



QUARTERLY STATEMENT

AS OF MARCH 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

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

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

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

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

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

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

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

Internet Web Site Address www.triadguaranty.com

Statutory Statement Contact Randall Keith Shields 336-723-1282-1155
(Name) (Area Code) (Telephone Number) (Extension)
rshields@tgic.com 336-761-5174-1155
(E-mail Address) (Fax Number)

OFFICERS

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

OTHER OFFICERS

DIRECTORS OR TRUSTEES

State ofNorth Carolina.....

County ofForsyth.....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.

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 _____ day of _____, _____

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	520,091,371		520,091,371	567,626,387
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	7,453,133		7,453,133	7,881,259
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 (\$34,713,502), cash equivalents (\$86,484,157) and short-term investments (\$40,191,560)	161,389,219		161,389,219	129,811,456
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities	13,283		13,283	11,084
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)	688,947,006	0	688,947,006	705,330,186
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	4,807,048		4,807,048	5,052,181
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	8,414,361		8,414,361	8,303,915
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	26,554,417		26,554,417	28,558,421
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,982,170		1,982,170	2,702,913
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	172,876	166,342	6,534	13,328
21. Furniture and equipment, including health care delivery assets (\$)	896,952	896,952	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	61,089		61,089	25,360
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	899,231	899,231	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	732,735,151	1,962,525	730,772,626	749,986,304
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	732,735,151	1,962,525	730,772,626	749,986,304
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	899,231	899,231	0	0
2502.			0	0
2503.			0	0
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)	899,231	899,231	0	0

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$56,509,588)	632,248,689	677,015,521
2. Reinsurance payable on paid losses and loss adjustment expenses		0
3. Loss adjustment expenses	4,411,772	7,372,569
4. Commissions payable, contingent commissions and other similar charges		0
5. Other expenses (excluding taxes, licenses and fees)	13,745,314	17,410,060
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	294,186	439,439
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 \$ 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)	6,054,611	5,794,670
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)	891,471	1,132,333
13. Funds held by company under reinsurance treaties		0
14. Amounts withheld or retained by company for account of others	84,501,352	84,434,829
15. Remittances and items not allocated	803,058	869,318
16. Provision for reinsurance (including \$ certified)		0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates		0
20. Derivatives		0
21. Payable for securities	8,071	8,042
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	841,456,815	808,257,811
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	1,584,415,339	1,602,734,592
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	1,584,415,339	1,602,734,592
29. Aggregate write-ins for special surplus funds	0	0
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	11,125,000	11,125,000
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)	(998,483,641)	(997,589,216)
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)	(853,642,713)	(852,748,288)
38. Totals (Page 2, Line 28, Col. 3)	730,772,626	749,986,304
DETAILS OF WRITE-INS		
2501. Deferred Payment Obligation including carrying charges.....	837,915,544	803,978,629
2502. Rescinded Premium Payable.....	3,541,271	4,279,182
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)	841,456,815	808,257,811
2901.		0
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)	0	0
3201. Unapproved interest due on Surplus Note.....	11,125,000	11,125,000
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)	11,125,000	11,125,000

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 32,419,233)	32,169,631	35,849,304	135,075,784
1.2 Assumed (written \$.46)	.46	.71	209
1.3 Ceded (written \$ 1,389,026)	1,399,364	1,804,514	5,138,627
1.4 Net (written \$ 31,030,253)	30,770,313	34,044,861	129,937,366
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 56,661,969):			
2.1 Direct	37,295,525	80,187,682	240,573,304
2.2 Assumed	.0	.0	.0
2.3 Ceded	236,615	1,545,902	6,373,459
2.4 Net	37,058,910	78,641,780	234,199,845
3. Loss adjustment expenses incurred	(2,129,373)	1,382,153	3,982,824
4. Other underwriting expenses incurred	1,604,397	5,134,531	20,373,906
5. Aggregate write-ins for underwriting deductions	.0	.0	.0
6. Total underwriting deductions (Lines 2 through 5)	36,533,934	85,158,464	258,556,575
7. Net income of protected cells	.0	.0	.0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(5,763,621)	(51,113,603)	(128,619,209)
INVESTMENT INCOME			
9. Net investment income earned	4,641,249	893,288	3,179,661
10. Net realized capital gains (losses) less capital gains tax of \$	166,340	167,526	985,163
11. Net investment gain (loss) (Lines 9 + 10)	4,807,589	1,060,814	4,164,824
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)	.0	.0	.0
13. Finance and service charges not included in premiums	.0	.0	.0
14. Aggregate write-ins for miscellaneous income	0	3,735	4,768,751
15. Total other income (Lines 12 through 14)	0	3,735	4,768,751
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(956,032)	(50,049,054)	(119,685,634)
17. Dividends to policyholders	.0	.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)	(956,032)	(50,049,054)	(119,685,634)
19. Federal and foreign income taxes incurred	.0	.0	.0
20. Net income (Line 18 minus Line 19)(to Line 22)	(956,032)	(50,049,054)	(119,685,634)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	(852,748,289)	234,118,496	234,118,495
22. Net income (from Line 20)	(956,032)	(50,049,054)	(119,685,634)
23. Net transfers (to) from Protected Cell accounts	.0	.0	.0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(428,126)	15,871	(489,661)
25. Change in net unrealized foreign exchange capital gain (loss)	.0	.0	.0
26. Change in net deferred income tax	.0	.0	.0
27. Change in nonadmitted assets	489,734	42,341	825,164
28. Change in provision for reinsurance	.0	.0	.0
29. Change in surplus notes	.0	.0	.0
30. Surplus (contributed to) withdrawn from protected cells	.0	.0	.0
31. Cumulative effect of changes in accounting principles	.0	.0	(337,816,371)
32. Capital changes:			
32.1 Paid in	.0	.0	.0
32.2 Transferred from surplus (Stock Dividend)	.0	.0	.0
32.3 Transferred to surplus	.0	.0	.0
33. Surplus adjustments:			
33.1 Paid in	.0	.0	.0
33.2 Transferred to capital (Stock Dividend)	.0	.0	.0
33.3 Transferred from capital	.0	.0	.0
34. Net remittances from or (to) Home Office	.0	.0	.0
35. Dividends to stockholders	.0	.0	.0
36. Change in treasury stock	.0	.0	.0
37. Aggregate write-ins for gains and losses in surplus	0	44,490,880	(629,700,282)
38. Change in surplus as regards policyholders (Lines 22 through 37)	(894,424)	(5,499,962)	(1,086,866,784)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	(853,642,713)	228,618,534	(852,748,289)
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	(22,915)
1402. Income received under Asset Purchase Agreement		.0	4,791,666
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)	0	3,735	4,768,751
3701. Deferred Payment Obligation		44,490,880	(629,700,282)
3702. Increase in Contingency Reserve	(15,385,277)	(17,022,431)	(64,968,682)
3703. Decrease in Contingency Reserve	15,385,277	17,022,431	64,968,682
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)	0	44,490,880	(629,700,282)

