

TRIAD GUARANTY INC.

CODE OF ETHICS FOR THE CHIEF EXECUTIVE OFFICER, THE CHIEF FINANCIAL OFFICER AND OTHER SENIOR FINANCIAL PERSONNEL

This Code of Ethics (the “Code”) is designed to promote honest and ethical conduct, full, fair, accurate, timely and understandable disclosure of financial information in the periodic reports of Triad Guaranty Inc. (the “Company”), and compliance with applicable laws, rules and regulations.

Applicability

This Code applies to the Company’s Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer and Controller, as well as such other finance, accounting, tax, or internal audit personnel as the CEO or the CFO may from time to time designate (such personnel are collectively referred to in this Code as the “Covered Persons.”)

Honest and Ethical Conduct

In performing his or her duties, each of the Covered Persons shall act in accordance with high standards of honest and ethical conduct, including the handling and resolution of actual or apparent conflicts of interest between personal and professional relationships.

In addition, each of the Covered Persons shall promote high standards of honest and ethical conduct among employees who have responsibilities in the areas of accounting, audit, tax and financial reporting and other employees throughout the Company.

Full, Fair and Accurate SEC Disclosure

In performing his or her duties, each of the Covered Persons shall endeavor to promote, and shall take appropriate action within his or her areas of responsibility to cause the Company to provide, full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with or submits to the Securities and Exchange Commission and in other public communications.

In performing his or her duties, each of the Covered Persons shall, within his or her areas of responsibility, engage in, and seek to promote, full, fair and accurate disclosure of financial and other information to, and open and honest discussions with, the Company’s outside auditors.

Compliance with Laws

In performing his or her duties, each of the Covered Persons shall endeavor to comply, and take appropriate action within his or her areas of responsibility to cause the Company to comply, with applicable governmental laws, rules and regulations and applicable rules and regulations of any securities exchange, automated quotation system or other regulated market where the Company’s securities are listed or traded.

Reporting of Violations

Each of the Covered Persons shall promptly provide the Company's General Counsel or the Company's Audit Committee with information concerning conduct such Covered Person reasonably believes to constitute a material violation by the Company or its directors or officers of this Code or of the securities laws, rules or regulations or other laws, rules or regulations applicable to the Company. Each Covered Person shall report this information by setting forth his or her concerns in writing and forwarding them in a sealed envelope to either or both of the General Counsel or the Chair of the Audit Committee at the following addresses, with the envelope labeled with a legend such as: "To be opened by [addressee] only.":

General Counsel: Triad Guaranty Inc.
 101 South Stratford Road, Suite 500
 Winston-Salem, North Carolina 27104
 Attention: General Counsel

Audit Committee
Chair: David W. Whitehurst
 Audit Committee Chair
 Triad Guaranty Inc.
 3504 Countrywood Lane
 Birmingham, AL 35243

Any Covered Person wishing to submit a report anonymously may wish to use regular mail to avoid revealing the sender's identity. The General Counsel, upon receipt of any such report, shall promptly notify the Audit Committee. If a Covered Person would like to discuss any matter with the Audit Committee or the General Counsel, the Covered Person should indicate this on the submission and include a telephone number at which he or she can be contacted if the Audit Committee or the General Counsel deems it appropriate.

Compliance and Accountability

The Audit Committee will assess compliance with this Code, report violations of this Code to the Board of Directors and, based upon the relevant facts and circumstances, recommend to the Board appropriate action. A violation of this Code may result in disciplinary action, including termination of employment.

Waiver and Amendment of this Code

The Company's Audit Committee and its Board of Directors shall each have the authority to approve a waiver from any provision of this Code. A waiver means the approval of a material departure from a provision of this Code. The Company will publicly disclose information concerning any waiver or any implicit waiver of this Code in a Form 8-K within four business days of such waiver or implicit waiver.

The Company's Corporate Governance and Nominating Committee shall periodically review this Code and recommend any amendments or revisions, as it deems appropriate, to the Board of Directors for approval.

General Responsibilities

Each of the Covered Persons shall, in performing his or her duties, act in good faith, responsibly and with due care, competence and diligence.

Each of the Covered Persons shall respect the confidentiality of information acquired in the course of his or her work except when authorized or otherwise legally obligated to disclose such information and shall not use confidential information acquired in the course of his or her work for personal advantage.

In performing his or her duties on behalf of the Company, each of the Covered Persons shall endeavor to assure responsible use of and control over all assets and resources employed or entrusted to him or her.

Revised: January 21, 2010