	17,950	03/29/2010	06/25/2036
1248MP-AB-0	CBASS 2007-MX1 A2		2	1AM	204,848	82.4700	206,176	250,000	205,419		7,908	2,228		5.763	10.170	MON	1,201	15,250	03/29/2010	12/25/2036
12668B-TJ-2	CWALT 2006-J2 A6		2	1FM	67,750	82.0030	75,593	92,183	67,750			24		6.000	6.000	MON	461	5,888	03/29/2010	04/25/2036
12669G-LP-4	CWHL 2005-HYB1 4A1		2	1FM	36,103	89.8320	49,139	54,700	36,103					2.824	2.820	MON	129	1,585	03/29/2010	03/25/2035
12669Y-AC-6	CWHL 2006-J4 A3		2	1FM	66,169	86.0690	88,332	102,629	66,169					6.250	6.250	MON	535	6,925	03/29/2010	09/25/2036
16162W-AL-3	CHASE 2003-S10 A1		2	1FM	127,603	102.9530	129,801	126,078	127,477		(1,229)			4.750	3.970	MON	499	7,111	03/23/2010	11/25/2018
16162W-BZ-1	CHASE 2003-S12 2A1		2	1FM	139,060	101.8880	139,994	137,400	138,923		(1,156)			5.000	4.260	MON	573	7,823	03/23/2010	12/25/2018
172973-A6-6	CMSI 2004-5 2A6		2	1FM	178,430	103.9990	197,796	190,189	178,978		9,164			5.000	7.930	MON	792	11,258	03/23/2010	08/25/2034
173105-AC-1	CMSI 2007-1 1A3		2	1FM	313,556	100.7840	335,937	333,324	313,556					5.750	5.750	MON	1,597	23,507	03/23/2010	01/25/2037
22541S-GM-4	CSFB 2004-3 2A1		2	1FM	182,064	103.4480	187,637	181,382	181,981		(573)			5.000	4.650	MON	756	10,652	03/23/2010	04/25/2019
225458-XS-2	CSFB 2005-6 3A1		2	1FM	20,721	103.2290	21,738	282	20,734					4.750	5.350	MON	83	1,245	03/29/2010	07/25/2020
36242D-QY-2	GSR 2004-15F 2A2		2	1FM	42,960	101.6880	56,096	55,165	43,245		3,708			5.000	13.450	MON	230	2,977	03/29/2010	12/25/2034
57643M-DE-1	MASTR 2004-6 4A1		2	1FM	194,149	104.1010	199,715	191,847	193,941		(1,335)			5.000	4.340	MON	799	10,896	03/23/2010	07/25/2019
761118-TB-4	RALI 2006-QA1 A21		2	1FM	54,845	73.2190	82,771	113,046	54,845					3.927	3.920	MON	370	4,563	03/29/2010	01/25/2036
76111X-ZC-0	RFMSI 2005-SA5 3A		2	1FM	457,213	82.4270	532,167	645,617	457,213					3.329	3.320	MON	1,791	33,150	03/23/2010	11/25/2035
86359L-TB-5	SAMI 2006-AR1 1A2		2	6FM	2,099	19.0650	2,105	11,040	2,099			593		0.509	0.500	MON	1	69	03/29/2010	02/25/2036
949758-AD-8	WFMSB 2004-0 A1		2	1FM	203,869	104.1630	212,091	203,615	203,868		(119)			4.930	4.780	MON	837	11,227	03/23/2010	08/25/2034
94979X-AA-5	WFMSB 2003-H A1		2	1FM	130,624	103.0430	138,916	134,813	131,009		1,702			4.615	5.440	MON	519	6,978	03/23/2010	09/25/2033
3399999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities				2,583,144	XXX	2,849,064	3,161,895	2,584,390		18,352	2,845		XXX	XXX	XXX	12,814	179,054	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities																				
Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities																				
02005X-AB-4	ALLYA 2011-4 A2		2	1FE	256,987	100.0210	257,378	257,324	257,285		770			0.650	0.840	MON	73	2,882	12/08/2011	03/17/2014
03064R-AB-3	AMCAR 2011-4 A2		2	1FE	413,277	100.1210	414,371	413,867	413,675		608			0.920	1.100	MON	243	3,808	09/08/2011	03/09/2015
03064T-AB-9	AMCAR 2011-5 A2		2	1FE	1,923,249	100.3320	1,929,736	1,923,334	1,923,616		19			1.190	1.160	MON	1,462	22,888	10/26/2011	08/08/2015
03064U-AB-6	AMCAR 2012-1 A2		2	1FE	746,399	100.2490	748,300	746,440	746,453		18			0.910	0.900	MON	434	5,661	01/31/2012	10/08/2015
06052W-AC-9	BAA 2010-2 A3		2	1FE	102,309	100.0790	102,393	102,312	102,312		(129)			1.310	1.310	MON	60	1,340	06/16/2010	07/15/2014
09657W-AC-2	BMMOT 2010-A A3		2	1FE	166,526	100.1590	166,794	166,529	166,529		(345)			1.390	1.390	MON	39	2,315	04/15/2010	04/25/2014
12616V-AB-8	CNH 2011-C A2		2	1FE	1,543,126	100.2010	1,546,981	1,543,876	1,543,596		183			0.900	0.900	MON	618	13,934	12/07/2011	04/15/2015
15200D-AC-1	CNP 2005-A A3		2	1FE	2,302,303	102.7450	2,172,350	2,114,300	2,159,842		(79,934)			5.090	1.350	FA	44,841	107,618	08/18/2010	08/01/2015
34528Q-AQ-7	FORDF 2010-3 A1		2	1FE	755,489	107.3650	815,981	760,000	757,920		915			4.200	4.300	MON	1,419	31,920	03/29/2010	02/15/2017
34529L-AD-6	FORDO 2010-A A3		2	1FE	249,188															