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	31,906,299	31,385,950	104,915,178
2. Net investment income	5,386,601	6,326,888	27,105,934
3. Miscellaneous income	0	3,735	4,807,801
4. Total (Lines 1 to 3)	37,292,900	37,716,572	136,828,913
5. Benefit and loss related payments	47,999,509	56,729,304	222,626,806
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	4,974,727	4,897,262	14,880,173
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9)	52,974,236	61,626,566	237,506,979
11. Net cash from operations (Line 4 minus Line 10)	(15,681,336)	(23,909,994)	(100,678,066)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	47,227,676	27,607,348	183,023,268
12.2 Stocks	2,802	0	7,198
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	(766)
12.7 Miscellaneous proceeds	0	0	9,939
12.8 Total investment proceeds (Lines 12.1 to 12.7)	47,230,478	27,607,348	183,039,639
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0	19,837,429	41,584,493
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	2,173	39,600	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,173	19,877,029	41,584,493
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)	47,228,305	7,730,319	141,455,146
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).....	30,794	6,799,566	21,205,529
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	30,794	6,799,566	21,205,529
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)	31,577,763	(9,380,109)	61,982,609
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	129,811,456	67,828,847	67,828,847
19.2 End of period (Line 18 plus Line 19.1)	161,389,219	58,448,738	129,811,456

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

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

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

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

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

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

	<u>State of Domicile</u>	<u>2013</u>	<u>2012</u>
NET INCOME			
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	Illinois	\$.....(956,032)	\$.....(119,685,634)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:
(4) NAIC SAP (1-2-3=4)	\$.....(956,032)	\$.....(119,685,634)
SURPLUS			
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	\$.....(853,642,713)	\$.....(852,748,289)
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:
(8) NAIC SAP (5-6-7=8)	\$.....(853,642,713)	\$.....(852,748,289)

B. No change from year-end 2012.

C. No change from year-end 2012.

2. Accounting Changes and Corrections of Errors

No change from year-end 2012.

3. Business Combinations and Goodwill

No change from year-end 2012.

4. Discontinued Operations

No change from year-end 2012.

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

NOTES TO FINANCIAL STATEMENTS

5. Investments

- A. No change from year-end 2012.
- B. No change from year-end 2012.
- C. No change from year-end 2012.
- D. Loan-Backed Securities

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

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

	(1)	(2)	(3)
	Amortized Cost Basis Before Other-than- Temporary Impairment	Other-than-Temporary Impairment Recognized in Loss	Fair Value 1 - 2
OTTI recognized 1 st Quarter ***NONE***			
a. Intent to sell	\$.....0	\$.....	\$.....
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$.....	\$.....	\$.....
c. Total 1 st Quarter	\$.....	\$.....	\$.....
OTTI recognized 2 nd 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	\$.....2	\$.....	\$.....
f. Total 2 nd Quarter	\$.....	\$.....	\$.....
OTTI recognized 3 rd 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 3 rd Quarter	\$.....	\$.....	\$.....
OTTI recognized 4 th 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 4 th Quarter	\$.....	\$.....	\$.....
m. Annual Aggregate Total	\$.....	\$.....	\$.....

(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.

(5)

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

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

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

6. Joint Ventures, Partnerships and Limited Liability Companies

No change from year-end 2012.

7. Investment Income

No change from year-end 2012.

8. Derivative Instruments

No change from year-end 2012.

9. Income Taxes

No changes have occurred from year-end 2012 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 2012.
- b.) No change from year-end 2012.
- c.) No change from year-end 2012.
- d.) No change from year-end 2012.
- e.) No change from year-end 2012.
- f.) No change from year-end 2012.
- g.) No change from year-end 2012.
- h.) No change from year-end 2012.
- i.) No change from year-end 2012.
- j.) No change from year-end 2012.
- k.) No change from year-end 2012.
- l.) No change from year-end 2012.

11. Debt

- a.) No change from year-end 2012.
- b.) No change from year-end 2012.

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

NOTES TO FINANCIAL STATEMENTS

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

The total amount employees are allowed to defer in 2013 in the Company's defined contribution 401(k) plan is \$17,500, 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 2012.
- (2) No change from year-end 2012.
- (3) No change from year-end 2012.
- (4) No change from year-end 2012.
- (5) No change from year-end 2012.
- (6) No change from year-end 2012.
- (7) No change from year-end 2012.
- (8) No change from year-end 2012.
- (9) No change from year-end 2012.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$2,417,150

(1(11) The Company has the following Surplus Note:

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

- (12) The Company has had no quasi-reorganizations.
- (13) No change from year-end 2012.

14. Contingencies

- a. No change from year-end 2012.
- b. No change from year-end 2012.
- c. No change from year-end 2012.
- d. No change from year-end 2012.
- e. No change from year-end 2012.
- f. No change from year-end 2012.

15. Leases

A. Lessee Operating Lease

(1) No change from year-end 2012.

(2)

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

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

(3) No change from year-end 2012.

B. No change from year-end 2012.

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

No change from year-end 2012.

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

No change from year-end 2012. 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 2012.

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

No change from year-end 2012.

