



# QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2016  
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 222 Merchandise Mart Plaza, Suite 960 , Chicago, IL, US 60654  
(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 of .....

County of .....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 [ ] 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 SEPTEMBER 30, 2016 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 .....	137,531,357		137,531,357	153,495,838
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	9,272,459		9,272,459	8,985,897
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ .....6,397,398 ), cash equivalents (\$ ..... ) and short-term investments (\$ .....2,977,487 ) .....	9,374,886		9,374,886	13,602,885
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....				
9. Receivables for securities .....	261		261	210
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	156,178,963		156,178,963	176,084,831
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	954,415		954,415	1,154,606
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	2,330,234		2,330,234	2,799,755
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....13,318,588 earned but unbilled premiums) .....	13,318,588		13,318,588	16,465,783
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	244,431		244,431	304,217
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	2,553		2,553	12,392
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	541		541	
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other-than-invested assets .....				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	173,029,725		173,029,725	196,821,584
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	173,029,725		173,029,725	196,821,584
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....				

**STATEMENT AS OF SEPTEMBER 30, 2016 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 \$ .....36,280,854 ) .....	227,625,660	288,500,782
2. Reinsurance payable on paid losses and loss adjustment expenses .....		
3. Loss adjustment expenses .....	1,037,790	1,265,107
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	8,546,520	8,554,710
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	11,103	
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	1,225,749	
7.2 Net deferred tax liability .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....27,829 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) .....	1,386,630	1,652,068
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	2,217,614	1,860,381
13. Funds held by company under reinsurance treaties .....		
14. Amounts withheld or retained by company for account of others .....	423,916	444,894
15. Remittances and items not allocated .....	514,286	555,318
16. Provision for reinsurance (including \$ ..... certified) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....		
20. Derivatives .....		
21. Payable for securities .....		
22. Payable for securities lending .....		
23. Liability for amounts held under uninsured plans .....		
24. Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	714,932,616	691,411,227
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	957,921,884	994,244,487
27. Protected cell liabilities .....		
28. Total liabilities (Lines 26 and 27) .....	957,921,884	994,244,487
29. Aggregate write-ins for special surplus funds .....		
30. Common capital stock .....	3,500,000	3,500,000
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....		
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) .....	(918,608,087)	(931,138,831)
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....		
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) .....	(784,892,159)	(797,422,903)
38. Totals (Page 2, Line 28, Col. 3)	173,029,725	196,821,584
<b>DETAILS OF WRITE-INS</b>		
2501. Deferred Premium Refund .....	1,316,268	767,339
2502. Deferred Payment Obligation, including carry charges .....	712,720,189	689,179,127
2503. Rescinded Premium Payable .....	896,159	1,464,761
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	714,932,616	691,411,227
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

**STATEMENT AS OF SEPTEMBER 30, 2016 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
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 45,263,087 )	45,531,773	71,587,019	82,842,616
1.2 Assumed (written \$ )			
1.3 Ceded (written \$ 1,615,354 )	1,618,602	2,195,058	2,853,287
1.4 Net (written \$ 43,647,733 )	43,913,171	69,391,961	79,989,329
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 38,817,030 ):			
2.1 Direct	30,485,996	35,484,246	49,921,459
2.2 Assumed			
2.3 Ceded	416,081	227,985	500,090
2.4 Net	30,069,915	35,256,261	49,421,368
3. Loss adjustment expenses incurred	717,494	674,626	944,384
4. Other underwriting expenses incurred	4,047,375	5,290,274	6,670,290
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	34,834,784	41,221,161	57,036,043
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	9,078,387	28,170,800	22,953,287
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	2,990,356	3,860,849	4,836,961
10. Net realized capital gains (losses) less capital gains tax of \$	1,401,132	774,644	832,283
11. Net investment gain (loss) (Lines 9 + 10)	4,391,488	4,635,493	5,669,244
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ )			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income		41,820	41,820
15. Total other income (Lines 12 through 14)		41,820	41,820
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	13,469,875	32,848,113	28,664,352
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	13,469,875	32,848,113	28,664,352
19. Federal and foreign income taxes incurred	1,225,749		
20. Net income (Line 18 minus Line 19)(to Line 22)	12,244,126	32,848,113	28,664,352
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	(797,422,903)	(826,506,195)	(826,506,195)
22. Net income (from Line 20)	12,244,126	32,848,113	28,664,352
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	286,563	544,178	606,028
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	55	432	503
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			(187,591)
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	12,530,744	33,392,723	29,083,292
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	(784,892,159)	(793,113,472)	(797,422,903)
<b>DETAILS OF WRITE-INS</b>			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			
1401. Other Income - Service Fees on information technology		41,820	
1402. Income received under Asset Purchase Agreement			41,820
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		41,820	41,820
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)			

