



QUARTERLY STATEMENT
AS OF MARCH 31, 2012
OF THE CONDITION AND AFFAIRS OF THE
TRIAD GUARANTY INSURANCE CORPORATION

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

OFFICERS

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

OTHER OFFICERS

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

DIRECTORS OR TRUSTEES

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

State of North Carolina
County of Forsyth

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

Kenneth Wayne Jones, CEO and Chief Financial Officer
Earl Franklin Wall, Secretary
Kenneth Stephen Dwyer, Chief Accounting Officer

a. Is this an original filing? Yes [X] No []

- b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

Subscribed and sworn to before me this 9th day of May, 2012

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

STATEMENT AS OF MARCH 31, 2012 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	703,487,605		703,487,605	712,059,028
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	8,386,791		8,386,791	8,370,920
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ 16,254,901), cash equivalents (\$ 0) and short-term investments (\$ 42,193,837)	58,448,738		58,448,738	67,828,847
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities	60,619		60,619	12,977
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	770,383,753	0	770,383,753	788,271,772
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	7,047,122		7,047,122	6,468,052
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	9,705,558		9,705,558	10,788,415
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	28,086,974		28,086,974	29,849,630
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	2,359,598		2,359,598	4,389,006
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	777,450	743,226	34,224	41,239
21. Furniture and equipment, including health care delivery assets (\$)	106,935	106,935	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	88,996		88,996	40,977
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	1,578,791	1,540,487	38,304	38,304
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	820,135,177	2,390,648	817,744,529	839,887,395
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	820,135,177	2,390,648	817,744,529	839,887,395
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid expenses	1,540,487	1,540,487	0	0
2502. Accounts receivable	38,304		38,304	38,304
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,578,791	1,540,487	38,304	38,304

STATEMENT AS OF MARCH 31, 2012 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 \$50,790,433)	461,293,779	478,850,170
2. Reinsurance payable on paid losses and loss adjustment expenses		0
3. Loss adjustment expenses	8,949,107	9,636,988
4. Commissions payable, contingent commissions and other similar charges		0
5. Other expenses (excluding taxes, licenses and fees)	12,329,466	12,059,704
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,000,397	1,031,810
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		0
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$64,560 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)	7,106,180	6,801,773
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,211,018	1,304,768
13. Funds held by company under reinsurance treaties		0
14. Amounts withheld or retained by company for account of others	70,091,757	63,076,924
15. Remittances and items not allocated	645,837	214,849
16. Provision for reinsurance		0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates		167,247
20. Derivatives		0
21. Payable for securities	8,043	0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	26,490,410	32,624,666
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	589,125,994	605,768,899
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	589,125,994	605,768,899
29. Aggregate write-ins for special surplus funds	674,191,162	629,700,281
30. Common capital stock	3,500,000	3,500,000
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	8,900,000	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)	(588,188,555)	(538,197,713)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	228,618,535	234,118,496
38. Totals (Page 2, Line 28, Col. 3)	817,744,529	839,887,395
DETAILS OF WRITE-INS		
2501. Rescinded premium payable	26,490,410	32,624,666
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	26,490,410	32,624,666
2901. Deferred Payment Obligation including carrying charges	674,191,162	629,700,281
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	674,191,162	629,700,281
3201. Unapproved interest due on Surplus Note	8,900,000	8,900,000
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	8,900,000	8,900,000

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 36,148,782)	35,849,304	39,191,462	167,437,383
1.2 Assumed (written \$ 26)	71	88	280
1.3 Ceded (written \$ 1,799,539)	1,804,514	2,655,861	8,576,066
1.4 Net (written \$ 34,349,269)	34,044,861	36,535,689	158,861,597
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 50,843,982):			
2.1 Direct	80,187,682	75,550,675	367,428,221
2.2 Assumed		0	
2.3 Ceded	1,545,902	4,468,207	14,019,924
2.4 Net	78,641,780	71,082,468	353,408,297
3. Loss adjustment expenses incurred	1,382,153	1,489,959	814,766
4. Other underwriting expenses incurred	5,134,531	4,137,168	17,376,304
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	85,158,464	76,709,595	371,599,367
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(51,113,603)	(40,173,907)	(212,737,770)
INVESTMENT INCOME			
9. Net investment income earned	893,288	4,198,514	11,313,225
10. Net realized capital gains (losses) less capital gains tax of \$	167,526	(430,374)	14,378,183
11. Net investment gain (loss) (Lines 9 + 10)	1,060,814	3,768,140	25,691,409
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		0	0
13. Finance and service charges not included in premiums		0	0
14. Aggregate write-ins for miscellaneous income	3,735	26,912	66,753
15. Total other income (Lines 12 through 14)	3,735	26,912	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)	(50,049,054)	(36,378,856)	(186,979,608)
17. Dividends to policyholders		0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(50,049,054)	(36,378,856)	(186,979,608)
19. Federal and foreign income taxes incurred		0	0
20. Net income (Line 18 minus Line 19)(to Line 22)	(50,049,054)	(36,378,856)	(186,979,608)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	234,118,496	225,929,726	225,929,726
22. Net income (from Line 20)	(50,049,054)	(36,378,856)	(186,979,608)
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	15,871	(1,532,753)	(1,808,068)
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax		0	0
27. Change in nonadmitted assets	42,341	332,065	3,668,733
28. Change in provision for reinsurance		0	0
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	(20,735,071)
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	44,490,880	48,684,886	214,042,785
38. Change in surplus as regards policyholders (Lines 22 through 37)	(5,499,962)	11,105,343	8,188,770
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	228,618,534	237,035,069	234,118,496
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income - Service Fees on Information Technology	3,735	26,912	66,753
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	3,735	26,912	66,753
3701. Deferred Payment Obligation	44,490,880	48,684,886	214,042,785
3702. Increase in Contingency Reserve	(17,022,431)	(18,267,845)	(79,430,799)
3703. Decrease in Contingency Reserve	17,022,431	18,267,845	79,430,799
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	44,490,880	48,684,886	214,042,785

STATEMENT AS OF MARCH 31, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	31,385,950	36,241,683	146,077,106
2. Net investment income	6,326,888	8,596,622	34,020,621
3. Miscellaneous income	3,735	26,912	65,873
4. Total (Lines 1 to 3)	37,716,572	44,865,217	180,163,600
5. Benefit and loss related payments	56,729,304	58,016,017	265,755,614
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	4,897,262	5,453,205	18,628,384
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	(11,706,978)	(11,706,978)
10. Total (Lines 5 through 9)	61,626,566	51,762,244	272,677,020
11. Net cash from operations (Line 4 minus Line 10)	(23,909,994)	(6,897,027)	(92,513,420)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	27,607,348	26,116,227	344,661,987
12.2 Stocks	0	760	1,593
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	(9,742)
12.7 Miscellaneous proceeds	0	20,811	28,838
12.8 Total investment proceeds (Lines 12.1 to 12.7)	27,607,348	26,137,798	344,682,676
13. Cost of investments acquired (long-term only):			
13.1 Bonds	19,837,429	27,539,619	276,054,017
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	39,600	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	19,877,029	27,539,619	276,054,017
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	7,730,319	(1,401,821)	68,628,659
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied).....	6,799,566	2,358,866	17,968,795
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	6,799,566	2,358,866	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)	(9,380,109)	(5,939,982)	(5,915,966)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	67,828,847	73,744,813	73,744,813
19.2 End of period (Line 18 plus Line 19.1)	58,448,738	67,804,831	67,828,847

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.

