



# QUARTERLY STATEMENT

AS OF JUNE 30, 2012  
OF THE CONDITION AND AFFAIRS OF THE  
**TRIAD GUARANTY INSURANCE CORPORATION**

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

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

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

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

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

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

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

Internet Web Site Address www.triadguaranty.com

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

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

## OTHER OFFICERS

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

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

State of North Carolina

County of Forsyth ss

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

Kenneth Wayne Jones  
CEO and Chief Financial Officer

Earl Franklin Wall  
Secretary

Kenneth Stephen Dwyer  
Chief Accounting Officer

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

Subscribed and sworn to before me this  
1st day of August, 2012

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

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

STATEMENT AS OF JUNE 30, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	668,927,233		668,927,233	712,059,028
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	7,873,806		7,873,806	8,370,920
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....34,589,085 ), cash equivalents (\$ .....0 ) and short-term investments (\$ ..... 33,914,858 ) .....	68,503,943		68,503,943	67,828,847
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....	1,030,320		1,030,320	12,977
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	746,335,302	0	746,335,302	788,271,772
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	6,138,578		6,138,578	6,468,052
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	9,022,307		9,022,307	10,788,415
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	28,440,195		28,440,195	29,849,630
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	2,769,696		2,769,696	4,389,006
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....			0	0
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....	601,222	574,012	27,210	41,239
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	89,255	89,255	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	43,525		43,525	40,977
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	1,649,981	1,611,677	38,304	38,304
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	795,090,061	2,274,944	792,815,117	839,887,395
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	795,090,061	2,274,944	792,815,117	839,887,395
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Prepaid expenses .....	1,611,677	1,611,677	0	0
2502. Accounts receivable .....	38,304		38,304	38,304
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	1,649,981	1,611,677	38,304	38,304

STATEMENT AS OF JUNE 30, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....74,799,985 ) .....	436,476,612	478,850,170
2. Reinsurance payable on paid losses and loss adjustment expenses .....		0
3. Loss adjustment expenses .....	8,446,429	9,636,988
4. Commissions payable, contingent commissions and other similar charges .....		0
5. Other expenses (excluding taxes, licenses and fees) .....	12,845,676	12,059,704
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	938,883	1,031,810
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....		0
7.2 Net deferred tax liability .....		0
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....68,021 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	7,048,189	6,801,773
10. Advance premium .....		0
11. Dividends declared and unpaid:		
11.1 Stockholders .....		0
11.2 Policyholders .....		0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	1,076,617	1,304,768
13. Funds held by company under reinsurance treaties .....		0
14. Amounts withheld or retained by company for account of others .....	75,816,003	63,076,924
15. Remittances and items not allocated .....	319,662	214,849
16. Provision for reinsurance .....		0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		0
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....		167,247
20. Derivatives .....		0
21. Payable for securities .....	8,043	0
22. Payable for securities lending .....		0
23. Liability for amounts held under uninsured plans .....		0
24. Capital notes \$ ..... and interest thereon \$ .....		0
25. Aggregate write-ins for liabilities .....	19,509,399	32,624,666
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	562,485,513	605,768,899
27. Protected cell liabilities .....		0
28. Total liabilities (Lines 26 and 27) .....	562,485,513	605,768,899
29. Aggregate write-ins for special surplus funds .....	723,551,213	629,700,281
30. Common capital stock .....	3,500,000	3,500,000
31. Preferred capital stock .....		0
32. Aggregate write-ins for other than special surplus funds .....	10,012,500	8,900,000
33. Surplus notes .....	25,000,000	25,000,000
34. Gross paid in and contributed surplus .....	105,215,928	105,215,928
35. Unassigned funds (surplus) .....	(636,950,037)	(538,197,713)
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....		0
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) .....	230,329,604	234,118,496
38. Totals (Page 2, Line 28, Col. 3)	792,815,117	839,887,395
<b>DETAILS OF WRITE-INS</b>		
2501. Rescinded premium payable .....	19,509,399	32,624,666
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	19,509,399	32,624,666
2901. Deferred Payment Obligation including carrying charges .....	723,551,213	629,700,281
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	723,551,213	629,700,281
3201. Unapproved interest due on Surplus Note .....	10,012,500	8,900,000
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above) .....	10,012,500	8,900,000

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 74,097,189 )	73,852,243	75,751,672	167,437,383
1.2 Assumed (written \$ .72 )	117	59	280
1.3 Ceded (written \$ 3,269,503 )	3,271,017	4,394,258	8,576,066
1.4 Net (written \$ 70,827,758 )	70,581,343	71,357,472	158,861,597
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 77,779,340 ):			
2.1 Direct	165,917,322	157,586,441	367,428,221
2.2 Assumed		0	
2.3 Ceded	4,895,533	4,721,138	14,019,924
2.4 Net	161,021,789	152,865,302	353,408,297
3. Loss adjustment expenses incurred	2,455,878	1,959,186	814,766
4. Other underwriting expenses incurred	8,980,306	8,942,867	17,376,304
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	172,457,973	163,767,355	371,599,367
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(101,876,630)	(92,409,883)	(212,737,770)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	1,564,475	7,541,981	11,313,225
10. Net realized capital gains (losses) less capital gains tax of \$	599,433	2,348,588	14,378,183
11. Net investment gain (loss) (Lines 9 + 10)	2,163,908	9,890,569	25,691,409
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ )		0	0
13. Finance and service charges not included in premiums		0	0
14. Aggregate write-ins for miscellaneous income	2,411,968	55,902	66,753
15. Total other income (Lines 12 through 14)	2,411,968	55,902	66,753
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(97,300,754)	(82,463,412)	(186,979,608)
17. Dividends to policyholders		0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(97,300,754)	(82,463,412)	(186,979,608)
19. Federal and foreign income taxes incurred		0	0
20. Net income (Line 18 minus Line 19)(to Line 22)	(97,300,754)	(82,463,412)	(186,979,608)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	234,118,496	225,929,726	225,929,726
22. Net income (from Line 20)	(97,300,754)	(82,463,412)	(186,979,608)
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(497,114)	(1,375,816)	(1,808,068)
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax		0	0
27. Change in nonadmitted assets	158,045	702,664	3,668,733
28. Change in provision for reinsurance		0	0
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	(20,735,071)
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	93,850,931	101,535,566	214,042,785
38. Change in surplus as regards policyholders (Lines 22 through 37)	(3,788,892)	18,399,001	8,188,770
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	230,329,604	244,328,727	234,118,496
<b>DETAILS OF WRITE-INS</b>			
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	2,411,968	55,902	66,753
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	2,411,968	55,902	66,753
3701. Deferred Payment Obligation	93,850,931	101,535,566	214,042,785
3702. Increase in Contingency Reserve	(35,290,671)	(35,678,736)	(79,430,799)
3703. Decrease in Contingency Reserve	35,290,671	35,678,736	79,430,799
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	93,850,931	101,535,566	214,042,785

## CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	60,876,980	72,627,583	146,077,106
2. Net investment income .....	14,021,914	17,823,468	34,020,621
3. Miscellaneous income .....	2,411,968	55,902	65,873
4. Total (Lines 1 to 3) .....	77,310,862	90,506,952	180,163,600
5. Benefit and loss related payments .....	121,489,991	127,353,374	265,755,614
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	8,281,247	10,461,825	18,628,384
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	0	(11,706,978)	(11,706,978)
10. Total (Lines 5 through 9) .....	129,771,238	126,108,221	272,677,020
11. Net cash from operations (Line 4 minus Line 10) .....	(52,460,376)	(35,601,269)	(92,513,420)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	68,252,471	93,872,306	344,661,987
12.2 Stocks .....	5,347	1,424	1,593
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	60	(9,742)
12.7 Miscellaneous proceeds .....	0	41,204	28,838
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	68,257,818	93,914,994	344,682,676
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	26,682,329	33,564,367	276,054,017
13.2 Stocks .....	0	0	0
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	1,009,302	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	27,691,631	33,564,367	276,054,017
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	40,566,187	60,350,627	68,628,659
<b>Cash from Financing and Miscellaneous Sources</b>			
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).....	12,569,285	5,496,406	17,968,795
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	12,569,285	5,496,406	17,968,795
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	675,096	30,245,764	(5,915,966)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	67,828,847	73,744,813	73,744,813
19.2 End of period (Line 18 plus Line 19.1) .....	68,503,943	103,990,577	67,828,847

## NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

## a. Accounting Practices

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

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

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

	<u>2012</u>
Net income, Illinois basis	\$ (97,300,754)
State prescribed practice (incurred losses)	
Change in direct loss reserves	<u>29,527,319</u>
Net income, NAIC SAP	<u>\$ (67,773,435)</u>
Statutory surplus, Illinois basis	\$ 230,329,604
State prescribed practices (surplus)	
Loss reserves	(308,289,052)
Deferred payment obligation	<u>(723,551,213)</u>
Statutory surplus, NAIC SAP	<u>\$ (801,510,661)</u>

b. No change from year-end 2011.

c. No change from year-end 2011.

2. Accounting Changes and Corrections of Errors

No change from year-end 2011.

3. Business Combinations and Goodwill

No change from year-end 2011.

4. Discontinued Operations

No change from year-end 2011.

5. Investments

a. No change from year-end 2011.

b. No change from year-end 2011.

c. No change from year-end 2011.

d. Loan-Backed Securities:

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

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

	Amortized Cost Basis Before Other- than-Temporary Impairment	Other-than Temporary Impairment Recognized in Loss	Fair Value
<b>OTTI recognized 1st Quarter</b>			
a. Intent to sell	\$ -	\$ -	\$ -
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	<u>217,711</u>	<u>12,345</u>	<u>205,366</u>
c. Total 1st Quarter	<u>217,711</u>	<u>12,345</u>	<u>205,366</u>
<b>OTTI recognized 2nd Quarter</b>			
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	<u>281,618</u>	<u>1,085</u>	<u>280,534</u>
f. Total 2nd Quarter	<u>281,618</u>	<u>1,085</u>	<u>280,534</u>
<b>OTTI recognized 3rd Quarter</b>			
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	<u>-</u>	<u>-</u>	<u>-</u>
i. Total 3rd Quarter	<u>-</u>	<u>-</u>	<u>-</u>

## NOTES TO FINANCIAL STATEMENTS

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

j. Intent to sell	\$	-	\$	-	\$	-
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis		-		-		-
l. Total 4th Quarter		-		-		-
m. Annual Aggregate Total	\$	499,329	\$	13,430	\$	485,900

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

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

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

e. No change from year-end 2011.

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

g. No change from year-end 2011.

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

No change from year-end 2011.

**7. Investment Income**

No change from year-end 2011.

**8. Derivative Instruments**

No change from year-end 2011.

**9. Income Taxes**

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

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

a. No change from year-end 2011.

b. No change from year-end 2011.

c. No change from year-end 2011.

d. No change from year-end 2011.

e. No change from year-end 2011.

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

g. No change from year-end 2011.

h. No change from year-end 2011.

i. No change from year-end 2011.

j. No change from year-end 2011.

k. No change from year-end 2011.

l. No change from year-end 2011.

**11. Debt**

No change from year-end 2011.

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

The total amount employees are allowed to defer in 2012 in the Company's defined contribution 401(k) plan is \$16,500, except for employees 50 or older who may defer an additional \$5,500.

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

(1) No change from year-end 2011.

(2) No change from year-end 2011.

(3) No change from year-end 2011.

(4) No change from year-end 2011.

(5) No change from year-end 2011.

(6) No change from year-end 2011.

## NOTES TO FINANCIAL STATEMENTS

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

(7) No change from year-end 2011.

(8) No change from year-end 2011.

(9) No change from year-end 2011.

(10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains and losses was \$2,837,823.

(11) There was no interest paid in the current year on the Company's surplus note. At June 30, 2012, interest past due of \$10,012,500 remained unapproved by the Illinois Department of Insurance. No other change from year-end 2011.

(12) No change from year-end 2011.

(13) No change from year-end 2011.

### 14. Contingencies

a. No change from year-end 2011.

b. No change from year-end 2011.

c. No change from year-end 2011.

d. No change from year-end 2011.

e. No change from year-end 2011.

f. No change from year-end 2011.

### 15. Leases

a. Lessee Operating Lease

(1) No change from year-end 2011.

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

(3) No change from year-end 2011.

b. Lessor Lease

(1) No change from year-end 2011.

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

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

No change from year-end 2011.

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

No change from year-end 2011. The Company did not have any transfers of receivables reported as sales, transfer and servicing of financial assets, or wash sales.

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

No change from year-end 2011.

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

No change from year-end 2011.



## NOTES TO FINANCIAL STATEMENTS

## 20. Fair Value Measurements

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

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

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

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

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

## Fair Value at Reporting Date Using

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Assets</b>				
Common Stock - Subsidiary	\$ -	\$ 7,873,806	\$ -	\$ 7,873,806
<b>Total</b>	\$ -	\$ 7,873,806	\$ -	\$ 7,873,806

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

Description	Beginning Balance at 3/31/2012	Transfer into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 6/30/2012
<b>a. Assets:</b>										
Industrial & Misc.	366,796	-	-	-	(366,796)	-	-	-	-	-
Total Assets	366,796	-	-	-	(366,796)	-	-	-	-	-
<b>b. Liabilities:</b>										
Total Liabilities	-	-	-	-	-	-	-	-	-	-

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

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

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

C. The Company had the following assets measured at fair value for all types of financial instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
<b>Assets</b>						
Bonds	\$ 694,316,989	\$ 668,927,233	\$ -	\$ 694,316,989	\$ -	\$ -
Common Stock	7,873,806	\$ 7,873,806	-	\$ 7,873,806	-	-
Cash and short-term investments	68,503,943	\$ 68,503,943	\$ 68,503,943	\$ -	-	-
<b>Total</b>	\$ 770,694,738	\$ 745,304,982	\$ 68,503,943	\$ 702,190,795	\$ -	\$ -

