



Supplemental Information Materials

All data as of March 31, 2008 unless otherwise noted

May 12, 2008

Transparency

1. In these uncertain times Triad would like to provide additional, more detailed information concerning its insured portfolio of mortgage loans.
2. The purpose of these materials is to help analysts, investors and potential investors better understand Triad's business.
3. The document should be read in conjunction with our press release and Securities and Exchange Commission filings, including but not limited to our Annual Report on Form 10-K for 2007 and our Quarterly Reports on Form 10-Q filed during calendar year 2008.
4. The supplemental information contained herein is historical data as of March 31, 2008 unless otherwise noted. The historical trends and other values reflected or included in the supplemental information may not be indicative of the future composition of our insured portfolio or future results. We undertake no obligation to update in the future the information contained herein.



Portfolio Statistics and Performance

Premium Deficiency Calculation

Dollars in millions

Policy Year	Flow					Bulk				
	Gross Risk in Force	Ultimate Frequency	Remaining Frequency	Severity	Avg Life in Years	Gross Risk in Force	Ultimate Frequency	Remaining Frequency	Severity	Avg Life in Years
	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
2003 and prior	\$1,700	1.9%	3.4%	93.3%	2.9	\$324	4.3%	9.8%	70.2%	2.9
2004	\$1,052	4.1%	4.7%	93.3%	3.6	\$625	2.5%	4.7%	70.2%	3.9
2005	\$1,563	11.3%	14.7%	100.0%	3.7	\$2,096	7.9%	11.7%	78.5%	4.2
2006	\$2,346	11.0%	12.6%	100.0%	4.7	\$2,594	15.4%	19.6%	82.7%	4.0
2007	\$3,619	12.1%	12.5%	101.0%	5.2	\$2,024	21.2%	22.9%	82.6%	4.2
2008	\$377	6.0%	6.0%	100.0%	4.7	\$0	n/a	n/a	n/a	n/a

(1) Risk in force is gross risk based on coverage at the certificate level and has not been reduced by risk ceded under captive reinsurance treaties, deductibles and/or stop losses.

(2) Ultimate Frequency represents the percentage of policies originated that will result in a paid claim.

(3) Remaining Frequency represents the percentage of policies in force that will result in a paid claim.

(4) Severity is an estimate of the percentage of risk per claim that will be paid.

(5) Avg Life in Years, a proxy for persistency, is the average remaining number of years a policy is projected to be inforce and remitting premium.

In Force and Default Summary by Vintage Year – Primary Flow

Dollars in millions

Primary Flow	2006				2007				2008
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.
Gross Risk In Force									
2003 and prior	\$2,840	\$2,617	\$2,429	\$2,278	\$2,145	\$2,006	\$1,888	\$1,794	\$1,700
2004	1,798	1,663	1,541	1,431	1,335	1,242	1,168	1,107	1,052
2005	2,348	2,246	2,134	2,019	1,913	1,799	1,706	1,635	1,563
2006	398	1,030	1,719	2,547	2,661	2,592	2,503	2,437	2,346
2007	-	-	-	-	883	2,117	3,022	3,639	3,619
2008	-	-	-	-	-	-	-	-	377
Total Risk in Force	\$7,385	\$7,556	\$7,824	\$8,275	\$8,938	\$9,755	\$10,288	\$10,611	\$10,656
Inforce Count									
2003 and prior	98,618	91,475	85,457	80,440	75,991	71,418	67,576	64,397	61,244
2004	49,504	46,170	43,095	40,381	37,893	35,400	33,369	31,666	30,155
2005	56,103	53,957	51,584	49,179	46,822	44,109	41,872	40,057	38,263
2006	8,552	21,178	34,622	50,399	52,173	50,845	49,229	47,813	45,998
2007	-	-	-	-	15,973	40,135	59,052	71,926	71,532
2008	-	-	-	-	-	-	-	-	7,732
Total in Force Count	212,777	212,780	214,758	220,399	228,852	241,907	251,098	255,859	254,924
Default Count									
2003 and prior	2,990	2,589	2,383	2,428	2,254	1,965	2,021	2,144	2,171
2004	1,111	1,045	1,102	1,203	1,103	1,018	1,102	1,256	1,333
2005	630	807	1,081	1,370	1,455	1,596	1,873	2,231	2,531
2006	-	20	102	264	522	869	1,413	2,267	3,098
2007	-	-	-	-	2	56	398	1,268	2,443
2008	-	-	-	-	-	-	-	-	-
Total Default Count	4,731	4,461	4,668	5,265	5,336	5,504	6,807	9,166	11,576
Delinquency Rate									
2003 and prior	3.0%	2.8%	2.8%	3.0%	3.0%	2.8%	3.0%	3.3%	3.5%
2004	2.2%	2.3%	2.6%	3.0%	2.9%	2.9%	3.3%	4.0%	4.4%
2005	1.1%	1.5%	2.1%	2.8%	3.1%	3.6%	4.5%	5.6%	6.6%
2006	0.0%	0.1%	0.3%	0.5%	1.0%	1.7%	2.9%	4.7%	6.7%
2007	-	-	-	-	0.0%	0.1%	0.7%	1.8%	3.4%
2008	-	-	-	-	-	-	-	-	0.0%
Total Delinquency Rate	2.2%	2.1%	2.2%	2.4%	2.3%	2.3%	2.7%	3.6%	4.5%

In Force and Default Summary by Vintage Year – Primary Bulk

Dollars in millions

Primary Bulk	2006				2007				2008
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.
Gross Risk In Force									
2003 and prior	\$87	\$79	\$65	\$58	\$54	\$47	\$44	\$40	\$38
2004	34	29	27	23	23	19	16	15	14
2005	6	5	5	5	5	5	4	4	3
2006	0	72	208	291	327	305	293	280	271
2007	-	-	-	-	435	997	1,226	1,186	1,143
2008	-	-	-	-	-	-	-	-	-
Total Risk in Force	\$127	\$185	\$305	\$377	\$843	\$1,373	\$1,583	\$1,525	\$1,470
Inforce Count									
2003 and prior	2,170	1,981	1,680	1,544	1,437	1,302	1,208	1,124	1,069
2004	677	599	562	499	480	413	366	339	327
2005	108	96	105	98	97	93	79	74	69
2006	4	1,002	2,182	2,991	3,386	3,170	3,074	2,944	2,848
2007	-	-	-	-	5,074	11,278	13,856	13,458	13,052
2008	-	-	-	-	-	-	-	-	-
Total in Force Count	2,959	3,678	4,529	5,132	10,474	16,256	18,583	17,939	17,365
Default Count									
2003 and prior	342	287	266	258	236	228	200	210	201
2004	41	37	35	29	28	26	28	32	32
2005	3	3	3	3	1	3	4	4	5
2006	-	-	-	9	27	63	100	174	245
2007	-	-	-	-	5	116	402	834	1,263
2008	-	-	-	-	-	-	-	-	-
Total Default Count	386	327	304	299	297	436	734	1,254	1,746
Delinquency Rate									
2003 and prior	15.8%	14.5%	15.8%	16.7%	16.4%	17.5%	16.6%	18.7%	18.8%
2004	6.1%	6.2%	6.2%	5.8%	5.8%	6.3%	7.7%	9.4%	9.8%
2005	2.8%	3.1%	2.9%	3.1%	1.0%	3.2%	5.1%	5.4%	7.2%
2006	0.0%	0.0%	0.0%	0.3%	0.8%	2.0%	3.3%	5.9%	8.6%
2007	-	-	-	-	0.1%	1.0%	2.9%	6.2%	9.7%
2008	-	-	-	-	-	-	-	-	0.0%
Total Delinquency Rate	13.0%	8.9%	6.7%	5.8%	2.8%	2.7%	3.9%	7.0%	10.1%

