



# QUARTERLY STATEMENT

AS OF MARCH 31, 2011  
OF THE CONDITION AND AFFAIRS OF THE  
**TRIAD GUARANTY INSURANCE CORPORATION**

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

Organized under the Laws of Illinois , State of Domicile or Port of Entry Illinois  
Country of Domicile United States

Incorporated/Organized 07/30/1987 Commenced Business 08/07/1987

Statutory Home Office 111 South Wacker Street , Chicago, IL 60606  
(Street and Number) (City or Town, State and Zip Code)

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

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

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

Internet Web Site Address www.triadguaranty.com

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

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

## OTHER OFFICERS

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

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

State of North Carolina

County of Forsyth ss

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

Kenneth Wayne Jones  
CEO and Chief Financial Officer

Earl Franklin Wall  
Secretary

Kenneth Stephen Dwyer  
Chief Accounting Officer

a. Is this an original filing? Yes  No

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_,

b. If no:

1. State the amendment number \_\_\_\_\_

2. Date filed \_\_\_\_\_

3. Number of pages attached \_\_\_\_\_

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

STATEMENT AS OF MARCH 31, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	769,725,153		769,725,153	769,319,565
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	8,646,236		8,646,236	10,178,989
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ .....37,523,565 ), cash equivalents (\$ .....610,107 ) and short-term investments (\$ .....29,671,159 ) .....	67,804,831		67,804,831	73,744,813
6. Contract loans (including \$ .....premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....				
9. Receivables for securities .....	21,004		21,004	41,814
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	846,197,224		846,197,224	853,285,181
13. Title plants less \$ .....charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	8,147,885		8,147,885	8,027,403
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	12,050,870		12,050,870	12,609,842
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....earned but unbilled premiums) .....	15,607,606		15,607,606	14,772,375
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	4,988,275		4,988,275	10,909,914
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 .....				11,706,978
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	64,812		64,812	73,573
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	87,817		87,817	43,795
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	1,849,343	1,811,919	37,424	37,424
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	888,993,832	1,811,919	887,181,912	911,466,484
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	888,993,832	1,811,919	887,181,912	911,466,484
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Prepaid expenses .....	1,811,919	1,811,919		
2502. Accounts receivable .....	37,424		37,424	37,424
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	1,849,343	1,811,919	37,424	37,424

STATEMENT AS OF MARCH 31, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....84,815,984 ) .....	530,764,384	565,786,910
2. Reinsurance payable on paid losses and loss adjustment expenses .....		
3. Loss adjustment expenses .....	14,768,583	15,817,694
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	12,569,989	13,793,107
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	1,649,645	2,170,257
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....		
7.2 Net deferred tax liability .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....69,634 and including warranty reserves of \$ ..... ) .....	9,150,546	8,979,142
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	1,821,930	1,909,420
13. Funds held by company under reinsurance treaties .....		
14. Amounts withheld or retained by company for account of others .....	49,930,445	47,474,969
15. Remittances and items not allocated .....	215,137	130,744
16. Provision for reinsurance .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....		
20. Derivatives .....		
21. Payable for securities .....		
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 .....	29,276,184	29,474,514
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	650,146,843	685,536,758
27. Protected cell liabilities .....		
28. Total liabilities (Lines 26 and 27) .....	650,146,843	685,536,758
29. Aggregate write-ins for special surplus funds .....	464,342,382	415,657,496
30. Common capital stock .....	3,500,000	3,500,000
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....	6,675,000	6,675,000
33. Surplus notes .....	25,000,000	25,000,000
34. Gross paid in and contributed surplus .....	105,215,928	105,215,928
35. Unassigned funds (surplus) .....	(367,698,241)	(330,118,698)
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) .....	237,035,069	225,929,726
38. Totals (Page 2, Line 28, Col. 3)	887,181,912	911,466,484
<b>DETAILS OF WRITE-INS</b>		
2501. Rescinded premium payable.....	29,276,184	29,474,514
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)	29,276,184	29,474,514
2901. Deferred Payment Obligation including carrying charges.....	464,342,382	415,657,496
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)	464,342,382	415,657,496
3201. Unapproved interest due on Surplus Note.....	6,675,000	6,675,000
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)	6,675,000	6,675,000

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 39,354,226 )	39,191,462	54,336,934	219,112,251
1.2 Assumed (written \$ .....88 )	88	62	534
1.3 Ceded (written \$ 2,647,222 )	2,655,861	9,331,237	18,775,903
1.4 Net (written \$ 36,707,092 )	36,535,689	45,005,759	200,336,881
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 85,308,750 ):			
2.1 Direct	75,550,675	143,576,649	368,191,801
2.2 Assumed			
2.3 Ceded	4,468,207	16,911,535	22,713,254
2.4 Net	71,082,468	126,665,114	345,478,547
3. Loss adjustment expenses incurred	1,489,959	4,717,704	10,358,443
4. Other underwriting expenses incurred	4,137,168	9,079,548	29,777,443
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	76,709,595	140,462,366	385,614,433
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(40,173,907)	(95,456,607)	(185,277,552)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	4,198,514	7,369,297	26,462,859
10. Net realized capital gains (losses) less capital gains tax of \$	(430,374)	(180,096)	11,810,785
11. Net investment gain (loss) (Lines 9 + 10)	3,768,140	7,189,201	38,273,644
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ .....)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	26,912	(7,728)	22,786
15. Total other income (Lines 12 through 14)	26,912	(7,728)	22,786
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(36,378,856)	(88,275,134)	(146,981,122)
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)	(36,378,856)	(88,275,134)	(146,981,122)
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19)(to Line 22)	(36,378,856)	(88,275,134)	(146,981,122)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	225,929,726	122,814,126	122,814,125
22. Net income (from Line 20)	(36,378,856)	(88,275,134)	(146,981,122)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(1,532,753)	(1,015,726)	3,385,779
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax		(267,067,664)	(267,067,664)
27. Change in nonadmitted assets	332,065	263,071,592	266,507,092
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus	48,684,886	61,567,409	247,271,516
38. Change in surplus as regards policyholders (Lines 22 through 37)	11,105,343	(31,719,523)	103,115,601
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	237,035,069	91,094,603	225,929,726
<b>DETAILS OF WRITE-INS</b>			
0501. ....			
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			
1401. Other Income - Disposal of Fixed Assets	26,912		
1402. Other Income - Service Fees on Information Technology		(7,728)	22,786
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	26,912	(7,728)	22,786
3701. Deferred Payment Obligation	48,684,886	61,567,409	247,271,516
3702. Increase in Contingency Reserve	(18,267,845)	(22,502,879)	(109,556,124)
3703. Decrease in Contingency Reserve	18,267,845	22,502,879	109,556,124
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	48,684,886	61,567,409	247,271,516