**STATEMENT AS OF SEPTEMBER 30, 2016 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
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	47,648,168	62,130,345	80,514,797
2. Net investment income .....	3,908,956	4,718,820	6,102,411
3. Miscellaneous income .....		41,820	41,820
4. Total (Lines 1 to 3) .....	51,557,124	66,890,985	86,659,029
5. Benefit and loss related payments .....	68,288,489	86,740,734	109,832,059
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....	4,121,759	5,429,050	6,872,969
8. Dividends paid to policyholders .....			
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....			
10. Total (Lines 5 through 9) .....	72,410,248	92,169,784	116,705,027
11. Net cash from operations (Line 4 minus Line 10) .....	(20,853,124)	(25,278,799)	(30,045,999)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	68,717,056	67,710,064	82,457,033
12.2 Stocks .....			
12.3 Mortgage loans .....			
12.4 Real estate .....			
12.5 Other invested assets .....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....			
12.7 Miscellaneous proceeds .....			
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	68,717,056	67,710,064	82,457,033
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	52,070,363	49,298,538	57,042,069
13.2 Stocks .....			
13.3 Mortgage loans .....			
13.4 Real estate .....			
13.5 Other invested assets .....			
13.6 Miscellaneous applications .....	50	7,085,844	7,013,253
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	52,070,413	56,384,382	64,055,322
14. Net increase (or decrease) in contract loans and premium notes .....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	16,646,643	11,325,682	18,401,711
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds .....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....			
16.5 Dividends to stockholders .....			
16.6 Other cash provided (applied).....	(21,518)	118,119	(43,739)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(21,518)	118,119	(43,739)
<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) .....	(4,227,999)	(13,834,998)	(11,688,028)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	13,602,885	25,290,913	25,290,913
19.2 End of period (Line 18 plus Line 19.1) .....	9,374,886	11,455,915	13,602,885

## NOTES TO FINANCIAL STATEMENTS

As instructed by the Office of Special Deputy Receiver representing the Illinois Director of Insurance, Notes to the Financial Statements are no longer required by the Company. Specific questions regarding any information usually presented in the Notes to the Financial Statements should be directed to the Annual Statement contact.

**STATEMENT AS OF SEPTEMBER 30, 2016 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 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [X] No [ ]  
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]
- 3.3 If the response to 3.2 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). ....06/30/2009
- 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 [X]
- 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 is in Rehabilitation and several states have suspended or revoked the Company's Certificate of Authority since 2012.....
- 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 SEPTEMBER 30, 2016 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 .....	\$ 8,985,897		\$ 9,272,459
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).....	\$ 8,985,897		\$ 9,272,459
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 SEPTEMBER 30, 2016 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 [X] 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
The Northern Trust Company.....	50 South LaSalle Street, Chicago, Illinois 60603.....

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 [X]

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
111135.....	Mesirow Financial Investment Management, Inc.....	353 N. Clark Street, Chicago, Illinois 60654.....

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? ..... Yes [X] No [ ]

18.2 If no, list exceptions:

.....