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

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 Measurements at Reporting Date

	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Bonds	\$0	\$ 1,828	\$0	\$ 1,828
Common Stock				
Parent, Subsidiaries, and Affiliates	\$0	\$7,453,133	\$0	\$7,453,133
Total assets at fair value	\$0	\$7,454,961	\$0	\$7,454,961
b. Liabilities at fair value				
None				
Total liabilities at fair value	\$0	\$0	\$0	\$0

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

Description	Beginning Balance on 1/1/2013	Transfer into Level 3	Transfer out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 3/31/2013
Assets										
Industrial & Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Liabilities										
none	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

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

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

C. The Company had the following financial instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Assets						
Bonds	\$541,526,588	\$520,091,371	\$0	\$541,526,588	\$0	\$0
Common Stock	7,453,133	7,453,133	0	7,453,133	0	0
Cash and short-term investments	161,389,219	161,389,219	161,389,219	0	0	0
Total	\$710,368,940	\$688,933,723	\$161,389,219	\$548,979,721	\$0	\$0

D. Not Practicable to Estimate Fair Value:

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

21. Other Items

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

G. Subprime-Mortgage-Related Risk Exposure

Subprime Mortgage Exposures

- (1) No change from year-end 2012.
- (2) Direct exposure through investments in subprime mortgage loans.

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

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

NOTES TO FINANCIAL STATEMENTS

21. Other Items (continued)

- (3) Direct exposure through other investments.

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	9,194,598	9,190,572	9,985,567	
b. Commercial mortgage-backed securities	22,048,946	22,019,591	22,517,247	
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investment in SCAs				
f. Other assets	12,051,104	12,024,230	12,535,274	
g. Total	43,294,648	43,234,393	45,038,088	

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

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

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

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

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

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

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

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

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

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

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

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

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

The total gross reserves based upon the credit classifications of TGIC as of March 31, 2013 were as follows:

		<u>As a % of total</u>
Prime	\$ 414,293,765	62.8%
Alt-A	214,309,481	32.5%
A-Minus	26,826,585	4.0%
Subprime (A)	<u>4,730,671</u>	<u>0.7%</u>
Total	\$660,160,502	100%

Losses and reserves related as of March 31, 2013 were as follows:

	<u>Total</u>	<u>Subprime</u>	<u>Subprime as a % of total</u>
Losses paid	\$ 84,461,297	\$340,564	0.6%
Incurring losses	43,312,607	160,296	1.9%
Case reserves	660,160,502	4,730,671	0.8%
IBNR reserves	18,851,001	0	0.0%

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

22. Events Subsequent

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

STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

- A. No change from year-end 2012 .
- B. No change from year-end 2012.

C. Reinsurance Assumed and Ceded

(1)

	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>
a. Affiliates	\$	\$	\$23,189	\$6,957	\$(23,189)	\$(6,957)
b. All Other	\$197	\$25	\$23,655	\$4,731	\$(23,655)	\$(4,731)
c. TOTAL	\$197	\$25	\$46,844	\$11,688	\$(46,844)	\$(11,688)
d. Direct Unearned Premium Reserve			\$6,104,337			

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

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

(3)The Company has no protected cells.

D. Uncollectible Reinsurance

(1) The Company has written off in the current year reinsurance balances due (from the companies listed below) in the amount of: \$1,744,924, which is reflected as:

a. Losses incurred	\$
b. Loss adjustment expenses incurred	\$
c. Premiums earned	\$
d. Other	\$

e. <u>Company</u>	<u>Amount</u>
BB&T Mortgage Reinsurance Corp	\$1,744,924

E. Commutation of Ceded Reinsurance – No change from year-end 2012.

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

(1) Losses incurred	\$
(2) Loss adjustment expenses incurred	\$
(3) Premiums earned	\$
(4) Other	\$

(5) <u>Company</u>	<u>Amount</u>
--------------------	---------------

F. No change from year-end 2012.

G. No change from year-end 2012.

H. No change from year-end 2012.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

No change from year-end 2012.

25. Changes in Incurred Losses and Loss Adjustment Expenses

Loss and LAE Reserves as of December 31, 2012 were \$661,075,504. As of March 31, 2013, \$82,498,493 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$578,319,317 as a result of re-estimation of unpaid losses and loss adjustment expenses adjusted for paid claims during 2013 relating to 2012 and prior. Therefore, there has been a \$257,694 favorable prior-year development since December 31, 2012. Reserves are established using estimated claims rates (frequency) and claim amounts (severity) to estimate ultimate losses. Management periodically reviews the loss reserve process and refines its methodology as appropriate. The reserving process gives effect to current economic conditions and profiles delinquencies by such factors as policy year, originations within bulk and flow channels, and the number of months a policy has been in default. The Company does not adjust premiums based on claim activity.

26. Intercompany Pooling Arrangements

No change from year-end 2012.

27. Structured Settlements

No change from year-end 2012.

28. Health Care Receivables

No change from year-end 2012.

29. Participating Policies

No change from year-end 2012.

30. Premium Deficiency Reserves

No change from year-end 2012.

31. High Deductibles

No change from year-end 2012.

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

No change from year-end 2012.

33. Asbestos/Environmental Reserves

No change from year-end 2012.

34. Subscriber Savings Accounts

No change from year-end 2012.

NOTES TO FINANCIAL STATEMENTS

35. Multiple Peril Crop Insurance

No change from year-end 2012.

36. Financial Guaranty Insurance

No change from year-end 2012.

STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

GENERAL INTERROGATORIES

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:

- 3.1 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]

3.2 If the response to 3.1 is yes, provide a brief description of those changes.
.....

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] NA [X]
If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007

- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2007

- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/03/2009

- 6.4 By what department or departments?
Illinois Department of Insurance.....

- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] NA []

- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [X] No []

- 7.2 If yes, give full information:
The Company's insurance license has been suspended and/or expired by several states as the Company is in Rehabilitation.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [] No [X]

- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes [] No [X]

- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

GENERAL INTERROGATORIES

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.

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

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

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

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

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

FINANCIAL

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

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

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

	1		2
	Prior Year-End Book/Adjusted Carrying Value		Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$		\$
14.22 Preferred Stock	\$		\$
14.23 Common Stock	\$ 7,881,259		\$ 7,453,133
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).....	\$ 7,881,259		\$ 7,453,133
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$		\$

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

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

If no, attach a description with this statement.

STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

GENERAL INTERROGATORIES

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE F - CEDED REINSURANCE

Showing All New 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)
<h1>NONE</h1>				

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

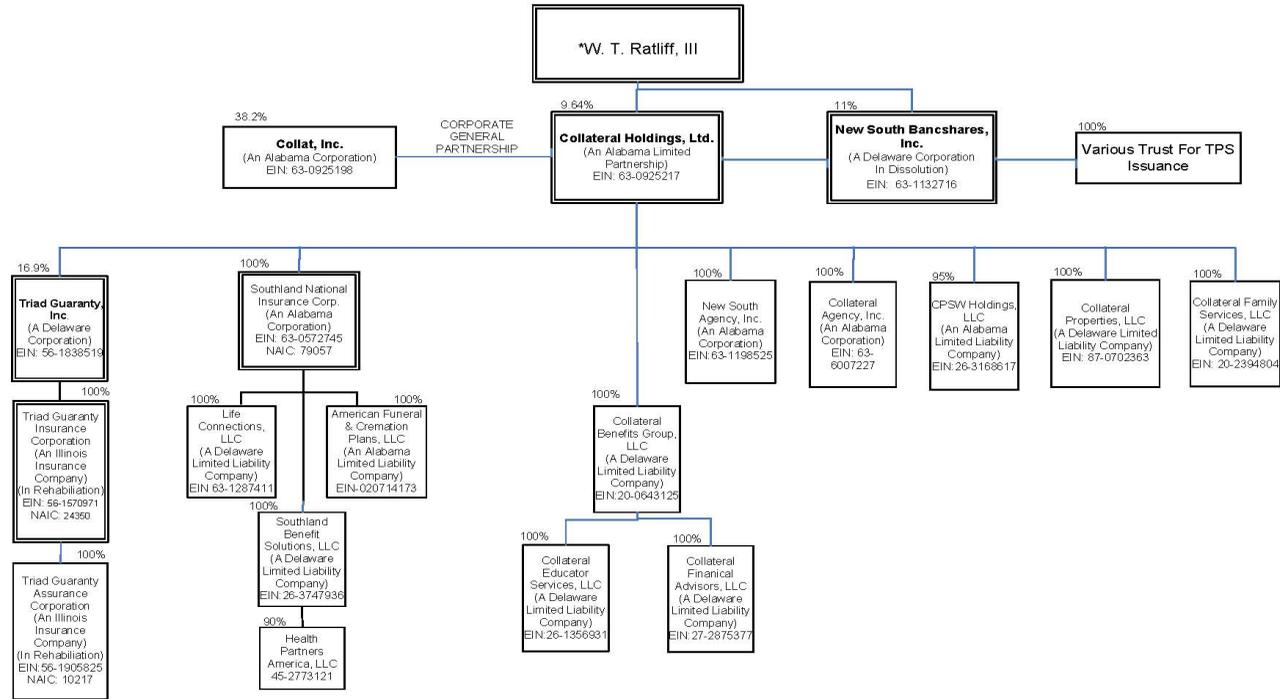
States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2	3	4	5	6	7	
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	
1. Alabama	AL	L	95,498	120,744	308,385	101,900	1,159,914	942,200
2. Alaska	AK	L		0		0		0
3. Arizona	AZ	L	467,847	627,260	2,597,423	4,279,683	7,110,595	9,976,598
4. Arkansas	AR	L	182,135	224,057	254,859	247,369	1,912,549	1,215,795
5. California	CA	L	6,344,039	8,629,857	24,791,886	28,577,481	188,880,667	147,692,173
6. Colorado	CO	L	1,684,069	1,375,692	2,182,045	2,531,226	22,834,174	9,971,960
7. Connecticut	CT	L	87,183	91,547	85,381	0	1,803,107	1,124,592
8. Delaware	DE	L	29,943	31,737		0	286,565	152,134
9. Dist. Columbia	DC	L	1,748,663	1,436,737	8,076,428	14,233,079	70,532,180	66,111,713
10. Florida	FL	L	1,233,129	1,464,240	4,980,042	4,407,891	44,667,977	32,942,925
11. Georgia	GA	L	576,681	741,011	904,052	1,678,110	7,078,431	5,048,511
12. Hawaii	HI	L	1,549	1,623		0	880	760
13. Idaho	ID	L	4,085	(1,498)		0	91,806	19,530
14. Illinois	IL	L	839,625	1,022,834	3,364,114	1,843,658	19,961,116	16,036,577
15. Indiana	IN	L	94,558	175,489	78,984	272,732	1,187,906	921,312
16. Iowa	IA	L	11,289	14,053	51,239	(17,766)	121,899	96,376
17. Kansas	KS	L	57,331	75,937	96,113	165,015	422,184	408,344
18. Kentucky	KY	L	228,933	315,168	568,566	408,228	2,888,761	2,403,758
19. Louisiana	LA	L	48,175	60,285	44,014	189,517	323,488	283,195
20. Maine	ME	L		0		0		0
21. Maryland	MD	L	325,879	335,816	352,901	667,430	8,425,336	4,555,398
22. Massachusetts	MA	L	177,474	208,906	181,314	401,541	3,719,081	2,365,944
23. Michigan	MI	L	523,666	679,270	1,277,314	1,948,021	8,701,565	6,532,550
24. Minnesota	MN	L	5,956,356	6,592,765	13,533,258	12,740,705	93,742,648	67,652,106
25. Mississippi	MS	L	39,646	50,841	(633)	176,564	256,712	162,552
26. Missouri	MO	L	92,106	112,417	98,420	271,257	776,180	482,936
27. Montana	MT	L	3,232	176		0	1,836	82
28. Nebraska	NE	L	80	604		0	45	283
29. Nevada	NV	L	112,556	108,702	486,210	1,299,109	3,227,675	2,426,850
30. New Hampshire	NH	L	7,820	10,557	92,338	35,025	4,443	63,980
31. New Jersey	NJ	L	566,952	617,117	1,095,847	1,125,477	18,143,059	10,973,840
32. New Mexico	NM	L	61,086	72,776	287,667	63,785	958,164	756,836
33. New York	NY	L	232,282	253,436	413,501	138,230	8,064,466	5,824,441
34. No. Carolina	NC	L	1,091,698	1,380,445	1,929,584	1,983,872	12,637,446	10,701,076
35. No. Dakota	ND	L		0		0		0
36. Ohio	OH	L	395,878	530,103	1,062,715	573,192	7,371,134	5,697,819
37. Oklahoma	OK	L	313,229	415,975	181,980	476,017	2,165,938	1,903,330
38. Oregon	OR	L	74,345	85,981	212,189	216,152	1,404,177	912,414
39. Pennsylvania	PA	L	386,420	474,479	1,106,355	876,947	5,544,624	3,971,294
40. Rhode Island	RI	L	23,945	30,706	39,968	0	615,559	623,445
41. So. Carolina	SC	L	604,622	766,846	1,157,195	1,629,306	9,298,043	7,524,212
42. So. Dakota	SD	L	1,339	1,934		0	761	16,460
43. Tennessee	TN	L	298,963	350,884	619,422	630,291	2,995,477	2,258,208
44. Texas	TX	L	6,506,827	5,505,699	9,006,215	12,433,241	72,515,986	41,680,199
45. Utah	UT	L	64,130	81,094	257,542	315,122	866,607	916,536
46. Vermont	VT	L		0		0		0
47. Virginia	VA	L	602,971	811,910	1,987,343	2,021,870	13,386,361	11,787,220
48. Washington	WA	L	87,127	105,937	457,608	164,102	1,720,606	1,172,742
49. West Virginia	WV	L	42,335	52,682		62,993	143,371	144,845
50. Wisconsin	WI	L	73,159	81,909	167,321	212,117	1,202,336	1,024,451
51. Wyoming	WY	L	18,378	22,045	74,192	0	10,442	51,247
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	CAN			0		0		0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a) 51		32,419,233	36,148,782	84,461,297	99,380,490	649,164,277	487,531,749
DETAILS OF WRITE-INS								
58001.		XXX						
58002.		XXX						
58003.		XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page.		XXX	0	0	0	0	0	0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (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, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
0421	Collateral Holding, Ltd.						William T. Ratliff, and family	USA	UDP	Collat general partnership, William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	0
0421	Collateral Holding, Ltd.		63-1132716				New South Bancshares, Inc.	USA	NIA	William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	0
0421	Collateral Holding, Ltd.						Various Trust for TPS Issuance	USA	NIA	New South Bancshares, Inc.	Ownership	100.0	William T. Ratliff, and family	6
0421	Collateral Holding, Ltd.		63-0925217				Collateral Holdings, Ltd.	USA	UDP	William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	5
0421	Collateral Holding, Ltd.		63-0925198				Collat, Inc.	USA	NIA	William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	4
0421	Collateral Holding, Ltd.		56-1838519		0000911631	OTCBB	Triad Guaranty, Inc.	USA	NIA	Collateral Holdings, Ltd.	Ownership	16.9	William T. Ratliff, and family	1
0421	Collateral Holding, Ltd.	24350	56-1570971				Triad Guaranty Insurance Corporation (In Rehabilitation)	USA	IA	Triad Guaranty, Inc.	Ownership	100.0	William T. Ratliff, and family	0
0421	Collateral Holding, Ltd.	10217	56-1905825				Triad Guaranty Assurance Corporation (In Rehabilitation)	USA	IA	Triad Guaranty Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	0
0421	Collateral Holding, Ltd.	79057	63-0572745				Southland National Insurance Corporation	USA		Collateral Holdings, Ltd.	Ownership	100.0	William T. Ratliff, and family	0
0421	Collateral Holding, Ltd.		64-0858642				Southland National Trust Company, Inc.	USA	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	0
0421	Collateral Holding, Ltd.		63-1065494				Southland National Funeral Group, Inc.	USA	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	0
0421	Collateral Holding, Ltd.		63-1287411				Life Connections, LLC	USA	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	0
0421	Collateral Holding, Ltd.		63-1263856				Benefit Resource Group, LLC	USA	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	0
0421	Collateral Holding, Ltd.		02-0714173				American Funeral & Cremation Plans, LLC	USA	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	0
0421	Collateral Holding, Ltd.		26-3747936				Southland Benefits Solutions, LLC	USA	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	0