	2012
Net income, Illinois basis	\$ (50,049,053)
State prescribed practice (incurred losses)	
Change in direct loss reserves	12,795,205
Net income, NAIC SAP	\$ (37,253,848)
Statutory surplus, Illinois basis	\$ 228,618,535
State prescribed practices (surplus)	
Loss reserves	(325,021,166)
Deferred payment obligation	(674,191,162)
Statutory surplus, NAIC SAP	\$(770,593,793)

b. No change from year-end 2011.

c. No change from year-end 2011.

2. Accounting Changes and Corrections of Errors

No change from year-end 2011.

3. Business Combinations and Goodwill

No change from year-end 2011.

4. Discontinued Operations

No change from year-end 2011.

5. Investments

a. No change from year-end 2011.

b. No change from year-end 2011.

c. No change from year-end 2011.

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 prepayment 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.

	Amortized Cost Basis Before Other- than-Temporary Impairment	Other-than Temporary Impairment Recognized in Loss	Fair Value
OTTI recognized 1st Quarter			
a. Intent to sell	\$ -	\$ -	\$ -
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 1st Quarter	217,711	12,345	205,366
OTTI recognized 2nd Quarter			
d. Intent to sell	\$ -	\$ -	\$ -
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	-	-	-
f. Total 2nd Quarter	-	-	-
OTTI recognized 3rd Quarter			
g. Intent to sell	\$ -	\$ -	\$ -
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	-	-	-
i. Total 3rd Quarter	-	-	-

NOTES TO FINANCIAL STATEMENTS

5. Investments (Cont.)**OTTI recognized 4th Quarter**

j. Intent to sell	\$	-	\$	-	\$	-
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		-		-		-
l. Total 4th Quarter		-		-		-
m. Annual Aggregate Total	\$	217,711	\$	12,345	\$	205,366

(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 2011.

f. The Company recognized no additional real estate impairment losses since year-end 2011.

g. No change from year-end 2011.

6. Joint Ventures, Partnerships and Limited Liability Companies

No change from year-end 2011.

7. Investment Income

No change from year-end 2011.

8. Derivative Instruments

No change from year-end 2011.

9. Income Taxes

No changes have occurred from year-end 2011 that would have a material impact on the Company.

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

a. No change from year-end 2011.

b. No change from year-end 2011.

c. No change from year-end 2011.

d. No change from year-end 2011.

e. No change from year-end 2011.

f. No change in arrangements from year-end 2011.

g. No change from year-end 2011.

h. No change from year-end 2011.

i. No change from year-end 2011.

j. No change from year-end 2011.

k. No change from year-end 2011.

l. No change from year-end 2011.

11. Debt

No change from year-end 2011.

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

The total amount employees are allowed to defer in 2012 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 2011.

(2) No change from year-end 2011.

(3) No change from year-end 2011.

(4) No change from year-end 2011.

(5) No change from year-end 2011.

(6) No change from year-end 2011.

NOTES TO FINANCIAL STATEMENTS

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations (Cont.)

(7) No change from year-end 2011.

(8) No change from year-end 2011.

(9) No change from year-end 2011.

(10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains and losses was \$3,350,809.

(11) There was no interest paid in the current year on the Company's surplus note. At March 31, 2012, interest past due of \$8,900,000 remained unapproved by the Illinois Department of Insurance. No other change from year-end 2011.

(12) No change from year-end 2011.

(13) No change from year-end 2011.

14. Contingencies

a. No change from year-end 2011.

b. No change from year-end 2011.

c. No change from year-end 2011.

d. No change from year-end 2011.

e. No change from year-end 2011.

f. No change from year-end 2011.

15. Leases

a. Lessee Operating Lease

(1) No change from year-end 2011.

(2) Account changes from year-end 2011 are not significant in either amount or composition.

(3) No change from year-end 2011.

b. Lessor Lease

(1) No change from year-end 2011.

(2) Account changes from year-end 2011 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 2011.

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

No change from year-end 2011. 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 2011.

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

No change from year-end 2011.

NOTES TO FINANCIAL STATEMENTS

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 at Reporting Date Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Common Stock - Subsidiary	\$ -	\$ 8,386,791	\$ -	\$ 8,386,791
Total	\$ -	\$ 8,386,791	\$ -	\$ 8,386,791

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

Description	Beginning Balance at 1/1/2012	Transfer into Level 3	Transfers 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 3/31/2012
a. Assets:										
Industrial & Misc.	360,783	-	-	-	6,013	-	-	-	-	366,796
Total Assets	360,783	-	-	-	6,013	-	-	-	-	366,796
b. Liabilities:										
Total Liabilities	-	-	-	-	-	-	-	-	-	-

(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 assets measured at fair value for all types of financial instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Assets						
Bonds	\$ 730,697,208	\$ 703,487,605	\$ -	\$ 730,697,208	\$ -	\$ -
Common Stock	8,386,791	\$ 8,386,791	-	\$ 8,386,791	-	-
Cash and short-term investments	58,448,738	\$ 58,448,738	\$ 58,448,738	\$ -	-	-
Total	\$ 797,532,737	\$ 770,323,134	\$ 58,448,738	\$ 739,083,999	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

21. Other Items

Changes since year-end 2011 are not significant in either amount or composition except as noted in the tables below.