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
36162D-AB-5	GEEST 2011-2A A2			2	1FE	1,036,658	100.1680	1,038,447	1,036,700	1,036,846		24			1.140	1.120	MON	328	11,818	11/16/2011	06/23/2014
36830H-AC-6	GEEST 2011-1A A3			2	1FE	1,844,789	100.4760	1,848,073	1,839,305	1,841,152		(3,811)			1.450	1.240	MON	741	26,670	12/05/2011	01/21/2018
41283N-AB-7	HDMOT 2011-1 A2A			2	1FE	169,987	100.0220	170,293	170,255	170,231		294			0.610	0.780	MON	46	1,039	08/04/2011	10/15/2014
41283T-AC-2	HDMOT 2012-1 A3			2	1FE	499,913	100.3100	501,554	500,000	499,931		19			0.680	0.680	MON	151	1,322	07/17/2012	04/15/2017
43811A-AB-2	HAROT 2011-3 A2			2	1FE	1,483,644	100.0950	1,485,724	1,484,302	1,484,138		199			0.670	0.710	MON	276	9,945	12/05/2011	04/21/2014
43813X-AC-8	HAROT 2012-3 A3			2	1FE	2,499,982	100.1130	2,502,825	2,500,000	2,499,986		4			0.560	0.560	MON	622	5,444	07/17/2012	05/15/2016
44890H-AC-7	HART 2012-B A3			2	1FE	1,049,821	100.1720	1,051,809	1,050,000	1,049,861		40			0.620	0.620	MON	289	2,640	07/10/2012	09/15/2016
477867-AC-9	JDOT 2011-A A3			2	1FE	7,056,911	100.5220	7,054,908	7,018,266	7,032,115		(26,627)			0.290	0.940	MON	4,024	90,536	10/27/2011	01/15/2016
587682-AC-9	MBART 2010-1 A3			2	1FE	175,106	100.3140	175,691	175,140	175,137		(114)			1.420	1.420	MON	111	2,487	04/13/2010	08/15/2014
58768T-AC-0	MBALT 2012-A A3			2	1FE	4,999,724	100.3750	5,018,755	5,000,000	4,999,885		161			0.880	0.880	MON	1,956	32,144	03/15/2012	11/17/2014
58772T-AB-4	MBALT 2011-B A2			2	1FE	1,787,711	100.0750	1,790,006	1,788,652	1,788,512		501			0.900	0.960	MON	715	16,098	11/09/2011	01/15/2014
65475H-AB-7	NALT 2011-A A2A			2	1FE	551,634	100.0280	552,481	552,322	552,219		801			0.700	0.920	MON	172	3,866	07/14/2011	01/15/2014
68233L-AC-3	ONCOR 2003-1 A3			2	1FE	381,301	100.5610	382,680	380,543	380,738		(1,279)			4.950	4.480	FA	7,116	18,837	06/12/2008	02/15/2015
73328V-AD-5	PILOT 2011-1 A2			2	1FE	912,532	100.0930	913,698	912,845	912,775		(233)			0.920	0.960	MON	257	8,398	11/09/2011	02/20/2014
75953M-AD-2	CNP 2001-1 A4			2	1FE	3,303,419	102.8140	3,251,611	3,162,615	3,245,763		(137,087)	9,970		5.630	0.680	MS	52,427	178,055	09/07/2011	09/15/2015
89235Y-AC-9	TAOT 2010-B A3			2	1FE	163,559	100.0890	163,720	163,574	163,573		(119)			1.040	1.040	MON	76	1,701	07/14/2010	02/18/2014
92867F-AB-1	VWALT 2011-A A2			2	1FE	459,943	100.1080	460,445	459,948	460,362		2			1.000	0.800	MON	141	4,599	11/16/2011	02/20/2014
92867F-AC-9	VWALT 2011-A A3			2	1FE	2,902,145	100.5360	2,915,547	2,900,000	2,900,946		(1,199)			1.200	1.160	MON	1,063	34,800	12/07/2011	10/20/2014
92867K-AB-0	VWALT 2012-A A2			2	1FE	237,060	100.1720	237,489	237,079	237,071		8			0.660	0.660	MON	48	778	06/13/2012	11/20/2014
98157H-AB-3	WOART 2012-A A3			2	1FE	1,699,873	100.5070	1,708,634	1,700,000	1,699,899		26			0.640	0.640	MON	484	4,443	07/11/2012	02/15/2017
3599999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities					44,768,556	XXX	44,729,211	44,404,046	44,546,524		(245,680)	9,970		XXX	XXX	XXX	121,335	668,284	XXX	XXX
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Subtotals - Industrial and Miscellaneous (Unaffiliated)					483,344,486	XXX	496,678,140	474,029,306	479,116,508		(3,337,397)	36,257		XXX	XXX	XXX	4,098,342	17,233,237	XXX	XXX
Bonds - Hybrid Securities - Issuer Obligations																					
003723-AA-1	ABN AMRO NA HOLDING CAP			1	4FE	405,618	100.0000	1,000,000	1,000,000	406,606		645			3.406	9.000	FMAN	5,110	65,230	09/18/2002	12/29/2049
40427P-AA-3	HSBC USA CAPITAL TRUST I			1	2FE	711,936	101.5000	1,015,000	1,000,000	727,733		7,432			7.808	11.840	JD	3,470	78,080	03/10/1998	12/15/2026
4299999	Bonds - Hybrid Securities - Issuer Obligations					1,117,554	XXX	2,015,000	2,000,000	1,134,339		8,077			XXX	XXX	XXX	8,580	143,310	XXX	XXX
Bonds - Hybrid Securities - Residential Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Commercial Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Other Loan-Backed and Structured Securities																					
4899999	Bonds - Hybrid Securities - Subtotals - Hybrid Securities					1,117,554	XXX	2,015,000	2,000,000	1,134,339		8,077			XXX	XXX	XXX	8,580	143,310	XXX	XXX
Bonds - Parent, Subsidiaries and Affiliates - Issuer Obligations																					
Bonds - Parent, Subsidiaries and Affiliates - Residential Mortgage-Backed Securities																					
Bonds - Parent, Subsidiaries and Affiliates - Other Loan-Backed and Structured Securities																					
7799999	Bonds - Total Bonds - Subtotals - Issuer Obligations					491,369,254	XXX	509,986,088	485,954,340	487,656,339		(2,940,606)	23,442		XXX	XXX	XXX	4,827,343	19,149,016	XXX	XXX
7899999	Bonds - Total Bonds - Subtotals - Residential Mortgage-Backed Securities					10,803,757	XXX	11,676,659	11,351,931	10,795,218		377	6,132		XXX	XXX	XXX	47,988	605,995	XXX	XXX
7999999	Bonds - Total Bonds - Subtotals - Commercial Mortgage-Backed Securities					24,673,375	XXX	25,317,578	24,495,551	24,628,306		(117,158)			XXX	XXX	XXX	47,091	565,094	XXX	XXX
8099999	Bonds - Total Bonds - Subtotals - Other Loan-Backed and Structured Securities					44,768,556	XXX	44,729,211	44,404,046	44,546,524		(245,680)	9,970		XXX	XXX	XXX	121,335	668,284	XXX	XXX
8399999	Subtotals - Total Bonds					571,614,942	XXX	591,709,536	566,205,868	567,626,387		(3,303,067)	39,544		XXX	XXX	XXX	5,043,757	20,988,389	XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 2 - SECTION 1