STATEMENT AS OF MARCH 31, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	36,241,683	43,522,895	166,021,468
2. Net investment income .....	8,596,622	8,504,326	36,840,754
3. Miscellaneous income .....	26,912	7,273	35,158
4. Total (Lines 1 to 3) .....	44,865,217	52,034,494	202,897,380
5. Benefit and loss related payments .....	58,016,017	(103,808,832)	148,206,002
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....	5,453,205	7,241,901	22,676,364
8. Dividends paid to policyholders .....			
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	(11,706,978)		(1,179,853)
10. Total (Lines 5 through 9) .....	51,762,244	(96,566,931)	169,702,513
11. Net cash from operations (Line 4 minus Line 10) .....	(6,897,027)	148,601,425	33,194,866
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	26,116,227	48,917,144	434,704,823
12.2 Stocks .....	760	1,435	20,444
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 .....		(1,377)	(36,439)
12.7 Miscellaneous proceeds .....	20,811		
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	26,137,798	48,917,202	434,688,828
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	27,539,619	72,317,580	468,251,278
13.2 Stocks .....			
13.3 Mortgage loans .....			
13.4 Real estate .....			
13.5 Other invested assets .....			41,815
13.6 Miscellaneous applications .....			
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	27,539,619	72,317,580	468,293,093
14. Net increase (or decrease) in contract loans and premium notes .....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(1,401,821)	(23,400,378)	(33,604,265)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds .....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....			
16.5 Dividends to stockholders .....			
16.6 Other cash provided (applied).....	2,358,866	10,602,192	30,881,136
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	2,358,866	10,602,192	30,881,136
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(5,939,982)	135,803,239	30,471,738
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	73,744,813	43,273,075	43,273,075
19.2 End of period (Line 18 plus Line 19.1) .....	67,804,831	179,076,314	73,744,813

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### a. Accounting Practices

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

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

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

	<u>2011</u>
Net income, Illinois basis	\$(36,378,856)
State prescribed practice (incurred losses)	
Change in direct loss reserves	<u>24,217,341</u>
Net income, NAIC SAP	<u>\$(12,161,515)</u>
Statutory surplus, Illinois basis	\$237,035,069
State prescribed practices (surplus)	
Loss reserves	(378,929,621)
Deferred payment obligation	<u>(464,298,382)</u>
Statutory surplus, NAIC SAP	<u>\$(606,236,934)</u>

b. No change from year-end 2010.

c. No change from year-end 2010.

### 2. Accounting Changes and Corrections of Errors

No change from year-end 2010.

### 3. Business Combinations and Goodwill

No change from year-end 2010.

### 4. Discontinued Operations

No change from year-end 2010.

### 5. Investments

a. No change from year-end 2010.

b. No change from year-end 2010.

c. No change from year-end 2010.

d. Loan-Backed Securities:

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

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

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

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

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

e. No change from year-end 2010.

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

g. No change from year-end 2010.

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

No change from year-end 2010.

### 7. Investment Income

No change from year-end 2010.

### 8. Derivative Instruments

No change from year-end 2010.

### 9. Income Taxes

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

## NOTES TO FINANCIAL STATEMENTS

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

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

### 11. Debt

No change from year-end 2010.

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

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

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

- (1) No change from year-end 2010.
- (2) No change from year-end 2010.
- (3) No change from year-end 2010.
- (4) No change from year-end 2010.
- (5) No change from year-end 2010.
- (6) No change from year-end 2010.
- (7) No change from year-end 2010.
- (8) No change from year-end 2010.
- (9) No change from year-end 2010.
- (10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains and losses was \$3,610,254.
- (11) There was no interest paid in the current year on the Company's surplus note. At March 31, 2011, interest past due of \$7,787,500 remained unapproved by the Illinois Department of Insurance. No other change from year-end 2010.
- (12) No change from year-end 2010.
- (13) No change from year-end 2010.

### 14. Contingencies

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

### 15. Leases

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

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

No change from year-end 2010.

## NOTES TO FINANCIAL STATEMENTS

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

No change from year-end 2010. The Company did not have any transfers of receivables reported as sales, transfer and servicing of financial assets, or wash sales.

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

No change from year-end 2010.

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

No change from year-end 2010.

### 20. Fair Value Measurements

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

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

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

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

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

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

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

### 21. Other Items

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

The total reserves as of March 31, 2011 based upon credit ratings was as follows:

	2011 (in Millions)	
	As % of total	
Prime	\$612	55.7%
Alt -A	441	40.2%
A-Minus	38	3.5%

## NOTES TO FINANCIAL STATEMENTS

Subprime (A)	6	0.6%
Total	\$1,097	100%

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

(in Millions)	Total	Subprime	Subprime as % of Total
Losses Paid	\$113	\$1	0.45%
Case Reserves	\$1,097	\$6	0.57%
Incurred Losses	\$75	-	0.00%

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

**22. Events Subsequent**

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

**23. Reinsurance**

- a. Account changes since year-end 2010 are not significant in either amount or composition.
- b. No change from year-end 2010.
- c. Account changes since year-end 2010 are not significant in either amount or composition.
- d. The Company has written off in the current year reinsurance balances due from the companies listed below of \$2,091,436, which is reflected as:

(1) Losses incurred	\$ -	
(2) Loss adjustment expenses incurred	\$ -	
(3) Premiums earned	\$ -	
(4) Other	\$ -	
(5) Company		Amount
Bank of America	\$ 194,467	
DRH FS Mortgage Re. LTD	\$1,874,936	
UGMP Reinsurance LTD.	\$ 22,033	
- e. The Company had no commutation of reinsurance in the first three months of 2011.
- f. No change from year-end 2010.
- g. No change from year-end 2010.