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire			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	32,169,631	37,295,525	115.9	223.7
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	32,169,631	37,295,525	115.9	223.7
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	32,419,233	32,419,233	36,148,782
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	32,419,233	32,419,233	36,148,782
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, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2013 Loss and LAE Payments on Claims Reported as of Prior Year-End	2013 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2013 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. 2010 + Prior	289,838		289,838	34,156		34,156	440,780			440,780	185,099	0	185,099
2. 2011	158,810	2,331	161,141	24,384		24,384	(48,866)			(48,866)	(183,292)	(2,331)	(185,623)
3. Subtotals 2011 + prior	448,648	2,331	450,979	58,540	0	58,540	391,914	0	0	391,914	1,807	(2,331)	(525)
4. 2012	212,428	20,981	233,409	23,958		23,958	186,405		1,786	188,191	(2,064)	(19,196)	(21,260)
5. Subtotals 2012 + prior	661,076	23,313	684,388	82,499	0	82,499	578,319	0	1,786	580,105	(258)	(21,527)	(21,784)
6. 2013	XXX	XXX	XXX	XXX	159	159	XXX	40,483	16,072	56,555	XXX	XXX	XXX
7. Totals	661,076	23,313	684,388	82,499	159	82,657	578,319	40,483	17,858	636,660	(258)	(21,527)	(21,784)
8. Prior Year-End Surplus As Regards Policy-holders	(852,748)												
											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. 0.0	2. (92.3)	3. (3.2)
													Col. 13, Line 7 Line 8
													4. 2.6

STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

OVERFLOW PAGE FOR WRITE-INS

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

SCHEDULE A – VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	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	575,507,649	720,429,949
2. Cost of bonds and stocks acquired		41,584,493
3. Accrual of discount	175,870	1,508,530
4. Unrealized valuation increase (decrease)	(428,127)	(489,665)
5. Total gain (loss) on disposals	143,168	1,055,693
6. Deduct consideration for bonds and stocks disposed of	47,226,882	183,030,466
7. Deduct amortization of premium	784,745	5,481,124
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized	(157,571)	69,765
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	527,544,504	575,507,649
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	527,544,504	575,507,649

STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by 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).....	614,380,758	309,260,208	310,369,662	(5,113,777)	608,157,526	0	0	614,380,758
2. Class 2 (a).....	37,373,989		6,016,594	3,472,735	34,830,130	0	0	37,373,989
3. Class 3 (a).....	1,077,417			1,191,947	2,269,364	0	0	1,077,417
4. Class 4 (a).....	406,606			744	407,350	0	0	406,606
5. Class 5 (a).....	1,095,719		187	7,102	1,102,634	0	0	1,095,719
6. Class 6 (a).....	2,099			(2,099)	0	0	0	2,099
7. Total Bonds	654,336,588	309,260,208	316,386,443	(443,348)	646,767,004	0	0	654,336,588
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	654,336,588	309,260,208	316,386,443	(443,348)	646,767,004	0	0	654,336,588

(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 \$126,675,717 ; 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	40,191,560	XXX	40,190,262		

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.....	86,710,197	28,204,983
2. Cost of short-term investments acquired	222,782,793	315,909,218
3. Accrual of discount	1,298	0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	269,302,728	256,705,568
7. Deduct amortization of premium.....		697,670
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		766
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	40,191,560	86,710,197
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	40,191,560	86,710,197

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

**STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN
REHABILITATION**

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	0
2. Cost of cash equivalents acquired	86,477,415	39,995,586
3. Accrual of discount	6,742	4,414
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals		40,000,000
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)	86,484,157	0
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	86,484,157	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, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
383766-6E-5	GNR 2011-152 A		03/01/2013	MBS PAYMENT		606,216	606,216	604,795	606,178		38		38		606,216			0	1,638	07/16/2033	1
383766-AG-5	GNR 2009-71 A		03/01/2013	MBS PAYMENT		1,385,470	1,385,470	1,436,560	1,388,406	(2,935)		(2,935)			1,385,470			0	8,743	04/16/2038	1
383766-U0-1	GNR 2010-118 A		03/01/2013	MBS PAYMENT		299,622	299,622	302,337	299,639	(17)		(17)			299,622			0	509	11/16/2032	1
38378B-AH-2	GNR 2011-164 A		03/01/2013	MBS PAYMENT		280,503	280,503	280,514	280,514	(11)		(11)			280,503			0	734	12/16/2037	1
912828-H0-6	US TREASURY N/B		01/31/2013	MATURITY		780,000	780,000	809,250	780,848	(848)		(848)			780,000			0	11,213	01/31/2013	1
0599999 - Bonds - U.S. Governments						3,351,811	3,351,811	3,433,679	3,355,585	0	(3,773)	0	(3,773)	0	3,351,811	0	0	0	22,837	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																					
02765P-AF-2	AMERICAN MUNT PWR-OHIO INC OH		02/01/2013	MATURITY		1,000,000	1,000,000	927,888	997,081		2,919		2,919		1,000,000			0	25,000	02/01/2013	1FE
3128MB-VP-9	FG 613122		03/01/2013	MBS PAYMENT		154,943	154,943	151,312	154,874		70		70		154,943			0	1,230	04/01/2023	1
3128PK-7A-6	FG J08089		03/01/2013	MBS PAYMENT		221,767	221,767	221,281	221,767		20		20		221,767			0	1,776	06/01/2023	1
3128PK-XM-1	FG J07884		03/01/2013	MBS PAYMENT		206,478	206,478	206,478	206,478						206,478			0	1,867	05/01/2023	1
31349U-B3-1	FH 782758		03/01/2013	VARIOUS		29,476	29,476	31,815	31,815	(10)		(10)		31,805		(2,329)	(2,329)	465	11/01/2036	1	
31359M-R6-0	FANNIE MAE		03/15/2013	MATURITY		200,000	200,000	206,534	201,541	(1,541)		(1,541)			200,000			0	4,375	03/15/2013	1
314020-ZE-4	FN 735241		03/01/2013	VARIOUS		557	557	574	557					557			0	3	02/01/2035	1	
31403B-PC-1	FN 743919		03/01/2013	VARIOUS		4,813	4,813	5,027	4,817	(4)		(4)		4,813			0	26	11/01/2018	1	
31403D-RH-4	FN 745788		03/01/2013	VARIOUS		13,377	13,377	14,239	14,239	112		112		14,351		(975)	(975)	86	08/01/2036	1	
31403D-VZ-9	FN 745932		03/01/2013	VARIOUS		6,782	6,782	7,421	6,776	5		5		6,782			0	73	11/01/2036	1	
31404V-Y6-9	FN 780233		03/01/2013	VARIOUS		14,531	14,531	15,169	14,538	(8)		(8)		14,531			0	106	05/01/2019	1	
31405H-6L-7	FN 790275		03/01/2013	VARIOUS		941	941	972	941					941			0	6	08/01/2034	1	
31405R-CR-5	FN 796680		03/01/2013	VARIOUS		15,723	15,723	16,450	15,723	(9)		(9)		15,723			0	90	10/01/2019	1	
31410K-JY-1	FN 889579		03/01/2013	VARIOUS		34,587	34,587	36,970	34,573	14		14		34,587			0	330	05/01/2038	1	