The total reserves based upon the credit classifications of TGIC as of March 31, 2012 were as follows:

		As a % of total
Prime	\$513,350,076	61.0%
Alt-A	286,690,664	34.1%
A-Minus	35,675,838	4.2%
Subprime (A)	5,938,830	0.7%
Total	\$841,655,408	100.0%

Losses and reserves related as of March 31, 2012 were as follows:

	Total	Subprime	Subprime as a % of total
Losses paid	\$99,380,490	\$974,355	0.9%
Case reserves	\$841,655,408	\$5,938,830	0.7%
Incurred losses	\$76,255,517	\$143,498	0.2%
IBNR reserves	\$28,697,134	-	-

(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 2011 are not significant in either amount or composition.
- b. No change from year-end 2011.
- c. Account changes since year-end 2011 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 \$1,212,318, which is reflected as:

(1) Losses incurred	\$ -
(2) Loss adjustment expenses incurred	\$ -
(3) Premiums earned	\$ -
(4) Other	\$ -
(5) Company	Amount
BB&T Mortgage Insurance	\$ 1,212,318
- e. No change from year-end 2011.
- f. No change from year-end 2011.
- g. No change from year-end 2011.
- h. No change from year-end 2011.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No change from year-end 2011.

25. Change in Incurred Claims and Claim Adjustment Expenses

Loss and LAE reserves as of December 31, 2011 were \$488.5 million. As of March 31, 2012, \$98.2 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 \$419.3 million as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$29.0 million unfavorable prior year development since December 31, 2011.

26. Intercompany Pooling Arrangements

No change from year-end 2011.

27. Structured Settlements

No change from year-end 2011.

28. Health Care Receivables

No change from year-end 2011.

29. Participating Policies

No change from year-end 2011.

30. Premium Deficiency Reserves

No change from year-end 2011.

31. High Deductibles

No change from year-end 2011.

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

No change from year-end 2011.

NOTES TO FINANCIAL STATEMENTS

33. Asbestos/Environmental Reserves

No change from year-end 2011.

34. Subscriber Savings Accounts

No change from year-end 2011.

35. Multiple Peril Crop Insurance

No change from year-end 2011.

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	2	3
Name of Entity	NAIC Company Code	State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes No NA
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 Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

GENERAL INTERROGATORIES

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

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

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

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

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

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

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$0

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$ 8,370,920	\$ 8,386,791
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ 8,370,920	\$ 8,386,791
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 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, 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.....	540 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 Inc.....	One Financial Plaza, Hartford, CT 06103.....

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

Yes [X] No []

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]
 3.2 If yes, give full and complete information thereto.

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:
 5.1 A&H loss percent %
 5.2 A&H cost containment percent %
 5.3 A&H expense percent excluding cost containment expenses %

6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
 6.2 If yes, please provide the amount of custodial funds held as of the reporting date \$
 6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
 6.4 If yes, please provide the balance of the funds administered as of the reporting date \$