**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
<b>NONE</b>						

**STATEMENT AS OF SEPTEMBER 30, 2016 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	112,908	157,624	168,069	297,967	384,964	815,600
2. Alaska	AK	N						
3. Arizona	AZ	L	758,668	914,814	694,722	1,526,104	1,377,937	1,720,828
4. Arkansas	AR	L	156,083	249,484	97,313	451,560	420,383	710,839
5. California	CA	L	10,806,405	13,268,505	21,290,765	36,182,825	61,957,088	83,715,378
6. Colorado	CO	L	2,314,833	2,679,802	4,866,483	4,448,061	10,111,184	12,477,710
7. Connecticut	CT	L	170,161	214,705	441,405	671,277	790,499	1,309,758
8. Delaware	DE	L	69,321	77,161	63,709	105,744	105,744	222,193
9. Dist. Columbia	DC	L	1,810,650	2,174,216	10,897,985	11,363,815	27,613,405	34,058,763
10. Florida	FL	L	1,500,400	2,052,061	5,608,228	7,638,289	11,256,637	16,429,115
11. Georgia	GA	L	686,792	941,265	757,172	950,405	1,819,191	2,312,341
12. Hawaii	HI	L	3,505	4,469				646
13. Idaho	ID	L	1,025	2,763				399
14. Illinois	IL	L	1,216,890	1,564,609	2,433,382	3,929,025	5,100,119	7,367,624
15. Indiana	IN	L	74,851	107,179	75,492	171,058	196,710	272,740
16. Iowa	IA	L	9,644	6,351	28,331	(400)	62,079	50,348
17. Kansas	KS	L	53,718	81,864	103,775	129,740	164,246	256,211
18. Kentucky	KY	L	178,335	288,432	237,043	477,354	847,292	948,415
19. Louisiana	LA	L	73,037	92,302	34,162	14,790	168,374	164,163
20. Maine	ME	L						
21. Maryland	MD	L	424,256	703,015	1,074,457	2,250,428	3,549,334	4,613,781
22. Massachusetts	MA	L	325,875	405,208	573,347	559,678	1,586,226	1,809,023
23. Michigan	MI	L	679,314	894,446	1,281,119	1,487,624	2,969,782	3,844,433
24. Minnesota	MN	L	8,469,005	10,802,513	17,603,888	16,422,763	34,445,358	49,142,230
25. Mississippi	MS	L	39,391	54,509	62,415	44,555	133,384	293,473
26. Missouri	MO	L	117,595	161,968	35,934	151,952	332,529	222,826
27. Montana	MT	L	4,101	7,567			18,328	1,093
28. Nebraska	NE	L						
29. Nevada	NV	L	153,722	207,016	141,424	549,502	1,266,998	1,335,964
30. New Hampshire	NH	L	8,220	19,746				2,854
31. New Jersey	NJ	L	937,157	1,176,176	3,287,582	3,587,871	11,336,975	13,103,452
32. New Mexico	NM	L	124,906	142,239	144,440	(900)	752,287	829,546
33. New York	NY	L	448,301	528,742	544,339	1,414,398	4,451,380	5,031,175
34. No. Carolina	NC	L	1,337,937	1,816,577	1,729,927	2,025,957	3,098,687	4,543,450
35. No. Dakota	ND	N						
36. Ohio	OH	L	435,952	647,582	1,031,985	1,551,918	1,655,204	2,576,799
37. Oklahoma	OK	L	318,776	466,141	370,687	216,452	830,665	988,395
38. Oregon	OR	N	52,775	94,757	96,166	68,329	259,387	427,710
39. Pennsylvania	PA	L	456,332	664,570	718,649	1,250,497	2,965,066	3,580,081
40. Rhode Island	RI	L	36,638	39,419	46,404	280,767	271,117	229,464
41. So. Carolina	SC	L	753,954	1,039,741	803,999	1,860,832	2,582,903	3,158,846
42. So. Dakota	SD	L	238	3,993				577
43. Tennessee	TN	L	294,787	407,983	399,455	846,106	755,052	1,222,135
44. Texas	TX	L	8,896,255	24,465,316	13,689,981	12,431,515	30,558,725	43,520,867
45. Utah	UT	L	94,485	120,761	111,579	204,074	88,696	157,721
46. Vermont	VT	L						
47. Virginia	VA	N	548,881	934,022	1,085,454	1,757,760	4,362,669	5,953,907
48. Washington	WA	L	109,556	152,063	190,467	243,820	238,469	610,491
49. West Virginia	WV	L	48,735	71,027		23,776	47,022	44,629
50. Wisconsin	WI	L	115,655	144,459	64,685	371,148	460,782	322,293
51. Wyoming	WY	L	33,065	41,172			48,677	5,950
52. American Samoa	AS							
53. Guam	GU							
54. Puerto Rico	PR							
55. U.S. Virgin Islands	VI							
56. Northern Mariana Islands	MP							
57. Canada	CAN							
58. Aggregate Other Alien	OT	XXX						
59. Totals	(a)	47	45,263,087	71,090,338	92,886,420	117,852,693	231,441,552	310,406,236
<b>DETAILS OF WRITE-INS</b>								
58001.		XXX						
58002.		XXX						
58003.		XXX						
58998.		Summary of remaining write-ins for Line 58 from overflow page.						
58999.		TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)						