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

No change from year-end 2010.

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

Reserves as of December 31, 2010 were \$565.8 million. As of March 31, 2011, \$108.1 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$491.6 million as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$19.3 million unfavorable prior year development since December 31, 2010.

**26. Intercompany Pooling Arrangements**

No change from year-end 2010.

**27. Structured Settlements**

No change from year-end 2010.

**28. Health Care Receivables**

No change from year-end 2010.

**29. Participating Policies**

No change from year-end 2010.

**30. Premium Deficiency Reserves**

No change from year-end 2010.

**31. High Deductibles**

No change from year-end 2010.

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

No change from year-end 2010.

**33. Asbestos/Environmental Reserves**

No change from year-end 2010.

**34. Subscriber Savings Accounts**

No change from year-end 2010.

**35. Multiple Peril Crop Insurance**

No change from year-end 2010.

## NOTES TO FINANCIAL STATEMENTS

**36. Financial Guaranty Insurance**

The Company has no financial guaranty insurance exposure.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

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

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

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

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

## GENERAL INTERROGATORIES

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

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

.....

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

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

.....

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

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

.....

### FINANCIAL

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

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

### INVESTMENT

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

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

.....

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

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

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

14.2 If yes, please complete the following:

	1		2	
	Prior Year-End Book/Adjusted Carrying Value		Current Quarter Book/Adjusted Carrying Value	
14.21 Bonds .....	\$ .....		\$ .....	
14.22 Preferred Stock .....	\$ .....		\$ .....	
14.23 Common Stock .....	\$ 10,178,989		\$ 8,646,236	
14.24 Short-Term Investments .....	\$ .....		\$ .....	
14.25 Mortgage Loans on Real Estate .....	\$ .....		\$ .....	
14.26 All Other .....	\$ .....		\$ .....	
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ 10,178,989		\$ 8,646,236	
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....		\$ .....	

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

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

If no, attach a description with this statement.

## GENERAL INTERROGATORIES

16. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? .....

Yes [X] No [ ]

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

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

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

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

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

Yes [ ] No [X]

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

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

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

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

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

Yes [X] No [ ]

17.2 If no, list exceptions:

.....

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

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

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

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

3.2 If yes, give full and complete information thereto.  
 .....

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

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

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

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

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

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

**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

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

STATEMENT AS OF MARCH 31, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2	3	4	5	6	7	
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	
1. Alabama	AL	L	143,364	170,030	208,610	161,478	1,055,497	1,132,980
2. Alaska	AK	L						
3. Arizona	AZ	L	888,236	1,278,635	5,926,308	7,814,138	15,391,949	20,057,423
4. Arkansas	AR	L	280,389	359,839	568,377	443,401	1,612,189	1,688,473
5. California	CA	L	9,485,843	11,313,511	18,350,802	21,157,293	151,157,972	172,421,201
6. Colorado	CO	L	194,904	1,741,435	2,543,277	2,899,329	10,738,677	41,774,366
7. Connecticut	CT	L	104,428	133,642		33,223	837,630	858,787
8. Delaware	DE	L	26,703	34,410	15,324		138,024	85,268
9. District of Columbia	DC	L	5,556,052	5,322,657	23,382,107	41,794,408	103,383,411	167,236,273
10. Florida	FL	L	1,291,216	1,954,828	4,989,880	4,619,231	33,006,454	40,245,159
11. Georgia	GA	L	846,894	1,073,144	1,933,506	1,537,363	6,083,877	6,905,770
12. Hawaii	HI	L	2,198	2,727			2,252	9,251
13. Idaho	ID	L	8,905	13,032	58,177		8,201	31,378
14. Illinois	IL	L	1,015,164	1,295,606	1,970,107	2,448,570	15,318,937	15,075,896
15. Indiana	IN	L	143,354	207,687	225,949	223,358	944,554	1,187,759
16. Iowa	IA	L	18,866	23,495		66,698	75,501	62,020
17. Kansas	KS	L	88,621	112,271	324,400	220,177	458,720	550,326
18. Kentucky	KY	L	405,533	508,128	209,740	422,519	2,258,404	2,634,778
19. Louisiana	LA	L	64,475	77,596	91,501	42,426	253,039	400,304
20. Maine	ME	L						
21. Maryland	MD	L	345,404	429,690	1,229,302	380,384	5,033,647	5,816,877
22. Massachusetts	MA	L	203,627	236,377	249,120	608,663	2,442,180	3,231,453
23. Michigan	MI	L	825,093	996,928	1,731,346	2,141,959	7,565,390	8,020,584
24. Minnesota	MN	L	7,379,105	9,556,427	26,531,208	22,866,497	92,120,442	111,913,967
25. Mississippi	MS	L	65,222	80,937	163,781	249,773	416,263	376,488
26. Missouri	MO	L	135,248	171,571	37,922	204,831	455,932	553,632
27. Montana	MT	L	2,773	4,718			1,023	1,200
28. Nebraska	NE	L	792	787			256	200
29. Nevada	NV	L	148,738	234,861	681,535	1,019,026	3,863,317	4,200,713
30. New Hampshire	NH	L	(2,566)	14,480			4,325	25,804
31. New Jersey	NJ	L	671,316	772,218	310,338	666,242	9,591,542	9,414,165
32. New Mexico	NM	L	79,403	98,082	187,045	25,917	645,042	501,174
33. New York	NY	L	212,883	307,778	100,532	410,599	5,525,390	5,351,211
34. North Carolina	NC	L	1,537,937	1,926,570	2,139,871	1,491,064	10,159,282	11,018,464
35. North Dakota	ND	L						
36. Ohio	OH	L	622,518	758,180	835,357	1,495,742	5,779,014	6,337,138
37. Oklahoma	OK	L	551,164	694,052	256,657	190,359	1,632,673	1,857,461
38. Oregon	OR	L	105,195	131,688	246,772	305,494	1,033,478	599,706
39. Pennsylvania	PA	L	501,875	625,383	402,321	569,939	4,114,454	3,811,396
40. Rhode Island	RI	L	34,811	41,737	114,365	17,773	534,567	533,534
41. South Carolina	SC	L	884,912	1,057,162	1,165,502	1,468,551	6,853,816	6,751,499
42. South Dakota	SD	L	1,944	1,571			2,111	2,766
43. Tennessee	TN	L	433,093	542,859	478,836	653,691	2,098,759	2,456,908
44. Texas	TX	L	2,312,141	7,853,034	6,766,425	18,297,399	45,330,068	130,653,572
45. Utah	UT	L	91,541	124,775	269,838	396,052	870,563	1,093,912
46. Vermont	VT	L						
47. Virginia	VA	L	1,340,037	1,728,381	7,081,000	11,102,898	17,112,177	33,253,713
48. Washington	WA	L	132,837	170,755	30,435	42,951	1,302,368	1,291,328
49. West Virginia	WV	L	53,645	73,321			103,280	128,998
50. Wisconsin	WI	L	92,981	101,397	69,114	494,488	1,029,639	1,034,241
51. Wyoming	WY	L	25,410	34,935		15,773	48,145	136,058
52. American Samoa	AS							
53. Guam	GU							
54. Puerto Rico	PR							
55. U.S. Virgin Islands	VI							
56. Northern Mariana Islands	MP							
57. Canada	CN							
58. Aggregate Other Alien	OT	XXX						
59. Totals	(a) 51		39,354,226	54,393,327	111,876,687	148,999,677	568,394,432	822,725,574
<b>DETAILS OF WRITE-INS</b>								
5801.	XXX							
5802.	XXX							
5803.	XXX							
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX							
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX							

