



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2025
OF THE CONDITION AND AFFAIRS OF THE

USAbLe Mutual Insurance Company

NAIC Group Code 0876 0876 NAIC Company Code 83470 Employer's ID Number 71-0226428
(Current) (Prior)

Organized under the Laws of Arkansas, State of Domicile or Port of Entry AR

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized 12/10/1948 Commenced Business 03/02/1949

Statutory Home Office 601 S. Gaines, Little Rock, AR, US 72201
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 601 S. Gaines
(Street and Number)
Little Rock, AR, US 72201, 501-378-2000
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 601 S. Gaines, Little Rock, AR, US 72201
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 601 S. Gaines
(Street and Number)
Little Rock, AR, US 72201, 501-378-2000
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.arkansasbluecross.com

Statutory Statement Contact Samuel Patterson Wenger, 501-294-5030
(Name) (Area Code) (Telephone Number)
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(E-mail Address) (FAX Number)

OFFICERS

President / CEO Curtis Edwin Barnett Chief Operating Officer Gray Donald Dillard
Treasurer / CFO Scott Bradley Winter Secretary Timothy Gerard Gauger

OTHER

<u>Alicia Marie Berkemeyer</u>	<u>Victor Pratt Davis</u>	<u>Bryan Keith Dorathy</u>
<u>Martine Lucette Downs Pollard</u>	<u>Matthew Richard Flora</u>	<u>Christina Powell Hockaday</u>
<u>Harvey David Jacobson</u>	<u>Anthony Marcus James</u>	<u>Mark Thomas Jansen</u>
<u>Wanda Denise King</u>	<u>David Wayne Manns</u>	<u>David Bryan Martin</u>
<u>Erin Katrina Maxwell</u>	<u>Mary Alison Melson</u>	<u>Odell Calvin Nickelberry</u>
<u>Rebecca Ann Pittillo</u>	<u>Deborah Leann Rogers</u>	<u>Wendy Womack See</u>
<u>Philip Eugene Sherrill</u>	<u>Joanna Maria Thomas</u>	<u>Jason Dwain Treece</u>
<u>Matthew Dennis Vannatta</u>		

DIRECTORS OR TRUSTEES

<u>Curtis Edwin Barnett</u>	<u>Susan Glover Brittain</u>	<u>Sheila Diane Colclasure</u>
<u>Dalton Alec Farmer Jr.</u>	<u>Mark William Greenway</u>	<u>Marla Kay Johnson</u>
<u>Mahlon Ogden Maris MD</u>	<u>Carla Marie Martin</u>	<u>Robert Daniel Nabholz</u>
<u>Lonnie Stewart Robinson MD</u>	<u>Sherman Ellis Tate</u>	<u>Rex Moreland Terry</u>
<u>Matthew Alan Waller</u>		

State of Arkansas SS
County of Pulaski

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.

Curtis Edwin Barnett
President / CEO

Scott Bradley Winter
Treasurer / CFO

Gray Donald Dillard
Executive VP / COO

Subscribed and sworn to before me this _____ day of _____

- a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	865,104,091		865,104,091	853,178,175
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks	418,674,679		418,674,679	516,573,309
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	44,069,828		44,069,828	53,851,697
4.2 Properties held for the production of income (less \$0 encumbrances)	6,631,478		6,631,478	6,858,751
4.3 Properties held for sale (less \$0 encumbrances)			0	0
5. Cash (\$65,947,158 , Schedule E - Part 1), cash equivalents (\$22,298,432 , Schedule E - Part 2) and short-term investments (\$437,537 , Schedule DA)	88,683,125		88,683,125	146,985,388
6. Contract loans, (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	273,570,225	0	273,570,225	251,928,338
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	2,974,542	0	2,974,542	3,040,273
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,699,707,968	0	1,699,707,968	1,832,415,932
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	5,493,815		5,493,815	6,106,397
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$168,305,292) and contracts subject to redetermination (\$897,097)	169,698,871	496,482	169,202,389	168,156,147
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	3,569,512		3,569,512	4,666,102
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	87,471,775	6,926,534	80,545,241	79,207,446
18.1 Current federal and foreign income tax recoverable and interest thereon	45,156,404		45,156,404	44,446,299
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	2,991,084	3,330	2,987,754	4,174,032
21. Furniture and equipment, including health care delivery assets (\$)	7,783,005	7,783,005	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	23,975,288		23,975,288	14,437,333
24. Health care (\$82,652,631) and other amounts receivable	190,354,870	47,211,539	143,143,331	135,248,793
25. Aggregate write-ins for other-than-invested assets	119,445,769	49,417,158	70,028,611	59,899,033
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,355,648,361	111,838,048	2,243,810,313	2,348,757,514
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	2,355,648,361	111,838,048	2,243,810,313	2,348,757,514
DETAILS OF WRITE-INS				
1101. Deposits with National Accounts	2,974,542		2,974,542	3,040,273
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	2,974,542	0	2,974,542	3,040,273
2501. Supplemental Savings Plan	70,028,611		70,028,611	59,899,033
2502. Other Assets	250,017	250,017	0	0
2503. Other Non-Admitted Assets	49,167,141	49,167,141	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	119,445,769	49,417,158	70,028,611	59,899,033

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 1,541,694 reinsurance ceded)	373,750,598	717,427	374,468,025	443,136,746
2. Accrued medical incentive pool and bonus amounts	9,449,781		9,449,781	9,821,619
3. Unpaid claims adjustment expenses.....	15,071,613		15,071,613	17,713,422
4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act	153,047,639		153,047,639	183,854,129
5. Aggregate life policy reserves.....			0	0
6. Property/casualty unearned premium reserves.....			0	0
7. Aggregate health claim reserves.....			0	0
8. Premiums received in advance.....	30,238,876		30,238,876	32,652,682
9. General expenses due or accrued.....	456,625,471		456,625,471	533,711,509
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable.....	5,623,478		5,623,478	5,956,900
12. Amounts withheld or retained for the account of others.....	82,755,535		82,755,535	70,106,268
13. Remittances and items not allocated.....	3,406,335		3,406,335	5,134,237
14. Borrowed money (including \$ 30,000,000 current) and interest thereon \$ 36,458 (including \$ 36,458 current).....	30,036,458		30,036,458	0
15. Amounts due to parent, subsidiaries and affiliates.....	19,049		19,049	171,510
16. Derivatives.....			0	0
17. Payable for securities.....	512,060		512,060	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans.....	78,928,578		78,928,578	83,839,100
23. Aggregate write-ins for other liabilities (including \$ current).....	25,291,929	0	25,291,929	22,225,777
24. Total liabilities (Lines 1 to 23).....	1,264,757,400	717,427	1,265,474,827	1,408,323,899
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
29. Surplus notes.....	XXX	XXX	0	
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	978,335,489	940,433,617
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$).....	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	978,335,489	940,433,617
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,243,810,316	2,348,757,516
DETAILS OF WRITE-INS				
2301. Deferred Gain on Capitalization of joint venture	19,617,685		19,617,685	19,617,685
2302. Miscellaneous	5,674,244		5,674,244	2,608,092
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	25,291,929	0	25,291,929	22,225,777
2501.	XXX	XXX		0
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	6,819,253	7,267,583
2. Net premium income (including \$ non-health premium income)	XXX	2,936,057,936	2,945,711,618
3. Change in unearned premium reserves and reserve for rate credits	XXX	29,741,616	(38,320,078)
4. Fee-for-service (net of \$ medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	2,965,799,552	2,907,391,540
Hospital and Medical:			
9. Hospital/medical benefits		1,232,018,099	1,340,650,817
10. Other professional services		65,478,423	62,496,953
11. Outside referrals		40,531,761	35,970,949
12. Emergency room and out-of-area		231,861,850	258,574,286
13. Prescription drugs		600,537,304	590,516,941
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		24,999,411	28,356,110
16. Subtotal (Lines 9 to 15)	0	2,195,426,848	2,316,566,056
Less:			
17. Net reinsurance recoveries	0	(396,980,677)	(335,729,949)
18. Total hospital and medical (Lines 16 minus 17)	0	2,592,407,525	2,652,296,005
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 81,560,153 cost containment expenses		100,525,442	123,872,862
21. General administrative expenses		323,575,555	489,357,435
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		0	(2,898,750)
23. Total underwriting deductions (Lines 18 through 22).....	0	3,016,508,522	3,262,627,552
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(50,708,971)	(355,236,013)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		49,302,889	61,435,168
26. Net realized capital gains (losses) less capital gains tax of \$ (45,529)		(171,274)	22,325,923
27. Net investment gains (losses) (Lines 25 plus 26)	0	49,131,615	83,761,091
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			
29. Aggregate write-ins for other income or expenses	0	3,803,144	4,308,634
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	2,225,789	(267,166,288)
31. Federal and foreign income taxes incurred	XXX	(2,606,932)	(40,921,602)
32. Net income (loss) (Lines 30 minus 31)	XXX	4,832,721	(226,244,686)
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0
2901. Miscellaneous Income/Expense		3,803,144	4,308,634
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	3,803,144	4,308,634