In Force and Default Summary by Vintage Year – Modified Pool

Dollars in millions

Modified Pool	2006				2007				2008
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.
Gross Risk In Force									
2003 and prior	\$482	\$441	\$407	\$374	\$354	\$330	\$314	\$298	\$286
2004	1,024	943	874	814	761	712	671	641	611
2005	3,150	2,950	2,777	2,622	2,488	2,363	2,258	2,176	2,093
2006	1,193	1,844	2,382	2,828	2,703	2,575	2,483	2,383	2,323
2007	-	-	-	-	621	939	918	900	881
2008	-	-	-	-	-	-	-	-	-
Total Risk in Force	\$5,847	\$6,178	\$6,440	\$6,638	\$6,928	\$6,920	\$6,643	\$6,398	\$6,194
Inforce Count									
2003 and prior	11,624	10,725	10,001	9,296	8,825	8,289	7,923	7,579	7,288
2004	21,582	20,099	18,791	17,658	16,668	15,723	14,940	14,366	13,797
2005	52,988	49,812	47,111	44,719	42,623	40,565	38,807	37,394	36,103
2006	15,740	27,017	34,747	40,882	39,127	37,240	35,848	34,398	33,442
2007	-	-	-	-	7,468	11,908	11,615	11,372	11,093
2008	-	-	-	-	-	-	-	-	-
Total in Force Count	101,934	107,653	110,650	112,555	114,711	113,725	109,133	105,109	101,723
Default Count									
2003 and prior	823	733	676	738	640	564	546	570	602
2004	604	577	614	750	754	748	786	846	911
2005	349	387	512	967	1,126	1,277	1,477	1,795	2,556
2006	-	1	165	546	845	1,192	1,699	2,543	3,525
2007	-	-	-	-	1	132	319	648	1,000
2008	-	-	-	-	-	-	-	-	-
Total Default Count	1,776	1,698	1,967	3,001	3,366	3,913	4,827	6,402	8,594
Delinquency Rate									
2003 and prior	7.1%	6.8%	6.8%	7.9%	7.3%	6.8%	6.9%	7.5%	8.3%
2004	2.8%	2.9%	3.3%	4.2%	4.5%	4.8%	5.3%	5.9%	6.6%
2005	0.7%	0.8%	1.1%	2.2%	2.6%	3.1%	3.8%	4.8%	7.1%
2006	0.0%	0.0%	0.5%	1.3%	2.2%	3.2%	4.7%	7.4%	10.5%
2007	-	-	-	-	0.0%	1.1%	2.7%	5.7%	9.0%
2008	-	-	-	-	-	-	-	-	0.0%
Total Delinquency Rate	1.7%	1.6%	1.8%	2.7%	2.9%	3.4%	4.4%	6.1%	8.4%

Portfolio Statistics and Historical Performance

As of and through March 31, 2008

\$ in thousands	Business Originated			Current In Force			(A)	(B)	(C)	Weighted Avg. Captive Attachment (D)	Weighted Avg. Captive Exit (D)	
	Original Insurance In Force	Original Risk In Force	Original Number of Certificates	Insurance in Force	Risk in Force	Certificates in Force	Current Net Annualized Premium	Average Risk In Force per Policy	Incurred Losses to Date (\$)			Incurred Incidence Rate to Date
Primary Flow by Vintage - Captive excluding PNAM												
2008	\$827,653	\$196,441	3,980	\$820,696	\$194,815	3,956	\$2,877	\$49.2	\$0	0.0%	4.2%	13.1%
2007	8,274,451	2,100,247	43,782	7,792,991	1,980,454	41,529	36,094	\$47.7	37,157	1.6%	4.1%	12.8%
2006	6,008,574	1,544,247	33,788	4,676,124	1,204,544	27,157	20,382	\$44.4	57,554	3.6%	4.1%	12.9%
2005	5,938,625	1,540,116	36,863	3,766,961	989,960	24,515	16,382	\$40.4	40,655	3.0%	4.1%	12.9%
2004 and Prior	29,978,224	7,345,693	205,984	5,973,524	1,560,155	46,623	24,800	\$33.5	126,833	2.5%	4.1%	12.3%
Primary Flow by Vintage - Non-Captive excluding PNAM												
2008	\$782,286	\$182,029	3,781	\$779,650	\$181,470	3,773	\$3,847	\$48.1	\$0	0.0%		
2007	4,668,882	1,154,699	25,128	4,353,247	1,073,215	23,701	25,375	\$45.3	13,867	1.1%		
2006	2,385,798	594,243	13,840	1,965,965	491,568	11,666	10,075	\$42.1	14,938	2.6%		
2005	3,129,402	758,232	19,917	1,662,954	420,552	11,528	13,035	\$36.5	37,332	6.2%		
2004 and Prior	44,953,423	10,711,164	351,618	4,960,079	1,184,421	44,652	26,341	\$26.5	125,907	1.8%		
Primary Flow PNAM by Vintage												
2008	\$1,513	\$314	3	\$1,513	\$314	3	\$5	\$104.7	\$0	0.0%	0.0%	0.0%
2007	2,323,937	592,273	6,740	2,214,944	565,327	6,302	15,449	\$89.7	31,694	5.1%	0.7%	1.9%
2006	3,083,744	791,449	9,109	2,527,584	650,004	7,175	17,996	\$90.6	71,390	8.5%	1.3%	3.1%
2005	1,249,767	336,829	5,012	562,939	152,445	2,220	3,136	\$68.7	27,102	7.5%	3.8%	12.1%
2004 and Prior	150,227	39,415	674	26,550	6,966	124	114	\$56.2	891	3.6%	3.8%	13.3%
Primary Bulk by Vintage												
2008	\$0	\$0	-	-	-	-	-	\$0.0	\$0	0.0%		
2007	3,610,437	1,276,061	14,451	3,245,620	1,143,106	13,052	20,838	\$87.6	57,020	4.5%		
2006	1,237,954	345,458	3,606	962,354	271,079	2,848	4,644	\$95.2	15,213	4.7%		
2005	31,126	10,242	169	10,303	3,291	69	91	\$47.7	203	4.1%		
2004 and Prior	1,696,441	557,441	10,755	155,260	52,114	1,396	1,628	\$37.3	21,206	7.2%		
Deductible (E) Stop Loss (F)												
Modified Pool by Vintage - Non-PNAM and Non-Deductible Structures												
2008	\$0	\$0	-	-	-	-	-	\$0.0	\$0	0.0%		\$0
2007	523,006	96,493	1,690	462,624	85,457	1,492	1,756	\$57.3	-	0.0%		18,206
2006	2,559,195	835,423	11,117	1,819,562	595,428	7,934	6,146	\$75.0	37,835	5.8%		66,912
2005	5,815,975	1,886,354	29,464	3,634,521	1,189,233	18,784	10,647	\$63.3	40,804	3.0%		122,285
2004 and Prior	7,350,826	1,958,142	35,860	680,978	197,043	5,152	2,415	\$38.2	18,253	2.9%		247,803
Modified Pool by Vintage - Non-PNAM with Deductible Structures												
2008	\$0	\$0	-	-	-	-	-	\$0.0	\$0	0.0%	\$0	\$0
2007	2,214,678	772,629	9,082	2,002,285	699,446	8,212	4,109	\$85.2	20,295	3.6%	18,553	75,825
2006	4,081,187	1,374,075	20,433	3,046,896	1,032,838	15,607	5,235	\$66.2	43,544	4.1%	26,661	147,890
2005	5,144,212	1,646,322	29,390	2,708,838	875,683	16,950	5,169	\$51.7	26,755	2.6%	29,645	141,950
2004 and Prior	8,255,230	2,461,062	48,241	2,335,905	700,232	15,933	5,103	\$43.9	16,959	1.4%	45,267	244,505
Modified Pool by Vintage - PNAM												
2008	\$0	\$0	-	-	-	-	-	\$0.0	\$0	0.0%	\$0	\$0
2007	593,178	103,480	1,559	549,025	95,854	1,389	2,882	\$69.0	1,516	1.8%	-	26,075
2006	4,944,806	894,879	13,189	3,858,526	694,957	9,901	17,177	\$70.2	21,303	3.1%	1,348	171,039
2005	138,184	43,396	597	88,027	28,235	369	351	\$76.5	1,183	0.0%	1,042	6,875
2004 and Prior	-	-	-	-	-	-	-	\$0.0	-	0.0%	-	-