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

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

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

**NONE**

STATEMENT AS OF MARCH 31, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty	39,191,462	75,550,675	192.8	264.2
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				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability occurrence				
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1,19.2 Private passenger auto liability				
19.3,19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	39,191,462	75,550,675	192.8	264.2
<b>DETAILS OF WRITE-INS</b>				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)				

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty		39,354,226	54,393,329
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability occurrence			
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1,19.2 Private passenger auto liability			
19.3,19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	39,354,226	39,354,226	54,393,329
<b>DETAILS OF WRITE-INS</b>			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

STATEMENT AS OF MARCH 31, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2011 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2008 + Prior	120,499		120,499	15,231		15,231	105,782			105,782	515		515
2. 2009	380,249	1,229	381,477	54,079		54,079	331,033			331,033	4,863	(1,229)	3,635
3. Subtotals 2009 + prior	500,747	1,229	501,976	69,311		69,311	436,815			436,815	5,378	(1,229)	4,150
4. 2010	68,571	11,058	79,629	38,800		38,800	54,835		1,155	55,990	25,064	(9,903)	15,162
5. Subtotals 2010 + prior	569,318	12,287	581,605	108,111		108,111	491,650		1,155	492,805	30,443	(11,131)	19,311
6. 2011	XXX	XXX	XXX	XXX	533	533	XXX	42,329	10,399	52,728	XXX	XXX	XXX
7. Totals	569,318	12,287	581,605	108,111	533	108,644	491,650	42,329	11,554	545,533	30,443	(11,131)	19,311
8. Prior Year-End Surplus As Regards Policy-holders	225,930												
											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 5.3	2. (90.6)	3. 3.3
													Col. 13, Line 7 Line 8
													4. 8.5

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

**Explanation:**

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

**Bar Code:**

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

**OVERFLOW PAGE FOR WRITE-INS**

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STATEMENT AS OF MARCH 31, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**SCHEDULE A – VERIFICATION**

Real Estate

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

**NONE**

**SCHEDULE B – VERIFICATION**

Mortgage Loans

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

**NONE**

**SCHEDULE BA – VERIFICATION**

Other Long-Term Invested Assets

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

**NONE**

**SCHEDULE D – VERIFICATION**

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	779,498,553	731,325,589
2. Cost of bonds and stocks acquired .....	27,539,619	468,251,283
3. Accrual of discount .....	491,715	2,490,958
4. Unrealized valuation increase (decrease) .....	(1,532,753)	3,385,779
5. Total gain (loss) on disposals .....	483,930	16,424,093
6. Deduct consideration for bonds and stocks disposed of .....	26,116,987	434,725,271
7. Deduct amortization of premium .....	1,078,384	3,089,642
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other than temporary impairment recognized .....	914,304	4,564,236
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	778,371,389	779,498,553
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11)	778,371,389	779,498,553

STATEMENT AS OF MARCH 31, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**SCHEDULE D - PART 1B**

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	774,435,498	91,381,198	100,336,060	(3,661,130)	761,819,506			774,435,498
2. Class 2 (a).....	28,802,898	5,419,075	832,325	(499,339)	32,890,309			28,802,898
3. Class 3 (a).....	1,264,034			2,704,221	3,968,255			1,264,034
4. Class 4 (a).....								
5. Class 5 (a).....	1,057,854			4,032	1,061,886			1,057,854
6. Class 6 (a).....	258,002	52,419	4,312	(39,646)	266,463			258,002
7. Total Bonds	805,818,286	96,852,692	101,172,697	(1,491,862)	800,006,419			805,818,286
<b>PREFERRED STOCK</b>								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....								
15. Total Bonds & Preferred Stock	805,818,286	96,852,692	101,172,697	(1,491,862)	800,006,419			805,818,286