(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**

TRIAD GUARANTY INC. and SUBSIDIARIES





**STATEMENT AS OF SEPTEMBER 30, 2016 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				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty	45,531,773	30,485,996	67.0	49.6
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability -occurrence				
11.2 Medical professional liability -claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability occurrence				
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1,19.2 Private passenger auto liability				
19.3,19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	45,531,773	30,485,996	67.0	49.6
<b>DETAILS OF WRITE-INS</b>				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)				

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty		13,382,465	45,263,087
8. Ocean marine			71,090,338
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability occurrence			
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1,19.2 Private passenger auto liability			
19.3,19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	13,382,465	45,263,087	71,090,338
<b>DETAILS OF WRITE-INS</b>			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

STATEMENT AS OF SEPTEMBER 30, 2016 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)	2016 Loss and LAE Payments on Claims Reported as of Prior Year-End	2016 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2016 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. 2013 + Prior	176,264		176,264	60,830		60,830	120,615			120,615	5,181		5,181
2. 2014	51,284	996	52,279	16,870		16,870	29,117			29,117	(5,297)	(996)	(6,292)
3. Subtotals 2014 + prior	227,548	996	228,544	77,700		77,700	149,732			149,732	(115)	(996)	(1,111)
4. 2015	52,261	8,962	61,222	11,613		11,613	41,922		665	42,587	1,275	(8,296)	(7,022)
5. Subtotals 2015 + prior	279,809	9,957	289,766	89,314		89,314	191,654		665	192,320	1,159	(9,292)	(8,133)
6. 2016	XXX	XXX	XXX	XXX	2,576	2,576	XXX	30,357	5,987	36,344	XXX	XXX	XXX
7. Totals	279,809	9,957	289,766	89,314	2,576	91,890	191,654	30,357	6,652	228,663	1,159	(9,292)	(8,133)
8. Prior Year-End Surplus As Regards Policy-holders	(797,423)												
											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. 0.4	2. (93.3)	3. (2.8)
													Col. 13, Line 7 Line 8
													4. 1.0

**STATEMENT AS OF SEPTEMBER 30, 2016 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 Insurance Coverage 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 6 4 9 0 0 0 0 0 3
2.	 2 4 3 5 0 2 0 1 6 4 5 5 0 0 0 0 3
3.	 2 4 3 5 0 2 0 1 6 3 6 5 0 0 0 0 3
4.	 2 4 3 5 0 2 0 1 6 5 0 5 0 0 0 0 3