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

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

STATEMENT AS OF MARCH 31, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

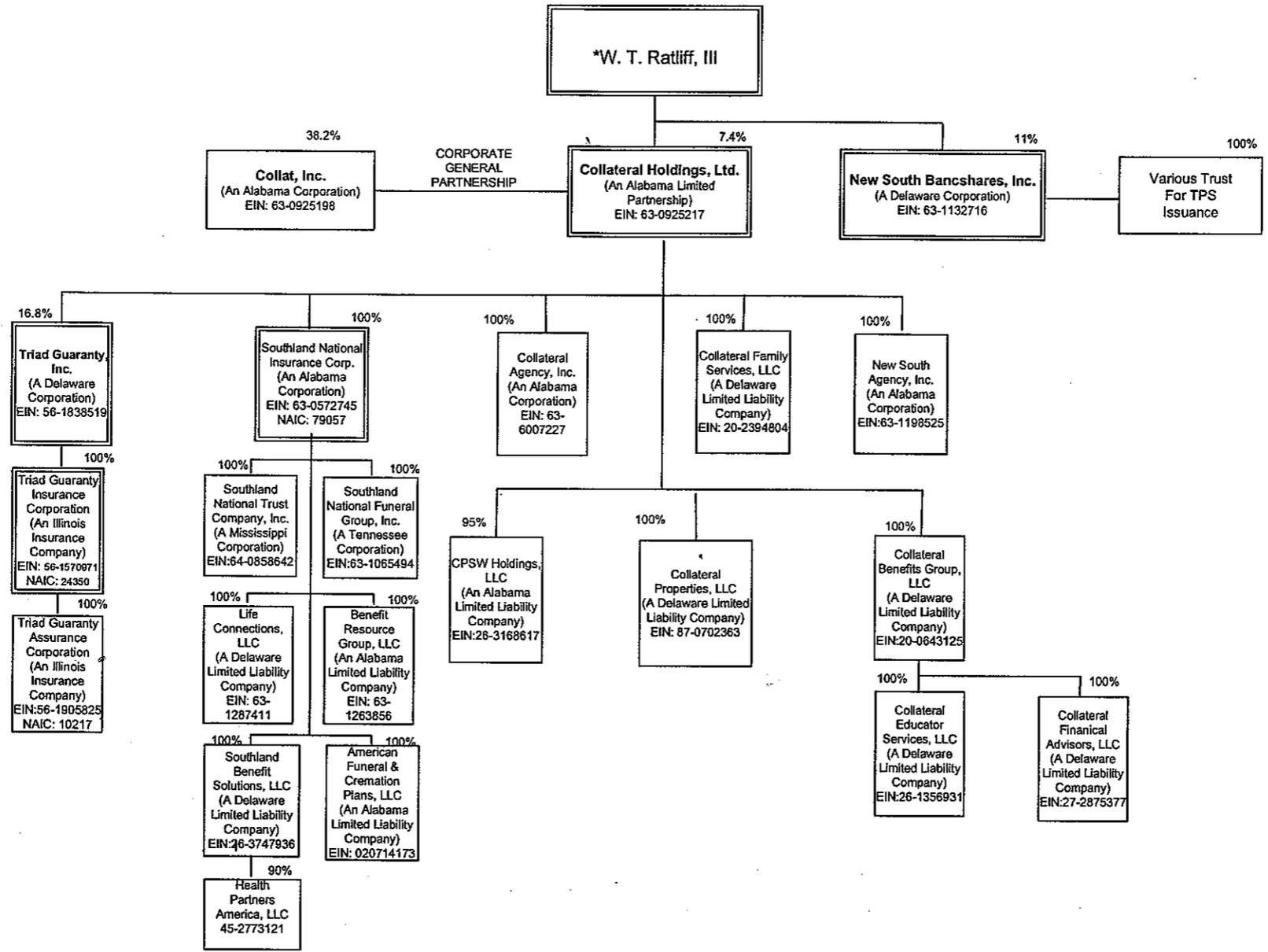
Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date	
1. Alabama	AL	L	120,744	143,364	101,900	208,610	942,200	1,055,497
2. Alaska	AK	L		0		0		0
3. Arizona	AZ	L	627,260	888,236	4,279,683	5,926,308	9,976,598	15,391,949
4. Arkansas	AR	L	224,057	280,389	247,369	568,377	1,215,795	1,612,189
5. California	CA	L	8,629,857	9,485,843	28,577,481	18,350,802	147,692,173	151,157,972
6. Colorado	CO	L	1,375,692	194,904	2,531,226	2,543,277	9,971,960	10,738,677
7. Connecticut	CT	L	91,547	104,428		0	1,124,592	837,630
8. Delaware	DE	L	31,737	26,703		15,324	152,134	138,024
9. District of Columbia	DC	L	1,436,737	5,556,052	14,233,079	23,382,107	66,111,713	103,383,411
10. Florida	FL	L	1,464,240	1,291,216	4,407,891	4,989,880	32,942,925	33,006,454
11. Georgia	GA	L	741,011	846,894	1,678,110	1,933,506	5,048,511	6,083,877
12. Hawaii	HI	L	1,623	2,198		0	760	2,252
13. Idaho	ID	L	(1,498)	8,905		58,177	19,530	8,201
14. Illinois	IL	L	1,022,834	1,015,164	1,843,658	1,970,107	16,036,577	15,318,937
15. Indiana	IN	L	175,489	143,354	272,732	225,949	921,312	944,554
16. Iowa	IA	L	14,053	18,866	(17,766)	0	96,376	75,501
17. Kansas	KS	L	75,937	88,621	165,015	324,400	408,344	458,720
18. Kentucky	KY	L	315,168	405,533	408,228	209,740	2,403,758	2,258,404
19. Louisiana	LA	L	60,285	64,475	189,517	91,501	283,195	253,039
20. Maine	ME	L		0		0		0
21. Maryland	MD	L	335,816	345,404	667,430	1,229,302	4,555,398	5,033,647
22. Massachusetts	MA	L	208,906	203,627	401,541	249,120	2,365,944	2,442,180
23. Michigan	MI	L	679,270	825,093	1,948,021	1,731,346	6,532,550	7,565,390
24. Minnesota	MN	L	6,592,765	7,379,105	12,740,705	26,531,208	67,652,106	92,120,442
25. Mississippi	MS	L	50,841	65,222	176,564	163,781	162,552	416,263
26. Missouri	MO	L	112,417	135,248	271,257	37,922	482,936	455,932
27. Montana	MT	L	176	2,773		0	82	1,023
28. Nebraska	NE	L	604	792		0	283	256
29. Nevada	NV	L	108,702	148,738	1,299,109	681,535	2,426,850	3,863,317
30. New Hampshire	NH	L	10,557	(2,566)	35,025	0	63,980	4,325
31. New Jersey	NJ	L	617,117	671,316	1,125,477	310,338	10,973,840	9,591,542
32. New Mexico	NM	L	72,776	79,403	63,785	187,045	756,836	645,042
33. New York	NY	L	253,436	212,883	138,230	100,532	5,824,441	5,525,390
34. North Carolina	NC	L	1,380,445	1,537,937	1,983,872	2,139,871	10,701,076	10,159,282
35. North Dakota	ND	L		0		0		0
36. Ohio	OH	L	530,103	622,518	573,192	835,357	5,697,819	5,779,014
37. Oklahoma	OK	L	415,975	551,164	476,017	256,657	1,903,330	1,632,673
38. Oregon	OR	L	85,981	105,195	216,152	246,772	912,414	1,033,478
39. Pennsylvania	PA	L	474,479	501,875	876,947	402,321	3,971,294	4,114,454
40. Rhode Island	RI	L	30,706	34,811		114,365	623,445	534,567
41. South Carolina	SC	L	766,846	884,912	1,629,306	1,165,502	7,524,212	6,853,816
42. South Dakota	SD	L	1,934	1,944		0	16,460	2,111
43. Tennessee	TN	L	350,884	433,093	630,291	478,836	2,258,208	2,098,759
44. Texas	TX	L	5,505,699	2,312,141	12,433,241	6,766,425	41,680,199	45,330,068
45. Utah	UT	L	81,094	91,541	315,122	269,838	916,536	870,563
46. Vermont	VT	L		0		0		0
47. Virginia	VA	L	811,910	1,340,037	2,021,870	7,081,000	11,787,220	17,112,177
48. Washington	WA	L	105,937	132,837	164,102	30,435	1,172,742	1,302,368
49. West Virginia	WV	L	52,682	53,645	62,993	0	144,845	103,280
50. Wisconsin	WI	L	81,909	92,981	212,117	69,114	1,024,451	1,029,639
51. Wyoming	WY	L	22,045	25,410		0	51,247	48,145
52. American Samoa	AS			0		0		0
53. Guam	GU			0		0		0
54. Puerto Rico	PR			0		0		0
55. U.S. Virgin Islands	VI			0		0		0
56. Northern Mariana Islands	MP			0		0		0
57. Canada	CN			0		0		0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a) 51		36,148,782	39,354,226	99,380,490	111,876,687	487,531,749	568,394,432
DETAILS OF WRITE-INS								
5801.	XXX							
5802.	XXX							
5803.	XXX							
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX		0	0	0	0	0	0
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		0	0	0	0	0	0

