

Triad Guaranty Inc.
Employee Complaint Procedures for Accounting and Auditing Matters

The Company is committed to achieving compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. The Company's Audit Committee will oversee treatment of employee complaints. In furtherance of this commitment, any employee of the Company may submit a good faith complaint regarding accounting or auditing matters to the management of the Company without fear of dismissal or retaliation.

In order to facilitate the reporting of employee concerns in this area, the Company's Audit Committee has established the following procedures for (1) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters ("Accounting Matters") and (2) the confidential, anonymous submission by employees of concerns regarding questionable Accounting Matters.

Receipt of Employee Complaints

Employees with concerns regarding Accounting Matters may report their concerns on a confidential or anonymous basis to the General Counsel of the Company or to the Chair of the Audit Committee of the Board of Directors of the Company by setting forth their 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
 Winston-Salem, North Carolina 27104
 Attention: General Counsel

Audit Committee
Chair: David W. Whitehurst
 Audit Committee Chair
 Triad Guaranty Inc.
 c/o Champion Cleaners
 2548 Rocky Ridge Road
 Birmingham, AL 35243

Any employee 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 an employee would like to discuss any matter with the Audit Committee or the General Counsel, the employee 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.

Scope of Matters Covered by These Procedures

These procedures relate to employee complaints relating to any questionable Accounting Matters, including, without limitation, the following:

- a misrepresentation, false statement, fraud or deliberate error in the preparation, evaluation, review, recording, maintenance or audit of any financial statement, financial record, financial report or audit report of the Company;
- a deficiency in or noncompliance with the Company's internal accounting controls; or
- deviation from full and fair reporting of the Company's financial condition.

Treatment of Complaints

Upon receipt of a complaint, the recipient will (i) determine whether the complaint actually pertains to Accounting Matters and (ii) when possible, acknowledge receipt of the complaint to the sender. Complaints relating to Accounting Matters will be reviewed under the direction of the Audit Committee or such other persons as the Audit Committee determines to be appropriate.

Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee.

The Company will not discharge, demote, suspend, threaten, harass or discriminate against any employee in the terms and conditions of his or her employment based upon any lawful actions of the employee with respect to good faith reporting of complaints regarding Accounting Matters or otherwise as specified in Section 806 of the Sarbanes-Oxley Act of 2002.

Reporting and Retention of Complaints and Investigations

The Audit Committee will maintain a record of all complaints, tracking their receipt, investigation and resolution and will periodically prepare a summary report of such actions for the Board of Directors. Copies of complaints and these reports will be maintained in accordance with the Company's document retention policy.

Adopted March 30, 2004.

Address Change for Audit chair: December 2006.

Address Change for Audit chair: June 2007.

Address Change for Audit chair: October 2008.