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	940,433,616	1,186,675,173
34. Net income or (loss) from Line 32.....	4,832,721	(226,244,686)
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....	36,522,670	835,136
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	0	(106,080,491)
39. Change in nonadmitted assets.....	(3,485,722)	85,390,426
40. Change in unauthorized and certified reinsurance.....	0	0
41. Change in treasury stock.....	0	0
42. Change in surplus notes.....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (stock dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	0	0
45.2 Transferred to capital (stock dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	32,206	(141,943)
48. Net change in capital and surplus (Lines 34 to 47).....	37,901,875	(246,241,558)
49. Capital and surplus end of reporting period (Line 33 plus 48)	978,335,490	940,433,616
DETAILS OF WRITE-INS		
4701. Capital Lease & Other Adjustment.....	32,206	(141,943)
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	32,206	(141,943)

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	2,931,745,593	2,944,723,047
2. Net investment income	49,738,269	62,409,764
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	2,981,483,862	3,007,132,811
5. Benefit and loss related payments	2,672,470,042	2,685,869,897
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	505,553,894	528,431,907
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	(1,942,356)	(11,052,974)
10. Total (Lines 5 through 9)	3,176,081,580	3,203,248,830
11. Net cash from operations (Line 4 minus Line 10)	(194,597,718)	(196,116,019)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	243,118,518	263,195,823
12.2 Stocks	150,331,842	97,734,758
12.3 Mortgage loans	0	0
12.4 Real estate	0	25,000
12.5 Other invested assets	3,928,504	27,813,415
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	52	1
12.7 Miscellaneous proceeds	577,791	207,128
12.8 Total investment proceeds (Lines 12.1 to 12.7)	397,956,708	388,976,126
13. Cost of investments acquired (long-term only exclude cash equivalents and short-term investments):		
13.1 Bonds	258,491,050	170,056,900
13.2 Stocks	16,799,117	80,957,695
13.3 Mortgage loans	0	0
13.4 Real estate	43,953	19,063,451
13.5 Other invested assets	17,901,060	4,448,963
13.6 Miscellaneous applications	0	706,816
13.7 Total investments acquired (Lines 13.1 to 13.6)	293,235,179	275,233,826
14. Net increase/(decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	104,721,529	113,742,300
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	30,036,458	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	1,537,471	34,897,004
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	31,573,929	34,897,004
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(58,302,260)	(47,476,715)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	146,985,388	194,462,103
19.2 End of year (Line 18 plus Line 19.1)	88,683,127	146,985,388

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company
ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Net premium income	2,936,057,936	954,777,856	858,087,328	309,853,283	272,717	168,632	410,264,386	319,021,933					83,611,800	
2. Change in unearned premium reserves and reserve for rate credit	29,741,616	33,719,861	(260,667)	34,116			(2,543,368)	(1,208,326)						
3. Fee-for-service (net of \$ medical expenses)	0													XXX
4. Risk revenue	0													XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	2,965,799,552	988,497,717	857,826,661	309,887,400	272,717	168,632	407,721,018	317,813,607	0	0	0	0	83,611,800	0
8. Hospital/medical benefits	1,232,018,099	372,868,247	351,863,714	247,208,735	0	(325,754)	230,568,146	19,517,346					10,317,665	XXX
9. Other professional services	65,478,423	334,049	(676,597)	(281,744)	7,774,811	51,487,754	6,767,850	85,892					(13,592)	XXX
10. Outside referrals	40,531,761	22,661,411	17,284,089	0	0	0	0	0					586,261	XXX
11. Emergency room and out-of-area	231,861,850	86,791,466	128,553,486	12,721,519	0	0	0	522,848					3,272,531	XXX
12. Prescription drugs	600,537,304	239,446,654	174,621,111	2,336,946	0	0	130,362,463	5,485,032					48,285,098	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	24,999,411	10,420,842	10,703,328	0	0	0	3,438,930	422,190					14,121	XXX
15. Subtotal (Lines 8 to 14)	2,195,426,848	732,522,669	682,349,131	261,985,456	7,774,811	51,162,000	371,137,389	26,033,308	0	0	0	0	62,462,084	XXX
16. Net reinsurance recoveries	(396,980,677)	(111,227,731)	(57,914,052)	0	7,774,811	51,162,000	0	(284,855,737)					(1,919,968)	XXX
17. Total medical and hospital (Lines 15 minus 16)	2,592,407,525	843,750,400	740,263,183	261,985,456	0	0	371,137,389	310,889,045	0	0	0	0	64,382,052	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 81,560,153 cost containment expenses	100,525,443	18,169,021	22,319,933	8,004,491	99,016	238,622	11,746,791	1,165,371					38,782,198	
20. General administrative expenses	323,575,555	109,460,430	103,676,839	38,732,652	5,489,436	5,754,643	27,977,116	46,508,107					(14,023,668)	
21. Increase in reserves for accident and health contracts	0													XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	3,016,508,523	971,379,851	866,259,955	308,722,599	5,588,452	5,993,265	410,861,296	358,562,523	0	0	0	0	89,140,582	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(50,708,971)	17,117,866	(8,433,294)	1,164,801	(5,315,735)	(5,824,633)	(3,140,278)	(40,748,916)	0	0	0	0	(5,528,782)	0
DETAILS OF WRITE-INS														
0501.														XXX
0502.														XXX
0503.														XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.														XXX
1302.														XXX
1303.														XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) individual	830,361,150	124,416,706		954,777,856
2. Comprehensive (hospital and medical) group	791,684,518	66,402,810		858,087,328
3. Medicare supplement	309,853,283			309,853,283
4. Vision only	10,899,433		10,626,716	272,717
5. Dental only	73,444,391		73,275,760	168,631
6. Federal employees health benefits plan	410,264,386			410,264,386
7. Title XVIII - Medicare	28,596,192	290,425,741		319,021,933
8. Title XIX - Medicaid	0			0
9. Credit A&H				0
10. Disability income				0
11. Long-term care				0
12. Other health	79,812,748	3,799,052		83,611,800
13. Health subtotal (Lines 1 through 12)	2,534,916,102	485,044,310	83,902,476	2,936,057,935
14. Life	0			0
15. Property/casualty	0			0
16. Totals (Lines 13 to 15)	2,534,916,102	485,044,310	83,902,476	2,936,057,935