## NOTES TO FINANCIAL STATEMENTS

### 21. Other Items

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

The total gross reserves based upon the credit classifications of TGIC as of June 30, 2012 were as follows:

		As a % of total
Prime	\$490,707,782	61.8%
Alt-A	264,415,600	33.3%
A-Minus	33,752,348	4.2%
Subprime (A)	5,530,632	0.7%
Total	\$794,406,362	100.0%

Losses and reserves related as of June 30, 2012 were as follows:

	Total	Subprime	Subprime as a % of total
Losses paid	\$203,395,346	\$1,735,563	0.9%
Case reserves	\$794,406,362	\$5,530,632	0.7%
Incurred losses	\$133,021,327	\$496,508	0.4%
IBNR reserves	\$24,246,188	-	-

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

### 22. Events Subsequent

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

### 23. Reinsurance

- a. Account changes since year-end 2011 are not significant in either amount or composition.
- b. No change from year-end 2011.
- c. Account changes since year-end 2011 are not significant in either amount or composition.
- d. The Company has written off in the current year reinsurance balances due from the companies listed below of \$1,417,302, which is reflected as:
 

(1) Losses incurred	\$ -
(2) Loss adjustment expenses incurred	\$ -
(3) Premiums earned	\$ -
(4) Other	\$ -
(5) Company	Amount
BB&T Mortgage Insurance	\$ 1,417,302
- e. No change from year-end 2011.
- f. No change from year-end 2011.
- g. No change from year-end 2011.
- h. No change from year-end 2011.

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

No change from year-end 2011.

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

Loss and LAE reserves as of December 31, 2011 were \$488.5 million. As of June 30, 2012, \$203.9 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$369.5 million as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$85.0 million unfavorable prior year development since December 31, 2011.

### 26. Intercompany Pooling Arrangements

No change from year-end 2011.

### 27. Structured Settlements

No change from year-end 2011.

### 28. Health Care Receivables

No change from year-end 2011.

### 29. Participating Policies

No change from year-end 2011.

### 30. Premium Deficiency Reserves

No change from year-end 2011.

### 31. High Deductibles

No change from year-end 2011.

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

No change from year-end 2011.

## NOTES TO FINANCIAL STATEMENTS

**33. Asbestos/Environmental Reserves**

No change from year-end 2011.

**34. Subscriber Savings Accounts**

No change from year-end 2011.

**35. Multiple Peril Crop Insurance**

No change from year-end 2011.

**36. Financial Guaranty Insurance**

The Company has no financial guaranty insurance exposure.

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

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

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

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

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

## GENERAL INTERROGATORIES

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

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

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

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

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

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

### FINANCIAL

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

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

### INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

		1 Prior Year-End Book/Adjusted Carrying Value		2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$	.....	\$	.....
14.22 Preferred Stock .....	\$	.....	\$	.....
14.23 Common Stock .....	\$	8,370,920	\$	7,873,806
14.24 Short-Term Investments .....	\$	.....	\$	.....
14.25 Mortgage Loans on Real Estate .....	\$	.....	\$	.....
14.26 All Other .....	\$	.....	\$	.....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$	8,370,920	\$	7,873,806
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$	.....	\$	.....

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

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

If no, attach a description with this statement.

**GENERAL INTERROGATORIES**

16. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [X] No [ ]

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

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

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

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

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

Yes [ ] No [X]

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

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

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

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

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

Yes [X] No [ ]

17.2 If no, list exceptions:

.....