A - F See explanations on page 8



Please refer to items 3 and 4 on Page 2 for cautionary statements

Portfolio Statistics and Historical Performance - Explanations

- (A) Annual premium based on March 31, 2008 insurance in force multiplied by the net premium rate. Future premium earned from in-force block will be dependent on policy persistency.
- (B) Incurred losses to date (\$) equals the sum of the paid claims through March 31, 2008 plus reserve for estimated losses at March 31, 2008.
- (C) Incurred incident rate to date equals the number of paid losses through March 31, 2008, plus the estimated number of losses incorporated in loss reserves divided by the original number of certificates issued.
- (D) Under captive reinsurance contracts the captive will be responsible for all losses between the captive attachment point and captive exit point. The attachment and exit points are expressed as a percentage of the original risk on the book of business reinsured by the captive. Please see the captive reinsurance illustration on page 22 for additional information on captive reinsurance arrangements.
- (E) The amounts shown in the deductible column are the total original aggregate deductibles under the contracts. Each contract in this category has a deductible and Triad will not be responsible for paying losses until the deductible is exceeded. For financial reporting we do not record loss reserves on defaults under deductible contracts until the total incurred losses (paid losses plus loss reserves) exceeds the deductible.
- (F) The total original aggregate stop loss under the contract structures. Each contract has a specified stop loss that caps Triad's potential loss on an individual contract at the stop loss level.

Select Risk Characteristics by Vintage Year – Primary Flow

At March 31, 2008, the net risk in force related to Primary flow amounted to \$9,671 million, or 81% of the total net risk in force. Net risk for Primary flow reflects the risk transferred under captive reinsurance treaties.

Primary Flow		Underwriting Credit Score (a)				Product				Specific Risk Characteristics						
Vintage Year	Total	>=700	660-699	620-659	<620	Fixed Rate	Amort ARMs	Interest Only	PNAM ¹	LTV>95 (a)	Alt-A (a)	Investor (a)	Condo (a)	CA	FL	AZ / NV
Total Risk in Force (b)	\$ 10,656															
% of Total \$	100%	53.4%	24.9%	17.0%	4.8%	72.3%	8.8%	6.0%	12.8%	19.4%	15.3%	2.8%	10.3%	8.8%	10.2%	6.0%
2008 Risk in Force	\$ 377															
% of Total \$	100%	63.2%	23.5%	11.8%	1.6%	87.2%	6.3%	6.5%	0.1%	8.2%	2.0%	4.4%	11.7%	11.3%	5.2%	3.8%
2007 Risk in Force	\$ 3,619															
% of Total \$	100%	51.5%	25.8%	18.0%	4.6%	71.7%	4.4%	8.5%	15.5%	27.6%	17.9%	2.8%	11.0%	11.9%	9.8%	7.3%
2006 Risk in Force	\$ 2,346															
% of Total \$	100%	56.1%	25.8%	15.0%	3.1%	58.4%	6.1%	8.0%	27.5%	16.4%	26.1%	2.3%	13.4%	12.4%	15.5%	7.5%
2005 Risk in Force	\$ 1,563															
% of Total \$	100%	54.1%	24.3%	18.0%	3.7%	71.5%	12.8%	6.0%	9.7%	17.3%	15.2%	3.8%	10.7%	5.0%	11.7%	5.6%
2004 and Prior Risk in Force (b)	\$ 2,752															
% of Total \$	100%	51.8%	23.3%	17.5%	7.4%	83.5%	15.1%	1.1%	0.3%	14.0%	4.6%	2.6%	6.3%	3.5%	6.1%	3.5%

¹ PNAM stands for Potential Negative Amortization Mortgage

- (a) Based on information provided by the lender at the time the loan was insured.
- (b) Risk in force is gross risk based on coverage at the certificate level and has not been reduced by risk ceded under captive reinsurance treaties. At March 31, 2008, \$985 million of risk has been ceded to captive reinsurers.

Dollars in millions
 Data is as of March 31, 2008
 Specific risk characteristics are not mutually exclusive

Select Risk Characteristics by Vintage Year – Primary Bulk

At March 31, 2008, the net risk in force related to Primary bulk amounted to \$1,470 million, or 12% of the total net risk in force.