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

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

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
Bonds - U.S. Governments								
Bonds - All Other Governments								
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)								
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)								
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions								
54811A-X9-9	LOWER COLORADO RIVER TX AUTH R		08/21/2012	EXCHANGE	XXX	163,074	175,000	2,217
3199999	Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					163,074	175,000	2,217
Bonds - Industrial and Miscellaneous (Unaffiliated)								
03064U-AB-6	AMCAR 2012-1 A2		01/31/2012	BARCLAYS AMERICAN	XXX	999,945	1,000,000	
24702R-AN-1	DELL INC		03/19/2012	CREDIT SUISSE	XXX	2,870,700	2,800,000	27,930
278642-AD-5	EBAY INC		07/19/2012	CITIGROUP GLOBAL MARKETS	XXX	325,000	325,000	
34529Y-AB-2	FORDO 2012-C A3		07/17/2012	J.P. MORGAN	XXX	1,599,882	1,600,000	
41283T-AC-2	HDMOT 2012-1 A3		07/17/2012	J.P. MORGAN	XXX	499,913	500,000	
43813X-AC-8	HAROT 2012-3 A3		07/17/2012	ROYAL BANK OF SCOTLAND US	XXX	2,499,982	2,500,000	
44890H-AC-7	HART 2012-B A3		07/10/2012	BANK AMERICA	XXX	1,049,821	1,050,000	
58768T-AC-0	MBALT 2012-A A3		03/15/2012	J.P. MORGAN	XXX	4,999,724	5,000,000	
78355H-JL-4	RYDER SYSTEM INC		07/27/2012	JEFFERIES & CO.	XXX	5,353,450	5,000,000	121,875
89233P-6J-0	TOYOTA MOTOR CREDIT CORP		07/16/2012	DEUTSCHE BANK	XXX	849,550	850,000	
913017-BW-8	UNITED TECHNOLOGIES CORP		05/24/2012	J.P. MORGAN	XXX	6,500,000	6,500,000	
92867K-AB-0	VWALT 2012-A A2		06/13/2012	J.P. MORGAN	XXX	249,980	250,000	
98157H-AB-3	WOART 2012-A A3		07/11/2012	BARCLAYS AMERICAN	XXX	1,699,873	1,700,000	
984121-CE-1	XEROX CORPORATION		03/08/2012	BANK AMERICA	XXX	3,000,000	3,000,000	
055451-AM-0	BHP BILLITON FIN USA LTD	F	02/21/2012	BARCLAYS AMERICAN	XXX	2,000,000	2,000,000	
718448-AB-9	PHILIPS ELECTRONICS NV	F	03/21/2012	STERNE AGEE	XXX	1,087,260	1,000,000	8,257
74040K-AC-6	PREFERRED TERM SECS II	F	03/01/2012	CAPITALIZED INTEREST	XXX	94,920	94,920	
874060-AA-4	TAKEDA PHARMACEUTICAL	F	07/09/2012	NOMURA SECURITIES DOMESTIC	XXX	600,000	600,000	
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)					36,280,000	35,769,920	158,062
Bonds - Hybrid Securities								
Bonds - Parent, Subsidiaries, and Affiliates								
8399997	Bonds - Subtotals - Bonds - Part 3					36,443,074	35,944,920	160,279
8399998	Bonds - Summary item from Part 5 for Bonds					5,141,420	4,815,000	78,188
8399999	Bonds - Subtotals - Bonds					41,584,494	40,759,920	238,467
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)								
Preferred Stocks - Parent, Subsidiaries, and Affiliates								
Common Stocks - Industrial and Miscellaneous (Unaffiliated)								
Common Stocks - Parent, Subsidiaries, and Affiliates								
Common Stocks - Mutual Funds								
Common Stocks - Money Market Mutual Funds								
9999999	Totals					41,584,494	XXX	238,467