**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

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



STATEMENT AS OF JUNE 30, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

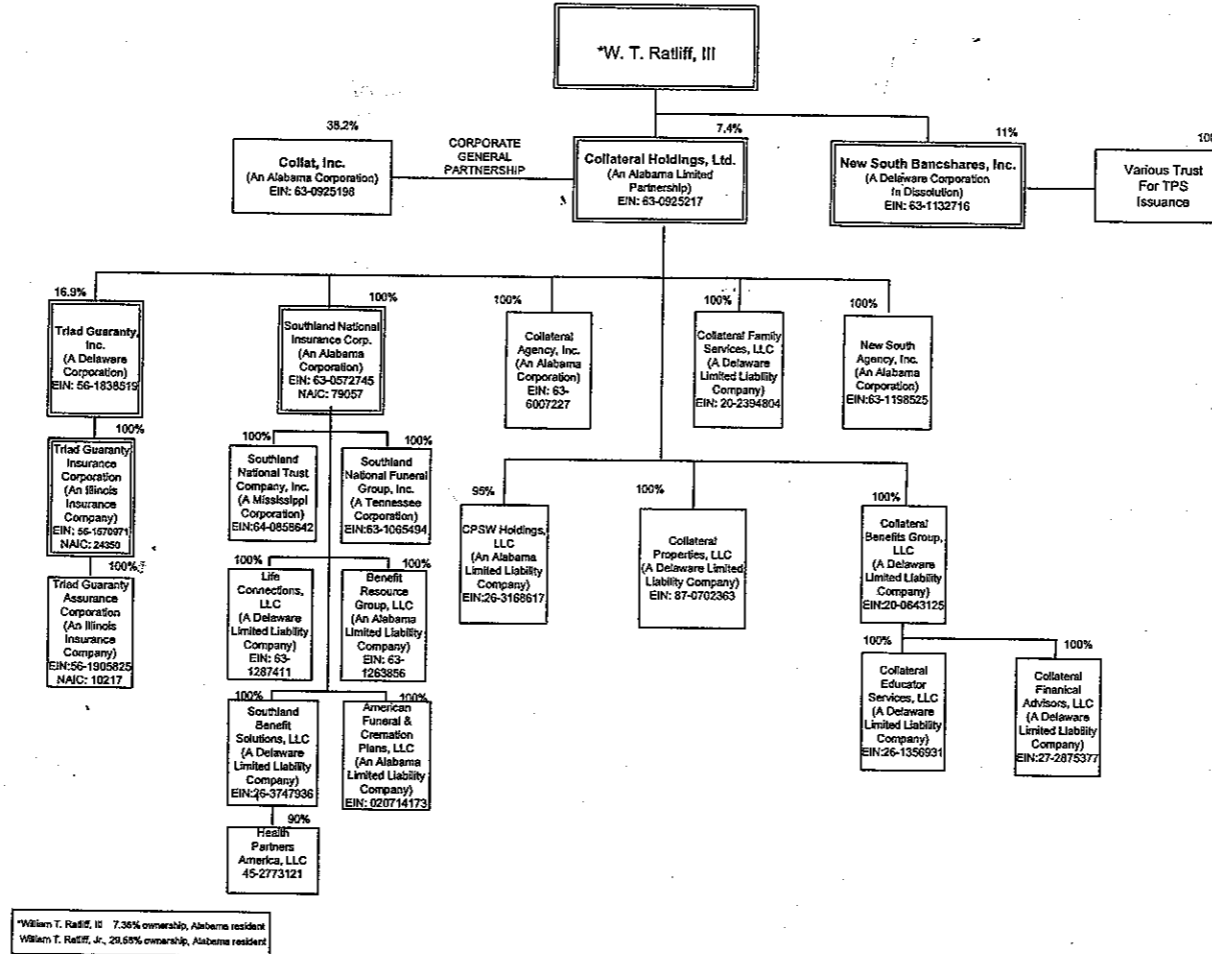
States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2	3	4	5	6	7	
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	
1. Alabama	AL	L	235,097	282,802	460,636	478,652	804,472	1,041,802
2. Alaska	AK	L		0		0		0
3. Arizona	AZ	L	1,231,225	1,652,056	9,203,404	13,570,175	8,487,507	12,542,943
4. Arkansas	AR	L	439,387	548,484	548,322	1,372,690	1,201,065	1,168,411
5. California	CA	L	16,421,886	18,737,884	60,103,975	46,662,174	140,993,135	147,978,919
6. Colorado	CO	L	3,051,462	838,430	6,559,618	4,869,418	10,340,090	8,241,048
7. Connecticut	CT	L	188,060	207,515	206,424	149,081	1,163,364	739,550
8. Delaware	DE	L	62,834	59,756	29,470	25,540	98,695	93,183
9. District of Columbia	DC	L	4,891,317	8,559,679	33,992,597	48,385,482	58,530,972	100,231,797
10. Florida	FL	L	2,838,899	2,673,396	8,811,816	10,279,539	31,900,424	33,057,928
11. Georgia	GA	L	1,425,302	1,659,950	2,852,002	3,890,726	5,132,844	5,441,450
12. Hawaii	HI	L	3,179	3,992		0	612	565
13. Idaho	ID	L	1,889	16,089		58,177	29,006	2,275
14. Illinois	IL	L	2,025,741	2,080,064	4,799,814	4,927,369	15,276,820	14,471,243
15. Indiana	IN	L	294,838	277,706	432,438	588,850	950,135	816,635
16. Iowa	IA	L	28,437	37,232	27,102	(48,160)	73,411	73,409
17. Kansas	KS	L	145,371	171,464	272,427	461,911	385,965	402,441
18. Kentucky	KY	L	614,774	787,367	929,034	402,749	2,396,088	2,400,198
19. Louisiana	LA	L	115,644	126,772	280,148	95,853	231,962	300,538
20. Maine	ME	L		0		0		0
21. Maryland	MD	L	693,736	693,540	1,218,697	2,206,205	4,638,159	4,235,895
22. Massachusetts	MA	L	405,917	439,635	884,470	844,720	2,178,234	2,160,703
23. Michigan	MI	L	1,320,170	1,608,160	3,580,261	3,158,421	6,191,508	6,956,878
24. Minnesota	MN	L	13,321,196	14,336,721	25,984,102	47,970,002	62,709,941	85,145,723
25. Mississippi	MS	L	99,586	125,971	176,364	385,228	178,827	343,472
26. Missouri	MO	L	221,830	265,839	510,480	196,664	435,793	395,660
27. Montana	MT	L	3,766	6,981		0	725	987
28. Nebraska	NE	L	1,080	1,581		0	208	224
29. Nevada	NV	L	233,034	284,583	2,220,126	2,418,415	2,194,268	3,221,989
30. New Hampshire	NH	L	19,545	5,196	35,025		65,738	2,327
31. New Jersey	NJ	L	1,238,576	1,338,465	1,739,711	835,289	10,956,553	9,888,796
32. New Mexico	NM	L	143,841	149,933	88,989	225,239	779,774	540,452
33. New York	NY	L	504,588	477,770	365,236	258,393	5,707,740	5,423,052
34. North Carolina	NC	L	2,659,363	3,042,960	4,758,535	3,721,773	9,627,066	10,161,442
35. North Dakota	ND	L		0		0		0
36. Ohio	OH	L	1,029,706	1,243,280	1,619,436	1,784,977	5,504,979	6,030,727
37. Oklahoma	OK	L	808,703	1,067,837	918,483	526,684	1,665,671	1,656,141
38. Oregon	OR	L	179,256	216,846	378,080	295,331	980,010	1,125,200
39. Pennsylvania	PA	L	901,238	1,013,237	1,525,474	1,315,007	3,820,319	3,744,426
40. Rhode Island	RI	L	60,674	69,060	115,766	236,506	542,855	526,178
41. South Carolina	SC	L	1,488,760	1,735,870	3,755,630	2,347,885	6,623,486	6,390,046
42. South Dakota	SD	L	3,669	3,877		0	21,275	12,398
43. Tennessee	TN	L	696,010	845,779	1,080,712	885,947	2,055,824	2,126,973
44. Texas	TX	L	11,754,439	4,305,148	23,540,006	13,779,103	43,427,915	31,842,213
45. Utah	UT	L	167,949	182,936	578,607	423,004	898,116	796,146
46. Vermont	VT	L		0		0		0
47. Virginia	VA	L	1,600,948	2,544,687	4,628,635	11,799,282	10,907,117	15,802,149
48. Washington	WA	L	212,769	261,954	388,561	513,915	1,220,245	1,044,617
49. West Virginia	WV	L	103,226	111,110	235,086		97,181	94,130
50. Wisconsin	WI	L	164,797	186,279	372,602	272,559	957,399	1,055,669
51. Wyoming	WY	L	43,475	50,631		0	50,084	7,160
52. American Samoa	AS			0		0		0
53. Guam	GU			0		0		0
54. Puerto Rico	PR			0		0		0
55. U.S. Virgin Islands	VI			0		0		0
56. Northern Mariana Islands	MP			0		0		0
57. Canada	CN			0		0		0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a) 51		74,097,189	75,336,506	210,208,301	232,570,775	462,433,577	529,736,109
<b>DETAILS OF WRITE-INS</b>								
5801.	XXX							
5802.	XXX							
5803.	XXX							
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX		0	0	0	0	0	0
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		0	0	0	0	0	0

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

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

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

**COLLATERAL FAMILY OF COMPANIES**



STATEMENT AS OF JUNE 30, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
00421	Collateral Holding, Ltd.						William T. Ratliff, and family	US	UDP	Collat general partnership, William T. Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		63-1132716				New South Bancshares, Inc.	US	NIA	William Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.						Various Trust for TPS Issurance	US	NIA	New South Bancshares, Inc.	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		63-0925217				Collateral Holdings, Ltd.	US	UDP	William Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		63-0925198				Collat, Inc.	US	NIA	William Ratliff, and family	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		56-1838519		.000911631	OTCBB	Triad Guaranty, Inc.	US	NIA	Collateral Holding, Ltd.	Ownership	16.8	William T. Ratliff, and family	1
00421	Collateral Holding, Ltd.	24350	56-1570971				Triad Guaranty Insurance Corporation	US	IA	Triad Guaranty, Inc.	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.	10217	56-1905825				Triad Guaranty Assurance Corporation	US	IA	Triad Guaranty Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.	79057	63-0572745				Southland National Insurance Corporation	US		Collateral Holding, Ltd.	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		64-0858642				Southland National Trust Company, Inc.	US	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		63-1065494				Southland National Funeral Group, Inc.	US	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		63-1287411				Life Connections, LLC	US	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		63-1263856				Benefit Resource Group, LLC	US	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		02-0714173				American Funeral & Cremation Plans, LLC	US	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	
00421	Collateral Holding, Ltd.		26-3747936				Southland Benefits Solutions, LLC	US	DS	Southland National Insurance Corporation	Ownership	100.0	William T. Ratliff, and family	