Primary Bulk		Underwriting Credit Score (a)				Product				Specific Risk Characteristics						
Vintage Year	Total	>=700	660-699	620-659	<620	Fixed Rate	Amort ARMs	Interest Only	PNAM ¹	LTV>95 (a)	Alt-A (a)	Investor (a)	Condo (a)	CA	FL	AZ / NV
Total Risk in Force	\$ 1,470															
% of Total \$	100%	71.2%	23.8%	4.0%	1.0%	16.6%	29.6%	44.1%	9.7%	67.5%	64.1%	15.7%	12.1%	17.6%	13.0%	11.2%
2008 Risk in Force	\$ -															
% of Total \$	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007 Risk in Force	\$ 1,143															
% of Total \$	100%	72.3%	24.1%	3.6%	0.0%	14.6%	36.4%	44.7%	4.2%	72.5%	67.6%	17.6%	12.4%	16.1%	13.2%	12.3%
2006 Risk in Force	\$ 271															
% of Total \$	100%	75.4%	21.3%	3.3%	0.0%	11.2%	3.6%	50.5%	34.7%	56.4%	54.4%	9.5%	12.6%	26.3%	13.2%	8.2%
2005 Risk in Force	\$ 3															
% of Total \$	100%	52.4%	46.2%	1.4%	0.0%	89.0%	11.0%	0.0%	0.0%	30.2%	76.0%	3.7%	1.4%	0.8%	4.0%	4.2%
2004 and Prior Risk in Force	\$ 52															
% of Total \$	100%	26.5%	27.7%	17.7%	28.0%	83.6%	16.4%	0.0%	0.0%	17.5%	37.5%	6.9%	3.4%	6.8%	5.9%	3.0%

¹ PNAM stands for Potential Negative Amortization Mortgage

(a) Based on information provided by the lender at the time the loan was insured.

Dollars in millions

Data is as of March 31, 2008

Specific risk characteristics are not mutually exclusive

Select Risk Characteristics by Vintage Year – Modified Pool

At March 31, 2008, Modified Pool amounted to \$795 million, or 7% of net risk in force. Net risk in force reflects stop losses and/or deductibles under the modified pool contracts.

Modified Pool		Underwriting Credit Score (a)				Product				Specific Risk Characteristics						
		>=700	660-699	620-659	<620	Fixed Rate	Amort ARMs	Interest Only	PNAM ¹	LTV>95 (a) (b)	Alt-A (a)	Investor (a)	Condo (a)	CA	FL	AZ / NV
Vintage Year	Total															
Total Risk in Force (c)	\$ 6,194															
% of Total \$	100%	57.2%	31.3%	10.7%	0.8%	26.1%	37.3%	23.4%	13.2%	0.0%	71.4%	20.4%	9.5%	23.7%	13.1%	11.4%
2008 Risk in Force	\$ -															
% of Total \$	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007 Risk in Force	\$ 881															
% of Total \$	100%	57.1%	34.3%	8.6%	0.0%	0.0%	79.9%	9.2%	10.9%	0.0%	77.9%	17.9%	15.8%	32.6%	15.1%	12.7%
2006 Risk in Force	\$ 2,323															
% of Total \$	100%	59.4%	31.6%	8.7%	0.4%	16.8%	31.0%	22.3%	29.9%	0.0%	74.3%	19.0%	11.0%	29.0%	15.7%	12.7%
2005 Risk in Force	\$ 2,093															
% of Total \$	100%	58.9%	29.6%	10.6%	1.0%	31.4%	27.2%	40.1%	1.3%	0.0%	65.9%	21.3%	8.7%	17.3%	11.2%	12.0%
2004 and Prior Risk in Force (c)	\$ 897															
% of Total \$	100%	47.4%	32.0%	18.2%	2.4%	63.5%	35.2%	1.3%	0.0%	0.0%	70.0%	24.0%	1.5%	16.4%	8.9%	5.6%

¹ PNAM stands for Potential Negative Amortization Mortgage

- (a) Based on information provided by the lender at the time the loan was insured.
- (b) All loans classified as modified pool insurance by us are first liens with a loan-to-value ratio on the first lien less than 80% when insured. A portion of the insured loans may have second liens that result in a combined loan-to-value ratio greater than 80%. We do not insure any second liens.
- (c) Risk in force is gross risk based on coverage at the certificate level and has not been reduced by deductibles and/or stop losses.

Dollars in millions

Data is as of March 31, 2008

Specific risk characteristics are not mutually exclusive

Select Risk Characteristics by Vintage Year – Potential Negative Amortization*

This information below shows the potential negative amortization loans as a separate class. These loans are also included in the line of business data previously shown on pages 9 through 11.

Potential Negative Amortization		Underwriting Credit Score (a)				Product				Specific Risk Characteristics						
Vintage Year	Total	>=700	660-699	620-659	<620	Fixed Rate	Amort ARMs	Interest Only	PNAM ¹	LTV>95 (a)	Alt-A (a)	Investor (a)	Condo (a)	CA	FL	AZ / NV
Total Risk in Force (b)	\$ 2,337															
% of Total \$	100%	59.1%	30.8%	9.9%	0.2%	0.0%	0.0%	0.0%	100.0%	3.7%	74.9%	10.5%	13.0%	37.8%	20.8%	9.1%
2008 Risk in Force	\$ 0															
% of Total \$	100%	53.9%	46.1%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007 Risk in Force	\$ 710															
% of Total \$	100%	58.2%	29.1%	12.6%	0.1%	0.0%	0.0%	0.0%	100.0%	1.7%	78.2%	7.1%	12.6%	39.3%	19.2%	8.3%
2006 Risk in Force	\$ 1,439															
% of Total \$	100%	59.7%	31.7%	8.4%	0.2%	0.0%	0.0%	0.0%	100.0%	4.5%	76.2%	12.9%	13.1%	39.0%	21.7%	9.0%
2005 Risk in Force	\$ 181															
% of Total \$	100%	58.7%	30.7%	10.4%	0.2%	0.0%	0.0%	0.0%	100.0%	4.5%	54.7%	5.5%	14.3%	23.4%	19.5%	13.4%
2004 and Prior Risk in Force (b)	\$ 7															
% of Total \$	100%	39.3%	25.3%	32.9%	2.5%	0.0%	0.0%	0.0%	100.0%	1.7%	3.8%	2.5%	15.1%	15.8%	17.6%	8.3%

¹ PNAM stands for Potential Negative Amortization Mortgage

*Potential negative amortization loans are adjustable rate mortgage loans that provide the borrower with multiple payment options for a period of time. These options include paying an amount sufficient to fully amortize the loan, paying the amount of interest only, or making payments less than the amount of the interest accruing on the loan. If the borrower makes payments that amount to less than the interest accruing on the loan, the amount of interest charged in excess of the amount paid is added to the loan, with the amount added to the loan being referred to as negative amortization.

- (a) Based on information provided by the lender at the time the loan was insured.
- (b) Risk in force is gross risk based on coverage at the certificate level and has not been reduced by risk ceded under captive reinsurance treaties, or deductibles and/or stop losses for loans that may be in modified pool contracts, as applicable.