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	
Bonds - U.S. Governments																					
383766-6E-5	GNR 2011-152 A		12/01/2012	MBS PAYMENT		294,556	294,556	293,865	294,481		75		75		294,556					2,604	07/16/2033
383766-AG-5	GNR 2009-71 A		12/01/2012	MBS PAYMENT		3,064,184	3,064,184	3,177,176	3,095,984		(31,800)		(31,800)		3,064,184					51,930	04/16/2038
383766-U0-1	GNR 2010-118 A		12/01/2012	MBS PAYMENT		1,170,961	1,170,961	1,181,572	1,175,219		(4,259)		(4,259)		1,170,961					20,734	11/16/2032
38378B-AH-2	GNR 2011-164 A		12/01/2012	MBS PAYMENT		1,204,015	1,204,015	1,205,018	1,204,384		(369)		(369)		1,204,015					15,171	12/16/2037
912828-AP-5	US TREASURY N/B		11/15/2012	MATURITY		325,000	325,000	347,039	325,383		(7,383)		(7,383)		325,000					13,000	11/15/2012
912828-GW-4	US TREASURY N/B		06/30/2012	VARIOUS		1,000,000	1,000,000	1,081,719	1,018,197		(18,197)		(18,197)		1,000,000					48,750	06/30/2012
912828-HG-8	US TREASURY N/B		10/31/2012	MATURITY		715,000	715,000	760,414	729,723		(14,723)		(14,723)		715,000					27,706	10/31/2012
912828-HM-5	US TREASURY N/B		12/31/2012	MATURITY		990,000	990,000	1,047,467	1,011,061		(21,061)		(21,061)		990,000					53,831	12/31/2012
0599999 - Bonds - U.S. Governments						8,763,716	8,763,716	9,094,270	8,861,432		(97,717)		(97,717)		8,763,716					233,726	XXX
Bonds - All Other Governments																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																					
68607F-CU-2	OREGON ST		08/01/2012	VARIOUS		105,000	105,000	104,458	105,000						105,000					5,723	08/01/2012
1799999 - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)						105,000	105,000	104,458	105,000						105,000					5,723	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)																					
287769-ES-8	ELKHORN WI AREA SCH DIST		04/02/2012	CALLED BY ISSUER at 100,000		1,185,000	1,185,000	1,268,649	1,187,616		(2,616)		(2,616)		1,185,000					31,106	04/01/2020
303820-K4-5	FAIRFAX CNTY VA		04/01/2012	MATURITY		1,000,000	1,000,000	1,071,150	1,011,864		(11,864)		(11,864)		1,000,000					26,250	04/01/2012
666611-GF-9	NORTHPORT AL		06/01/2012	102,000 CALLED BY ISSUER at		459,000	450,000	440,690	443,958		15,042		15,042		459,000					13,650	05/01/2022
796236-4Z-7	SAN ANTONIO TX		02/01/2012	100,000		5,000	5,000	4,962	4,999		1		1		5,000					125	02/01/2023
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)						2,649,000	2,640,000	2,785,451	2,648,437		563		563		2,649,000					71,131	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
090929-DX-5	BIRMINGHAM AL SPL CARE FACS FI		06/01/2012	100,000 CALLED BY ISSUER at		760,000	760,000	764,552	760,663		(663)		(663)		760,000					19,950	06/01/2019
100340-BM-9	BOSSIER LA PUBLIC TRUST FING A		02/01/2012	100,000 CALLED BY ISSUER at		5,000	5,000	5,038	5,000					5,000						150	08/01/2015
114894-BS-6	BROWARD CNTY FL ARPT SYS REVEN		06/29/2012	100,000		2,000,000	2,000,000	1,988,491	1,988,491		11,509		11,509		2,000,000					80,028	10/01/2013
196567-EM-9	COLORADO ST SCH OF MINES AUXIL		12/13/2012	VARIOUS		140,000	140,000	134,376	134,755		5,245		5,245		140,000					7,233	12/01/2030
207900-BP-5	CONNECTICUT ST DEV AUTH WTR FA		10/30/2012	100,000 CALLED BY ISSUER at		1,000,000	1,000,000	891,670	899,820		100,180		100,180		1,000,000					58,194	09/01/2022
235036-EJ-5	DALLAS-FORT WORTH TX INTERNATI		12/03/2012	100,000 CALLED BY ISSUER at		1,000,000	1,000,000	892,350	905,079		94,921		94,921		1,000,000					53,354	11/01/2023
249181-WD-6	DENVER CITY & CNTY CO ARPT REV		08/15/2012	VARIOUS		261,620	315,000	254,687	260,124		1,496		1,496		261,620					11,813	11/15/2025
29270M-BJ-1	ENERGY N W WA WIND PROJ REVENU		07/02/2012	VARIOUS		500,000	500,000	457,020	462,366		37,634		37,634		500,000					25,000	07/01/2023
3128MB-VP-9	FG 613122		12/01/2012	MBS PAYMENT		784,970	784,970	766,572	780,713		4,256		4,256		784,970					20,489	04/01/2023
3128PK-7A-6	FG J08089		12/01/2012	MBS PAYMENT		828,970	828,970	827,157	828,646		325		325		828,970					24,746	06/01/2023
3128PK-XM-1	FG J07884		12/01/2012	MBS PAYMENT		1,211,645	1,211,645	1,211,645	1,211,645						1,211,645					37,679	05/01/2023
3133XB-G7-4	FHLB 6A-2012 1		04/25/2012	VARIOUS		31,670	31,670	31,797	32,033		(348)		(348)		31,685		(15)	(15)		504	04/25/2012
31349U-B3-1	FH 782758		12/01/2012	VARIOUS		165,442	165,442	174,346	165,855		(413)		(413)		165,442					4,903	11/01/2036
31359M-Y0-0	FANNIE MAE		08/02/2012	VARIOUS		2,001,384	2,000,000	1,999,708	1,999,860		125		125		1,999,985		1,398	1,398		98,562	08/02/2012
31393U-UC-5	FNR 2003-134 ME		04/12/2012	VARIOUS		20,782	20,058	20,684	20,669		(79)		(79)		20,590					326	06/25/2033
31395R-AR-9	FHRR R001 AE		01/01/2012	MBS PAYMENT		1,663	1,663	1,663	1,663					1,663						8	04/15/2015
31396C-E3-0	FHR 3059 CB		05/01/2012	MBS PAYMENT		4,324,784	4,324,784	4,376,141	4,320,440		4,344		4,344		4,324,784					53,485	10/15/2028
31396E-2U-9	FHR 3053 OD		04/11/2012	VARIOUS		3,911,867	3,872,940	3,938,296	3,873,950		(3,680)		(3,680)		3,870,270					70,298	06/15/2030
31396G-67-0	FHRR R004 AL		04/01/2012	VARIOUS		14,810	14,810	15,020	15,846		(35)		(35)		14,810					155	12/15/2013
31396U-3A-6	FHRR R008 FK		04/11/2012	VARIOUS		46,288	46,378	46,241	46,283		35		35		46,317		(29)	(29)		96	07/15/2023
31396X-CV-4	FNR 2007-79 MA		02/01/2012	MBS PAYMENT		488,598	488,598	488,790	487,366		1,232		1,232		488,598					2,579	12/25/2028
31397B-M0-1	FHRR R009 AJ		04/12/2012	VARIOUS		35,353	35,353	36,628	35,969		(410)		(410)		35,559		(206)	(206)		661	12/15/2018
31397N-FZ-3	FNR 2009-17 DA		04/11/2012	VARIOUS		120,171	116,637	117,944	117,575		(314)		(314)		117,262		2,910	2,910		2,247	01/25/2033
314020-ZE-4	FN 735241		12/01/2012	MBS PAYMENT		5,145	5,145	5,303	5,159		(14)		(14)		5,145					40	02/01/2035
31403B-PC-1	FN 743919		12/01/2012	MBS PAYMENT		15,524	15,524	16,264	15,570		(45)		(45)		15,524					179	11/01/2018
31403D-RH-4	FN 745788		12/01/2012	MBS PAYMENT		187,355	187,355	199,124	189,175		(1,820)		(1,820)		187,355					3,224	08/01/2036
31403D-VZ-9	FN 745932		12/01/2012	MBS PAYMENT		26,660	26,660	29,117	28,831		(171)		(171)		26,660					571	11/01/2036
31404Y-Y6-9	FN 780233		12/01/2012	MBS PAYMENT		73,561	73,561	77,028	73,843		(282)		(282)		73,561					959	05/01/2019
31405H-6L-7	FN 790275		12/01/2012	MBS PAYMENT		1,259	1,259	1,304	1,260		(1)		(1)		1,259					10	08/01/2034
31405R-CR-5	FN 796680		12/01/2012	MBS PAYMENT		65,897	65,897	69,050	66,106		(209)		(209)		65,897					974	10/01/2019
31410K-JY-1	FN 889579		12/01/2012	MBS PAYMENT		147,693	147,693	157,663	148,580		(887)		(887)		147,693					2,886	05/01/2038
31410R-GJ-3	FN 895573		12/01/2012	MBS PAYMENT		77,865	77,865	80,535	77,969		(104)		(104)		77,865					736	06/01/2036
31411Y-DP-5	FN 918210		12/01/2012	MBS PAYMENT		17,408	17,408	18,293	17,461		(53)		(53)		17,408					321	05/01/2037
31412W-SD-1	FN 929416		12/01/2012	MBS PAYMENT		59,583	59,583	63,497	59,990		(407)		(407)		59,583					1,153	05/01/2038
31414D-UF-1	FN 963282		12/01/2012	MBS PAYMENT		1,221,133	1,221,133	1,201,480	1,218,163		2,970		2,970		1,221,133					30,751	05/01/2023
31416J-PH-8	FN AA1323		12/01/2012	MBS PAYMENT		151,932	151,932	165,209	153,943		(2,011)		(2,011)		151,932					3,368	11/01/2032
31417Y-T7-2	FN MA0573		12/01/2012	MBS PAYMENT		256,289	256,289	257,287	256,364												