**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire			0.0	0.0
2. Allied lines			0.0	0.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril			0.0	0.0
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty	73,852,243	165,917,322	224.7	208.0
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	73,852,243	165,917,322	224.7	208.0
<b>DETAILS OF WRITE-INS</b>				
3401.				
3402.				
3403.				
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	37,948,407	74,097,189	75,336,506
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	37,948,407	74,097,189	75,336,506
<b>DETAILS OF WRITE-INS</b>			
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 JUNE 30, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2009 + Prior .....	163,752		163,752	78,044		78,044	120,059			120,059	34,351	0	34,351
2. 2010 .....	141,148	2,274	143,422	65,252		65,252	109,977			109,977	34,080	(2,274)	31,806
3. Subtotals 2010 + prior .....	304,900	2,274	307,174	143,296	0	143,296	230,035	0	0	230,035	68,431	(2,274)	66,157
4. 2011 .....	160,845	20,468	181,313	60,609		60,609	138,177		1,333	139,510	37,941	(19,134)	18,807
5. Subtotals 2011 + prior .....	465,745	22,742	488,487	203,905	0	203,905	368,212	0	1,333	369,546	106,373	(21,409)	84,964
6. 2012 .....	XXX	XXX	XXX	XXX	3,136	3,136	XXX	63,376	12,001	75,377	XXX	XXX	XXX
7. Totals .....	465,745	22,742	488,487	203,905	3,136	207,042	368,212	63,376	13,334	444,923	106,373	(21,409)	84,964
8. Prior Year-End Surplus As Regards Policy-holders	234,118										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 22.8	2. (94.1)	3. 17.4
													Col. 13, Line 7 Line 8
													4. 36.3

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES





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

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

**Explanation:**

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

**Bar Code:**

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

**OVERFLOW PAGE FOR WRITE-INS**

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**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	0
2.2 Additional investment made after acquisition .....	0	0
3. Current year change in encumbrances .....	0	0
4. Total gain (loss) on disposals .....	0	0
5. Deduct amounts received on disposals .....	0	0
6. Total foreign exchange change in book/adjusted carrying value .....	0	0
7. Deduct current year's other than temporary impairment recognized .....	0	0
8. Deduct current year's depreciation .....	0	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	0
2.2 Additional investment made after acquisition .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	0	0
5. Unrealized valuation increase (decrease) .....	0	0
6. Total gain (loss) on disposals .....	0	0
7. Deduct amounts received on disposals .....	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	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	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	0
2.2 Additional investment made after acquisition .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	0	0
5. Unrealized valuation increase (decrease) .....	0	0
6. Total gain (loss) on disposals .....	0	0
7. Deduct amounts received on disposals .....	0	0
8. Deduct amortization of premium and depreciation .....	0	0
9. Total foreign exchange change in book/adjusted carrying value .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8+9-10) .....	0	0
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

NONE

**SCHEDULE D – VERIFICATION**

**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	720,429,949	779,498,553
2. Cost of bonds and stocks acquired .....	26,682,329	276,054,022
3. Accrual of discount .....	773,602	1,677,294
4. Unrealized valuation increase (decrease) .....	(497,115)	(1,808,069)
5. Total gain (loss) on disposals .....	663,806	17,718,956
6. Deduct consideration for bonds and stocks disposed of .....	68,257,818	344,663,581
7. Deduct amortization of premium .....	2,929,341	4,714,240
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	64,373	3,332,986
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	676,801,039	720,429,949
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	676,801,039	720,429,949

STATEMENT AS OF JUNE 30, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**SCHEDULE D - PART 1B**

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	691,047,531	44,525,811	74,526,640	(2,848,921)	691,047,531	658,197,781	0	678,776,646
2. Class 2 (a).....	52,280,747		11,370,713	1,374,534	52,280,747	42,284,568	0	59,114,437
3. Class 3 (a).....	1,272,571			(404,224)	1,272,571	868,348	0	1,270,814
4. Class 4 (a).....	0			406,093	0	406,093	0	0
5. Class 5 (a).....	1,080,592			4,709	1,080,592	1,085,301	0	1,076,061
6. Class 6 (a).....	0	94,920	94,920		0	0	0	26,053
7. Total Bonds	745,681,441	44,620,731	85,992,273	(1,467,809)	745,681,441	702,842,091	0	740,264,011
<b>PREFERRED STOCK</b>								
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	745,681,441	44,620,731	85,992,273	(1,467,809)	745,681,441	702,842,091	0	740,264,011

(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 \$ .....33,914,858 ; 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	33,914,858	XXX	34,214,818	363,419	

**SCHEDULE DA - VERIFICATION**

## Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	28,204,983	33,499,507
2. Cost of short-term investments acquired .....	88,137,206	332,828,940
3. Accrual of discount .....		18,206
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		60
6. Deduct consideration received on disposals .....	81,890,341	337,973,142
7. Deduct amortization of premium.....	536,990	158,720
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		9,868
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	33,914,858	28,204,983
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	33,914,858	28,204,983

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

**SCHEDULE E - VERIFICATION**

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	2,999,214
2. Cost of cash equivalents acquired .....		22,996,254
3. Accrual of discount .....		3,465
4. Unrealized valuation increase (decrease) .....		0
5. Total gain (loss) on disposals.....		67
6. Deduct consideration received on disposals .....		25,999,000
7. Deduct amortization of premium .....		0
8. Total foreign exchange change in book/adjusted carrying value .....		0
9. Deduct current year's other than temporary impairment recognized .....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	0	0
11. Deduct total nonadmitted amounts .....		0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

**STATEMENT AS OF JUNE 30, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION**

**SCHEDULE D - PART 3**

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
913017-BW-8	UNITED TECHNOLOGIES CORP		.05/24/2012	J.P. MORGAN		6,500,000	6,500,000		1FE
92867K-AB-0	WALT 2012-A A2		.06/13/2012	J.P. MORGAN		249,980	250,000		1FE
74040K-AC-6	PREFERRED TERM SECS 11	F	.03/01/2012	CAPITALIZED INTEREST		94,920	94,920		6FE
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>						6,844,900	6,844,920	0	XXX
<b>8399997 - Subtotals- Bonds - Part 3</b>						6,844,900	6,844,920	0	XXX
<b>8399999 - Subtotals - Bonds</b>						6,844,900	6,844,920	0	XXX
<b>Common Stocks - Industrial and Miscellaneous</b>									
00685R-70-6	ADELPHIA CONTINGENT VALUE		.05/29/2012	CORPORATE ACTIONS	1.000				U
<b>9999999 Totals</b>						6,844,900	XXX	0	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....1