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Payments during the year:														
1.1 Direct	2,233,948,482	783,373,687	682,678,734	252,329,394	7,774,811	51,487,754	362,468,205	31,531,978	0	0	0	0	62,303,919	0
1.2 Reinsurance assumed	458,826,953	112,729,006	59,353,206	0	0	0	0	285,465,064	0	0	0	0	1,279,677	0
1.3 Reinsurance ceded	59,777,684	0	0	0	7,774,811	52,002,873	0	0	0	0	0	0	0	0
1.4 Net	2,632,997,751	896,102,693	742,031,940	252,329,394	0	(515,119)	362,468,205	316,997,042	0	0	0	0	63,583,596	0
2. Paid medical incentive pools and bonuses	25,371,246	10,422,950	10,761,269	0	0	0	3,514,841	662,970	0	0	0	0	9,216	0
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct	290,376,968	131,645,912	79,240,463	31,667,226	0	1,541,694	39,333,819	2,748,668	0	0	0	0	4,199,186	0
3.2 Reinsurance assumed	85,632,751	25,819,974	10,773,944	0	0	0	0	48,348,471	0	0	0	0	690,362	0
3.3 Reinsurance ceded	1,541,694	0	0	0	0	1,541,694	0	0	0	0	0	0	0	0
3.4 Net	374,468,025	157,465,886	90,014,407	31,667,226	0	0	39,333,819	51,097,139	0	0	0	0	4,889,548	0
4. Claim reserve December 31, current year from Part 2D:														
4.1 Direct	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	9,449,782	4,360,010	4,084,864	0	0	0	656,746	330,228	0	0	0	0	17,934	0
6. Net health care receivables (a)	(2,563,967)	(480,980)	(134,208)	(6,123,901)	0	0	(666,005)	5,228,017	0	0	0	0	(386,890)	0
7. Amounts recoverable from reinsurers December 31, current year	4,150,983	0	0	0	0	4,150,983	0	0	0	0	0	0	0	0
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct	356,461,979	193,398,752	90,407,603	28,135,064	0	1,867,448	34,769,570	3,441,510	0	0	0	0	4,442,032	0
8.2 Reinsurance assumed	88,542,216	27,321,250	12,213,097	0	0	0	0	48,957,798	0	0	0	0	50,071	0
8.3 Reinsurance ceded	1,867,448	0	0	0	0	1,867,448	0	0	0	0	0	0	0	0
8.4 Net	443,136,747	220,720,002	102,620,700	28,135,064	0	0	34,769,570	52,399,308	0	0	0	0	4,492,103	0
9. Claim reserve December 31, prior year from Part 2D:														
9.1 Direct	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	9,821,619	4,362,120	4,142,804	0	0	0	732,657	571,010	0	0	0	0	13,029	0
11. Amounts recoverable from reinsurers December 31, prior year	4,666,102	0	0	0	0	4,666,102	0	0	0	0	0	0	0	0
12. Incurred Benefits:														
12.1 Direct	2,170,427,438	722,101,827	671,645,802	261,985,457	7,774,811	51,162,000	367,698,459	25,611,119	0	0	0	0	62,447,963	0
12.2 Reinsurance assumed	455,917,488	111,227,730	57,914,053	0	0	0	0	284,855,737	0	0	0	0	1,919,968	0
12.3 Reinsurance ceded	58,936,811	0	0	0	7,774,811	51,162,000	0	0	0	0	0	0	0	0
12.4 Net	2,567,408,115	833,329,557	729,559,855	261,985,457	0	0	367,698,459	310,466,856	0	0	0	0	64,367,931	0
13. Incurred medical incentive pools and bonuses	24,999,409	10,420,840	10,703,329	0	0	0	3,438,930	422,188	0	0	0	0	14,121	0

(a) Excludes \$ loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Reported in Process of Adjustment:														
1.1 Direct	39,531,882	14,813,760	10,710,463	7,517,226	0	0	2,972,707	729,361	0	0	0	0	2,788,365	0
1.2 Reinsurance assumed	42,013,544	9,834,655	5,812,944	0	0	0	0	25,991,833	0	0	0	0	374,112	0
1.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1.4 Net	81,545,426	24,648,415	16,523,407	7,517,226	0	0	2,972,707	26,721,194	0	0	0	0	3,162,477	0
2. Incurred but Unreported:														
2.1 Direct	250,845,086	116,832,152	68,530,000	24,150,000	0	1,541,694	36,361,112	2,019,307	0	0	0	0	1,410,821	0
2.2 Reinsurance assumed	43,619,207	15,985,319	4,961,000	0	0	0	0	22,356,638	0	0	0	0	316,250	0
2.3 Reinsurance ceded	1,541,694	0	0	0	0	1,541,694	0	0	0	0	0	0	0	0
2.4 Net	292,922,599	132,817,471	73,491,000	24,150,000	0	0	36,361,112	24,375,945	0	0	0	0	1,727,071	0
3. Amounts Withheld from Paid Claims and Capitations:														
3.1 Direct	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. TOTALS:														
4.1 Direct	290,376,968	131,645,912	79,240,463	31,667,226	0	1,541,694	39,333,819	2,748,668	0	0	0	0	4,199,186	0
4.2 Reinsurance assumed	85,632,751	25,819,974	10,773,944	0	0	0	0	48,348,471	0	0	0	0	690,362	0
4.3 Reinsurance ceded	1,541,694	0	0	0	0	1,541,694	0	0	0	0	0	0	0	0
4.4 Net	374,468,025	157,465,886	90,014,407	31,667,226	0	0	39,333,819	51,097,139	0	0	0	0	4,889,548	0

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) individual	132,580,275	887,931,563	40,234,840	117,231,046	172,815,115	220,720,002
2. Comprehensive (hospital and medical) group	85,603,702	656,428,238	2,767,240	87,247,167	88,370,942	102,620,700
3. Medicare supplement	25,225,654	227,103,740	37,661	31,629,565	25,263,315	28,135,064
4. Vision only	0	0	0	0	0	0
5. Dental only	0	(515,119)	0	0	0	0
6. Federal employees health benefits plan	39,118,221	323,349,984	1,392,514	37,941,305	40,510,736	34,769,570
7. Title XVIII - Medicare	45,632,396	271,364,646	153,167	50,943,972	45,785,563	52,399,308
8. Title XIX - Medicaid	0	0	0	0	0	0
9. Credit A&H	0	0	0	0	0	0
10. Disability income	0	0	0	0	0	0
11. Long-term care	0	0	0	0	0	0
12. Other health	4,455,569	59,128,027	16,331	4,873,217	4,471,900	4,492,103
13. Health subtotal (Lines 1 to 12)	332,615,817	2,424,791,078	44,601,753	329,866,272	377,217,571	443,136,747
14. Health care receivables (a)	0	121,330,060	0	0	0	0
15. Other non-health	0	0	0	0	0	0
16. Medical incentive pools and bonus amounts	8,693,237	16,678,010	38,750	9,411,032	8,731,987	9,821,619
17. Totals (Lines 13 - 14 + 15 + 16)	341,309,054	2,320,139,028	44,640,503	339,277,304	385,949,558	452,958,366

(a) Excludes \$ loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	1,476,210	1,477,378	1,477,378	1,477,378	1,477,378
2.	2021	1,332,045	1,488,106	1,491,300	1,491,300	1,491,300
3.	2022	XXX	1,293,014	1,520,208	1,525,955	1,525,955
4.	2023	XXX	XXX	1,527,806	1,755,831	1,769,906
5.	2024	XXX	XXX	XXX	1,617,681	1,821,791
6.	2025	XXX	XXX	XXX	XXX	1,544,360

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	1,391,959	1,477,378	1,477,378	1,477,378	1,477,378
2.	2021	1,504,058	1,547,294	1,491,300	1,491,300	1,491,300
3.	2022	XXX	1,569,451	1,592,013	1,525,955	1,525,955
4.	2023	XXX	XXX	1,811,980	1,765,176	1,769,906
5.	2024	XXX	XXX	XXX	1,893,809	1,831,655
6.	2025	XXX	XXX	XXX	XXX	1,748,838

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	1,795,689	1,491,300	48,694	3.3	1,539,994	85.8			1,539,994	85.8
2. 2022	1,671,997	1,525,955	54,017	3.5	1,579,972	94.5			1,579,972	94.5
3. 2023	1,985,483	1,769,906	69,925	4.0	1,839,831	92.7			1,839,831	92.7
4. 2024	1,714,280	1,821,791	56,301	3.1	1,878,092	109.6	43,041	1,748	1,922,881	112.2
5. 2025	1,846,324	1,544,360	40,489	2.6	1,584,849	85.8	212,884	8,648	1,806,381	97.8

12.HM

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)

Section A - Paid Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	207,002	206,998	206,998	206,998	206,998
2. 2021	188,271	217,168	217,290	217,290	217,290
3. 2022	XXX	195,428	227,738	227,851	227,851
4. 2023	XXX	XXX	203,395	239,423	239,603
5. 2024	XXX	XXX	XXX	221,543	246,589
6. 2025	XXX	XXX	XXX	XXX	227,104

Section B - Incurred Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	207,016	206,998	206,998	206,998	206,998
2. 2021	218,236	217,184	217,290	217,290	217,290
3. 2022	XXX	228,370	227,832	227,851	227,851
4. 2023	XXX	XXX	241,066	239,531	239,603
5. 2024	XXX	XXX	XXX	249,645	246,774
6. 2025	XXX	XXX	XXX	XXX	258,733

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Medicare Supplement

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	283,542	217,290	9,950	4.6	227,240	80.1			227,240	80.1
2. 2022	283,558	227,851	10,065	4.4	237,916	83.9			237,916	83.9
3. 2023	280,093	239,603	11,458	4.8	251,061	89.6			251,061	89.6
4. 2024	297,885	246,589	10,082	4.1	256,671	86.2	38	2	256,710	86.2
5. 2025	309,887	227,104	8,004	3.5	235,108	75.9	31,630	1,303	268,040	86.5