31410R-6J-3	FN 895573		03/01/2013	VARIOUS		2,585	2,585	2,673	2,585					2,585			0	12	06/01/2036	1	
31411V-DP-5	FN 918210		03/01/2013	VARIOUS		10,472	10,472	11,004	10,465	7		7		10,472			0	149	05/01/2037	1	
31412W-SD-1	FN 929416		03/01/2013	VARIOUS		11,587	11,587	12,361	11,587	(1)		(1)		11,587			0	103	05/01/2038	1	
31414D-JF-1	FN 963282		03/01/2013	VARIOUS		372,983	372,983	366,980	372,834	149		149		372,983			0	3,036	05/01/2023	1	
31416J-PH-8	FN A41323		03/01/2013	VARIOUS		17,967	17,967	19,530	17,975	(8)		(8)		17,967			0	96	11/01/2032	1	
31417Y-T7-2	FN MA0573		03/01/2013	VARIOUS		49,431	49,431	49,620	49,370	61		61		49,431			0	310	11/01/2025	1	
45528S-AU-0	INDIANAPOLIS IN LOCAL PUBLIC I		01/02/2013	100,000		1,000,000	1,000,000	843,330	866,483	834		834		867,318		132,682	132,682	25,000	01/01/2022	1FE	
605275-MQ-6	MISSISSIPPI BUSINESS FIN CORP		01/02/2013	SINK CALLED BY ISSUER at		21,692	21,692	20,827	21,688	4		4		21,692			0	434	01/01/2022	2Z	
717903-YN-2	HGR ED PHILADELPHIA PA HOSPS &		01/02/2013	100,000		30,000	30,000	30,000	30,000	0		0		30,000			0	795	01/01/2018	1Z	
798136-NC-7	SAN JOSE CA ARPT REVENUE		03/01/2013	MATURITY		1,000,000	1,000,000	1,009,140	1,000,327	(327)		(327)		1,000,000			0	25,000	03/01/2013	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						4,420,692	4,420,692	4,207,595	4,289,024	0	2,287	0	2,287	0	4,291,313	0	129,378	129,378	90,368	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
02005X-AB-4	ALLYA 2011-4 A2		02/15/2013	MBS PAYMENT		257,325	257,324	256,988	257,287		36		36		257,324			0	178	03/17/2014	1FE
02660Y-AU-6	AHM 2006-2 3A2		02/25/2013	VARIOUS		3,083	3,083	1,563	1,563					1,563		1,520	1,520	22	06/25/2036	1FM	
03064R-AB-3	AMCAR 2011-4 A2		03/08/2013	MBS PAYMENT		184,951	184,951	184,689	184,903		49		49		184,951			0	284	03/09/2015	1FE
03064T-AB-9	AMCAR 2011-5 A2		03/08/2013	MBS PAYMENT		594,856	594,856	594,830	594,772		84		84		594,856			0	1,205	08/08/2015	1FE
03064U-AB-6	AMCAR 2012-1 A2		03/08/2013	MBS PAYMENT		199,144	199,144	199,134	199,121		22		22		199,144			0	308	10/08/2015	1FE
03523T-AR-9	ANHEUSER-BUSCH INBEV WOR		03/26/2013	MATURITY		7,000,000	7,000,000	7,129,360	7,024,766	(24,766)		(24,766)		7,000,000			0	87,500	03/26/2013	1FE	
054303-AT-9	AVON PRODUCTS INC		03/01/2013	MATURITY		1,707,000	1,707,000	1,728,781	1,712,352	(5,352)		(5,352)		1,707,000			0	40,968	03/01/2013	2FE	
06052W-AC-9	BAAAT 2010-2 A3		02/15/2013	MBS PAYMENT		102,312	102,312	102,309	102,312					102,312			0	163	07/15/2014	1FE	
09657W-AC-2	BWOT 2010-A A3		03/25/2013	VARIOUS		166,529	166,529	166,526	166,529					166,529			0	348	04/25/2014	1FE	
12616V-AB-8	CNH 2011-C A2		03/15/2013	MBS PAYMENT		750,036	750,036	749,672	749,859	177		177		750,036			0	1,101	04/15/2015	1FE	
12668B-TJ-2	CWALT 2006-J2 A6		03/01/2013	VARIOUS		4,093	5,810	4,270	4,270					4,270			0	51	04/25/2036	1FM	
12669G-LP-4	CWHL 2005-HYB1 4A1		03/01/2013	VARIOUS		2,951	2,951	1,948	1,948					1,948		1,003	1,003	13	03/25/2035	1FM	
12669Y-AC-6	CWHL 2006-J4 A3		03/01/2013	VARIOUS		4,562	8,015	5,168	5,168					5,168		(605)	(605)	86	09/25/2036	1FM	
15200D-AC-1	CNP 2005-A A3		02/01/2013	MBS PAYMENT		762,204	762,204	829,979	747,882	14,322		14,322		762,204			0	19,398	08/01/2015	1FE	
16162W-AL-3	CHASE 2003-S10 A1		02/25/2013	VARIOUS		126,078	126,078	127,603	127,477	(1,399)		(1,399)		126,078			0	983	11/25/2018	1FM	
16162W-BZ-1	CHASE 2003-S12 2A1		02/25/2013	VARIOUS		137,400	137,400	139,060	138,923	(1,524)		(1,524)		137,400			0	1,106	12/25/2018	1FM	
172973-A6-6	CMSI 2004-5 2A6		03/01/2013	VARIOUS		14,347	14,347	13,460	14,344	3		3		14,347			0	135	08/25/2034	1FM	
173105-AC-1	CMSI 2007-1 1A3		03/01/2013	VARIOUS		27,819	27,819	26,169	26,169					26,169		1,650	1,650	162	01/25/2037	1FM	
225415-GM-4	CSFB 2004-3 2A1		03/01/2013	VARIOUS		31,480	31,480	31,598	31,482	(2)		(2)		31,480			0	286	04/25/2019	1FM	
225458-XS-2	CSFB 2005-6 3A1		03/01/2013	VARIOUS		1,731	1,731	1,703	1,731					1,731			0	10	07/25/2020	1FM	
244217-BK-0	JOHN DEERE CAPITAL CORP		01/15/2013	MATURITY		2,277,000	2,277,000	2,280,347	2,280,347	(3,347)		(3,347)		2,277,000			0	58,064	01/15/2013	1FE	
34529L-AD-6	FORDO 2010-A A3		03/15/2013	MBS PAYMENT		249,233	249,233	249,188	249,231		2		2		249,233			0	494	06/15/2014	1FE
34529T-AB-3	FORDL 2011-B A2		03/15/2013	MBS PAYMENT		812,986	812,986	812,346	812,773		212		212		812,986			0</			

STATEMENT AS OF MARCH 31, 2013 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN REHABILITATION