Dollars in millions

Data is as of March 31, 2008

Specific risk characteristics are not mutually exclusive

Portfolio Summary by Vintage Year - Primary Flow

Data as of March 31, 2008

Dollars in Millions

Total Primary Flow

Vintage Year	Certificates in Force	Insurance in Force	Gross Risk in Force	Average Orig. LTV (3)	Average Credit Score (4)
2008	7,732	\$1,602	\$377	91	717
2007	71,532	14,361	3,619	93	702
2006	45,998	9,170	2,346	92	705
2005	38,263	5,993	1,563	92	703
2004 and Prior	91,399	10,960	2,752	92	685
Total	254,924	\$42,086	\$10,656	92	699

Primary Flow - Captive Other than PNAM

Vintage Year	Certificates in Force	Insurance in Force	Gross Risk in Force (1)	Average Orig. LTV (3)	Average Credit Score (4)
2008	3,956	\$821	\$195	91	712
2007	41,529	7,793	1,980	93	700
2006	27,157	4,676	1,205	92	704
2005	24,515	3,767	990	92	706
2004 and Prior	46,623	5,974	1,560	92	694
Total	143,780	\$23,030	\$5,930	92	701

Primary Flow - Non Captive other than PNAM

Vintage Year	Certificates in Force	Insurance in Force	Gross Risk in Force	Average Orig. LTV (3)	Average Credit Score (4)
2008	3,773	\$780	\$181	91	721
2007	23,701	4,353	1,073	94	702
2006	11,666	1,966	492	93	699
2005	11,528	1,663	421	92	694
2004 and Prior	44,652	4,960	1,184	91	674
Total	95,320	\$13,722	\$3,351	93	692

Primary Flow - PNAM (2)

Vintage Year	Certificates in Force	Insurance in Force	Gross Risk in Force	Average Orig. LTV (3)	Average Credit Score (4)
2008	3	\$2	\$0	88	712
2007	6,302	2,215	565	91	709
2006	7,175	2,528	650	91	713
2005	2,220	563	152	92	707
2004 and Prior	124	27	7.0	91	689
Total	15,824	\$5,334	\$1,375	91	711

(1) Calculated on certificate level and does not reflect risk reinsured under captive reinsurance contracts. Amount of risk ceded to captives totaled \$985.1 million at March 31, 2008.

(2) The categories above are mutually exclusive. There are some potential negative amortization loans that are included in captive reinsurance arrangements. The percentage of gross risk covered by captives is approximately 15%, 27% and 88% for 2007, 2006 and 2005, respectively.

(3) Weighted based on Current Loan Balance.

(4) Weighted based on Current Risk In Force.

Portfolio Summary by Vintage Year - Primary Bulk

Data as of March 31, 2008

Dollars in Millions

Total Primary Bulk

Vintage Year	Certificates in Force	Insurance in Force	Gross Risk In Force	Average Orig. LTV (1)	Average Credit Score (2)
2008	-	\$0	\$0	-	-
2007	13,052	3,246	1,143	96	724
2006	2,848	962	271	90	726
2005	69	10	3	91	710
2004 and Prior	1,396	155	52	87	658
Total	17,365	\$4,374	\$1,470	94	722

(1) Weighted based on Current Loan Balance.

(2) Weighted based on Current Risk In Force.

Portfolio Summary by Vintage Year - Modified Pool

Data as of March 31, 2008

Dollars in Millions

Total Modified Pool

Vintage Year	Certificates in Force	Insurance in Force	Gross Risk In Force (1)	Average Orig. LTV (3)	Average Credit Score (4)
2008	-	\$0	\$0	-	-
2007	11,093	3,014	881	79	711
2006	33,442	8,725	2,323	78	713
2005	36,103	6,431	2,093	77	712
2004 and Prior	21,085	3,017	897	74	699
Total	101,723	\$21,187	\$6,194	77	710

Non-Potential Negative Amortization Loans - Structures with Stop Loss Only

Vintage Year	Certificates in Force	Insurance in Force	Gross Risk In Force (1)	Average Orig. LTV (3)	Average Credit Score (4)
2008	-	\$0	\$0	-	-
2007	1,492	463	85	79	725
2006	7,934	1,820	595	78	719
2005	18,784	3,635	1,189	77	717
2004 and Prior	5,152	681	197	74	696
Total	33,362	\$6,598	\$2,067	77	716

Non-Potential Negative Amortization Loans -- Structures with Stop Loss and Deductible

Vintage Year	Certificates in Force	Insurance in Force	Gross Risk In Force (1)	Average Orig. LTV (3)	Average Credit Score (4)
2008	-	\$0	\$0	-	-
2007	8,212	2,002	699	79	709
2006	15,607	3,047	1,033	77	711
2005	16,950	2,709	876	76	704
2004 and Prior	15,933	2,336	700	74	699
Total	56,702	\$10,094	\$3,308	77	706

Potential Negative Amortization Loans (2)

Vintage Year	Certificates in Force	Insurance in Force	Gross Risk In Force (1)	Average Orig. LTV (3)	Average Credit Score (4)
2008	-	\$0	\$0	-	-
2007	1,389	549	96	78	713
2006	9,901	3,859	695	78	711
2005	369	88	28	76	724
2004 and Prior	-	-	-	-	-
Total	11,659	\$4,496	\$819	78	712

(1) Calculated on certificate level and does not reflect risk not assumed due to deductibles and stop loss within structures.

(2) Categories are mutually exclusive. Potential negative amortization loans are all in structures with stop losses, and a portion are included in structures with deductibles. See page 12 for amounts of stop loss and deductible associated with potential negative amortization loans.

(3) Weighted based on Current Loan Balance.

(4) Weighted based on Current Risk In Force.

Credit Quality & Geography Portfolio Trends - Primary Flow

	1st Qtr. 2006	2nd Qtr. 2006	3rd Qtr. 2006	4th Qtr. 2006	1st Qtr. 2007	2nd Qtr. 2007	3rd Qtr. 2007	4th Qtr. 2007	1st Qtr. 2008
Net Risk In Force (in millions)	\$6,652	\$6,781	\$7,016	\$7,447	\$8,094	\$8,866	\$9,350	\$9,642	\$9,671

Credit Quality

	1st Qtr. 2006	2nd Qtr. 2006	3rd Qtr. 2006	4th Qtr. 2006	1st Qtr. 2007	2nd Qtr. 2007	3rd Qtr. 2007	4th Qtr. 2007	1st Qtr. 2008
Credit Quality - Percent of Risk in Force									
Prime	84.8%	83.9%	82.9%	82.0%	80.0%	79.1%	79.5%	80.2%	80.8%
Alt-A	10.7%	11.8%	13.0%	14.0%	16.2%	16.9%	16.4%	15.7%	15.3%
A-Minus & Subprime	4.5%	4.3%	4.1%	4.0%	3.8%	4.0%	4.1%	4.0%	3.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Credit Quality - Default Rate									
Prime	1.8%	1.7%	1.7%	1.9%	1.8%	1.7%	2.0%	2.5%	3.1%
Alt-A	3.3%	3.2%	3.2%	3.7%	3.6%	3.9%	5.3%	8.7%	12.9%
A-Minus & Subprime	7.9%	7.9%	9.0%	9.6%	9.2%	8.5%	9.8%	11.9%	14.1%
Total	2.2%	2.1%	2.2%	2.4%	2.3%	2.3%	2.7%	3.6%	4.5%