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

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

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



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

STATEMENT AS OF MARCH 31, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

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)	*
00421	Collateral Holding, Ltd.						William T. Ratliff, and family	US	UDP	Collat general partnership, William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		63-1132716				New South Bancshares, Inc.	US	NIA	William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.						Various Trust for TPS Issuranc	US	NIA	New South Bancshares, Inc.	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		63-0925217				Collateral Holdings, Ltd.	US	UDP	William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		63-0925198				Collat, Inc.	US	NIA	William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		56-1838519				Triad Guaranty, Inc.	US	NIA	Collateral Holdings, Ltd.	Ownership	16.8	William T. Ratliff, and family	1
00421	Collateral Holding, Ltd.	24350	56-1570971		0000911631	OTCBB	Triad Guaranty Insurance Corporation	US	IA	Triad Guaranty, Inc.	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.	10217	56-1905825				Triad Guaranty Assurance Corporation	US	IA	Triad Guaranty Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.	79057	63-0572745				Southland National Insurance Corporation	US		Collateral Holdings, Ltd.	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		64-0858642				Southland National Trust Company, Inc.	US	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		63-1065494				Southland National Funeral Group, Inc.	US	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		63-1287411				Life Connections, LLC	US	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		63-1263856				Benefit Resource Group, LLC	US	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		02-0714173				American Funeral & Cremation Plans, LLC	US	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		26-3747936				Southland Benefits Solutions, LLC	US	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire			0.0	0.0
2. Allied lines			0.0	0.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril			0.0	0.0
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty	35,849,304	80,187,682	223.7	192.8
8. Ocean marine			0.0	0.0
9. Inland marine			0.0	0.0
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability -occurrence			0.0	0.0
11.2 Medical professional liability -claims made			0.0	0.0
12. Earthquake			0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation			0.0	0.0
17.1 Other liability occurrence			0.0	0.0
17.2 Other liability-claims made			0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence			0.0	0.0
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability			0.0	0.0
19.3,19.4 Commercial auto liability			0.0	0.0
21. Auto physical damage			0.0	0.0
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	35,849,304	80,187,682	223.7	192.8
DETAILS OF WRITE-INS				
3401.			0.0	0.0
3402.			0.0	0.0
3403.			0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	0		0
2. Allied lines	0		0
3. Farmowners multiple peril	0		0
4. Homeowners multiple peril	0		0
5. Commercial multiple peril	0		0
6. Mortgage guaranty	36,148,782	36,148,782	39,354,226
8. Ocean marine	0		0
9. Inland marine	0		0
10. Financial guaranty	0		0
11.1 Medical professional liability-occurrence	0		0
11.2 Medical professional liability-claims made	0		0
12. Earthquake	0		0
13. Group accident and health	0		0
14. Credit accident and health	0		0
15. Other accident and health	0		0
16. Workers' compensation	0		0
17.1 Other liability occurrence	0		0
17.2 Other liability-claims made	0		0
17.3 Excess Workers' Compensation	0		0
18.1 Products liability-occurrence	0		0
18.2 Products liability-claims made	0		0
19.1,19.2 Private passenger auto liability	0		0
19.3,19.4 Commercial auto liability	0		0
21. Auto physical damage	0		0
22. Aircraft (all perils)	0		0
23. Fidelity	0		0
24. Surety	0		0
26. Burglary and theft	0		0
27. Boiler and machinery	0		0
28. Credit	0		0
29. International	0		0
30. Warranty	0		0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	36,148,782	36,148,782	39,354,226
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF MARCH 31, 2012 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)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 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. 2009 + Prior	163,752	0	163,752	37,293		37,293	144,151			144,151	17,691	0	17,691
2. 2010	141,148	2,274	143,422	33,827		33,827	124,541			124,541	17,221	(2,274)	14,947
3. Subtotals 2010 + prior	304,900	2,274	307,174	71,120	0	71,120	268,692	0	0	268,692	34,912	(2,274)	32,638
4. 2011	160,845	20,468	181,313	27,069		27,069	149,063		1,576	150,639	15,286	(18,891)	(3,605)
5. Subtotals 2011 + prior	465,745	22,742	488,487	98,189	0	98,189	417,754	0	1,576	419,331	50,198	(21,166)	29,033
6. 2012	XXX	XXX	XXX	XXX	79	79	XXX	36,724	14,188	50,912	XXX	XXX	XXX
7. Totals	465,745	22,742	488,487	98,189	79	98,268	417,754	36,724	15,764	470,243	50,198	(21,166)	29,033
8. Prior Year-End Surplus As Regards Policyholders	234,118												
											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. 10.8	2. (93.1)	3. 5.9
													Col. 13, Line 7 Line 8
													4. 12.4

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	<u>Response</u>
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?NO.....
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?NO.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?NO.....
4. Will the Director and Officer 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 2 4 9 0 0 0 0 0 1
2.	 2 4 3 5 0 2 0 1 2 4 5 5 0 0 0 0 1
3.	 2 4 3 5 0 2 0 1 2 3 6 5 0 0 0 0 1
4.	 2 4 3 5 0 2 0 1 2 5 0 5 0 0 0 0 1

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF MARCH 31, 2012 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	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

NONE

SCHEDULE B – VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

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

NONE

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	720,429,949	779,498,553
2. Cost of bonds and stocks acquired	19,837,429	276,054,022
3. Accrual of discount	470,493	1,677,294
4. Unrealized valuation increase (decrease)	15,871	(1,808,069)
5. Total gain (loss) on disposals	208,088	17,718,956
6. Deduct consideration for bonds and stocks disposed of	27,607,348	344,663,581
7. Deduct amortization of premium	1,439,525	4,714,240
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized	40,561	3,332,986
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	711,874,396	720,429,949
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	711,874,396	720,429,949

STATEMENT AS OF MARCH 31, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	678,776,646	67,198,804	63,458,795	8,530,876	691,047,531	0	0	678,776,647
2. Class 2 (a).....	59,114,437	3,000,000	33,285	(9,800,405)	52,280,747	0	0	59,114,437
3. Class 3 (a).....	1,270,814			1,757	1,272,571	0	0	1,270,815
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	1,076,061			4,531	1,080,592	0	0	1,076,061
6. Class 6 (a).....	26,053			(26,053)	0	0	0	26,053
7. Total Bonds	740,264,011	70,198,804	63,492,080	(1,289,294)	745,681,441	0	0	740,264,013
PREFERRED STOCK								
8. Class 1.....	0				0	0	0	0
9. Class 2.....	0				0	0	0	0
10. Class 3.....	0				0	0	0	0
11. Class 4.....	0				0	0	0	0
12. Class 5.....	0				0	0	0	0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	740,264,011	70,198,804	63,492,080	(1,289,294)	745,681,441	0	0	740,264,013

(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 \$42,193,837 ; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

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SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	42,193,837	XXX	42,546,707		

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.....	28,204,983	33,499,507
2. Cost of short-term investments acquired	50,361,375	332,828,940
3. Accrual of discount		18,206
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		60
6. Deduct consideration received on disposals	36,092,820	337,973,142
7. Deduct amortization of premium.....	279,701	158,720
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		9,868
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	42,193,837	28,204,983
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	42,193,837	28,204,983

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.....	0	2,999,214
2. Cost of cash equivalents acquired		22,996,254
3. Accrual of discount		3,465
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals.....		67
6. Deduct consideration received on disposals		25,999,000
7. Deduct amortization of premium		0
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