**OVERFLOW PAGE FOR WRITE-INS**

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**STATEMENT AS OF SEPTEMBER 30, 2016 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 .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Current year change in encumbrances .....		
4. Total gain (loss) on disposals .....		
5. Deduct amounts received on disposals .....		
6. Total foreign exchange change in book/adjusted carrying value .....		
7. Deduct current year's other-than-temporary impairment recognized .....		
8. Deduct current year's depreciation .....		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....		
10. Deduct total nonadmitted amounts .....		
11. Statement value at end of current period (Line 9 minus Line 10)		

**NONE**

**SCHEDULE B – VERIFICATION**

**Mortgage Loans**

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

**NONE**

**SCHEDULE BA – VERIFICATION**

**Other Long-Term Invested Assets**

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

**NONE**

**SCHEDULE D – VERIFICATION**

**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	162,481,736	187,440,632
2. Cost of bonds and stocks acquired .....	52,070,362	57,042,343
3. Accrual of discount .....	96,176	250,976
4. Unrealized valuation increase (decrease) .....	286,563	606,029
5. Total gain (loss) on disposals .....	1,401,098	833,725
6. Deduct consideration for bonds and stocks disposed of .....	68,717,022	82,456,963
7. Deduct amortization of premium .....	815,097	1,235,006
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other-than-temporary impairment recognized .....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	146,803,816	162,481,736
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11)	146,803,816	162,481,736

STATEMENT AS OF SEPTEMBER 30, 2016 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 NAIC Designation

NAIC Designation	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. NAIC 1 (a).....	110,664,298	6,663,896	11,155,179	(137,758)	114,429,283	110,664,298	106,035,257	120,917,970
2. NAIC 2 (a).....	35,345,896		3,129,302	(78,936)	37,034,164	35,345,896	32,137,658	37,110,436
3. NAIC 3 (a).....	2,342,585		1	(44,090)		2,342,585	2,298,494	
4. NAIC 4 (a).....	43,597		7,250	(78)	55,732	43,597	36,269	61,547
5. NAIC 5 (a).....								
6. NAIC 6 (a).....	1,198		57	25	1,339	1,198	1,166	1,278
7. Total Bonds	148,397,574	6,663,896	14,291,789	(260,837)	151,520,518	148,397,574	140,508,844	158,091,231
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....								
9. NAIC 2 .....								
10. NAIC 3 .....								
11. NAIC 4 .....								
12. NAIC 5 .....								
13. NAIC 6 .....								
14. Total Preferred Stock.....								
15. Total Bonds & Preferred Stock	148,397,574	6,663,896	14,291,789	(260,837)	151,520,518	148,397,574	140,508,844	158,091,231

(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 \$ ..... ; NAIC 2 \$ ..... ;  
NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

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**STATEMENT AS OF SEPTEMBER 30, 2016 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION**

**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	2,977,488	XXX	2,977,488	5,337	397

**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.....	4,596,175	15,035,907
2. Cost of short-term investments acquired .....	6,781,806	31,272,667
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....	8,400,494	41,712,137
7. Deduct amortization of premium.....		262
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	2,977,487	4,596,175
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11)	2,977,487	4,596,175