Geography

	1st Qtr. 2006	2nd Qtr. 2006	3rd Qtr. 2006	4th Qtr. 2006	1st Qtr. 2007	2nd Qtr. 2007	3rd Qtr. 2007	4th Qtr. 2007	1st Qtr. 2008
Percent of Risk In Force - Top 10 States									
FLORIDA	9.0%	9.5%	9.9%	10.2%	10.5%	10.5%	10.4%	10.3%	10.2%
TEXAS	10.1%	9.9%	9.8%	9.4%	9.0%	8.6%	8.7%	8.9%	8.9%
CALIFORNIA	5.0%	5.3%	5.7%	6.4%	7.5%	8.2%	8.3%	8.6%	8.8%
NORTH CAROLINA	5.8%	5.7%	5.7%	5.7%	5.5%	5.4%	5.4%	5.4%	5.4%
ILLINOIS	4.5%	4.5%	4.6%	4.5%	4.5%	4.4%	4.3%	4.3%	4.2%
GEORGIA	5.1%	4.9%	4.8%	4.6%	4.5%	4.3%	4.2%	4.2%	4.2%
ARIZONA	3.4%	3.4%	3.6%	3.6%	3.7%	3.8%	4.0%	4.0%	4.0%
PENNSYLVANIA	3.7%	3.6%	3.5%	3.5%	3.4%	3.3%	3.3%	3.3%	3.3%
VIRGINIA	2.8%	2.9%	2.9%	3.0%	3.1%	3.2%	3.2%	3.2%	3.2%
OHIO	4.0%	3.9%	3.8%	3.7%	3.5%	3.3%	3.2%	3.1%	3.0%
All Other	46.7%	46.3%	45.7%	45.4%	44.9%	44.9%	44.9%	44.8%	44.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Default Rate - Top 10 Risk in Force States									
FLORIDA	1.2%	1.0%	1.0%	1.3%	1.6%	2.1%	3.3%	6.2%	9.8%
TEXAS	2.6%	2.4%	2.3%	2.5%	2.2%	2.0%	2.1%	2.5%	2.6%
CALIFORNIA	0.6%	0.7%	0.7%	1.0%	1.2%	1.6%	3.0%	5.3%	8.6%
NORTH CAROLINA	2.6%	2.3%	2.2%	2.5%	2.4%	2.2%	2.4%	2.8%	3.0%
ILLINOIS	2.3%	2.4%	2.5%	2.6%	2.6%	2.6%	3.0%	3.9%	5.0%
GEORGIA	2.5%	2.3%	2.3%	2.6%	2.3%	2.2%	2.6%	3.3%	3.9%
ARIZONA	0.6%	0.5%	0.6%	0.8%	0.9%	1.1%	1.7%	3.0%	4.5%
PENNSYLVANIA	2.3%	2.3%	2.4%	2.8%	2.9%	2.6%	3.0%	3.2%	3.7%
VIRGINIA	0.7%	0.6%	0.7%	1.0%	1.0%	1.1%	1.6%	2.4%	3.2%
OHIO	3.7%	3.7%	3.9%	4.1%	3.9%	4.0%	4.4%	5.2%	5.6%
All Other	2.4%	2.3%	2.4%	2.6%	2.5%	2.4%	2.7%	3.3%	3.9%
Total	2.2%	2.1%	2.2%	2.4%	2.3%	2.3%	2.7%	3.6%	4.5%

Credit Quality & Geography Portfolio Trends – Primary Bulk

	1st Qtr. 2006	2nd Qtr. 2006	3rd Qtr. 2006	4th Qtr. 2006	1st Qtr. 2007	2nd Qtr. 2007	3rd Qtr. 2007	4th Qtr. 2007	1st Qtr. 2008
Net Risk In Force (in millions)	\$127	\$185	\$305	\$377	\$843	\$1,373	\$1,583	\$1,525	\$1,470

Credit Quality

	1st Qtr. 2006	2nd Qtr. 2006	3rd Qtr. 2006	4th Qtr. 2006	1st Qtr. 2007	2nd Qtr. 2007	3rd Qtr. 2007	4th Qtr. 2007	1st Qtr. 2008
Credit Quality - Percent of Risk in Force									
Prime	30.8%	28.8%	53.6%	39.8%	37.5%	34.4%	34.1%	34.5%	34.9%
Alt-A	43.8%	55.3%	38.4%	54.4%	60.2%	64.3%	64.8%	64.5%	64.1%
A-Minus & Subprime	25.4%	16.0%	8.0%	5.8%	2.4%	1.3%	1.1%	1.0%	1.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Credit Quality - Default Rate									
Prime	11.1%	7.7%	4.2%	3.8%	1.9%	1.7%	2.1%	3.3%	4.5%
Alt-A	9.6%	5.0%	4.0%	3.1%	1.4%	2.2%	4.3%	8.5%	12.9%
A-Minus & Subprime	19.5%	18.9%	21.8%	23.6%	24.1%	23.4%	21.6%	25.5%	24.4%
Total	13.0%	8.9%	6.7%	5.8%	2.8%	2.7%	3.9%	7.0%	10.1%

Geography

	1st Qtr. 2006	2nd Qtr. 2006	3rd Qtr. 2006	4th Qtr. 2006	1st Qtr. 2007	2nd Qtr. 2007	3rd Qtr. 2007	4th Qtr. 2007	1st Qtr. 2008
Percent of Risk In Force - Top 10 States									
CALIFORNIA	8.8%	21.0%	21.9%	23.9%	17.1%	17.2%	17.5%	17.5%	17.6%
FLORIDA	7.1%	11.3%	11.7%	11.5%	13.5%	12.9%	12.8%	13.0%	13.0%
ARIZONA	2.4%	2.7%	4.5%	4.4%	6.2%	6.5%	6.6%	6.6%	6.7%
UTAH	2.2%	1.6%	3.3%	3.5%	5.5%	5.5%	5.3%	5.2%	5.2%
COLORADO	5.1%	3.7%	4.0%	4.0%	5.0%	5.0%	4.9%	4.8%	4.9%
NEVADA	2.1%	1.6%	2.3%	3.0%	3.8%	4.5%	4.4%	4.5%	4.5%
WASHINGTON	1.5%	2.1%	4.1%	4.6%	5.0%	4.7%	4.5%	4.5%	4.5%
VIRGINIA	3.7%	5.5%	5.9%	6.1%	5.3%	4.2%	4.2%	4.2%	4.3%
MARYLAND	3.7%	2.3%	4.0%	4.0%	3.5%	3.4%	3.3%	3.3%	3.3%
TEXAS	9.8%	6.3%	4.4%	3.9%	3.7%	3.3%	3.4%	3.3%	3.3%
All Other	53.6%	41.9%	33.9%	31.2%	31.4%	32.8%	33.2%	33.0%	32.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Default Rate - Top 10 Risk in Force States									
CALIFORNIA	1.6%	1.1%	0.8%	1.1%	0.8%	1.4%	3.2%	7.4%	13.1%
FLORIDA	9.6%	3.9%	2.0%	2.1%	1.0%	2.1%	5.3%	11.7%	17.8%
ARIZONA	2.7%	0.9%	1.2%	1.0%	0.5%	1.6%	2.6%	7.0%	12.7%
UTAH	8.5%	3.2%	2.6%	2.0%	0.4%	0.4%	0.7%	2.0%	3.5%
COLORADO	3.4%	4.9%	3.0%	3.8%	1.8%	1.0%	2.6%	4.6%	6.3%
NEVADA	5.2%	1.7%	1.1%	0.8%	1.9%	2.6%	4.5%	8.7%	11.8%
WASHINGTON	5.4%	1.3%	0.7%	1.7%	1.1%	0.9%	0.8%	2.7%	3.9%
VIRGINIA	6.6%	2.7%	2.4%	2.8%	1.8%	2.3%	3.0%	4.6%	5.8%
MARYLAND	14.9%	5.4%	2.3%	1.4%	1.5%	1.5%	3.2%	5.1%	9.7%
TEXAS	12.5%	10.2%	9.2%	10.1%	5.7%	4.7%	4.9%	6.2%	7.2%
All Other	16.8%	13.8%	11.8%	10.2%	4.9%	4.0%	4.8%	7.0%	8.7%
Total	13.0%	8.9%	6.7%	5.8%	2.8%	2.7%	3.9%	7.0%	10.1%