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, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous (Unaffiliated)									
03064U-AB-6	AMCAR 2012-1 A2		.01/31/2012	BARCLAYS AMERICAN		999,945	1,000,000		1FE
24702R-AN-1	DELL INC		.03/19/2012	CREDIT SUISSE		2,870,700	2,800,000	27,930	1FE
58768T-AC-0	MBALT 2012-A A3		.03/15/2012	J. P. MORGAN		4,999,724	5,000,000		1FE
984121-CE-1	XEROX CORPORATION		.03/08/2012	BANK AMERICA		3,000,000	3,000,000		2FE
055451-AM-0	BHP BILLITON FIN USA LTD	F	.02/21/2012	BARCLAYS AMERICAN		2,000,000	2,000,000		1FE
718448-AB-9	PHILIPS ELECTRONICS NV	F	.03/21/2012	STERNE AGEE		1,087,260	1,000,000	8,257	1FE
902118-BK-3	TYCO INTERNATIONAL FINAN	F	.02/21/2012	WELLS FARGO SECURITIES LLC		4,879,800	4,500,000	74,250	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						19,837,429	19,300,000	110,437	XXX
8399997 - Subtotals- Bonds - Part 3						19,837,429	19,300,000	110,437	XXX
8399999 - Subtotals - Bonds						19,837,429	19,300,000	110,437	XXX
9999999 Totals						19,837,429	XXX	110,437	XXX

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

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STATEMENT AS OF MARCH 31, 2012 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	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
796236-4Z-7	SAN ANTONIO TX		02/01/2012	CALLED BY ISSUER at 100.000		5,000	5,000	4,962	4,999		.1		.1		5,000			.0	.125	02/01/2012	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						5,000	5,000	4,962	4,999	0	1	0	1	0	5,000	0	0	0	.125	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
100340-BM-9	BOSSIER LA PUBLIC TRUST		02/01/2012	CALLED BY ISSUER at 100.000		5,000	5,000	5,038	5,000				.0		5,000			.0	.150	08/01/2015	1Z
3128MB-VP-9	FG 615122		03/01/2012	MBS PAYMENT		206,205	206,205	201,372	206,017		.188		.188		206,205			.0	1,888	10/01/2022	1
3128PK-7A-6	FG J08089		03/01/2012	MBS PAYMENT		174,297	174,297	173,916	174,289		.8		.8		174,297			.0	1,588	12/01/2022	1
3128PK-XM-1	FG J07884		03/01/2012	MBS PAYMENT		263,578	263,578	263,578	263,578				.0		263,578			.0	2,422	09/01/2022	1
3133XB-67-4	FHLB 6A-2012 1		03/25/2012	MBS PAYMENT		2,791	2,791	2,904	2,800		(9)		(9)		2,791			.0	23	04/25/2012	1
31349U-B3-1	FH 782758		03/15/2012	VARIOUS		17,675	17,675	18,626	17,675				.0		17,675			.0	301	11/01/2036	1
31393U-UC-5	FNR 2003-134 ME		03/01/2012	MBS PAYMENT		1,530	1,530	1,578	1,532		(2)		(2)		1,530			.0	.11	01/01/2019	1
31395R-AR-9	FHRR R001 AE		01/01/2012	MBS PAYMENT		1,663	1,663	1,663	1,663				.0		1,663			.0	.6	01/01/2012	1
31396E-E3-0	FHR 3059 CB		03/01/2012	MBS PAYMENT		2,659,454	2,659,454	2,691,035	2,659,233		221		221		2,659,454			.0	23,747	04/01/2012	1
31396E-2U-9	FHR 3053 OD		03/01/2012	MBS PAYMENT		783,436	783,436	796,656	783,662		(226)		(226)		783,436			.0	7,169	08/01/2012	1
31396E-67-0	FHRR R004 AL		03/01/2012	MBS PAYMENT		11,760	11,760	11,970	11,781		(21)		(21)		11,760			.0	103	04/01/2012	1
31396U-3A-6	FHRR R008 FK		03/15/2012	MBS PAYMENT		7,089	7,089	7,068	7,085		4		4		7,089			.0	8	08/15/2013	1
31396X-CV-4	FNR 2007-79 MA		02/01/2012	MBS PAYMENT		488,598	488,598	498,790	487,366		1,232		1,232		488,598			.0	2,579	02/01/2012	1
31397B-MQ-1	FHRR R009 AJ		03/01/2012	MBS PAYMENT		7,902	7,902	8,187	7,929		(27)		(27)		7,902			.0	74	09/01/2012	1
31397N-FZ-3	FNR 2009-17 DA		03/01/2012	MBS PAYMENT		12,964	12,964	13,109	12,974		(9)		(9)		12,964			.0	121	08/01/2014	1
31402Q-ZE-4	FN 735241		03/01/2012	MBS PAYMENT		174	174	180	174				.0		174			.0	1	12/01/2034	1
31403B-PC-1	FN 743919		03/01/2012	MBS PAYMENT		5,352	5,352	5,635	5,361		(9)		(9)		5,352			.0	52	06/01/2018	1
31403D-RH-4	FN 745788		03/01/2012	MBS PAYMENT		38,134	38,134	39,848	38,114		19		19		38,134			.0	359	01/01/2036	1
31403D-VZ-9	FN 745932		03/01/2012	MBS PAYMENT		5,318	5,318	5,780	5,332		(13)		(13)		5,318			.0	59	11/01/2035	1
31404Y-Y6-9	FN 780233		03/01/2012	MBS PAYMENT		28,806	28,806	30,282	28,876		(71)		(71)		28,806			.0	204	07/01/2018	1