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)	
41283N-AB-7	HDMOT 2011-1 A2A		03/15/2013	MBS PAYMENT		170,255	170,255	169,987	170,231		25		25		170,255			.0	160	10/15/2014	1FE	
43811A-AB-2	HAROT 2011-3 A2		03/21/2013	MBS PAYMENT		830,271	830,271	829,902	830,074		196		196		830,271			.0	918	04/21/2014	1FE	
477867-AC-9	JDOT 2011-A A3		03/15/2013	MBS PAYMENT		2,140,278	2,140,278	2,152,063	2,140,810		(532)		(532)		2,140,278			.0	4,547	01/15/2016	1FE	
57643M-DE-1	MASTR 2004-6 4A1		03/01/2013	VARIOUS		35,003	35,003	35,423	35,017		(14)		(14)		35,003			.0	207	07/25/2019	1FM	
581557-AU-9	WKESSON CORP.		03/01/2013	MATURITY		7,000,000	7,000,000	7,345,730	7,049,527		(49,527)		(49,527)		7,000,000			.0	183,750	03/01/2013	1FE	
587682-AC-9	MBART 2010-1 A3		03/15/2013	MBS PAYMENT		79,407	79,407	79,392	79,384		24		24		79,407			.0	183	08/15/2014	1FE	
587727-AB-4	MBALT 2011-B A2		03/15/2013	MBS PAYMENT		1,332,865	1,332,865	1,332,163	1,332,582		283		283		1,332,865			.0	1,980	01/15/2014	1FE	
637432-LM-5	NATIONAL RURAL UTIL COOP.		03/01/2013	101.687 CALLED BY ISSUER at		524,705	516,000	515,195	515,909		8,796		8,796		524,705			.0	15,765	07/01/2013	1FE	
65475H-AB-7	NALT 2011-A A2A		03/15/2013	MBS PAYMENT		552,322	552,322	551,634	552,219		104		104		552,322			.0	560	01/15/2014	1FE	
66880H-AA-0	NORVELL CONWAY LLC		02/04/2013	VARIOUS		543,213	461,365	379,302	377,529		2,802	(157,571)	160,373		537,902		5,312	5,312	3,981	12/15/2018	2Z	
68233L-AC-3	ONCOR 2003-1 A3		02/15/2013	MBS PAYMENT		380,543	380,543	381,301	380,738		(195)		(195)		380,543			.0	9,418	02/15/2015	1FE	
73328V-AD-5	PILOT 2011-1 A2		03/20/2013	MBS PAYMENT		836,697	836,697	836,410	836,510		187		187		836,697			.0	1,273	02/20/2014	1FE	
75953M-AD-2	CNP 2001-1 A4		03/15/2013	MBS PAYMENT		1,086,623	1,086,623	1,135,001	1,095,530		(8,908)		(8,908)		1,086,623			.0	30,588	09/15/2015	1FE	
761118-TB-4	RALI 2006-QA1 A21		03/01/2013	MBS PAYMENT		619	1,311	636	636						636		(16)	(16)	9	01/25/2036	1FM	
76111X-ZC-0	RFMSI 2005-SA5 3A		03/01/2013	VARIOUS CALLED BY ISSUER at		19,414	21,188	15,005	15,005						15,005		4,409	4,409	146	11/25/2035	1FM	
771196-AQ-5	ROCHE HLDGS INC.		03/21/2013	104.088		3,309,998	3,180,000	3,281,537	3,205,961		104,038		104,038		3,309,998			.0	88,333	03/01/2014	1FE	
86359L-TB-5	SAMI 2006-AR1 1A2		03/25/2013	MBS PAYMENT		147	995	187	187						187		(40)	(40)	1	02/25/2036	5FM	
89235V-AC-9	TAOT 2010-B A3		03/15/2013	MBS PAYMENT		132,643	132,643	132,632	132,621		22		22		132,643			.0	226	02/18/2014	1FE	
92867F-AB-1	VWALT 2011-A A2		03/20/2013	MBS PAYMENT		356,153	356,153	356,149	356,089		64		64		356,153			.0	603	02/20/2014	1FE	
92867K-AB-0	VWALT 2012-A A2		03/20/2013	MBS PAYMENT		53,048	53,048	53,044	53,036		12		12		53,048			.0	58	11/20/2014	1FE	
949758-AD-8	WFMS 2004-0 A1		03/01/2013	VARIOUS		17,802	17,802	17,824	17,812		(10)		(10)		17,802			.0	150	08/25/2034	1FM	
94979X-AA-5	WFMS 2003-H A1		03/01/2013	VARIOUS		14,740	14,740	14,282	14,733		7		7		14,740			.0	114	09/25/2033	1FM	
73755L-AC-1	POTASH CORP-SASKATCHEWAN, L.A.		03/01/2013	MATURITY		3,750,000	3,750,000	3,928,780	3,774,260		(24,260)		(24,260)		3,750,000			.0	91,406	03/01/2013	2FE	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						39,453,645	39,241,577	40,050,638	39,271,325	0	11,695	(157,571)	169,266	0	39,440,591	0	13,056	13,056	650,341	XXX	XXX	
8399997 - Subtotals - Bonds - Part 4						47,226,148	47,014,080	47,691,912	46,915,934	0	10,209	(157,571)	167,780	0	47,083,715	0	142,434	142,434	763,546	XXX	XXX	
8399999 - Subtotals - Bonds						47,226,148	47,014,080	47,691,912	46,915,934	0	10,209	(157,571)	167,780	0	47,083,715	0	142,434	142,434	763,546	XXX	XXX	
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																						
00685R-70-6	ADELPHIA CONTINGENT VALUE NAVISTAR INTERNATIONAL		02/08/2013	CLASS ACTION	2.000	709	XXX						0				709	709		XXX	U	
63934E-10-8	CORP		03/11/2013	CLASS ACTION	1.000	3	XXX						0				3	3		XXX		
92343X-10-0	VERINT SYSTEMS INC.		03/08/2013	CLASS ACTION	1.000	22	XXX						0				22	22		XXX		
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						734	XXX	0	0	0	0	0	0	0	0	0	0	734	734	0	XXX	XXX
9799997 - Subtotals - Common Stocks - Part 4						734	XXX	0	0	0	0	0	0	0	0	0	0	734	734	0	XXX	XXX
9799999 - Subtotals - Common Stocks						734	XXX	0	0	0	0	0	0	0	0	0	0	734	734	0	XXX	XXX
9899999 - Subtotals - Preferred and Common Stocks						734	XXX	0	0	0	0	0	0	0	0	0	0	734	734	0	XXX	XXX
9999999 Totals						47,226,882	XXX	47,691,912	46,915,934	0	10,209	(157,571)	167,780	0	47,083,715	0	143,168	143,168	763,546	XXX	XXX	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues1.

E05.1

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