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Fore ign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date
45129T-GY-7	IDAHO ST HSG & FIN ASSN		07/02/2012	VARIOUS		5,000	5,000	5,000	5,000						5,000				305	07/01/2016
45129T-HB-6	IDAHO ST HSG & FIN ASSN		01/03/2012	CALL BY ISSUER at 100,000		5,000	5,000	5,000	5,000						5,000				153	07/01/2014
45129T-H0-3	IDAHO ST HSG & FIN ASSN		01/03/2012	CALL BY ISSUER at 100,000		5,000	5,000	4,965	5,000						5,000				146	07/01/2016
45200P-MU-8	ILLINOIS ST HLTH FACS AUTH REV		08/01/2012	PREREFUNDED		256,250	250,000	250,000	250,000		6,250		6,250		256,250				13,750	08/01/2020
511002-EE-3	LAKE SUPERIOR MI ST UNIV		04/02/2012	CALL BY ISSUER at 100,000		770,000	770,000	767,833	768,915		1,085		1,085		770,000				15,018	11/15/2019
52349M-DK-5	LEE CNTY FL INDL DEV AUTH		11/01/2012	CALL BY ISSUER at 100,000		295,000	295,000	281,380	283,671		11,329		11,329		295,000				14,750	11/01/2020
52349M-DL-3	LEE CNTY FL INDL DEV AUTH		11/01/2012	CALL BY ISSUER at 100,000		300,000	300,000	275,154	278,427		21,573		21,573		300,000				15,000	11/01/2022
546540-AM-7	LOUISIANA ST UNIV & AGRIC & ME		05/01/2012	CALL BY ISSUER at 100,000		5,000	5,000	5,000	5,000						5,000				155	05/01/2020
54810C-DZ-0	LOWER COLORADO RIVER TX AUTH R		08/21/2012	VARIOUS		163,074	175,000	160,426	162,499		575		575		163,074				6,373	05/15/2022
592646-FP-3	MET WASHINGTON DC ARPTS AUTH A		10/01/2012	CALL BY ISSUER at 100,000		655,000	655,000	655,111	654,984		16		16		655,000				35,206	10/01/2017
592646-FR-9	MET WASHINGTON DC ARPTS AUTH A		10/01/2012	CALL BY ISSUER at 100,000		500,000	500,000	463,605	470,451		29,549		29,549		500,000				26,875	10/01/2019
59455P-ZB-9	MICHIGAN ST MUNI BOND AUTH		11/01/2012	VARIOUS		120,000	120,000	118,776	119,894		106		106		120,000				5,698	11/01/2012
59455P-ZC-7	MICHIGAN ST MUNI BOND AUTH		05/01/2012	CALL BY ISSUER at 100,000		25,000	25,000	24,868	24,979		21		21		25,000				675	11/01/2013
59455P-ZD-5	MICHIGAN ST MUNI BOND AUTH		05/01/2012	CALL BY ISSUER at 100,000		25,000	25,000	24,726	24,938		62		62		25,000				675	11/01/2014
59455R-BN-5	MICHIGAN ST MUNI BOND AUTH		09/07/2012	CALL BY ISSUER at 100,000		230,000	230,000	227,877	228,924		1,076		1,076		230,000				8,233	11/01/2019
605275-M0-6	MISSISSIPPI BUSINESS FIN CORP		07/02/2012	SINK		40,285	40,285	38,604	40,260		24		24		40,285				806	01/01/2022
64461R-CS-5	NEW HAMPSHIRE ST HGR EDUCNL &		03/01/2012	CALL BY ISSUER at 100,000		250,000	250,000	247,020	247,398		2,602		2,602		250,000				3,469	06/01/2023
64971K-SE-7	NEW YORK CITY NY TRANSITIONAL		08/01/2012	MATURITY		1,500,000	1,500,000	1,596,270	1,535,621		(35,621)		(35,621)		1,500,000				75,000	08/01/2012
717903-YN-2	PHILADELPHIA PA HOSPS & HGR ED		07/02/2012	CALL BY ISSUER at 100,000		50,000	50,000	50,000	50,000						50,000				1,325	01/01/2018
735000-NU-1	PORT OF OAKLAND CA		11/01/2012	CALL BY ISSUER at 100,000		70,000	70,000	54,298	64,560		5,440		5,440		70,000				3,500	11/01/2022
735388-3X-6	PORT OF SEATTLE WA REVENUE		03/14/2012	CALL BY ISSUER at 100,000		1,000,000	1,000,000	1,006,060	1,000,000						1,000,000				25,469	04/01/2014
735388-4C-1	PORT OF SEATTLE WA REVENUE		03/14/2012	CALL BY ISSUER at 100,000		1,300,000	1,300,000	1,090,232	1,112,641		187,359		187,359		1,300,000				30,019	04/01/2024
735388-6L-9	PORT OF SEATTLE WA REVENUE		09/04/2012	CALL BY ISSUER at 100,000		1,000,000	1,000,000	1,001,560	1,000,287		(287)		(287)		1,000,000				55,000	09/01/2013
762242-QF-5	RHODE ISLAND ST HLTH & EDUCNL		04/02/2012	CALL BY ISSUER at 100,000		35,000	35,000	35,613	35,000						35,000				1,050	04/01/2017
796242-HK-4	SAN ANTONIO TX ARPT SYS REVENU		07/02/2012	VARIOUS		500,000	500,000	511,935	502,111		(2,111)		(2,111)		500,000				28,750	07/01/2013
796242-H0-1	SAN ANTONIO TX ARPT SYS REVENU		07/02/2012	VARIOUS		500,000	500,000	418,655	428,015		71,986		71,986		500,000				26,250	07/01/2023
796242-JH-9	SAN ANTONIO TX ARPT SYS REVENU		07/02/2012	CALL BY ISSUER at 100,000		1,465,000	1,465,000	1,466,817	1,465,324		(324)		(324)		1,465,000				84,238	07/01/2016
944314-LB-7	WAYNE CRT CNTY MI ARPT REVENU		12/03/2012	VARIOUS		300,000	300,000	245,859	253,290		46,710		46,710		300,000				15,000	12/01/2021
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						33,831,930	33,846,507	33,317,179	33,180,565		605,520	1	605,519		33,786,083		45,847	45,847	1,125,322	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																				
002824-AT-7	ABBOTT LABORATORIES		11/13/2012	TENDER OFFER		1,775,220	1,500,000	1,716,735	1,686,904		(35,205)		(35,205)		1,651,698		123,521	123,521	87,635	05/15/2016
02005X-AB-4	ALLYA 2011-4 A2		12/15/2012	VARIOUS		2,002,676	2,002,676	2,000,060	2,000,531		2,146		2,146		2,002,676				7,022	03/17/2014
02660Y-AU-6	AHM 2006-2 3A2		12/01/2012	MBS PAYMENT		33,236	33,236	16,846	16,846						16,846		16,390	16,390	495	06/25/2036
03064R-AB-3	AMCAR 2011-4 A2		12/08/2012	MBS PAYMENT		586,133	586,133	585,298	585,508		625		625		586,133				3,675	03/09/2015
03064T-AB-9	AMCAR 2011-5 A2		12/08/2012	MBS PAYMENT		1,676,666	1,676,666	1,676,593	1,676,269		398		398		1,676,666				14,308	08/08/2015
03064U-AB-6	AMCAR 2012-1 A2		12/08/2012	MBS PAYMENT		253,560	253,560	253,547	253,560		50		50		253,560				1,641	10/08/2015
05948X-6S-5	BOAMS 2004-5 2A1		07/01/2012	VARIOUS		95,571	95,571	83,848	86,701		8,822		8,822		95,523		47	47	1,211	06/25/2034
05950T-AC-9	BOAMS 2006-B 2A1		10/24/2012	VARIOUS		484,281	634,070	445,064	445,064						445,064		39,217	39,217	16,013	11/20/2046
06052M-AC-9	BAAT 2010-2 A3		12/15/2012	MBS PAYMENT		861,773	861,773	861,749	861,636		137		137		861,773				5,694	07/15/2014
084664-BK-6	BERKSHIRE HATHAWAY FIN		04/15/2012	MATURITY		300,000	300,000	315,817	302,256		(2,256)		(2,256)		300,000				6,000	04/15/2012
09657M-AC-2	BWOT 2010-A A3		12/25/2012	MBS PAYMENT		1,123,377	1,123,377	1,123,354	1,123,025		352		352		1,123,377				7,862	04/25/2014
125430-AB-4	CWHL 2006-11 1A2		07/01/2012	VARIOUS		10,796	172,935	26,053	26,053		11,512		(11,512)		14,541		(3,744)	(3,744)	3,646	06/25/2036
12612B-AC-4	CNH 2010-A A3		09/15/2012	VARIOUS		1,026,797	1,026,797	1,029,312	1,029,490		(2,621)		(2,621)		1,026,797				4,444	07/15/2014
12616V-AB-8	CNH 2011-C A2		12/15/2012	MBS PAYMENT		2,456,124	2,456,124	2,454,932	2,454,645		1,479		1,479		2,456,124				18,856	04/15/2015
12668S-CZ-7	CWL 2006-S1 A2		04/12/2012	VARIOUS		39,289	42,669	31,018	31,018						31,018		8,270	8,270	821	08/25/2021
12668B-TJ-2	CWALT 2006-J2 A6		12/01/2012	MBS PAYMENT		19,133	14,064	14,064	14,064						14,064		(1,424)	(1,424)	283	04/25/2036
12669S-LP-4	CWHL 2005-HYB1 4A1		12/01/2012	MBS PAYMENT		7,975	7,975	5,264	5,264						5,264		2,711	2,711	61	03/25/2035
12669Y-AC-6	CWHL 2006-J4 A3		12/01/2012	MBS PAYMENT		20,302	26,694	17,210	17,210						17,210		3,092	3,092	532	09/25/2036
14312A-AB-7	CARMX 2011-3 A2		05/25/2012	VARIOUS		3,627,368	3,625,000	3,620,462	3,620,462		2,418		2,418		3,622,880		4,488	4,488	11,682	11/17/2014