31405H-6L-7	FN 790275		03/01/2012	MBS PAYMENT		111	111	115	111				.0		111			.0		08/01/2034	1
31405R-CR-5	FN 796680		03/01/2012	MBS PAYMENT		15,038	15,038	15,809	15,056		(18)		(18)		15,038			.0	102	06/01/2019	1
31410K-JY-1	FN 889579		03/01/2012	MBS PAYMENT		29,842	29,842	31,749	29,902		(61)		(61)		29,842			.0	305	03/01/2037	1
31410R-6J-3	FN 895573		03/01/2012	MBS PAYMENT		26,187	26,187	27,097	26,204		(17)		(17)		26,187			.0	115	05/01/2036	1
31411Y-DP-5	FN 918210		03/01/2012	MBS PAYMENT		76	76	80	76				.0		76			.0	1	05/01/2017	1
31412M-SD-1	FN 929416		03/01/2012	MBS PAYMENT		15,398	15,398	16,375	15,441		(43)		(43)		15,398			.0	156	11/01/2037	1
31414D-UF-1	FN 963282		03/01/2012	MBS PAYMENT		163,208	163,208	160,581	163,170		37		37		163,208			.0	1,506	12/01/2022	1
31416J-PH-8	FN A41323		03/01/2012	MBS PAYMENT		22,290	22,290	24,259	22,339		(49)		(49)		22,290			.0	168	04/01/2031	1
31417Y-T7-2	FN MA0573		03/01/2012	MBS PAYMENT		59,040	59,040	59,277	59,044		(9)		(9)		59,040			.0	382	07/01/2025	1
383766-6E-5	GNR 2011-152 A		03/01/2012	MBS PAYMENT		72,510	72,510	72,340	72,506		3		3		72,510			.0	196	09/01/2016	1
383766-A6-5	GNR 2009-71 A		03/01/2012	MBS PAYMENT		542,990	542,990	563,013	543,062		(72)		(72)		542,990			.0	1,571	06/01/2017	1
383766-U0-1	GNR 2010-118 A		03/01/2012	MBS PAYMENT		24,878	24,878	25,103	24,886		(9)		(9)		24,878			.0	80	07/01/2015	1
38378B-AH-2	GNR 2011-164 A		03/01/2012	MBS PAYMENT		33,463	33,463	33,491	33,464		(1)		(1)		33,463			.0	88	09/01/2016	1
45129T-HB-6	IDAHO ST HSG & FIN ASSN		01/03/2012	CALLED BY ISSUER at 100.000		5,000	5,000	5,000	5,000				.0		5,000			.0	153	07/01/2014	1FE
45129T-HQ-3	IDAHO ST HSG & FIN ASSN		01/03/2012	CALLED BY ISSUER at 100.000		5,000	5,000	4,965	5,000				.0		5,000			.0	146	07/01/2016	1FE
605275-MQ-6	MISSISSIPPI BUSINESS FIN CORP		01/03/2012	SINK		18,593	18,593	17,777	18,584		.9		.9		18,593			.0	372	01/01/2022	2Z
64461R-CS-5	NEW HAMPSHIRE ST HGR EDUCNTL & PHILADELPHIA PA HOSPS & HGR ED		03/01/2012	CALLED BY ISSUER at 100.000		250,000	250,000	247,020	247,398		2,602		2,602		250,000			.0	3,469	06/01/2023	1FE
717903-YN-2	PORT OF SEATTLE WA REVENUE		01/03/2012	CALLED BY ISSUER at 100.000		25,000	25,000	25,000	25,000				.0		25,000			.0	663	01/01/2018	1Z
735388-3X-6	PORT OF SEATTLE WA REVENUE		03/14/2012	CALLED BY ISSUER at 100.000		1,000,000	1,000,000	1,006,060	1,000,000				.0		1,000,000			.0	25,469	04/01/2014	1FE
735388-4C-1	PORT OF SEATTLE WA REVENUE		03/14/2012	CALLED BY ISSUER at 100.000		1,300,000	1,300,000	1,090,232	1,112,641		187,359		187,359		1,300,000			.0	30,019	04/01/2024	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						8,330,350	8,330,350	8,202,558	8,139,325	0	191,020	0	191,020	0	8,330,350	0	0	0	105,826	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
02005X-AB-4	ALLYA 2011-4 A2		03/15/2012	VARIOUS		91,335	91,335	91,216	91,295		.41		.41		91,335			.0	.93	05/15/2013	1FE
02660Y-AU-6	AHM 2006-2 3A2		03/01/2012	MBS PAYMENT		9,512	9,512	4,821	4,821				.0		4,821			.0	4,691	06/01/2036	1FM
05948X-6S-5	BOAMS 2004-5 2A1		03/01/2012	MBS PAYMENT		61,408	61,408	51,581	59,786		1,622		1,622		61,408			.0	421	08/01/2012	1FM
05950T-AC-9	BOAMS 2006-B 2A1		03/01/2012	MBS PAYMENT		19,080	19,080	13,392	13,392				.0		13,392			.0	5,687	09/01/2040	1FM
06052M-AC-9	BAAT 2010-2 A3		03/15/2012	MBS PAYMENT		249,511	249,511	249,504	249,397		113		113		249,511			.0	539	02/15/2013	1FE
09657M-AC-2	BWOT 2010-A A3		03/25/2012	MBS PAYMENT		326,620	326,620	326,613	326,350		270		270		326,620			.0	743	06/25/2013	1FE
125430-AB-4	CWHL 2006-11 1A2		03/01/2012	MBS PAYMENT		6,919	6,919	67,489	10,167				.0		10,167			.0	799	06/20/2012	1FM
12612B-AC-4	CNH 2010-A A3		03/15/2012	MBS PAYMENT		634,289	634,289	635,952	634,795		(506)		(506)		634,289			.0	1,404	05/15/2013	1FE
126685-CZ-7	CWL 2006-S1 A2		03/01/2012	MBS PAYMENT		4,453	4,453	4,353	4,353				.0		4,353			.0	100	07/01/2014	1FM
12668B-TJ-2	CWALT 2006-J2 A6		03/01/2012	MBS PAYMENT		1,651	2,880	2,117	2,117				.0		2,117			.0	33	04/01/2036	1FM