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STATEMENT AS OF JUNE 30, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	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)	
<b>Bonds - U.S. Governments</b>																					
31359M-Y0-0	FANNIE MAE	04/12/2012	CITIGROUP GLOBAL MARKETS		96,384	95,000	94,986	94,993		(9)		(9)		94,985		1,399	1,399	3,312	08/02/2012	1	
912828-GW-4	US TREASURY N/B	06/30/2012	MATURITY		1,000,000	1,000,000	1,081,719	1,013,465		(13,465)		(13,465)		1,000,000				0	06/30/2012	1	
<b>0599999 - Bonds - U.S. Governments</b>					1,096,384	1,095,000	1,176,705	1,108,458	0	(13,474)	0	(13,474)	0	1,094,985	0	1,399	1,399	3,312	XXX	XXX	
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>																					
287769-ES-8	ELKHORN WI AREA SCH DIST	04/02/2012	CALL BY ISSUER at 100.000		1,185,000	1,185,000	1,268,649	1,187,616		(2,616)		(2,616)		1,185,000				0	04/01/2020	1FE	
303820-K4-5	FAIRFAX CNTY VA	04/01/2012	MATURITY		1,000,000	1,000,000	1,071,150	1,011,864		(11,864)		(11,864)		1,000,000				0	04/01/2012	1FE	
666611-GF-9	NORTHPORT AL	06/01/2012	CALL BY ISSUER at 102.000		459,000	450,000	440,690	443,958		15,042		15,042		459,000				0	05/01/2022	1Z	
<b>2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>					2,644,000	2,635,000	2,780,489	2,643,438	0	562	0	562	0	2,644,000	0	0	0	71,006	XXX	XXX	
<b>Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>																					
090929-DX-5	BIRMINGHAM AL SPL CARE FACs F.I.	06/01/2012	CALL BY ISSUER at 100.000		760,000	760,000	764,552	760,663		(663)		(663)		760,000				0	06/01/2019	1FE	
114894-BS-6	BROWARD CNTY FL ARPT SYS REVEN	06/29/2012	CALL BY ISSUER at 100.000		2,000,000	2,000,000	1,988,491	1,988,491		11,509		11,509		2,000,000				0	10/01/2013	1FE	
3128MB-VP-9	FG 613122	06/01/2012	MBS PAYMENT		209,071	209,071	204,171	208,313		758		758		209,071				0	10/01/2022	1	
3128PK-7A-6	FG J08089	06/01/2012	MBS PAYMENT		271,267	271,267	270,673	271,202		65		65		271,267				0	12/01/2022	1	
3128PK-XM-1	FG J07884	06/01/2012	MBS PAYMENT		231,600	231,600	231,600	231,600		0		0		231,600				0	08/01/2022	1	
3133XB-67-4	FHLB 6A-2012 1	04/25/2012	MATURITY		28,878	28,878	28,894	29,233		(339)		(339)		28,894		(15)	(15)	481	04/25/2012	1	
31349U-B3-1	FH 782758	06/18/2012	VARIOUS		62,518	62,518	65,883	62,479		40		40		62,518				0	11/01/2036	1	
31393U-UC-5	FNR 2003-134 ME	04/12/2012	VARIOUS		19,252	18,528	19,106	19,137		(77)		(77)		19,060		192	192	314	02/01/2019	1	
31396C-E3-0	FHR 3059 CB	05/01/2012	MBS PAYMENT		1,665,330	1,665,330	1,661,207	1,661,207		4,123		4,123		1,665,330				0	29,738	05/01/2012	1
31396E-2U-9	FHR 3053 OD	04/11/2012	VARIOUS		3,128,431	3,089,504	3,141,640	3,090,289		(3,454)		(3,454)		3,086,835		41,597	41,597	63,129	09/01/2012	1	
31396G-67-0	FHRR R004 AL	04/01/2012	VARIOUS		3,050	3,050	3,050	3,050		(14)	1	(14)		3,050				0	04/01/2012	1	
31396U-3A-6	FHRR R008 FK	04/11/2012	VARIOUS		39,199	39,289	39,172	39,197		31		31		39,228		(29)	(29)	88	08/15/2013	1	
31397B-M0-1	FHRR R009 AJ	04/12/2012	VARIOUS		27,450	27,450	28,441	28,040		(383)		(383)		27,657		(206)	(206)	587	09/01/2012	1	
31397N-FZ-3	FNR 2009-17 DA	04/11/2012	VARIOUS		107,207	103,673	104,835	104,602		(304)		(304)		104,297		2,910	2,910	2,126	08/01/2014	1	
31402Z-ZE-4	FN 735241	06/01/2012	MBS PAYMENT		2,983	2,983	3,074	3,074		(3)		(3)		2,983				0	12/01/2034	1	
31403B-PC-1	FN 743919	06/01/2012	MBS PAYMENT		5,850	5,850	6,115	5,859		(9)		(9)		5,850				0	06/01/2018	1	
31403D-RH-4	FN 745788	06/01/2012	MBS PAYMENT		39,313	39,313	41,951	39,296		17		17		39,313				0	01/01/2036	1	
31403D-VZ-9	FN 745932	06/01/2012	MBS PAYMENT		7,015	7,015	7,661	7,032		(17)		(17)		7,015				0	11/01/2035	1	
31404V-Y6-9	FN 780233	06/01/2012	MBS PAYMENT		10,704	10,704	11,197	10,729		(25)		(25)		10,704				0	07/01/2018	1	
31405H-6L-7	FN 790275	06/01/2012	MBS PAYMENT		514	514	533	515		0		0		514				0	08/01/2034	1	
31405R-CR-5	FN 796680	06/01/2012	MBS PAYMENT		15,075	15,075	15,801	15,097		(22)		(22)		15,075				0	05/01/2019	1	
31410K-JY-1	FN 889579	06/01/2012	MBS PAYMENT		38,904	38,904	41,527	38,981		(77)		(77)		38,904				0	02/01/2037	1	
31410R-6J-3	FN 895573	06/01/2012	MBS PAYMENT		15,315	15,315	15,842	15,338		(23)		(23)		15,315				0	05/01/2036	1	
31411Y-DP-5	FN 918210	06/01/2012	MBS PAYMENT		6,385	6,385	6,709	6,386		(2)		(2)		6,385				0	05/01/2017	1	
31412W-SD-1	FN 929416	06/01/2012	MBS PAYMENT		9,075	9,075	9,667	9,075		(32)		(32)		9,075				0	12/01/2037	1	
31414D-JF-1	FN 963282	06/01/2012	MBS PAYMENT		558,352	558,352	549,366	557,556		796		796		558,352				0	11,173	12/01/2022	1
31416J-PH-8	FN A41323	06/01/2012	MBS PAYMENT		27,161	27,161	29,558	27,369		(208)		(208)		27,161				0	02/01/2031	1	
31417Y-T7-2	FN MA0573	06/01/2012	MBS PAYMENT		57,450	57,450	57,674	57,455		(5)		(5)		57,450				0	06/01/2025	1	
383766-6E-5	GNR 2011-152 A	06/01/2012	MBS PAYMENT		73,258	73,258	73,087	73,244		14		14		73,258				0	04/01/2016	1	
383766-AG-5	GNR 2009-71 A	06/01/2012	MBS PAYMENT		1,182,105	1,182,105	1,225,695	1,187,824		(5,718)		(5,718)		1,182,105				0	13,088	12/01/2016	1
383766-U0-1	GNR 2010-118 A	06/01/2012	MBS PAYMENT		23,684	23,684	23,899	23,717		(32)		(32)		23,684				0	189	07/01/2015	1
38378B-AH-2	GNR 2011-164 A	06/01/2012	MBS PAYMENT		33,985	33,985	34,014	33,990		(4)		(4)		33,985				0	222	10/01/2016	1
419800-DV-6	HAWAII ST DEPT OF BUDGET & FIN	04/30/2012	VARIOUS		500,000	500,000	492,565	494,268		5,732		5,732		500,000				0	11,899	12/01/2018	2FE
511002-EE-3	LAKE SUPERIOR MI ST UNIV	04/02/2012	CALL BY ISSUER at 100.000		770,000	770,000	767,833	768,915		1,085		1,085		770,000				0	15,018	11/15/2019	2FE
546540-AM-7	LOUISIANA ST UNIV & AGRIC & ME	05/01/2012	CALL BY ISSUER at 100.000		5,000	5,000	5,000	5,000		0		0		5,000				0	155	05/01/2020	2FE
59455P-ZB-9	MICHIGAN ST MUNI BOND AUTH	05/01/2012	CALL BY ISSUER at 100.000		25,000	25,000	24,745	24,983		17		17		25,000				0	663	11/01/2012	1FE
59455P-ZC-7	MICHIGAN ST MUNI BOND AUTH	05/01/2012	CALL BY ISSUER at 100.000		25,000	25,000	24,868	24,979		21		21		25,000				0	675	11/01/2013	1FE
59455P-ZD-5	MICHIGAN ST MUNI BOND AUTH	05/01/2012	CALL BY ISSUER at 100.000		25,000	25,000	24,726	24,938		62		62		25,000				0	675	11/01/2014	1FE
762242-QF-5	RHODE ISLAND ST HLTH & EDUCNTL	04/02/2012	CALL BY ISSUER at 100.000		35,000	35,000	35,613	35,000		0		0		35,000				0	1,050	04/01/2017	2Z
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>					12,045,381	12,002,286	12,104,333	11,988,082	0	12,859	1	12,858	0	12,000,935	0	44,449	44,449	271,867	XXX	XXX	
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																					
02005X-AB-4	ALLYA 2011-4 A2	06/15/2012	VARIOUS		698,898	698,898	697,985	698,398		501		501		698,898				0	1,463	01/15/2013	1FE
02660Y-AU-6	AHM 2006-2 3A2	06/01/2012	MBS PAYMENT		4,141	4,141	2,099	2,099		0		0		2,099		2,042	2,042	23	06/01/2036	1FM	