E14.1

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	For eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Dividends Received During Year	Stated Contractual Maturity Date
15200D-AC-1	CNP 2005-A A3		08/01/2012	MBS PAYMENT		385,700	385,700	419,997	391,756		(6,055)		(6,055)		385,700				19,632	08/01/2015
161571-CH-5	CHAIT 2007-A17 A		10/15/2012	MBS PAYMENT		1,900,000	1,900,000	1,911,817	1,903,008		(3,008)		(3,008)		1,900,000				81,067	10/15/2014
16162W-AL-3	CHASE 2003-S10 A1		12/01/2012	MBS PAYMENT		102,274	102,274	103,590	102,579		(160)		(160)		102,419		(145)	(145)	1,212	11/25/2018
16162W-BZ-1	CHASE 2003-S12 2A1		12/01/2012	MBS PAYMENT CALLED BY ISSUER at		83,600	83,600	84,680	83,760		(128)		(128)		83,632		(32)	(32)	1,234	12/25/2018
166751-AH-0	CHEVRON CORP.		12/28/2012			416,400	400,000	417,070	409,661		6,739		6,739		416,400				20,847	03/03/2014
172973-A6-6	CMS1 2004-5 2A6		12/01/2012	MBS PAYMENT		156,526	156,526	146,588	154,667		1,267		1,267		155,935		592	592	2,109	08/25/2034
17305E-ER-2	CCC IT 2009-A5 A5		12/24/2012	MBS PAYMENT		4,525,000	4,525,000	4,566,235	4,526,235		(41,235)		(41,235)		4,525,000				101,813	12/23/2014
173105-AC-1	CMS1 2007-1 1A3		12/01/2012	MBS PAYMENT		302,188	302,188	284,266	284,266						284,266		17,922	17,922	5,182	01/25/2037
17314J-AT-0	CITIBANK NA		12/28/2012	MATURITY		750,000	750,000	750,000	752,209		(2,209)		(2,209)		750,000				13,125	12/28/2012
191219-BU-7	COCA-COLA REFRESH USA		03/01/2012	MATURITY		1,100,000	1,100,000	1,097,932	1,099,793		207		207		1,100,000				20,625	03/01/2012
210518-BV-7	CONSUMERS ENERGY COMPANY		06/11/2012	VARIOUS		3,960,248	3,800,000	3,998,398	3,998,398		(38,150)		(38,150)		3,960,248				132,195	04/15/2013
216871-AB-9	COOPER US INC		11/15/2012	MATURITY		5,500,000	5,500,000	5,757,345	5,699,770		(199,770)		(199,770)		5,500,000				288,750	11/15/2012
225415-GM-4	CSFB 2004-3 2A1		12/01/2012	MBS PAYMENT		125,823	125,823	126,325	125,904		(69)		(69)		125,835		(11)	(11)	1,689	04/25/2019
225458-XS-2	CSFB 2005-6 3A1		12/01/2012	MBS PAYMENT		21,368	21,368	21,025	21,291		39		39		21,330		38	38	229	07/25/2020
24424D-AA-7	JOHN DEERE CAPITAL CORP		06/19/2012	MATURITY		700,000	700,000	723,674	705,034		(5,034)		(5,034)		700,000				10,063	06/19/2012
24702R-AH-4	DELL INC		06/15/2012	MATURITY		2,050,000	2,050,000	2,048,606	2,049,732		268		268		2,050,000				34,594	06/15/2012
264399-EF-9	DUKE ENERGY CAROLINAS		11/30/2012	VARIOUS		2,785,000	2,785,000	2,902,054	2,902,054		(117,054)		(117,054)		2,785,000				156,656	11/30/2012
34529L-AD-6	FORDO 2010-A A3		12/15/2012	MBS PAYMENT		1,583,298	1,583,298	1,583,009	1,582,912		386		386		1,583,298				9,632	06/15/2014
34529R-AB-7	FORDO 2011-B A2		12/15/2012	VARIOUS		700,000	700,000	700,000	699,979		21	70	21		700,000				2,497	01/15/2014
34529T-AB-3	FORDL 2011-B A2		12/15/2012	MBS PAYMENT		1,154,715	1,154,715	1,153,807	1,153,773		942		942		1,154,715				7,576	01/15/2014
36162D-AB-5	GEEST 2011-2A A2		12/21/2012	MBS PAYMENT		263,300	263,300	263,289	263,129		171		171		263,300				2,785	06/23/2014
36185M-AM-9	GMACM 2004-J4 A8		02/01/2012	MBS PAYMENT		17,356	17,356	16,099	17,044		312		312		17,356				110	09/25/2034
3622WV-AN-3	GSR 2007-3F 3A2		10/24/2012	VARIOUS		606,153	643,382	559,495	559,495						559,495		46,658	46,658	29,581	05/25/2037
36242D-OY-2	GSR 2004-15F 2A2		12/01/2012	MBS PAYMENT		17,581	17,581	13,691	17,322		259		259		17,581				231	12/25/2034
36830H-AB-8	GEEST 2011-1A A2		11/21/2012	MBS PAYMENT		2,026,155	2,026,155	2,025,519	2,025,519		635		635		2,026,155				8,750	08/21/2013
36830H-AC-6	GEEST 2011-1A A3		12/21/2012	MBS PAYMENT		160,695	160,695	161,174	161,000		(306)		(306)		160,695				2,319	01/21/2018