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

**NONE**

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 SEPTEMBER 30, 2016 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)	
<b>Bonds - U.S. Governments</b>																					
912828-05-2	US TREASURY N/B 0.875 15/04/19	08/05/2016	GOLDMAN SACHS & COMPANY		1,502,046	1,500,000	1,501,118			(95)		(95)		1,501,023		1,022	1,022	4,124	04/15/2019	1	
<b>0599999 - Bonds - U.S. Governments</b>					1,502,046	1,500,000	1,501,118			(95)		(95)		1,501,023		1,022	1,022	4,124	XXX	XXX	
<b>Bonds - All Other Governments</b>																					
<b>Bonds - U.S. States, Territories and Possessions</b>																					
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>																					
68607F-CY-4	OREGON ST 5.55	08/01/2016	MATURITY		40,000	40,000	40,000	39,909		93		93		40,000				2,220	08/01/2016	1FE	
<b>2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>					40,000	40,000	40,000	39,909		93		93		40,000				2,220	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>																					
3128MB-VP-9	FREDDIE MAC 5	09/01/2016	MBS PAYDOWN		14,147	14,147	14,147	13,541		339		339		14,147				488	04/01/2023	1	
3128MJ-UF-5	FREDDIE MAC 3.5	09/01/2016	MBS PAYDOWN		127,636	127,636	129,132	129,096		(289)		(289)		127,636				3,007	04/01/2044	1	
3128PK-7A-6	FREDDIE MAC 5.5	09/01/2016	MBS PAYDOWN		29,549	29,549	29,549	29,491		29		29		29,549				1,010	06/01/2023	1	
3128PK-XM-1	FREDDIE MAC 5.5	09/01/2016	MBS PAYDOWN		15,079	15,079	15,079	15,079						15,079				510	05/01/2023	1	
31349U-B3-1	FREDDIE MAC 2.589	09/02/2016	MBS PAYDOWN		810	810	810	810						810				15	11/01/2036	1	
3138EK-T7-0	FANNIE MAE 5.5	09/01/2016	MBS PAYDOWN		133,699	133,699	149,910	149,376		(3,932)		(3,932)		133,699				4,885	09/01/2041	1	
3138L7-CZ-7	FANNIE MAE 3	09/01/2016	MBS PAYDOWN		3,500	3,500	3,662	3,636		(55)		(55)		3,500				71	09/01/2020	1	
3138WF-2Y-1	FANNIE MAE 3.5	09/01/2016	MBS PAYDOWN		29,441	29,441	30,945	30,945		(25)		(25)		29,441				187	11/01/2045	1	
3138Y9-M4-7	FANNIE MAE 3	09/01/2016	MBS PAYDOWN		204,435	204,435	206,057	206,016		(135)		(135)		204,435				4,228	01/01/2045	1	
31402Q-ZE-4	FANNIE MAE 2.758	09/01/2016	MBS PAYDOWN		96	96	96	96						96				2	02/01/2035	1	
31403B-PC-1	FANNIE MAE 4.5	09/01/2016	MBS PAYDOWN		1,902	1,902	1,902	1,969		(71)		(71)		1,902				57	11/01/2018	1	
31403D-RH-4	FANNIE MAE 2.748	09/01/2016	MBS PAYDOWN		943	943	943	863		20		20		943				16	08/01/2036	1	
31403D-VZ-9	FANNIE MAE 6.5	09/01/2016	MBS PAYDOWN		1,021	1,021	1,021	2,579		(503)		(503)		1,021				44	11/01/2036	1	
31404V-Y6-9	FANNIE MAE 4.5	09/01/2016	MBS PAYDOWN		3,467	3,467	3,467	3,618		(147)		(147)		3,467				104	05/01/2019	1	
31405H-6L-7	FANNIE MAE 2.897	09/01/2016	MBS PAYDOWN		645	645	645	651		(1)		(1)		645				9	08/01/2034	1	
31405R-CR-5	FANNIE MAE 4.5	09/01/2016	MBS PAYDOWN		4,550	4,550	4,550	4,766		(157)		(157)		4,550				133	10/01/2019	1	
31410K-JY-1	FANNIE MAE 6	09/01/2016	MBS PAYDOWN		3,411	3,411	3,411	3,601		(70)		(70)		3,411				135	05/01/2038	1	