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STATEMENT AS OF JUNE 30, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
03064R-AB-3	AMCAR 2011-4 A2		06/08/2012	MBS PAYMENT		178,293	178,293	178,038	178,168		125		125		178,293			.0	.714	10/08/2013	1F
03064T-AB-9	AMCAR 2011-5 A2		06/08/2012	MBS PAYMENT		391,921	391,921	391,904	391,828		93		93		391,921			.0	2,229	04/08/2014	1F
05948X-6S-5	BOAMS 2004-5 2A1		06/01/2012	MBS PAYMENT		33,450	33,450	31,594	32,308	1,095			1,095		33,403		48	48	08/01/2012	1FM	
05950T-AC-9	BOAMS 2006-B 2A1		06/01/2012	MBS PAYMENT		16,321	16,321	11,456	11,456						11,456		4,865	4,865	09/01/2040	1FM	
06052W-AC-9	BAAT 2010-2 A3		06/15/2012	MBS PAYMENT		230,838	230,838	230,832	230,772		66		66		230,838			.0	1,240	02/15/2013	1F
084664-BK-6	BERKSHIRE HATHAWAY FIN		04/15/2012	MATURITY		300,000	300,000	315,817	302,256		(2,256)		(2,256)		300,000			.0	6,000	04/15/2012	1F
09657M-AC-2	BWOT 2010-A A3		06/25/2012	MBS PAYMENT		296,842	296,842	296,836	296,685		157		157		296,842			.0	1,702	06/25/2013	1F
125430-AB-4	CWHL 2006-11 1A2		06/01/2012	MBS PAYMENT		3,742	98,699	4,282	4,282						4,282		(540)	(540)	06/20/2012	1FM	
12612B-AC-4	CNH 2010-A A3		06/15/2012	MBS PAYMENT		231,456	231,456	232,063	232,411	(955)			(955)		231,456			.0	1,433	05/15/2013	1F
126685-CZ-7	CWL 2006-S1 A2		04/12/2012	VARIOUS		34,835	36,680	26,664	26,664						26,664		8,171	8,171	09/01/2014	1FM	
12668B-TJ-2	CWALT 2006-J2 A6		06/01/2012	MBS PAYMENT		4,514	7,087	5,210	5,210						5,210		(697)	(697)	04/01/2036	1FM	
12669Y-LP-4	CWHL 2005-HYB1 4A1		06/01/2012	MBS PAYMENT		1,321	1,321	872	872						872		449	449	02/01/2035	1FM	
12669Y-AC-6	CWHL 2006-J4 A3		06/01/2012	MBS PAYMENT		4,351	5,548	3,577	3,577						3,577		774	774	09/01/2036	1FM	
14312A-AB-7	CARMX 2011-3 A2		05/25/2012	VARIOUS		3,627,368	3,625,000	3,620,462	3,620,462		2,418		2,418		3,622,880		4,488	4,488	06/15/2013	1F	
16162W-AL-3	CHASE 2003-S10 A1		06/01/2012	MBS PAYMENT		31,369	31,369	31,749	31,522		(8)		(8)		31,514		(145)	(145)	10/01/2018	1FM	
16162W-BZ-1	CHASE 2003-S12 2A1		06/01/2012	MBS PAYMENT		12,305	12,305	12,454	12,338		(1)		(1)		12,337		(32)	(32)	11/01/2018	1FM	
172973-A6-6	CMSI 2004-5 2A6		06/01/2012	MBS PAYMENT		33,568	33,568	31,493	32,941		35		35		32,977		592	592	01/01/2024	1FM	
173105-AC-1	CMSI 2007-1 1A3		06/01/2012	MBS PAYMENT		53,711	53,711	50,526	50,526						50,526		3,185	3,185	01/01/2037	1FM	
210518-BV-7	CONSUMERS ENERGY COMPANY		06/11/2012	VARIOUS		3,960,248	3,800,000	3,998,398	3,994,976	(34,728)			(34,728)		3,960,248			.0	132,195	04/15/2013	1F
22541S-GM-4	CSFB 2004-3 2A1		06/01/2012	MBS PAYMENT		39,497	39,497	39,645	39,513		(5)		(5)		39,508		(11)	(11)	03/01/2019	1FM	
225458-XS-2	CSFB 2005-6 3A1		06/01/2012	MBS PAYMENT		7,874	7,874	7,748	7,833		4		4		7,837			.0	36	05/01/2020	1FM
24424D-AA-7	JOHN DEERE CAPITAL CORP		06/19/2012	MATURITY		700,000	700,000	723,674	705,034		(5,034)		(5,034)		700,000			.0	10,063	06/19/2012	1F
24702R-AH-4	DELL INC		06/15/2012	MATURITY		2,050,000	2,050,000	2,048,606	2,049,732		268		268		2,050,000			.0	34,594	06/15/2012	1F
34529L-AD-6	FORDO 2010-A A3		06/15/2012	MBS PAYMENT		418,602	418,602	418,526	418,448		154		154		418,602			.0	1,922	03/15/2013	1F
34529R-AB-7	FORDO 2011-B A2		06/15/2012	MBS PAYMENT		209,293	209,293	209,280	209,239		53		53		209,293			.0	1,922	03/15/2013	1F
3622WV-AN-3	GSR 2007-3F 3A2		06/01/2012	MBS PAYMENT		62,378	62,378	54,244	54,244						54,244		8,133	8,133	05/01/2037	1FM	
36242D-QY-2	GSR 2004-15F 2A2		06/01/2012	MBS PAYMENT		5,931	5,931	4,619	4,619		27		27		5,931			.0	27	01/01/2029	1FM
36830H-AB-9	GEEST 2011-1A A2		06/21/2012	MBS PAYMENT		562,652	562,652	562,476	562,369		284		284		562,652			.0	2,069	12/21/2012	1F