373334-FN-6	GEORGIA POWER COMPANY		11/15/2012	MATURITY		1,000,000	1,000,000	1,019,460	1,004,086		(4,086)		(4,086)		1,000,000				51,250	11/15/2012
41283H-AB-7	HDMOT 2011-1 A2A		12/15/2012	MBS PAYMENT		829,745	829,745	828,437	828,487		1,258		1,258		829,745				3,296	10/15/2014
428236-AM-5	HEWLETT-PACKARD CO		01/06/2012	STIFEL NICOLAUS & CO		7,793,590	7,000,000	7,823,340	7,700,728		(3,430)		(3,430)		7,697,298				136,500	03/01/2017
43811A-AB-2	HAROT 2011-3 A2		12/21/2012	MBS PAYMENT		1,895,698	1,895,698	1,894,858	1,894,563		1,135		1,135		1,895,698		96,292	96,292	9,964	04/21/2014
441812-KA-1	HSBC FINANCE CORP		11/27/2012	MATURITY		5,000,000	5,000,000	5,142,700	5,142,700		(142,700)		(142,700)		5,000,000				318,750	11/27/2012
46629P-AM-0	JPMCC 2006-LDP9 A2S		04/11/2012	VARIOUS		471,454	461,895	465,209	465,209		(779)		(779)		464,430		7,024	7,024	8,806	05/15/2047
477867-AC-9	JDOT 2011-A A3		12/15/2012	MBS PAYMENT		800,734	800,734	805,143	803,312		(2,577)		(2,577)		800,734				9,988	01/15/2016
477874-AC-5	JDOT 2009-A A3		02/15/2012	MBS PAYMENT		96,775	96,775	96,889	96,775		(114)		(114)		96,775				239	10/15/2013
481247-AE-4	JPMORGAN CHASE & CO		06/22/2012	MATURITY		850,000	850,000	862,640	852,725		(2,725)		(2,725)		850,000				9,031	06/22/2012
487836-AZ-1	KELLOGG CO		12/03/2012	MATURITY		1,750,000	1,750,000	1,833,755	1,815,826		(65,826)		(65,826)		1,750,000				89,688	12/03/2012
501673-AA-5	LAAF 1 A		01/13/2012	MIZUHO SECURITIES		688,204	636,857	557,051	562,013		547		547		562,560		125,644	125,644	4,469	12/15/2026
532457-BD-9	ELI LILLY & CO		03/06/2012	MATURITY		1,000,000	1,000,000	998,980	999,862		138		138		1,000,000				17,750	03/06/2012
57643M-DE-1	MASTR 2004-6 4A1		12/01/2012	MBS PAYMENT		105,950	105,950	107,278	106,310		(108)		(108)		106,202		(252)	(252)	1,225	07/25/2019
587682-AC-9	MBART 2010-1 A3		12/15/2012	MBS PAYMENT		451,470	451,470	451,383	451,323		146		146		451,470				3,240	08/15/2014
587727-AB-4	MBALT 2011-B A2		12/15/2012	MBS PAYMENT		2,411,348	2,411,348	2,410,079	2,409,778		1,570		1,570		2,411,348				16,183	01/15/2014
59022H-JH-6	MLMT 2005-CIP1 A2		04/11/2012	VARIOUS		204,135	203,151	206,271	204,228		(564)		(564)		203,664		471	471	2,696	07/12/2038
617446-V8-9	MORGAN STANLEY		08/31/2012	MATURITY		2,750,000	2,750,000	2,785,310	2,785,310		(35,310)		(35,310)		2,750,000				158,125	08/31/2012
65475H-AB-7	NALT 2011-A A2A		12/15/2012	MBS PAYMENT		1,772,678	1,772,678	1,770,469	1,770,685		1,993		1,993		1,772,678				7,949	01/15/2014
65475V-AC-4	NAROT 2009-1 A3		08/15/2012	VARIOUS		615,848	615,848	623,050	623,504		(1,365)	1,569	(2,934)		620,570		(4,721)	(4,721)	10,349	09/15/2014
66880H-AA-0	NORVELL CONWAY LLC		12/15/2012	SINK		60,289	60,289	47,700	58,402		903		903		59,305		984	984	1,318	12/15/2018
66987H-GV-1	NHEL 2005-3 A2C		04/12/2012	VARIOUS		33,668	35,188	34,187	33,954		689	162	527		34,482		(814)	(814)	55	01/25/2036
68233L-AC-3	ONCOR 2003-1 A3		08/15/2012	MBS PAYMENT		1,790,015	1,790,015	1,793,580	1,792,863		(873)		(873)		1,791,990		(1,974)	(1,974)	64,065	02/15/2015
693401-AG-6	PERF 2005-2 A2		03/25/2012	MBS PAYMENT CALLED BY ISSUER at		83,172	83,172	84,020	84,020		(848)		(848)		83,172				1,046	03/25/2014
724479-AF-7	PITNEY BOWES INC		07/02/2012	101,118		5,055,900	5,000,000	5,177,150	5,125,416		(69,516)		(69,516)		5,055,900				172,795	10/01/2012
73328V-AD-5	PILOT 2011-1 A2		12/20/2012	MBS PAYMENT		2,487,155	2,487,155	2,486,303	2,485,828		1,328		1,328		2,487,155				16,076	02/20/2014
74153W-AS-8	PRICOA GLOBAL FUNDING 1		06/25/2012	MATURITY		5,000,000	5,000,000	4,506,621	4,853,207		146,793		146,793		5,000,000				115,625	06/25/2012
74367F-AN-8	PROTECTIVE LIFE SECD TR		09/28/																	