Credit Quality & Geography Portfolio Trends – Modified Pool

	1st Qtr. 2006	2nd Qtr. 2006	3rd Qtr. 2006	4th Qtr. 2006	1st Qtr. 2007	2nd Qtr. 2007	3rd Qtr. 2007	4th Qtr. 2007	1st Qtr. 2008
Net Risk In Force (in millions)	\$668	\$674	\$743	\$789	\$819	\$818	\$807	\$801	\$795

Credit Quality

	1st Qtr. 2006	2nd Qtr. 2006	3rd Qtr. 2006	4th Qtr. 2006	1st Qtr. 2007	2nd Qtr. 2007	3rd Qtr. 2007	4th Qtr. 2007	1st Qtr. 2008
Credit Quality - Percent of Risk in Force									
Prime	32.5%	32.2%	30.8%	30.5%	29.9%	29.5%	27.8%	27.9%	27.8%
Alt-A	66.3%	66.7%	68.1%	68.5%	69.2%	69.6%	71.4%	71.3%	71.4%
A-Minus & Subprime	1.2%	1.2%	1.0%	1.0%	0.9%	0.8%	0.8%	0.8%	0.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Credit Quality - Default Rate									
Prime	1.9%	1.6%	1.7%	2.5%	2.6%	2.8%	3.4%	4.4%	5.9%
Alt-A	1.4%	1.3%	1.6%	2.5%	2.9%	3.6%	4.7%	6.6%	9.4%
A-Minus & Subprime	12.6%	10.8%	11.1%	12.9%	12.1%	11.5%	12.9%	14.3%	15.5%
Total	1.7%	1.6%	1.8%	2.7%	2.9%	3.4%	4.4%	6.1%	8.4%

Geography

	1st Qtr. 2006	2nd Qtr. 2006	3rd Qtr. 2006	4th Qtr. 2006	1st Qtr. 2007	2nd Qtr. 2007	3rd Qtr. 2007	4th Qtr. 2007	1st Qtr. 2008
Percent of Risk In Force - Top 10 States									
CALIFORNIA	19.9%	20.0%	21.4%	21.9%	23.0%	23.3%	23.5%	23.6%	23.7%
FLORIDA	10.4%	10.8%	11.6%	12.1%	12.3%	12.7%	12.9%	13.0%	13.1%
ARIZONA	7.2%	6.8%	6.8%	6.8%	6.8%	6.9%	7.0%	7.0%	7.1%
NEVADA	4.2%	4.1%	4.0%	4.0%	4.2%	4.2%	4.3%	4.3%	4.4%
COLORADO	4.7%	4.6%	4.4%	4.3%	4.2%	4.1%	4.1%	4.1%	4.1%
ILLINOIS	4.5%	4.5%	4.3%	4.2%	4.0%	3.9%	3.9%	3.8%	3.7%
WASHINGTON	3.4%	3.3%	3.4%	3.5%	3.6%	3.6%	3.5%	3.5%	3.5%
NEW YORK	4.7%	4.5%	4.1%	3.8%	3.6%	3.5%	3.4%	3.5%	3.4%
VIRGINIA	2.8%	2.9%	3.0%	3.1%	3.1%	3.2%	3.2%	3.2%	3.2%
NEW JERSEY	4.2%	4.0%	3.7%	3.6%	3.4%	3.3%	3.2%	3.2%	3.2%
All Other	33.8%	34.4%	33.2%	32.7%	31.9%	31.3%	31.0%	30.9%	30.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Default Rate - Top 10 Risk in Force States									
CALIFORNIA	0.2%	0.2%	0.5%	1.1%	1.5%	2.3%	3.5%	6.1%	9.6%
FLORIDA	0.8%	0.6%	0.7%	1.5%	1.9%	3.1%	5.2%	8.5%	13.4%
ARIZONA	0.2%	0.2%	0.2%	1.0%	1.5%	2.1%	3.5%	5.5%	8.1%
NEVADA	0.3%	0.3%	0.5%	1.4%	2.1%	3.1%	4.6%	6.2%	8.7%
COLORADO	1.4%	1.6%	2.0%	3.0%	3.2%	3.2%	3.3%	4.5%	5.0%
ILLINOIS	1.6%	1.5%	1.7%	3.1%	3.5%	3.9%	4.6%	5.7%	7.7%
WASHINGTON	0.7%	0.5%	0.5%	0.9%	0.8%	1.0%	1.4%	2.2%	2.9%
NEW YORK	2.7%	2.5%	2.8%	4.3%	4.6%	4.9%	5.5%	6.3%	7.2%
VIRGINIA	0.8%	0.7%	1.0%	1.3%	1.6%	2.5%	3.1%	5.2%	7.3%
NEW JERSEY	2.8%	2.3%	2.8%	4.2%	4.4%	4.5%	5.4%	6.7%	8.6%
All Other	2.8%	2.6%	2.9%	3.9%	4.1%	4.3%	4.9%	5.9%	7.4%
Total	1.7%	1.6%	1.8%	2.7%	2.9%	3.4%	4.4%	6.1%	8.4%

Appendices

Risk Structures – Explanation of Coverages

Primary Coverage: Triad provides first dollar loss coverage up to stated coverage percentage. For example, on a \$200,000 loan with 25% coverage, Triad's insurance covers the first \$50,000 loss on the loan.