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STATEMENT AS OF MARCH 31, 2012 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	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
126696-LP-4	CWHL 2005-HYB1 4A1		03/01/2012	MBS PAYMENT		3,088	3,088	2,038	2,038				0		2,038		1,050	1,050	16	02/01/2035	1FM
12669Y-AC-6	CWHL 2006-J4 A3		03/01/2012	MBS PAYMENT		3,668	4,514	2,911	2,911				0		2,911		758	758	39	09/01/2036	1FM
16162W-AL-3	CHASE 2003-S10 A1		03/01/2012	MBS PAYMENT		30,128	30,128	30,570	30,149		(21)		(21)		30,128		0	0	228	10/01/2018	1FM
16162W-BZ-1	CHASE 2003-S12 2A1		03/01/2012	MBS PAYMENT		26,413	26,413	26,801	26,430		(17)		(17)		26,413		0	0	213	11/01/2018	1FM
172973-A6-6	CMSI 2004-5 2A6		03/01/2012	MBS PAYMENT		51,635	51,635	48,181	51,443		191		191		51,635		0	0	452	01/01/2024	1FM
173105-AC-1	CMSI 2007-1 1A3		03/01/2012	MBS PAYMENT		75,713	75,713	71,223	71,223		0		0		71,223		4,490	4,490	532	01/01/2037	1FM
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		0	0	20,625	03/01/2012	1FE
225415-GM-4	CSFB 2004-3 2A1		03/01/2012	MBS PAYMENT		30,833	30,833	30,977	30,835		(3)		(3)		30,833		0	0	167	03/01/2019	1FM
225458-XS-2	CSFB 2005-6 3A1		03/01/2012	MBS PAYMENT		5,915	5,915	5,820	5,915		1		1		5,915		0	0	28	07/01/2020	1FM
34529L-AD-6	FORDO 2010-A A3		03/15/2012	MBS PAYMENT		433,204	433,204	433,125	432,995		209		209		433,204		0	0	825	03/15/2013	1FE
34529R-AB-7	FORDO 2011-B A2		03/15/2012	MBS PAYMENT		160,690	160,690	160,680	160,647		42		42		160,690		0	0	208	12/15/2012	1FE
36185N-4M-9	GMACM 2004-J4 A8		02/01/2012	MBS PAYMENT		17,356	17,356	16,099	17,044		312		312		17,356		0	0	110	02/01/2012	1FM
3622M-AN-3	GSR 2007-3F 3A2		03/01/2012	MBS PAYMENT		68,456	68,456	59,531	59,531		0		0		59,531		8,926	8,926	683	05/01/2037	1FM
36242D-QY-2	GSR 2004-15F 2A2		03/01/2012	MBS PAYMENT		4,483	4,483	3,491	4,462		21		21		4,483		0	0	36	11/01/2033	1FM
36830H-AB-8	GEEST 2011-1A A2		03/21/2012	MBS PAYMENT		578,680	578,680	578,499	578,381		300		300		578,680		0	0	843	11/21/2012	1FE
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		96,292	96,292	136,500	03/01/2017	1FE
46629P-AM-0	JPMCC 2006-LDP9 A2S		03/01/2012	MBS PAYMENT		23,895	23,895	24,067	23,895		0		0		23,895		0	0	107	11/01/2013	1FE
477874-AC-5	JDOT 2009-A A3		02/15/2012	MBS PAYMENT		96,775	96,775	96,889	96,889		(114)		(114)		96,775		0	0	239	02/15/2012	1FE
501673-AA-5	LAFF 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	12/15/2021	1AM
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		0	0	17,750	03/06/2012	1FE
57643M-DE-1	MASTR 2004-6 4A1		03/01/2012	MBS PAYMENT		27,538	27,538	27,925	27,552		(14)		(14)		27,538		0	0	284	10/01/2018	1FM
587682-AC-9	MBART 2010-1 A3		03/15/2012	MBS PAYMENT		129,569	129,569	129,544	129,503		67		67		129,569		0	0	305	05/15/2013	1FE
59022H-JH-6	MLMT 2005-C1P1 A2		03/01/2012	MBS PAYMENT		76,878	76,878	78,059	76,892		(14)		(14)		76,878		0	0	347	05/01/2014	1FM
65475H-AB-7	NALT 2011-A A2A		03/15/2012	MBS PAYMENT		164,322	164,322	164,117	164,240		83		83		164,322		0	0	281	06/15/2013	1FE
65475V-AC-4	NAROT 2009-1 A3		03/15/2012	MBS PAYMENT		273,170	273,170	276,566	276,566		0		0		276,566		(3,396)	(3,396)	2,242	08/15/2012	1FE
66880H-AA-0	NORVELL CONWAY LLC		03/15/2012	SINK		14,692	14,692	11,280	14,557		135		135		14,692		0	0	166	12/15/2018	2Z
66987X-GV-1	NHEL 2005-3 A2C		03/25/2012	MBS PAYMENT		6,062	6,062	5,850	5,850		57		57		6,062		0	0	6	01/25/2013	1FM
68233L-AC-3	ONCOR 2003-1 A3		02/15/2012	MBS PAYMENT		991,531	991,531	983,506	993,506		0		0		993,506		(1,974)	(1,974)	24,540	02/15/2013	1FE
693401-AG-6	PERF 2005-2 A2		03/25/2012	MBS PAYMENT		83,172	83,172	84,020	84,020		(848)		(848)		83,172		0	0	1,046	03/25/2012	1FE
75953M-AD-2	CNP 2001-1 A4		03/15/2012	MBS PAYMENT		982,592	982,592	1,032,241	1,009,010		(4,331)		(4,331)		1,004,680		(22,088)	(22,088)	27,660	09/15/2013	1FE
761118-TB-4	RAL 2006-QA1 A21		03/01/2012	MBS PAYMENT		844	1,853	899	899		0		0		899		(55)	(55)	10	01/01/2036	1FM
76111X-ZC-0	RFMSI 2005-SA5 3A		03/01/2012	MBS PAYMENT		558	558	395	395		0		0		395		(395)	(395)	5	09/01/2032	1FM
78387G-AK-9	AT&T INC		03/30/2012	CALL BY ISSUER at 102.039		2,613,219	2,561,000	2,794,256	2,635,752		(22,533)		(22,533)		2,613,219		0	0	94,037	08/15/2012	1FE
86359L-TB-5	SAMI 2006-AR1 1A2		03/25/2012	MBS PAYMENT		777	777	179	179		0		0		179		598	598	1	08/25/2016	1FM
89235Y-AC-9	TAOT 2010-B A3		03/15/2012	MBS PAYMENT		247,837	247,837	247,815	247,746		91		91		247,837		0	0	426	03/15/2013	1FE
93364F-AC-5	WAMU 2007-HY7 2A1		03/01/2012	MBS PAYMENT		23,385	58,415	31,910	31,910		0		0		31,910		(8,525)	(8,525)	564	07/01/2037	1FM
949758-AD-8	WFMS 2004-0 A1		03/01/2012	MBS PAYMENT		23,328	23,328	23,356	23,329		(1)		(1)		23,328		0	0	196	07/01/2034	1FM
94979X-AA-5	WFMS 2003-H A1		03/01/2012	MBS PAYMENT		15,576	15,576	15,092	15,564		12		12		15,576		0	0	108	08/01/2033	1FM
8399999	Bonds - Industrial and Miscellaneous (Unaffiliated)					19,271,996	18,475,618	19,374,931	19,091,281	0	(27,373)	0	(27,373)	0	19,063,909	0	208,089	208,089	340,549	XXX	XXX
8399997	Subtotals - Bonds - Part 4					27,607,346	26,810,968	27,582,451	27,235,605	0	163,648	0	163,648	0	27,399,259	0	208,089	208,089	446,500	XXX	XXX
8399999	Subtotals - Bonds					27,607,346	26,810,968	27,582,451	27,235,605	0	163,648	0	163,648	0	27,399,259	0	208,089	208,089	446,500	XXX	XXX
9999999	Totals					27,607,346	XXX	27,582,451	27,235,605	0	163,648	0	163,648	0	27,399,259	0	208,089	208,089	446,500	XXX	XXX

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

EO5.1

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, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total Cash Equivalents					0	0	0

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