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B/A. C.V. (11+12-13)	15 Total Foreign Exchange Change in B/A. C.V.						
949758-AD-8	WFMB 2004-0 A1		12/01/2012	MBS PAYMENT		98,662	98,662	98,784	98,686		(10)		(10)		98,676		(14)	(14)	1,431	08/25/2034
94979X-AA-5	WFMB 2003-H A1		12/01/2012	MBS PAYMENT		65,394	65,394	63,362	65,198		197		197		65,394				790	09/25/2033
960394-AP-9	CBS CORP		04/11/2012	WELLS FARGO SECURITIES LLC		56,100	50,000	43,657	46,388		366		366		46,754		9,346	9,346	1,504	06/14/2014
878742-AD-7	TECK RESOURCES LIMITED	A	09/15/2012	VARIOUS		3,387,000	3,387,000	3,464,744	3,507,076		(108,006)	12,070	(120,076)		3,387,000				237,090	09/15/2012
00162E-AL-3	ANZ NEW ZEALAND INTL/LDN	F	12/21/2012	MATURITY		1,750,000	1,750,000	1,737,704	1,744,545		5,455		5,455		1,750,000				41,563	12/21/2012
046353-AC-2	ASTRAZENECA PLC	F	09/15/2012	MATURITY		2,500,000	2,500,000	2,663,875	2,579,662		(79,662)		(79,662)		2,500,000				135,000	09/15/2012
2027AD-DG-1	COMMONWEALTH BANK AUST	F	10/15/2012	MATURITY		2,500,000	2,500,000	2,516,947	2,506,603		(6,603)		(6,603)		2,500,000				68,750	10/15/2012
65557C-AE-3	NORDEA BANK AB	F	11/13/2012	MATURITY		5,035,000	5,035,000	5,073,165	5,064,599		(29,599)		(29,599)		5,035,000				125,875	11/13/2012
74040K-AC-6	PREFERRED TERM SECS II	F	05/18/2012	KEEFE BRUYETTE & WOODS		448,296	1,297,529	94,920	94,920						94,920		353,376	353,376	120,339	03/01/2031
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						132,548,481	132,732,581	132,909,553	132,471,234		(1,166,367)	25,454	(1,191,821)		131,545,835		1,002,648	1,002,648	4,218,151	XXX
Bonds - Hybrid Securities																				
Bonds - Parent, Subsidiaries, and Affiliates																				
8399997 - Bonds - Subtotals - Bonds - Part 4						177,898,127	178,087,804	178,210,911	177,266,668		(658,001)	25,455	(683,456)		176,849,634		1,048,495	1,048,495	5,654,053	XXX
8399998 - Bonds - Summary item from Part 5 for Bonds						5,125,140	4,815,000	5,141,420			(11,516)	4,763	(16,279)		5,125,140				210,375	XXX
8399999 - Bonds - Subtotals - Bonds						183,023,267	182,902,804	183,352,331	177,266,668		(669,517)	30,218	(699,735)		181,974,774		1,048,495	1,048,495	5,864,428	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																				
Preferred Stocks - Parent, Subsidiaries, and Affiliates																				
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																				
Common Stocks - Parent, Subsidiaries, and Affiliates																				
Common Stocks - Mutual Funds																				
Common Stocks - Money Market Mutual Funds																				
9799998 - Common Stocks - Summary item from Part 5 for Common Stocks						7,198	XXX										7,198	7,198		XXX
9799999 - Common Stocks - Subtotals - Common Stocks						7,198	XXX										7,198	7,198		XXX
9899999 - Common Stocks - Subtotals - Preferred and Common Stocks						7,198	XXX										7,198	7,198		XXX
9999999 Totals						183,030,465	XXX	183,352,331	177,266,668		(669,517)	30,218	(699,735)		181,974,774		1,055,693	1,055,693	5,864,428	XXX

E14.3

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE D - PART 5

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stocks)	9 Actual Cost	10 Consideration	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends			
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change In B./A. C.V. (12 + 13 - 14)	16 Total Foreign Exchange Change in B./A. C.V.								
Bonds - U.S. Governments																							
Bonds - All Other Governments																							
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																							
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)																							
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																							
249182-DL-7...	DENVER CITY & CNTY CO ARPT REV		08/15/2012				60,000	49,832	60,000	60,000			10,168							1,500	750		
249182-DW-5...	DENVER CITY & CNTY CO ARPT REV		08/15/2012				255,000	211,788	255,000	255,000			43,213							6,375	3,188		
3199999	Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						315,000	261,620	315,000	315,000			53,381							7,875	3,938		
Bonds - Industrial and Miscellaneous (Unaffiliated)																							
902118-BK-3...	TYCO INTERNATIONAL FINAN	F	02/21/2012				4,500,000	4,879,800	4,810,140	4,810,140			(64,897)	4,763	(69,660)					202,500	74,250		
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)						4,500,000	4,879,800	4,810,140	4,810,140			(64,897)	4,763	(69,660)					202,500	74,250		
Bonds - Hybrid Securities																							
Bonds - Parent, Subsidiaries, and Affiliates																							
8399998	Bonds - Subtotals - Bonds						4,815,000	5,141,420	5,125,140	5,125,140			(11,516)	4,763	(16,279)					210,375	78,188		
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																							
Preferred Stocks - Parent, Subsidiaries, and Affiliates (Unaffiliated)																							
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																							
00685R-70-6...	ADELPHIA CONTINGENT VALUE		08/13/2012				3,000		7,039											7,039	7,039		
037833-10-0...	APPLE INC		11/06/2012				1,000		44											44	44		
749121-10-9...	QWEST COMMUNICATIONS INTL		07/10/2012				1,000		95											95	95		
63921A-10-0...	GLOBAL CROSSING LTD	F	07/27/2012				1,000		20											20	20		
9099999	Common Stocks - Industrial and Miscellaneous (Unaffiliated)								7,198											7,198	7,198		
Common Stocks - Parent, Subsidiaries, and Affiliates																							
Common Stocks - Mutual Funds																							
Common Stocks - Money Market Mutual Funds																							
9799998	Common Stocks - Subtotals - Common Stocks								7,198											7,198	7,198		
9899999	Common Stocks - Subtotals - Preferred and Common Stocks								7,198											7,198	7,198		
9999999	Totals						5,141,420	5,132,338	5,125,140	5,125,140			(11,516)	4,763	(16,279)					7,198	7,198	210,375	78,188

15

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part D

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN
REHABILITATION**

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION., IN REHABILITATION

SCHEDULE E PART 3 - SPECIAL DEPOSITS

States, etc.	1 Type of Deposits	2 Purpose of Deposits	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR	.B on deposit	298,846	313,500		
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL	.B on deposit	2,176,784	2,524,047		
11. Georgia	GA	.B on deposit	29,868	30,657		
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL	.B on deposit	1,531,518	1,602,713		
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA	.B on deposit	103,527	108,992		
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV	.B on deposit	196,969	205,550		
30. New Hampshire	NH	.B on deposit	498,544	509,630		
31. New Jersey	NJ					
32. New Mexico	NM	.B on deposit	114,493	117,520		
33. New York	NY					
34. North Carolina	NC	.B on deposit	244,019	251,618		
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR	.B on deposit	662,995	666,835		
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC	.B on deposit	149,423	156,750		
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT	.B on deposit	523,471	535,112		
47. Virginia	VA					
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR					
55. US Virgin Islands	VI					
56. Northern Mariana Islands	MP					
57. Canada	CAN					
58. Aggregate Other Alien	OT	XXX	XXX			
59. Total	XXX	XXX	6,530,457	7,022,924		
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898.	Sum of remaining write-ins for Line 58 from overflow page	XXX	XXX			
5899.	Totals (Lines 5801 - 5803 + 5898) (Line 58 above)	XXX	XXX			

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