12.MS

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Dental Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	34,481	34,481	34,481	34,481	34,481
2. 2021	38,154	38,154	38,154	38,154	38,154
3. 2022	XXX	389	389	389	389
4. 2023	XXX	XXX	1,039	1,039	1,039
5. 2024	XXX	XXX	XXX	(95)	(95)
6. 2025	XXX	XXX	XXX	XXX	(515)

Section B - Incurred Health Claims - Dental Only

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	34,515	34,481	34,481	34,481	34,481
2. 2021	39,997	38,106	38,154	38,154	38,154
3. 2022	XXX	389	389	389	389
4. 2023	XXX	XXX	1,039	1,039	1,039
5. 2024	XXX	XXX	XXX	(95)	(95)
6. 2025	XXX	XXX	XXX	XXX	(515)

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Dental Only

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	0	38,154	193	0.5	38,347	0.0			38,347	0.0
2. 2022		389	226	58.1	615	0.0			615	0.0
3. 2023		1,039	141	13.6	1,180	0.0			1,180	0.0
4. 2024	0	(95)	8	(8.4)	(87)	0.0			(87)	0.0
5. 2025	169	(515)	239	(46.3)	(276)	(163.6)			(276)	(163.6)

12.D0

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Vision Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	4,400	4,400	4,400	4,400	4,400
2. 2021	5,595	5,595	5,595	5,595	5,595
3. 2022	XXX		0	0	0
4. 2023	XXX	XXX	0	0	0
5. 2024	XXX	XXX	XXX	0	0
6. 2025	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Vision Only

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	4,400	4,400	4,400	4,400	4,400
2. 2021	5,595	5,595	5,595	5,595	5,595
3. 2022	XXX		0	0	0
4. 2023	XXX	XXX	0	0	0
5. 2024	XXX	XXX	XXX	0	0
6. 2025	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Vision Only

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	0	5,595	191	3.4	5,786	0.0			5,786	0.0
2. 2022			209	0.0	209	0.0			209	0.0
3. 2023			41	0.0	41	0.0			41	0.0
4. 2024	0		12	0.0	12	0.0			12	0.0
5. 2025	273		99	0.0	99	36.3			99	36.3

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ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	257,408	257,444	257,444	257,444	257,444
2.	2021	262,578	285,282	285,290	285,290	285,290
3.	2022	XXX	248,593	276,680	276,696	276,696
4.	2023	XXX	XXX	286,416	310,606	310,606
5.	2024	XXX	XXX	XXX	312,236	351,354
6.	2025	XXX	XXX	XXX	XXX	323,350

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	257,388	257,444	257,444	257,444	257,444
2.	2021	286,949	285,204	285,290	285,290	285,290
3.	2022	XXX	276,869	277,105	276,696	276,696
4.	2023	XXX	XXX	317,903	310,918	310,606
5.	2024	XXX	XXX	XXX	346,214	351,955
6.	2025	XXX	XXX	XXX	XXX	361,291

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	309,200	285,290	11,689	4.1	296,979	96.0			296,979	96.0
2. 2022	313,290	276,696	13,100	4.7	289,796	92.5			289,796	92.5
3. 2023	349,415	310,606	14,592	4.7	325,198	93.1			325,198	93.1
4. 2024	376,608	351,354	14,477	4.1	365,831	97.1	1,393	67	367,291	97.5
5. 2025	407,721	323,350	11,747	3.6	335,097	82.2	38,598	1,863	375,558	92.1

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	69,337	69,314	69,314	69,314	69,314
2.	2021	40,338	59,509	59,530	59,530	59,530
3.	2022	XXX	174,970	207,053	206,863	206,863
4.	2023	XXX	XXX	218,778	259,592	259,278
5.	2024	XXX	XXX	XXX	235,314	281,260
6.	2025	XXX	XXX	XXX	XXX	271,365

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	69,871	69,314	69,314	69,314	69,314
2.	2021	49,083	49,693	59,530	59,530	59,530
3.	2022	XXX	215,738	201,339	206,863	206,863
4.	2023	XXX	XXX	270,794	259,323	259,278
5.	2024	XXX	XXX	XXX	287,476	280,862
6.	2025	XXX	XXX	XXX	XXX	322,309

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	82,457	59,530	8,020	13.5	67,550	81.9			67,550	81.9
2. 2022	64,059	206,863	3,773	1.8	210,636	328.8			210,636	328.8
3. 2023	39,966	259,278	17,173	6.6	276,451	691.7			276,451	691.7
4. 2024	30,812	281,260	15,331	5.5	296,591	962.6	153	4	296,748	963.1
5. 2025	317,814	271,365	1,165	0.4	272,530	85.8	51,274	1,344	325,149	102.3

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	34,037	34,019	34,019	34,019	34,019
2.	2021	33,309	37,573	37,577	37,577	37,577
3.	2022	XXX	35,889	39,808	39,837	39,837
4.	2023	XXX	XXX	24,256	30,397	30,397
5.	2024	XXX	XXX	XXX	33,205	37,660
6.	2025	XXX	XXX	XXX	XXX	59,128

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	34,053	34,019	34,019	34,019	34,019
2.	2021	38,043	37,538	37,577	37,577	37,577
3.	2022	XXX	40,062	39,806	39,837	39,837
4.	2023	XXX	XXX	30,546	30,449	30,397
5.	2024	XXX	XXX	XXX	37,676	37,656
6.	2025	XXX	XXX	XXX	XXX	64,001

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2021	49,022	37,577	1,580	4.2	39,157	79.9			39,157	79.9
2. 2022	49,022	39,837	2,573	6.5	42,410	86.5			42,410	86.5
3. 2023	47,801	30,397	7,920	26.1	38,317	80.2			38,317	80.2
4. 2024	55,631	37,660	5,727	15.2	43,387	78.0	16	0	43,403	78.0
5. 2025	83,612	59,128		0.0	59,128	70.7	4,891	93	64,112	76.7

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ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	2,082,875	2,084,035	2,084,035	2,084,035	2,084,035
2.	2021	1,900,290	2,131,387	2,134,736	2,134,736	2,134,737
3.	2022	XXX	1,948,283	2,271,876	2,277,591	2,277,592
4.	2023	XXX	XXX	2,261,690	2,596,888	2,610,829
5.	2024	XXX	XXX	XXX	2,419,884	2,738,558
6.	2025	XXX	XXX	XXX	XXX	2,424,791

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	1,999,202	2,084,035	2,084,035	2,084,035	2,084,035
2.	2021	2,141,961	2,180,614	2,134,736	2,134,736	2,134,737
3.	2022	XXX	2,330,879	2,338,484	2,277,591	2,277,592
4.	2023	XXX	XXX	2,673,328	2,606,436	2,610,829
5.	2024	XXX	XXX	XXX	2,814,725	2,748,806
6.	2025	XXX	XXX	XXX	XXX	2,754,657

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2021	2,519,910	2,134,737	80,317	3.8	2,215,054	87.9	0	0	2,215,054	87.9
2. 2022	2,381,926	2,277,592	83,963	3.7	2,361,555	99.1	0	0	2,361,555	99.1
3. 2023	2,702,758	2,610,829	121,250	4.6	2,732,079	101.1	0	0	2,732,079	101.1
4. 2024	2,475,216	2,738,558	101,938	3.7	2,840,496	114.8	44,641	1,821	2,886,958	116.6
5. 2025	2,965,800	2,424,791	61,743	2.5	2,486,534	83.8	339,277	13,250	2,839,062	95.7