41283M-AB-7	HDMOT 2011-1 A2A		06/15/2012	MBS PAYMENT		296,848	296,848	296,380	296,528		320		320		296,848			.0	771	01/15/2013	1F
46629P-AM-0	JPMCC 2006-LDP9 A2S		04/11/2012	VARIOUS		447,559	437,999	441,142	441,313	(779)			(779)		440,534		7,024	7,024	08/01/2013	1FM	
48124T-AE-4	JPMORGAN CHASE & CO		06/22/2012	MATURITY		850,000	850,000	862,640	851,984		(1,984)		(1,984)		850,000			.0	9,031	06/22/2012	1F
57643M-DE-1	MASTR 2004-6 4A1		06/01/2012	MBS PAYMENT		40,864	40,864	41,355	41,119		(3)		(3)		41,116		(252)	(252)	12/01/2018	1FM	
587682-AC-9	MBART 2010-1 A3		06/15/2012	MBS PAYMENT		121,610	121,610	121,587	121,562		48		48		121,610			.0	716	06/15/2013	1F
587727-AB-4	MBALT 2011-B A2		06/15/2012	MBS PAYMENT		438,412	438,412	438,181	438,156		256		256		438,412			.0	1,863	04/15/2013	1F
59022H-JH-6	MLMT 2005-C1P1 A2		04/11/2012	VARIOUS		127,257	126,273	128,212	127,336	(550)			(550)		126,786		471	471	05/01/2014	1FM	
65475H-AB-7	NALT 2011-A A2A		06/15/2012	MBS PAYMENT		483,650	483,650	483,047	483,272		378		378		483,650			.0	1,396	06/15/2013	1F
65475V-AC-4	NAROT 2009-1 A3		06/15/2012	MBS PAYMENT		237,557	237,557	239,475	239,043		(160)		(160)		238,883		(1,326)	(1,326)	08/15/2012	1F	
66880H-AA-0	NORVELL CONWAY LLC		06/15/2012	SINK		14,943	11,820	13,839	120					13,959		984	984	12/15/2018	2Z		
66987X-GV-1	NHEL 2005-3 A2C		04/12/2012	VARIOUS		27,606	29,126	28,337	27,949		632	162	470		28,419		(814)	(814)	01/25/2013	1FM	
73328V-AD-5	PILOT 2011-1 A2		06/20/2012	MBS PAYMENT		607,943	607,943	607,734	607,572		371		371		607,943			.0	2,465	05/20/2013	1F
74153W-AS-8	PRICOA GLOBAL FUNDING 1		06/25/2012	MATURITY		5,000,000	5,000,000	4,506,621	4,853,207		146,793		146,793		5,000,000			.0	115,625	06/25/2012	1F
761118-TB-4	RAL1 2006-QA1 A21		06/01/2012	MBS PAYMENT		1,771	3,803	1,845	1,845						1,845		(73)	(73)	01/01/2036	1FM	
76111X-ZC-0	RFMSI 2005-SA5 3A		06/01/2012	MBS PAYMENT		37,732	42,619	30,182	30,182						30,182		7,550	7,550	09/01/2032	1FM	
86359L-TB-5	SAMI 2006-AR1 1A2		06/25/2012	MBS PAYMENT		1,609	1,609	371	371						371		1,238	1,238	08/25/2016	1FM	
89235V-AC-9	TAOT 2010-B A3		06/15/2012	MBS PAYMENT		222,918	222,918	222,899	222,863		55		55		222,918			.0	956	03/15/2013	1F
89417E-AB-5	TRAVELERS COS INC		06/15/2012	MATURITY		1,080,000	1,080,000	1,081,317	1,080,000	(328)			(328)		1,080,000			.0	29,025	06/15/2012	1F
92867F-AB-1	VWALT 2011-A A2		06/20/2012	MBS PAYMENT		39,978	39,978	39,977	39,957		21		21		39,978			.0	200	05/20/2013	1F
93364F-AC-5	WAMU 2007-HY7 2A1		06/01/2012	MBS PAYMENT		27,226	57,797	31,573	31,573						31,573		(4,347)	(4,347)	07/01/2037	1FM	
949758-AD-8	WFMS 2004-0 A1		06/01/2012	MBS PAYMENT		23,406	23,406	23,435	23,419						23,419		(14)	(14)	07/01/2034	1FM	
94979X-AA-5	WFMS 2003-H A1		06/01/2012	MBS PAYMENT		20,354	20,354	19,722	20,334		20		20		20,334			.0	75	08/01/2033	1FM
960394-AP-9	CBS CORP		04/11/2012	WELLS FARGO SECURITIES LLC		56,100	50,000	43,657	46,388		366		366		46,754		9,346	9,346	06/14/2014	2FE	
74040K-AC-6	PREFERRED TERM SECS II		05/18/2012	KEEFE BRUYETTE & WOODS		448,296	1,297,529	94,920	94,920						94,920		353,376	353,376	03/01/2031	6FE	
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>						24,859,358	25,668,913	24,039,558	24,347,127	0	107,869	162	107,707	0	24,454,834	0	404,523	404,523	511,543	XXX	XXX
<b>8399997 - Subtotals - Bonds - Part 4</b>						40,645,123	41,401,199	40,101,085	40												

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**



STATEMENT AS OF JUNE 30, 2012 OF THE TRIAD GUARANTY INSURANCE CORPORATION

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

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

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