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....30,281,266 ; NAIC 2 \$ ..... ;  
NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

**SCHEDULE DA - PART 1**

## Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999 Totals	29,671,159	XXX	29,650,509		

**SCHEDULE DA - VERIFICATION**

## Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	33,499,507	24,277,386
2. Cost of short-term investments acquired .....	68,092,859	354,835,397
3. Accrual of discount .....	13,275	7,375
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals .....		(3,105)
6. Deduct consideration received on disposals .....	71,929,532	345,574,578
7. Deduct amortization of premium.....	4,950	16,048
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		26,920
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	29,671,159	33,499,507
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11)	29,671,159	33,499,507

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

**SCHEDULE E - VERIFICATION**

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	2,999,214	
2. Cost of cash equivalents acquired .....	1,220,214	93,983,481
3. Accrual of discount .....	786	20,550
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals.....		(6,241)
6. Deduct consideration received on disposals .....	3,610,107	90,998,403
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 .....		173
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	610,107	2,999,214
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11)	610,107	2,999,214

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

STATEMENT AS OF MARCH 31, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
Bonds - All Other Governments									
Bonds - U.S. States, Territories and Possessions									
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
Bonds - U.S. Special Revenue									
383766-F3-9	GNR 2011-16 B		03/04/2011	JEFFERIES & CO		1,994,766	2,000,000.00	1,444	1
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions						1,994,766	2,000,000.00	1,444	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
05531F-AG-8	BB&T CORPORATION		03/08/2011	VARIOUS		3,984,020	4,000,000.00	1,067	1FE
233851-AD-6	DAIMLER FINANCE NA LLC		03/21/2011	CITIGROUP GLOBAL MARKETS		3,995,400	4,000,000.00		2FE
74834L-AR-1	QUEST DIAGNOSTIC INC		03/21/2011	MORGAN STANLEY		1,423,675	1,425,000.00		2FE
857477-AH-6	STATE STREET CORP		03/02/2011	BANK AMERICA		4,979,250	5,000,000.00		1FE
893526-DH-3	TRANS-CANADA PIPELINES	A	03/03/2011	UBS SECURITIES		3,073,050	3,000,000.00	27,483	1FE
2515A1-4E-8	DEUTSCHE BANK AG LONDON	F	03/18/2011	FIRST TENNESSEE		4,053,600	4,000,000.00	26,000	1FE
298785-FN-1	EUROPEAN INVESTMENT BANK	F	03/09/2011	UBS SECURITIES		998,770	1,000,000.00		1FE
74040K-AC-6	PREFERRED TERM SECS II	F	03/01/2011	CAPITALIZED INTEREST		52,419	52,419.00		6FE
80105N-AD-7	SANOFI-AVENTIS	F	03/22/2011	BANK AMERICA		2,984,670	3,000,000.00		1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						25,544,854	25,477,419.00	54,550	XXX
Bonds - Credit Tenant Loans									
Bonds - Hybrid Securities									
Bonds - Parent, Subsidiaries, and Affiliates									
8399997 - Subtotals- Bonds - Part 3						27,539,620	27,477,419.00	55,994	XXX
8399999 - Subtotals - Bonds						27,539,620	27,477,419.00	55,994	XXX
Preferred Stocks - Parent, Subsidiaries, and Affiliates									
Preferred Stocks - Parent, Subsidiaries, and Affiliates									
Common Stocks - Industrial and Miscellaneous									
28336L-10-9	EL PASO CORP		02/23/2011	CLASS ACTION	1.000				L
Common Stocks - Parent, Subsidiaries, and Affiliates									
Common Stocks - Mutual Funds									
Common Stocks - Money Market Mutual Funds									
9999999 Totals						27,539,620	XXX	55,994	XXX