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ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
1. Unearned premium reserves	522,086			522,086									
2. Additional policy reserves (a)	0												
3. Reserve for future contingent benefits	0												
4. Reserve for rate credits or experience rating refunds (including \$ for investment income) ..	152,525,551	16,353,973	540,802				119,167,302	16,463,474					
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Totals (gross)	153,047,637	16,353,973	540,802	522,086	0	0	119,167,302	16,463,474	0	0	0	0	0
7. Reinsurance ceded	0												
8. Totals (Net)(Page 3, Line 4)	153,047,637	16,353,973	540,802	522,086	0	0	119,167,302	16,463,474	0	0	0	0	0
9. Present value of amounts not yet due on claims	0												
10. Reserve for future contingent benefits	0												
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0												
14. Totals (Net)(Page 3, Line 7)	0	0	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS													
0501.													
0502.													
0503.													
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0	0
1101.													
1102.													
1103.													
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes \$ 0 premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$7,514,663 for occupancy of own building)	591,795	440,412	5,721,013	7,514,663	14,267,883
2. Salary, wages and other benefits	82,606,822	39,757,259	232,483,039		354,847,120
3. Commissions (less \$ ceded plus \$ assumed)	0	52,987	41,797,437		41,850,424
4. Legal fees and expenses	1,665	945	3,045,852		3,048,462
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services	1,623,737	0	12,699,940		14,323,677
7. Traveling expenses	223,963	24,571	1,484,380		1,732,914
8. Marketing and advertising	14,991	0	3,234,224		3,249,215
9. Postage, express and telephone	511,804	4,302,006	9,950,972		14,764,782
10. Printing and office supplies	226,469	2,183,924	2,919,032		5,329,425
11. Occupancy, depreciation and amortization	1,740,848	1,332,133	4,702,300		7,775,281
12. Equipment	232,841	176,921	743,863		1,153,625
13. Cost or depreciation of EDP equipment and software	14,594,470	2,349,671	57,158,648		74,102,789
14. Outsourced services including EDP, claims, and other services	12,289,723	(383,763)	38,273,971	1,641,412	51,821,343
15. Boards, bureaus and association fees	137,478	1,040	5,145,168		5,283,686
16. Insurance, except on real estate	486,569	359,051	4,349,155		5,194,775
17. Collection and bank service charges	0	0	3,307,334		3,307,334
18. Group service and administration fees	(7,178,668)	34,944,279	9,467,579		37,233,190
19. Reimbursements by uninsured plans	(73,271,516)	(74,692,468)	(199,316,588)		(347,280,572)
20. Reimbursements from fiscal intermediaries	0	1,226,400	0		1,226,400
21. Real estate expenses	1,023,845	781,239	4,560,418	722,729	7,088,231
22. Real estate taxes	103,693	79,370	298,694	13,488	495,245
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	7,334	276,223	1,577,911		1,861,468
23.2 State premium taxes	0	0	35,032,168		35,032,168
23.3 Regulatory authority licenses and fees	1,201	0	1,513,484		1,514,685
23.4 Payroll taxes	4,027,036	2,029,988	10,720,609		16,777,633
23.5 Other (excluding federal income and real estate taxes)	17,051	8,961	328,928		354,940
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	41,547,002	3,714,140	32,376,024	0	77,637,166
26. Total expenses incurred (Lines 1 to 25)	81,560,153	18,965,289	323,575,555	9,892,292	(a) 433,993,289
27. Less expenses unpaid December 31, current year		15,071,613	456,625,471		471,697,084
28. Add expenses unpaid December 31, prior year		17,713,422	533,711,509		551,424,931
29. Amounts receivable relating to uninsured plans, prior year			1,675,992		1,675,992
30. Amounts receivable relating to uninsured plans, current year			1,389,069		1,389,069
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	81,560,153	21,607,098	400,374,670	9,892,292	513,434,213
DETAILS OF WRITE-INS					
2501. Assumed Administrative Expense	41,537,240	6,212,060	96,562,872		144,312,171
2502. Ceded Administrative Expense			(7,398,968)		(7,398,968)
2503. Contributions	6,972		1,265,936		1,272,908
2598. Summary of remaining write-ins for Line 25 from overflow page	2,791	(2,497,920)	(58,053,816)	0	(60,548,945)
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	41,547,002	3,714,140	32,376,024	0	77,637,166

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 5,587,094	5,282,912
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 25,115,099	24,995,566
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	1,016,095	1,016,095
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	8,278,931
5. Contract Loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 3,717,858	3,528,307
7. Derivative instruments	(f) 0	0
8. Other invested assets	14,613,631	14,613,631
9. Aggregate write-ins for investment income	2,336,829	2,336,829
10. Total gross investment income	52,386,606	60,052,271
11. Investment expenses		(g) 9,892,292
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 857,090
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		10,749,382
17. Net investment income (Line 10 minus Line 16)		49,302,889
DETAILS OF WRITE-INS		
0901. FEP Interest Income	2,336,829	2,336,829
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	2,336,829	2,336,829
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 1,106,836 accrual of discount less \$ 929,634 amortization of premium and less \$ 939,757 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 1,958 accrual of discount less \$ 471 amortization of premium and less \$ 6,080 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 10,053,095 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(627,720)	0	(627,720)	0	0
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	(3,073,243)	0	(3,073,243)	77,146	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	3,507,132	0	3,507,132	8,968,915	0
2.21 Common stocks of affiliates	0	0	0	23,158,048	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	52	0	52	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	(23,024)	0	(23,024)	7,692,355	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	(3,373,794)	0
10. Total capital gains (losses)	(216,803)	0	(216,803)	36,522,670	0
DETAILS OF WRITE-INS					
0901. SSP & Other			0	4,138,206	
0902. OPEB			0	(7,512,000)	
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	(3,373,794)	0

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due ..			0
15.3 Accrued retrospective premiums and contracts subject to redetermination	496,482	1,042,483	546,001
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	6,926,534	5,205,828	(1,720,706)
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	3,330	31,050	27,720
21. Furniture and equipment, including health care delivery assets	7,783,005	8,411,115	628,110
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	47,211,539	42,987,529	(4,224,010)
25. Aggregate write-ins for other-than-invested assets	49,417,158	50,674,321	1,257,163
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	111,838,048	108,352,326	(3,485,722)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	111,838,048	108,352,326	(3,485,722)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0
2501. Other Assets	49,417,158	50,674,321	1,257,163
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	49,417,158	50,674,321	1,257,163

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations						
2. Provider Service Organizations						
3. Preferred Provider Organizations	371,069	350,686	344,171	338,453	334,574	4,118,247
4. Point of Service						
5. Indemnity Only	221,760	223,671	226,166	225,505	225,293	2,700,994
6. Aggregate write-ins for other lines of business.....	43	2	2	0	0	12
7. Total	592,872	574,359	570,339	563,958	559,867	6,819,253
DETAILS OF WRITE-INS						
0601. WellSpent	43	2	2	0	0	12
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	43	2	2	0	0	12

NOTES TO FINANCIAL STATEMENTS

NOTE 1 Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Arkansas Blue Cross and Blue Shield are presented on the basis of accounting practices prescribed or permitted by the Arkansas Insurance Department.

The state of Arkansas requires insurance companies domiciled in the state of Arkansas to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual subject to any deviations prescribed or permitted by the Arkansas Insurance Department. The Company does not have any permitted practices.

Reconciliation of net income and policyholders' surplus between the amounts reported in the accompanying financial statements and NAIC SAP follow:

	SSAP #	F/S Page	F/S Line #		2025		2024
NET INCOME							
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$	4,832,721	\$	(226,244,686)
(2) State Prescribed Practices that are an increase/ (decrease) from NAIC SAP:							
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:							
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$	4,832,721	\$	(226,244,686)
SURPLUS							
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$	978,335,489	\$	940,433,617
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:							
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:							
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$	978,335,489	\$	940,433,617

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

C. Accounting Policy

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) **Basis for Short-Term Investments**
Short-term investments are stated at amortized cost.
- (2) **Basis for Bonds, Mandatory Convertible Securities, SVO-Identified Investments and Amortization Method**
Bonds not backed by other loans are stated at amortized cost using the effective interest method.
- (3) **Basis for Common Stocks**
Common Stocks are carried at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
- (4) **Basis for Preferred Stocks**
The Company does not have preferred stock.
- (5) **Basis for Mortgage Loans**
The Company is not directly invested in mortgage loans. The Company does own mortgage-backed securities.
- (6) **Basis for Asset-Backed Securities and Adjustment Methodology**
Asset-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The prospective adjustment method is used to value all securities.
- (7) **Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities**
Common stock investments in affiliates including limited liability companies are carried at their NAIC SAP or GAAP equity values in accordance with the requirements of SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities.
- (8) **Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities**
The Company has investments in joint ventures, partnerships and limited liability companies. See (7) above for accounting policy.
- (9) **Accounting Policies for Derivatives**
The Company does not have any derivatives.
- (10) **Anticipated Investment Income Used in Premium Deficiency Calculation**
The Company includes anticipated investment income as a factor in the premium deficiency calculation.
- (11) **Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses**

When setting reserves, the Company employs the five methods that are described below. Based on the estimates of these methods and also retrospective considerations, the Company sets a best estimate and then an explicit margin is added to ensure that the estimate is sufficient. The average of the methods, as well as the spread of the estimates, is also considered when setting the respective liabilities. Aggregate liabilities are tested against other aggregate estimation methods to check for reasonableness, and any additional margin or adjustments are made.