31410R-6J-3	FANNIE MAE 3.062	09/01/2016	MBS PAYDOWN		12,602	12,602	12,602	12,729		(12)		(12)		12,602				234	06/01/2036	1	
31411Y-DP-5	FANNIE MAE 5.927	09/01/2016	MBS PAYDOWN							(31)		(31)							05/01/2037	1	
31412M-SD-1	FANNIE MAE 6	09/01/2016	MBS PAYDOWN		1,542	1,542	1,542	2,200		(104)		(104)		1,542				55	05/01/2038	1	
31414D-JF-1	FANNIE MAE 5	09/01/2016	MBS PAYDOWN		27,269	27,269	27,269	26,963		188		188		27,269				911	05/01/2023	1	
31416J-PH-8	FANNIE MAE 6	09/01/2016	MBS PAYDOWN		902	902	902	1,297		(74)		(74)		902				37	11/01/2032	1	
31417Y-T7-2	FANNIE MAE 3.5	09/01/2016	MBS PAYDOWN		13,933	13,933	13,933	14,112		(58)		(58)		13,933				330	11/01/2025	1	
605275-M0-6	MISSISSIPPI BUSINESS FIN CORP 8	07/01/2016	MBS PAYDOWN		27,889	27,889	27,889	27,116		118		118		27,889				1,673	01/01/2022	1FE	
<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>					658,468	658,468	679,463	649,607		(4,970)		(4,970)		658,468				18,141	XXX	XXX	
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																					
071813-AW-9	BAXTER INTERNATIONAL INC 5.9 01/09/16	09/01/2016	MATURITY		2,050,000	2,050,000	2,050,000	2,108,028		(58,028)		(58,028)		2,050,000				120,950	09/01/2016	2FE	
09658U-AC-3	BMW VEHICLE OWNER TRUST 0.97	09/25/2016	MBS PAYDOWN		163,521	163,521	163,520	163,520						163,521				1,054	11/26/2018	1FE	
1248HP-AB-0	CREDIT-BASED ASSET SERVICING A 5.763	09/01/2016	MBS PAYDOWN		15,333	15,333	15,333	12,598		2,593		2,593		15,333				574	12/25/2036	1AM	
12593G-AA-0	COMM MORTGAGE TRUST 1.667	09/01/2016	MBS PAYDOWN		4,315	4,315	4,315	4,315						4,315				48	07/10/2050	1FE	
12635F-AQ-7	CSAIL COMMERCIAL MORTGAGE TRUS 1.7167	09/01/2016	MBS PAYDOWN		11,966	11,966	11,966	11,966						11,966				137	08/15/2048	1FE	
12668B-TJ-2	COUNTRYWIDE ALTERNATIVE LOAN T 6	09/01/2016	MBS PAYDOWN		1,069	1,069	1,069	623		139		139		1,069				44	04/25/2036	1AM	
12668B-TJ-2	COUNTRYWIDE ALTERNATIVE LOAN T 6	09/01/2016	MBS PAYDOWN		1	1	1	1		1		1		1					04/25/2036	4AM	
12669G-LP-4	COUNTRYWIDE HOME LOANS 2.7682	09/01/2016	MBS PAYDOWN		656	656	656	354		154		154		656				12	03/25/2035	1AM	
12669Y-AC-6	COUNTRYWIDE HOME LOANS 6.25	09/01/2016	MBS PAYDOWN		1	1	1	1						1					09/25/2036	3AM	
12669Y-AC-6	COUNTRYWIDE HOME LOANS 6.25	09/01/2016	MBS PAYDOWN		2,218	2,520	2,520	1,103		347		347		2,520		(302)	(302)	102	09/25/2036	1AM	
13975J-AB-8	CAPITAL AUTO RECEIVABLES ASSET 1.18	09/20/2016	MBS PAYDOWN		1,456,758	1,456,758	1,459,603	1,458,282		(2,834)		(2,834)		1,456,758				11,456	12/20/2017	1FE	
173105-AC-1	CITICORP MORTGAGE SECURITIES 5.75	09/01/2016	MBS PAYDOWN		2,291	2,291	2,291	2,291								2,291	2,291	91	01/25/2037	6FE	
17321J-AA-2	CITIGROUP COMMERCIAL MORTGAGE 1.378	09/01/2016	MBS PAYDOWN		668,268	668,268	669,391	669,182		(496)		(496)		668,268				6,621	09/10/2046	1FE	

E05



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**



STATEMENT AS OF SEPTEMBER 30, 2016 OF THE TRIAD GUARANTY INSURANCE CORPORATION, IN  
REHABILITATION

**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
<p><b>NONE</b></p>							
8699999 Total Cash Equivalents							