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

STATEMENT AS OF MARCH 31, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
3137EA-BF-5	FREDDIE MAC		03/17/2011	VARIOUS		1,525,000	1,525,000.00	1,551,533	1,526,377		(1,377)		(1,377)		1,525,000				16,656	02/25/2011	1
0599999 - Bonds - U.S. Governments																					
Bonds - All Other Governments																					
Bonds - U.S. States, Territories and Possessions																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
097431-DN-7	BOISE CITY IDAHO CTF5 PARTN		03/01/2011	CALLED BY ISSUER at 100.000		1,690,000	1,690,000.00	1,701,002	1,690,000						1,690,000				49,644	09/01/2017	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
3128MB-VP-9	FG 613122		03/01/2011	MBS PAYMENT		448,069	448,069.00	437,568	447,588		481		481		448,069				3,540	10/01/2022	1
3128PK-7A-6	FG J08089		03/01/2011	MBS PAYMENT		214,102	214,102.00	213,634	214,093		9		9		214,102				1,952	01/01/2023	1
3128PK-XM-1	FG J07884		03/01/2011	MBS PAYMENT		363,116	363,116.00	363,116	363,116						363,116				3,239	12/01/2022	1
3133XB-G7-4	FHLB 6A-2012 1		03/25/2011	MBS PAYMENT		3,594	3,594.00	3,738	3,603		(9)		(9)		3,594				27	04/25/2012	1
31349U-B3-1	FH 782758		03/15/2011	VARIOUS		67,671	67,671.00	71,314	67,825		(154)		(154)		67,671				1,028	11/01/2013	1
31393U-UC-5	FNR 2003-134 ME		03/01/2011	MBS PAYMENT		2,246	2,246.00	2,316	2,248		(2)		(2)		2,246				17	02/01/2019	1
31395R-AR-9	FHRR R001 AE		03/01/2011	MBS PAYMENT		9,473	9,473.00	9,649	9,505		(32)		(32)		9,473				65	01/01/2012	1
31396C-E3-0	FHR 3059 CB		03/01/2011	MBS PAYMENT		1,389,676	1,389,676.00	1,406,178	1,390,142		(467)		(467)		1,389,676				11,560	05/01/2012	1
31396E-2U-9	FHR 3053 OD		03/01/2011	MBS PAYMENT		833,934	833,934.00	848,006	834,344		(411)		(411)		833,934				7,631	10/01/2012	1
31396E-G7-0	FHRR R004 AL		03/01/2011	MBS PAYMENT		16,211	16,211.00	16,500	16,256		(45)		(45)		16,211				136	02/01/2012	1
31396U-3A-6	FHRR R008 FK		03/15/2011	MBS PAYMENT		12,668	12,668.00	12,631	12,662		7		7		12,668				13	05/15/2014	1
31396X-CV-4	FNR 2007-79 MA		03/01/2011	MBS PAYMENT		1,020,424	1,020,424.00	1,041,710	1,021,058		(634)		(634)		1,020,424				10,261	12/01/2011	1
31397B-M0-1	FHRR R009 AJ		03/01/2011	MBS PAYMENT		13,357	13,357.00	13,839	13,400		(43)		(43)		13,357				126	02/01/2013	1
31397E-MK-8	FHR 3262 PA		03/01/2011	MBS PAYMENT		1,593,139	1,593,139.00	1,625,500	1,594,980		(1,841)		(1,841)		1,593,139				14,155	08/01/2011	1
31397N-FZ-3	FNR 2009-17 DA		03/01/2011	MBS PAYMENT		23,483	23,483.00	23,746	23,500		(16)		(16)		23,483				217	09/01/2015	1
31402Q-ZE-4	FN 735241		03/01/2011	MBS PAYMENT		1,148	1,148.00	1,186	1,148		(1)		(1)		1,148				6	11/01/2034	1
31403B-PC-1	FN 743919		03/01/2011	MBS PAYMENT		2,525	2,525.00	2,659	2,528		(2)		(2)		2,525				19	06/01/2018	1
31403D-RH-4	FN 745788		03/01/2011	MBS PAYMENT		49,173	49,173.00	51,383	49,083		90		90		49,173				602	01/01/2036	1
31403D-VZ-9	FN 745932		03/01/2011	MBS PAYMENT		7,093	7,093.00	7,708	7,104		(11)		(11)		7,093				75	12/01/2035	1
31404V-Y6-9	FN 780233		03/01/2011	MBS PAYMENT		25,133	25,133.00	26,421	25,175		(42)		(42)		25,133				186	08/01/2018	1
31405H-6L-7	FN 790275		03/01/2011	MBS PAYMENT		589	589.00	611	589						589				3	08/01/2034	1
31405R-CR-5	FN 796680		03/01/2011	MBS PAYMENT		34,490	34,490.00	36,258	34,549		(59)		(59)		34,490				206	06/01/2019	1
31410K-JY-1	FN 889579		03/01/2011	MBS PAYMENT		45,951	45,951.00	48,888	46,031		(80)		(80)		45,951				443	03/01/2037	1
31410R-GJ-3	FN 895573		03/01/2011	MBS PAYMENT		43,075	43,075.00	45,194	44,331		6		6		44,337				338	06/01/2036	1
31411Y-DP-5	FN 918210		03/01/2011	MBS PAYMENT		8,114	8,114.00	8,529	8,123		(9)		(9)		8,114			(1,262)	96	05/01/2017	1
31412W-SD-1	FN 929416		03/01/2011	MBS PAYMENT		14,646	14,646.00	15,575	14,669		(23)		(23)		14,646			(1,262)	156	11/01/2037	1
31414D-UF-1	FN 963282		03/01/2011	MBS PAYMENT		564,139	564,139.00	555,060	563,837		302		302		564,139				4,090	01/01/2023	1
31416J-PH-8	FN AA1323		03/01/2011	MBS PAYMENT		61,785	61,785.00	67,241	61,934		(149)		(149)		61,785				458	06/01/2031	1
31417Y-T7-2	FN MA0573		03/01/2011	MBS PAYMENT		18,420	18,420.00	18,590	18,491		(2)		(2)		18,489			(69)	101	09/01/2025	1
38375P-M0-1	GNR 2008-9 PD		03/01/2011	MBS PAYMENT		363,462	363,462.00	357,102	363,376		86		86		363,462				2,730	11/01/2024	1
38375X-GH-1	GNR 2008-49 PB		03/01/2011	MBS PAYMENT		335,055	335,055.00	336,259	335,063		(9)		(9)		335,055				2,764	12/01/2037	1
439239-FQ-2	HOOVER ALA BRD ED CAP OUTLAY W		02/15/2011	CALLED BY ISSUER at 100.000		600,000	600,000.00	603,884	600,176		(176)		(176)		600,000				15,750	02/15/2011	1FE
45129T-GY-7	IDAHO HSG & FIN ASSN		01/03/2011	CALLED BY ISSUER at 100.000		5,000	5,000.00	4,980	5,000						5,000				153	07/01/2016	1FE
45129T-HB-6	IDAHO HSG & FIN ASSN		01/03/2011	CALLED BY ISSUER at 100.000		5,000	5,000.00	5,000	5,000						5,000				153	07/01/2014	1FE
45129T-HQ-3	IDAHO HSG & FIN ASSN		01/03/2011	CALLED BY ISSUER at 100.000		15,000	15,000.00	14,894	15,000						15,000				439	07/01/2016	1FE
586111-EM-4	MEMPHIS-SHELBY CNTY TENN ARPT		02/15/2011	MATURITY		800,000	800,000.00	819,560	801,436		(1,436)		(1,436)		800,000				25,000	02/15/2011	2FE
603827-FV-3	MINNEAPOLIS & ST PAUL		01/03/2011	CALLLED BY ISSUER at 100.000		600,000	600,000.00	496,872	600,000						600,000				15,750	01/01/2011	1FE
605275-MQ-6	MISSISSIPPI BUSINESS FIN CORP		01/03/2011	SINK		18,593	18,593.00	17,777	18,584		9		9		18,593				372	01/01/2022	2Z
65820E-MQ-0	NORTH CAROLINA HSG FIN AGY		03/01/2011	MATURITY		15,000	15,000.00	14,639	14,958		42		42		15,000				461	03/01/2011	1FE
717903-WN-2	PHILADELPHIA PA HOSPS & HIGHER		01/03/2011	CALLLED BY ISSUER at 100.000		25,000	25,000.00	25,000	25,000						25,000				663	01/01/2018	1Z
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
02660Y-AU-6	AHM 2006-2 3A2		03/01/2011	MBS PAYMENT		4,277	4,277.00	2,695	2,669						2,669			1,608	50	06/01/2036	12*
05948X-6S-5	BOAMS 2004-5 2A1		03/01/2011	MBS PAYMENT		29,841	29,841.00	25,066	29,628		213		213		29,841				237	08/01/2013	12*
05950T-AC-9	BOAMS 2006-B 2A1		03/01/2011	MBS PAYMENT		35,357	35,357.00	27,459	27,459						27,459			7,898	390	09/01/2040	12*
125430-AB-4	CWHL 2006-11 1A2		03/01/2011	MBS PAYMENT		10,068	10,068.00	4,410	4,312						4,312			5,756	94	11/01/2011	62*
126685-CZ-7	CWL 2006-S1 A2		03/01/2011	MBS PAYMENT		5,594	8,899.00	6,469	6,469						6,469			(875)	80	09/01/2014	12*