- (a) **Aggregate Method:** 12 months of paid claims are subtracted from 12 months of estimated incurred claims to get the liability estimate.
- (b) **3 Month Average Method:** For the base liability estimate, the average liability of the third, fourth, and fifth month prior to the current month is used. Adjustments are made for trend, membership change, and backlog to determine the current month's estimate of liability.
- (c) **Previous Year's IBNR Method:** This method is similar to the Three Month Average Method, except that the actual reserve from one year ago is used as the base estimate of liability. This is projected forward using adjustments for trend, membership change, and backlog.
- (d) **CY Lag Method:** This method calculates completion factors by incurred year. Completion factors used for the current year are based on the previous year's experience. Completion factors for the most recent 3 years are set manually.
- (e) **12 Month CF Method:** This method is identical to the CY Lag Method, except that historical completion factors are based on 12 months of rolling data.

- (12) **Changes in the Capitalization Policy and Predefined Thresholds from Prior Period**
The Company has not modified its capitalization policy from the prior period.

- (13) **Method Used to Estimate Pharmaceutical Rebate Receivables**
Pharmacy rebate receivables are estimated based upon the following methods: prior quarter's invoiced amounts, estimates provided by the Pharmacy Benefit Manager, or estimates using a percentage of year-to-date estimates from the Pharmacy Benefit Manager to year-to-date allowed claims.

D. Going Concern

Management has evaluated the Company's ability to continue as a going concern as of December 31, 2025. Management has concluded that there is not substantial doubt that the Company can continue as a going concern, therefore, there are no policies in place to alleviate such situations.

NOTE 2 Accounting Changes and Corrections of Errors

Not Applicable - There were no accounting changes or corrections of errors during the reporting periods.

NOTE 3 Business Combinations and Goodwill

Not Applicable -The Company has not entered into any business combination transactions and does not have a goodwill asset as a result of business combinations or assumption reinsurance transactions.

NOTE 4 Discontinued Operations

Not Applicable -The Company does not have a discontinued operation that has been disposed of or that is classified as held for sale under SSAP No. 24 - Discontinued Operations and Unusual or Infrequent Items.

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross (Admitted & Non- admitted) Restricted from Current Year	2 Total Gross (Admitted & Non- admitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Non- admitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Non- admitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown			\$ -		\$ -	0.000%	0.000%
b. Collateral held under security lending agreements			\$ -		\$ -	0.000%	0.000%
c. Subject to repurchase agreements			\$ -		\$ -	0.000%	0.000%
d. Subject to reverse repurchase agreements			\$ -		\$ -	0.000%	0.000%
e. Subject to dollar repurchase agreements			\$ -		\$ -	0.000%	0.000%
f. Subject to dollar reverse repurchase agreements			\$ -		\$ -	0.000%	0.000%
g. Placed under option contracts			\$ -		\$ -	0.000%	0.000%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock			\$ -		\$ -	0.000%	0.000%
i. FHLB capital stock	\$ 1,097,800	\$ 1,050,300	\$ 47,500		\$ 1,097,800	0.047%	0.049%
j. On deposit with states	\$ 168,873	\$ 148,936	\$ 19,937		\$ 168,873	0.007%	0.008%
k. On deposit with other regulatory bodies			\$ -		\$ -	0.000%	0.000%
l. Pledged collateral to FHLB (including assets backing funding agreements)			\$ -		\$ -	0.000%	0.000%
m. Pledged as collateral not captured in other categories	\$63,413,919		\$63,413,919		\$63,413,919	2.692%	2.826%
n. Other restricted assets			\$ -		\$ -	0.000%	0.000%
o. Collateral assets received and on balance sheet			\$ -		\$ -	0.000%	0.000%
p. Assets held under modco reinsurance agreements			\$ -		\$ -	0.000%	0.000%
q. Assets held under funds withheld reinsurance agreements			\$ -		\$ -	0.000%	0.000%
r. Total restricted assets (Sum of a through q)	\$64,680,592	\$ 1,199,236	\$63,481,356	\$ -	\$64,680,592	2.746%	2.883%

Restricted Asset Category	8 Amount Reported in General Interrogatories	9 Difference from Note and GI	10 GI Ref
a. Subject to contractual obligation for which liability is not shown	XXX	XXX	XXX
b. Collateral held under security lending agreements	\$ -	\$ -	25.04 + 25.05
c. Subject to repurchase agreements		\$ -	26.21
d. Subject to reverse repurchase agreements		\$ -	26.22
e. Subject to dollar repurchase agreements		\$ -	26.23
f. Subject to dollar reverse repurchase agreements		\$ -	26.24
g. Placed under option contracts		\$ -	26.25
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock		\$ -	26.26
i. FHLB capital stock	\$ 1,097,800	\$ -	26.27
j. On deposit with states	\$ 168,873	\$ -	26.28
k. On deposit with other regulatory bodies		\$ -	26.29
l. Pledged collateral to FHLB (including assets backing funding agreements)		\$ -	26.31
m. Pledged as collateral not captured in other categories	\$ 63,413,919	\$ -	26.30
n. Other restricted assets		\$ -	26.32
o. Collateral assets received and on balance sheet	XXX	XXX	XXX
p. Assets held under modco reinsurance agreements	XXX	XXX	XXX
q. Assets held under funds withheld reinsurance agreements	XXX	XXX	XXX
r. Total restricted assets (Sum of a through q)	XXX	XXX	XXX

(a) Column 1 divided by Asset Page, Column 1, Line 28

(b) Column 5 divided by Asset Page, Column 3, Line 28

NOTES TO FINANCIAL STATEMENTS

GI Reference	Difference between Note and GI (Per Column 8 above)	Explanation
25.04 + 25.05	\$ -	
26.21	\$ -	
26.22	\$ -	
26.23	\$ -	
26.24	\$ -	
26.25	\$ -	
26.26	\$ -	
26.27	\$ -	
26.28	\$ -	
26.29	\$ -	
26.31	\$ -	
26.30	\$ -	
26.32	\$ -	

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance (excluding Modco/FWH) and Derivatives, Are Reported in the Aggregate)

Description of Assets	1 Total Gross (Admitted & Non-admitted) Restricted from Current Year	2 Total Gross (Admitted & Non-admitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Gross (Admitted & Non-admitted) Restricted to Total Assets	6 Admitted Restricted to Total Admitted Assets
United States Treasury	\$62,838,993		\$62,838,993	\$62,838,993	2.668%	2.801%
Exempt Money Market Fund	\$ 574,926		\$ 574,926	\$ 574,926	0.024%	0.026%
Total (a)	\$63,413,919	\$ -	\$63,413,919	\$63,413,919	2.692%	2.826%
Amount of Total pledged under derivative contracts			\$ -	\$ -	XXX	XXX
Total Excluding Derivative Collateral (Total minus Amt of Total pledged under derivative contracts)	\$63,413,919		\$63,413,919	\$63,413,919	XXX	XXX

(a) Total Line for Columns 1 through 3 should equal 5L(1)m Columns 1 through 3 respectively and Total Line for Column 4 should equal 5L(1)m Column 5.

3. Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance (exclude Modco/FWH) and Derivatives, Are Reported in the Aggregate)

Description of Assets	1 Total Gross (Admitted & Non-admitted) Restricted from Current Year	2 Total Gross (Admitted & Non-admitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Gross (Admitted & Non-admitted) Restricted to Total Assets	6 Admitted Restricted to Total Admitted Assets
Total (a)	\$ -	\$ -	\$ -	\$ -	XXX	XXX

(a) Total Line for Columns 1 through 3 should equal 5L(1)n Columns 1 through 3 respectively and Total Line for Column 4 should equal 5L(1)n Column 5.