Captive Business: Loans with primary coverage subject to reinsurance provided by a lender captive. The captives participate in the performance of the book of business by providing reinsurance coverage in exchange for a portion of the premium. The reinsurance coverage has a stated attachment point and exit point for each book of business subject to a captive reinsurance treaty. All of Triad's current captive reinsurance programs are Excess of Loss (EOL) arrangements. The two most common forms of EOL are the 5/5/25 and the 4/10/40 captives. Under a 5/5/25 EOL captive, losses on books of business are borne by the captive when the losses exceed 5% of the risk originated (attachment point) and continue to be borne by the captive up to 10% of the risk originated (exit point) with the ceded premium rate set at 25%. A 4/10/40 EOL captive has a 4% attachment point and a 14% exit point with the ceded premium rate set at 40%. An example of the impact of a captive is shown on page 22. The risk held by the captive is supported by assets held in trust where Triad is the beneficiary. Capital can be withdrawn by the captive only upon the attainment of specified risk-to-capital ratios within the captive.

Structures with Stop Loss: Modified pool transactions where coverage is provided on an individual loan level for a stated coverage percentage of each loan. The total loss on each pool, or transaction, is limited by a stop loss. Stop losses are usually in the range of 3% to 4% of the total loan balance of the pool when insured. An illustrative example is provided in the Appendix on page 23.

Structures with Stop Loss and Deductible: Contain stop losses as described above but also have deductible amounts that must be exceeded before Triad pays any losses. An illustrative example is provided in the Appendix on page 23.

Captive Reinsurance – Illustration Only

	Policy Year
PORTFOLIO ASSUMPTIONS	
Insurance Written During Book Year	\$1,000,000
Number of Loans	5,000
Average Loan Size	\$200
Coverage %	25%
Average Coverage Per Loan	\$50
Risk in Force	\$250,000
Average Annual Premium Rate - Gross	0.75%
Ceded Rate	40%
Average Annual Premium Rate - Net	0.45%
Premium Persistency	Based on 500 PSA

Captive reinsurance limits losses once the attachment point is reached. This example looks at the hypothetical impact of a traditional deep cede captive where losses reach, but do not exceed, the attachment point (example 1) and where losses exceed the attachment point (example 2). As long as the incidence rate on a book of business is between the attachment and exit points of the captive, Triad's loss ratio over the life of the book of business will be capped at the attachment point.

LOSS ASSUMPTIONS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Incurred Loss Distribution by Year	5.0%	20.0%	25.0%	20.0%	15.0%	10.0%	5.0%			

CAPTIVE REINSURANCE STRUCTURE	
Incidence Rate Attachment Point	4%
Attachment Point expressed in dollars	\$10,000
Exit Point Incidence Rate	14% (incidence rate covered by reinsurance - coverage attaches if rate is greater than 4% and continues until incidence rate exceeds 14%)
Risk Carried by Captive	\$25,000
Initial Percent of Risk Carried by Captive	10%

PREMIUM AND LOSS INCIDENCE

Example 1 - Triad's Premium and Losses at 4% Incidence Rate

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Years 10+	Life of Business	
Earned Premium												
Gross Earned Premium	\$7,263	\$6,429	\$5,095	\$3,788	\$2,795	\$2,063	\$1,522	\$1,124	\$829	\$1,224	32,132	Total Premium
Ceded Premium	(2,905)	(2,571)	(2,038)	(1,515)	(1,118)	(825)	(609)	(449)	(332)	(490)	(12,853)	Ceded Premium
Net Earned Premium	4,358	3,857	3,057	2,273	1,677	1,238	913	674	498	734	19,279	Net Premium
											4.28	Average Life of Business in Years
Incurred Losses												
Incurred Losses - Gross	500	2,000	2,500	2,000	1,500	1,000	500	-	-	-	10,000	Incurred Losses
Ceded Losses	-	-	-	-	-	-	-	-	-	-	-	Ceded Losses
Net Incurred Losses	500	2,000	2,500	2,000	1,500	1,000	500	-	-	-	10,000	
Triad's Incurred Loss Ratio	11%	52%	82%	88%	89%	81%	55%	0%	0%	0%	52%	Net Incurred Loss Ratio

Example 2 - Triad's Premium and Losses at 8% Incidence Rate

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Years 10+	Life of Business	
Earned Premium												
Gross Earned Premium	\$7,263	\$6,429	\$5,095	\$3,788	\$2,795	\$2,063	\$1,522	\$1,124	\$829	\$1,224	32,132	Total Premium
Ceded Premium	(2,905)	(2,571)	(2,038)	(1,515)	(1,118)	(825)	(609)	(449)	(332)	(490)	(12,853)	Ceded Premium
Net Earned Premium	4,358	3,857	3,057	2,273	1,677	1,238	913	674	498	734	19,279	Net Premium
											4.28	Average Life of Business in Years
Incurred Losses												
Incurred Losses - Gross	1,000	4,000	5,000	4,000	3,000	2,000	1,000	-	-	-	20,000	Incurred Losses
Ceded Losses	-	-	-	(4,000)	(3,000)	(2,000)	(1,000)	-	-	-	(10,000)	Ceded Losses
Net Incurred Losses	1,000	4,000	5,000	-	-	-	-	-	-	-	10,000	
Triad's Incurred Loss Ratio	23%	104%	164%	0%	0%	0%	0%	0%	0%	0%	52%	Net Incurred Loss Ratio

Modified Pool Contract – Illustration Only

In modified pool contracts Triad provides coverage on a pool of mortgages at the individual loan level. However, Triad's coverage is modified in all cases by a stop loss that caps the ultimate exposure at the limit specified in the contract. In a portion of Triad's modified pool contracts Triad also has a deductible that must be met before Triad is responsible for losses under the contract. The contract is priced by assessing the overall risk of the pool and providing a single premium rate applicable to all loans within the pool.

The example below illustrates the terms of a modified pool contract. The terms are for example only and not intended to represent an actual contract.

Dollars in 000's except per loan amounts

Modified Pool Contract with Stop Loss

Insurance In Force at Origination of Contract (IIF)	\$500,000
Number of Loans	2,000
Average Loan Size	\$250
Coverage Percentage Per Loan	25.0%
Coverage per Loan	\$62.5
Stop Loss Percentage	3.0% (applied to insurance in force at origination of contract)
Total Risk Exposure	\$15,000 (stop loss percentage multiplied by IIF)
Number of incurred losses to reach stop loss	240 (assuming loss severity at 100% of coverage)
Incurred incident rate to reach stop loss	12.0% (number of incurred losses divided by original number of insured loans)

Modified Pool Contract with Stop Loss and Deductible

All assumptions same as above and there is a deductible on the contract	
Deductible Percentage	0.5% (applied to insurance in force at origination of contract)
Deductible in Dollars	\$2,500
Total Risk Exposure	\$12,500 (stop loss percentage minus deductible percentage multiplied by IIF)
Number of incurred losses before deductible is reached (1)	40 (assuming loss severity at 100% of coverage)
Incurred incident rate to reach deductible	2.0% (number of incurred losses divided by original number of insured loans)

(1) Claims are processed and mitigated by Triad and charged against the deductible. Claim payments are made to insured only after deductible is met.