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STATEMENT AS OF MARCH 31, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
126688-TJ-2	CWALT 2006-J2 A6		03/01/2011	MBS PAYMENT		13,051	13,051.00	10,897	10,897						10,897		2,154	2,154	131	04/01/2036	12*
126696-LP-4	CWHL 2005-HYB1 4A1		03/01/2011	MBS PAYMENT		1,978	1,978.00	1,433	1,426						1,426		552	552	9	02/01/2035	12*
12669Y-AC-6	CWHL 2006-J4 A3		03/01/2011	MBS PAYMENT		10,130	10,130.00	8,412	8,376						8,376		1,754	1,754	101	09/01/2036	12*
16162W-AL-3	CHASE 2003-S10 A1		03/01/2011	MBS PAYMENT		53,486	53,486.00	54,272	53,524		(38)		(38)		53,486				345	11/01/2018	12*
16162W-BZ-1	CHASE 2003-S12 2A1		03/01/2011	MBS PAYMENT		32,362	32,362.00	32,837	32,381		(20)		(20)		32,362				275	11/01/2018	12*
172973-A6-6	CMSI 2004-5 2A6		03/01/2011	MBS PAYMENT		85,834	85,834.00	80,094	85,539		295		295		85,834				608	01/01/2024	12*
173105-AC-1	CMSI 2007-1 1A3		03/01/2011	MBS PAYMENT		79,430	79,430.00	74,719	74,719						74,719		4,711	4,711	760	01/01/2037	12*
22541S-GM-4	CSFB 2004-3 2A1		03/01/2011	MBS PAYMENT		37,871	37,871.00	38,048	37,876		(6)		(6)		37,871				302	03/01/2019	12*
225458-XS-2	CSFB 2005-6 3A1		03/01/2011	MBS PAYMENT		11,071	11,071.00	10,966	11,066		5		5		11,071				73	07/01/2020	12*
302583-AA-7	FPL 2007-A A1		02/01/2011	MBS PAYMENT		32,804	32,804.00	33,026	32,848		(44)		(44)		32,804				829	02/01/2011	1FE
34528B-AD-9	FORDO 2008-A A3A		03/15/2011	MBS PAYMENT		313,628	313,628.00	302,935	312,169		1,460		1,460		313,628				2,027	06/15/2011	1FE
36158Y-FS-3	GECMC 2002-2A A2		03/01/2011	MBS PAYMENT		7,173	7,173.00	7,401	7,194		(20)		(20)		7,173				63	01/01/2012	12*
3622MW-AN-3	GSR 2007-3F 3A2		03/01/2011	MBS PAYMENT		139,369	139,369.00	124,367	123,955						123,955		15,414	15,414	1,233	05/01/2037	12*
36242D-QY-2	GSR 2004-15F 2A2		03/01/2011	MBS PAYMENT		4,541	4,541.00	3,536	4,527		14		14		4,541				29	11/01/2034	12*
477874-AC-5	JDOT 2009-A A3		03/01/2011	MBS PAYMENT		551,494	551,494.00	558,253	552,556		(1,062)		(1,062)		551,494				2,416	03/15/2012	1FE
57643M-DE-1	MASTR 2004-6 4A1		03/01/2011	MBS PAYMENT		34,232	34,232.00	34,712	34,245		(14)		(14)		34,232				245	08/01/2019	12*
59022H-JH-6	MLMT 2005-C1P1 A2		03/01/2011	MBS PAYMENT		4,981	4,981.00	5,057	4,987		(7)		(7)		4,981				59	08/01/2012	12*
65475V-AC-4	NAROT 2009-1 A3		03/15/2011	MBS PAYMENT		458,793	458,793.00	470,687	460,292		(1,500)		(1,500)		458,793				3,772	07/15/2012	1FE
66880R-AA-0	NORVELL CONWAY LLC		03/15/2011	SINK		13,732	13,732.00	10,543	13,609		123		123		13,732				155	12/15/2018	2Z
66987X-GV-1	NHEL 2005-3 A2C		03/25/2011	MBS PAYMENT		7,791	7,791.00	7,308	7,728		63		63		7,791				7	09/25/2012	12*
68233L-AC-3	ONCOR 2003-1 A3		02/15/2011	MBS PAYMENT		949,611	949,611.00	953,840	949,816		(205)		(205)		949,611				23,503	02/15/2013	1FE
68402L-AE-4	ORACLE CORP.		01/15/2011	MATURITY		7,000,000	7,000,000.00	7,188,650	7,003,007		(3,007)		(3,007)		7,000,000				175,000	01/15/2011	1
693401-AG-6	PERF 2005-2 A2		02/15/2011	MBS PAYMENT		135,642	135,642.00	139,830	136,639		(997)		(997)		135,642				1,706	03/25/2012	1FE
75953M-AD-2	CNP 2001-1 A4		03/15/2011	MBS PAYMENT		387,648	387,648.00	416,981	390,679		(3,031)		(3,031)		387,648				10,912	09/15/2013	1FE
761118-TB-4	RALI 2006-QA1 A21		03/01/2011	MBS PAYMENT		1,866	5,275.00	2,934	2,934						2,934				33	01/01/2036	12*
76111X-ZC-0	RFMSI 2005-SA5 3A		03/01/2011	MBS PAYMENT		50,214	54,933.00	40,994	40,794						40,794		(1,068)	(1,068)	547	09/01/2032	12*
771196-AQ-5	ROCHE HLDGS INC		03/24/2011	109,931		2,000,744	1,820,000.00	1,878,113	1,858,857		141,888		141,888		2,000,744				45,500	03/01/2014	1FE
86359L-TB-5	SAMI 2006-AR1 1A2		02/25/2011	MBS PAYMENT		336	336.00	79	79						79		257	257		08/25/2016	12*
93364F-AC-5	WAMU 2007-HY7 2A1		03/01/2011	MBS PAYMENT		45,555	45,555.00	30,607	30,504						30,504		15,051	15,051	494	07/01/2037	12*
949758-AD-8	WFMS 2004-0 A1		03/01/2011	MBS PAYMENT		38,711	38,711.00	38,780	38,713		(2)		(2)		38,711				292	07/01/2034	12*
94979X-AA-5	WFMS 2003-H A1		03/01/2011	MBS PAYMENT		32,871	32,871.00	31,850	32,839		32		32		32,871				239	08/01/2033	12*
740408-AA-7	PREFERRED TERM SECS LTD	F	03/22/2011	VARIOUS		609,587	626,357.00	187,719	187,719						187,719		421,867	421,867	28,663	09/15/2030	12*
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)					13,231,673	13,079,132.00	12,845,979	12,613,031		134,140		134,140		12,747,173		484,499	484,499	301,179	XXX	XXX
Bonds - Credit Tenant Loans																					
Bonds - Hybrid Securities																					
Bonds - Parent, Subsidiaries, and Affiliates																					
8399997	Subtotals - Bonds - Part 4					26,116,227	25,963,686.00	25,769,229	25,504,913		128,142		128,142		25,633,058		483,168	483,168	492,460	XXX	XXX
8399999	Subtotals - Bonds					26,116,227	25,963,686.00	25,769,229	25,504,913		128,142		128,142		25,633,058		483,168	483,168	492,460	XXX	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																					
Preferred Stocks - Parent, Subsidiaries, and Affiliates																					
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
28336L-10-9	EL PASO CORP		02/23/2011	CLASS ACTION	1,000	760	XXX										760	760		XXX	XXX
9099999	Common Stocks - Industrial and Miscellaneous (Unaffiliated)					760	XXX										760	760		XXX	XXX
Common Stocks - Parent, Subsidiaries, and Affiliates																					
Common Stock - Mutual Funds																					
Common Stocks - Money Market Mutual Funds																					
9799997	Subtotals - Common Stocks - Part 4					760	XXX										760	760		XXX	XXX
9799999	Subtotals - Common Stocks					760	XXX										760	760		XXX	XXX
9899999	Subtotals - Preferred and Common Stocks					760	XXX										760	760		XXX	XXX
9999999	Totals					26,116,987	XXX	25,769,229	25,504,913		128,142		128,142		25,633,058		483,928	483,928	492,460	XXX	XXX