4. Collateral Received and Assets Held under Modco/Funds Withheld (FWH) Reinsurance Agreements Reflected as Assets Within the Reporting Entity's Financial Statements

Assets	1 (BACV) Collateral ***	2 (BACV) Modco ****	3 (BACV) FWH *****	4 Fair Value Collateral	5 Fair Value Modco	6 Fair Value FWH	7 % of BACV to Total Assets (Admitted and Nonadmitted)*	8 % of BACV to Total Admitted Assets **
a. Cash, Cash Equivalents and Short-Term Investments							0.000%	0.000%
b. Schedule D, Part 1, Section 1							0.000%	0.000%
c. Schedule D, Part 1, Section 2							0.000%	0.000%
d. Schedule D, Part 2, Section 1							0.000%	0.000%
e. Schedule D, Part 2, Section 2							0.000%	0.000%
f. Schedule B							0.000%	0.000%
g. Schedule A							0.000%	0.000%
h. Schedule BA, Part 1							0.000%	0.000%
i. Schedule DL, Part 1							0.000%	0.000%
j. Other							0.000%	0.000%
k. Total Assets (a+b+c+d+e+f+g+h+i+j)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%
l. Percentage to Total FWH Assets (including Modco)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

* Sum of Columns 1, 2, and 3 divided by Asset Page, Line 26 (Column 1)

** Sum of Columns 1, 2, and 3 divided by Asset Page, Line 26 (Column 3)

*** k (Collateral BACV) should equal Note 5L(1) Column 1, Line o

**** k (Modco BACV) should equal Note 5L(1) Column 1, Line p

***** k (FWH BACV) should equal Note 5L(1) Column 1, Line q

NOTES TO FINANCIAL STATEMENTS

Assets	9 Book/Adjusted Carrying Value (BACV)	10	11	12	13	14	15
		Related Party Code					
	FWH Including Modco	1	2	3	4	5	6
a. Cash, Cash Equivalents and Short-Term Investments	\$ -						
b. Schedule D, Part 1, Section 1	\$ -						
c. Schedule D, Part 1, Section 2	\$ -						
d. Schedule D, Part 2, Section 1	\$ -						
e. Schedule D, Part 2, Section 2	\$ -						
f. Schedule B	\$ -						
g. Schedule A	\$ -						
h. Schedule BA, Part 1	\$ -						
i. Schedule DL, Part 1	\$ -						
j. Other	\$ -						
k. Total Assets (a+b+c+d+e+f+g+h+i+j)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
l. Percentage to Total FWH Assets (including Modco)	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

	1 Amount	2 % of Liability to Total Liabilities #
m. Recognized Obligation to Return Collateral Asset		0.000%
n. Recognized Obligation for Modco assets		0.000%
o. Recognized Obligation for FWH (excluding Modco) assets		0.000%
# m + n + o = Column 1 divided by Liability Page, Line 24 (Column 3)		

5. Disclose whether any of the assets held as collateral or under modified coinsurance (Modco) or funds withheld reinsurance (FWH) agreements have been pledged for another purpose specific to the insurance reporting entity (not for the benefit of the reinsurer). For example, if the insurance reporting entity has used these assets as the collateral in a securities lending agreement, a repo transaction, pledged as collateral to the FHLB, etc. (For Modco/FWH assets, items pledged on behalf of the reinsurer shall not be captured.)

	Collateral Held	Modco	FWH
a. Securities Lending			
b. Repo / repurchase Agreements			
c. Placed under option contracts			
d. On deposit with states			
e. On deposit with other regulatory bodies			
f. Pledged as collateral to FHLB (including assets backing funding agreements)			
g. Pledged as collateral not captured in other categories			
h. Total (a+b+c+d+e+f+g)	\$ -	\$ -	\$ -

- M. Working Capital Finance Investments
Not Applicable -The Company did not have Working Capital Finance Investments (WCFI) during the reporting periods.
- N. Offsetting and Netting of Assets and Liabilities
Not Applicable -The Company did not have assets or liabilities with a valid right to offset subject to SSAP No. 64 during the reporting periods.
- O. 5GI Securities
Not Applicable -The Company did not hold any 5GI securities during the reporting periods.
- P. Short Sales
Not Applicable -The Company did not have any short sales during the reporting periods.
- Q. Prepayment Penalty and Acceleration Fees

	<u>General Account</u>
1. Number of CUSIPs	0
2. Aggregate Amount of Investment Income	\$ -

- R. Reporting Entity's Share of Cash Pool by Asset Type
Not Applicable -The Company did not participate in a cash pool during the reporting periods.
- S. Aggregate Collateral Loans by Qualifying Investment Collateral
Not Applicable

NOTE 6 Joint Ventures, Partnerships and Limited Liability Companies

- A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of the Admitted Assets of the Reporting Entity
Not Applicable - The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies that exceed 10% of its admitted assets.
- B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies
Not Applicable -The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships, and Limited Liability Companies during the statement period.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 Investment Income

- A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued: All investment income due and accrued is included in investment income.
- B. The total amount excluded was -0- for the years ending 2025 and 2024.
- C. The gross, nonadmitted and admitted amounts for interest income due and accrued.

Interest Income Due and Accrued	Amount
1. Gross	\$ 5,493,815
2. Nonadmitted	\$ -
3. Admitted	\$ 5,493,815

- D. The aggregate deferred interest.

Aggregate Deferred Interest	Amount
	\$ -

- E. The cumulative amounts of paid-in-kind (PIK) interest included in the current principal balance.

Cumulative amounts of PIK interest included in the current principal balance	Amount
	\$ -

NOTE 8 Derivative Instruments

Not Applicable -The Company did not have any derivative instruments during the reporting periods.

- A. Derivatives under SSAP No. 86—Derivatives
Not Applicable.
- B. Derivatives under SSAP No. 108—Derivative Hedging Variable Annuity Guarantees
Not Applicable.

NOTE 9 Income Taxes

- A. The components of the net deferred tax asset/(liability) at the end of current period are as follows:

	As of End of Current Period			12/31/2024			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 - 4) Ordinary	(Col. 2 - 5) Capital	(Col. 7 + 8) Total
(a) Gross Deferred Tax Assets	\$ 143,639,232	\$ 3,192,931	\$ 146,832,163	\$ 146,199,038	\$ 3,861,614	\$ 150,060,652	\$ (2,559,806)	\$ (668,683)	\$ (3,228,489)
(b) Statutory Valuation Allowance Adjustment	\$ 121,565,947	\$ -	\$ 121,565,947	\$ 124,410,596	\$ -	\$ 124,410,596	\$ (2,844,649)	\$ -	\$ (2,844,649)
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 22,073,285	\$ 3,192,931	\$ 25,266,216	\$ 21,788,442	\$ 3,861,614	\$ 25,650,056	\$ 284,843	\$ (668,683)	\$ (383,840)
(d) Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 22,073,285	\$ 3,192,931	\$ 25,266,216	\$ 21,788,442	\$ 3,861,614	\$ 25,650,056	\$ 284,843	\$ (668,683)	\$ (383,840)
(f) Deferred Tax Liabilities	\$ 4,751,265	\$ 20,514,950	\$ 25,266,215	\$ 5,817,662	\$ 19,832,394	\$ 25,650,056	\$ (1,066,397)	\$ 682,556	\$ (383,841)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 17,322,020	\$ (17,322,019)	\$ 1	\$ 15,970,780	\$ (15,970,780)	\$ -	\$ 1,351,240	\$ (1,351,239)	\$ 1

2. Admission Calculation Components per SSAP No. 101—Income Taxes

	As of End of Current Period			12/31/2024			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 - 4) Ordinary	(Col. 2 - 5) Capital	(Col. 7 + 8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	\$ 140,438,938	XXX	XXX	\$ -	XXX	XXX	\$ 140,438,938
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$22,073,284	\$ 3,192,931	\$25,266,215	\$21,788,442	\$ 3,861,614	\$25,650,056	\$ 284,842	\$ (668,683)	\$ (383,841)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total 2(a) + 2(b) + 2(c)	\$22,073,284	\$ 3,192,931	\$25,266,215	\$21,788,442	\$ 3,861,614	\$25,650,056	\$ 284,842	\$ (668,683)	\$ (383,841)

3. Other Admissibility Criteria

	2025	2024
a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	677.660%	601.848%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 975,347,735	\$ 936,259,585

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax Planning Strategies

	As of End of Current Period		12/31/2024		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	(Col. 1 - 3) Ordinary	(Col. 2 - 4) Capital
Impact of Tax Planning Strategies:						
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.						
1. Adjusted Gross DTAs amount from Note 9A1 (c)	\$ 22,073,285	\$ 3,192,931	\$ 21,788,442	\$ 3,861,614	\$ 284,843	\$ (668,683)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 22,073,285	\$ 3,192,931	\$ 21,788,442	\$ 3,861,614	\$ 284,843	\$ (668,683)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

b. Do the Company's tax-planning strategies include the use of reinsurance? Yes [] No [X]