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

E05.1

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**



STATEMENT AS OF MARCH 31, 2011 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
U.S. Governments - Issuer Obligations							
U.S. Governments - Residential Mortgage-Backed Securities							
U.S. Governments - Commercial Mortgage-Backed Securities							
U.S. Governments - Other Loan-Backed and Structured Securities							
All Other Governments - Issuer Obligations							
All Other Governments - Residential Mortgage-Backed Securities							
All Other Governments - Commercial Mortgage-Backed Securities							
All Other Governments - Other Loan-Backed and Structured Securities							
U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations							
U.S. States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities							
U.S. States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities							
U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities							
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations							
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities							
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities							
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities							
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							
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							
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							
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							
Industrial and Miscellaneous - Issuer Obligations							
Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities							
Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities							
Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities							
Credit Tenant Loans - Issuer Obligations							
Credit Tenant Loans - Commercial Mortgage-Backed Securities							
Hybrid Securities - Issuer Obligations							
Hybrid Securities - Residential Mortgage-Backed Securities							
Hybrid Securities - Commercial Mortgage-Backed Securities							
Hybrid Securities - Other Loan-Backed and Structured Securities							
Parent, Subsidiaries and Affiliates Bonds - Issuer Obligations							
Parent, Subsidiaries and Affiliates Bonds - Residential Mortgage-Backed Securities							
Parent, Subsidiaries and Affiliates Bonds - Commercial Mortgage-Backed Securities							
Parent, Subsidiaries and Affiliates Bonds - Other Loan-Backed and Structured Securities							
Sweep Accounts							
Other Cash Equivalents							
STERLING CAP US TR MMKT.....		03/30/2011	0.010	04/15/2011	610,107	5	
8599999 - Other Cash Equivalents					610,107	5	
<b>8699999 Total Cash Equivalents</b>					<b>610,107</b>	<b>5</b>	

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