B. Deferred Tax Liabilities Not Recognized
None.

C. Current income taxes incurred consist of the following major components:

	(1) As of End of Current Period	(2) 12/31/2024	(3) (Col. 1 - 2) Change
1. Current Income Tax			
(a) Federal	\$ (2,606,935)	\$ (38,800,232)	\$ 36,193,297
(b) Foreign	\$ -	\$ -	\$ -
(c) Subtotal (1a+1b)	\$ (2,606,935)	\$ (38,800,232)	\$ 36,193,297
(d) Federal income tax on net capital gains	\$ (45,529)	\$ 5,937,706	\$ (5,983,235)
(e) Utilization of capital loss carry-forwards	\$ -	\$ -	\$ -
(f) Other	\$ -	\$ (2,121,369)	\$ 2,121,369
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	\$ (2,652,464)	\$ (34,983,895)	\$ 32,331,431
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 1,833,638	\$ 1,121,872	\$ 711,766
(2) Unearned premium reserve	\$ -	\$ -	\$ -
(3) Policyholder reserves	\$ -	\$ -	\$ -
(4) Investments	\$ -	\$ -	\$ -
(5) Deferred acquisition costs	\$ 1,117,077	\$ 15,123,543	\$ (14,006,466)
(6) Policyholder dividends accrual	\$ -	\$ -	\$ -
(7) Fixed assets	\$ -	\$ -	\$ -
(8) Compensation and benefits accrual	\$ 42,138,913	\$ 41,500,396	\$ 638,517
(9) Pension accrual	\$ -	\$ -	\$ -
(10) Receivables - nonadmitted	\$ 21,670,605	\$ 20,923,411	\$ 747,194
(11) Net operating loss carry-forward	\$ 38,637,679	\$ 6,746,773	\$ 31,890,906
(12) Tax credit carry-forward	\$ 6,382,168	\$ -	\$ 6,382,168
(13) Other	\$ 31,859,150	\$ 60,783,043	\$ (28,923,893)
(99) Subtotal (sum of 2a1 through 2a13)	\$ 143,639,230	\$ 146,199,038	\$ (2,559,808)
(b) Statutory valuation allowance adjustment	\$ 121,565,947	\$ 124,410,596	\$ (2,844,649)
(c) Nonadmitted	\$ -	\$ -	\$ -
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 22,073,283	\$ 21,788,442	\$ 284,841
(e) Capital:			
(1) Investments	\$ 3,192,931	\$ 3,861,614	\$ (668,683)
(2) Net capital loss carry-forward	\$ -	\$ -	\$ -
(3) Real estate	\$ -	\$ -	\$ -
(4) Other	\$ -	\$ -	\$ -
(99) Subtotal (2e1+2e2+2e3+2e4)	\$ 3,192,931	\$ 3,861,614	\$ (668,683)
(f) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(g) Nonadmitted	\$ -	\$ -	\$ -
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 3,192,931	\$ 3,861,614	\$ (668,683)
(i) Admitted deferred tax assets (2d + 2h)	\$ 25,266,214	\$ 25,650,056	\$ (383,842)
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ 660,079	\$ 705,569	\$ (45,490)
(2) Fixed assets	\$ 1,693,562	\$ 3,702,650	\$ (2,009,088)
(3) Deferred and uncollected premium	\$ -	\$ -	\$ -
(4) Policyholder reserves	\$ -	\$ -	\$ -
(5) Other	\$ 2,397,623	\$ 1,409,444	\$ 988,179
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	\$ 4,751,264	\$ 5,817,663	\$ (1,066,399)
(b) Capital:			
(1) Investments	\$ 20,514,950	\$ 19,832,394	\$ 682,556
(2) Real estate	\$ -	\$ -	\$ -
(3) Other	\$ -	\$ -	\$ -
(99) Subtotal (3b1+3b2+3b3)	\$ 20,514,950	\$ 19,832,394	\$ 682,556
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 25,266,214	\$ 25,650,057	\$ (383,843)
4. Net deferred tax assets/liabilities (2i - 3c)	\$ -	\$ (1)	\$ 1

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company
NOTES TO FINANCIAL STATEMENTS

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

	Amount 12/31/2025	Effective Tax Rate Percentage
Income(Loss) before income tax	\$ 2,180,257	
Income tax expense at Federal Statutory Rate	\$ 457,854	21.00%
Permanent Differences:		
Change in nonadmitted assets	\$ (554,628)	-25.44%
Proration of tax exempt income	\$ 442,040	20.27%
Tax exempt income deduction	\$ (571,375)	-26.21%
Dividends received deduction	\$ (1,196,784)	-54.89%
Disallowed travel and entertainment	\$ 70,557	3.24%
Other permanent differences	\$ 234,679	10.76%
Statutory valuation allowance adjustment	\$ (2,844,648)	-130.47%
Income tax expense/(benefit) of Affiliates	\$ (178,046)	-8.17%
Accrual adjustment - prior year	\$ 1,683,346	77.21%
Effect of unrealized gains and losses	\$ 3,061,645	140.43%
Compensation deduction limitations	\$ 3,480,841	159.65%
Tax Credits	\$ (6,382,168)	-292.73%
Other	\$ (355,777)	-16.32%
Total income tax	\$ (2,652,464)	-121.67%
Federal and Foreign Income Tax Incurred	\$ (2,606,935)	
Realized Capital Gains (Losses) Tax	\$ (45,529)	
Change in Deferred Income Taxes	\$ -	
Total Income Tax Expense (Benefit)	\$ (2,652,464)	

E. Operating Loss Carry Forwards and Income Taxes Available for Recoupment

1. The amounts, origination dates and expiration dates of operating loss and tax credit carry forwards available for tax purposes:

Description	Amount	Generated	Expires
Net Operating Losses	\$ 37,332,132	12/31/2024	12/31/2024
Net Operating Losses	\$ 146,656,818	12/31/2025	12/31/2045
Total	\$ 183,988,950		

Description	Amount	Origination Date	Expiration Date
Foreign Tax Credit Carryforward	\$ 4,563	12/31/2024	12/31/2034

Description	Amount	Origination Date	Expiration Date
General Business Credit Carryforward	\$ 2,875,758	12/31/2023	12/31/2043
General Business Credit Carryforward	\$ 3,501,847	12/31/2024	12/31/2044
Total	\$ 6,377,605		

2. The following is income tax expense for current year and proceeding years that is available for recoupment in the event of future net losses:

Year	Amounts
2025	none
2024	none

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code is \$-0-.

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:

USABLE Mutual Insurance Company, USABLE Corporation, Groups Service Underwriters Inc., USABLE Partners LLC, USABLE HMO, Inc. and USABLE PPO Insurance Company.

2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:

The method of allocating federal income tax among the companies is subject to a written agreement, approved by the required authorized officers. The method of allocation is in accordance with Treasury Regulation section 1.1502-33(d)(2)(i) whereby profitable companies pay tax on their separate company taxable liability and loss companies are reimbursed in the year such losses are utilized to offset the consolidated tax liability.

G. Federal or Foreign Federal Income Tax Loss Contingencies:

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax (RTT)

The Company does not owe RTT.

I. Alternative Minimum Tax (AMT) Credit

1. The Company does not have any AMT credits.

NOTES TO FINANCIAL STATEMENTS

NOTE 10 Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of the Relationship Involved

USABLE Mutual Insurance Company, d/b/a Arkansas Blue Cross Blue Shield, owns 100% of USABLE Corporation, 50% of HMO Partners, Inc. and 20% of Partnership for a Healthy Arkansas, LLC (PHA). PHA is still a legal entity, however the capital has been returned to the partners and current equity is zero. The Company also owns 35.49% of Life & Specialty Ventures, LLC (LSV, LLC). LSV, LLC is the ultimate controlling party of Life & Specialty Ventures, LLC GRP (Group # 5050) and owns 100% of both USABLE Life (NAIC #94358) and LifeMap Assurance Company (NAIC #97985).

As of December 31, 2025, USABLE Corporation owns 100% of Group Service Underwriters, Inc., d/b/a Pinnacle Insurance Associates, 100% of USABLE Partners, LLC, 100% USABLE HMO, Inc. d/b/a Arkansas Blue Medicare and Octave, and 100% USABLE PPO Insurance Company d/b/a Arkansas Blue Medicare Plus, and 10% of NDBH Holding Company LLC, d/b/a New Directions Behavioral Health and Lucet.

B. Transactions

Not Applicable - The Company had no material, non-insurance transactions with related parties.

C. Transactions with related party who are not reported on Schedule Y

Not Applicable - The Company did not have any material transactions with related parties not on Schedule Y.

D. Amounts Due From or To Related Parties

At December 31, the Company reported the following admitted amounts due from Affiliates:

	2025	2024
HMO Partners, Inc.	\$12,127,465	\$7,548,665
USABLE Corporation	\$0	\$164,944
USABLE PPO Insurance Company	\$2,166,495	\$1,351,924
USABLE HMO Inc.	\$9,243,575	\$5,354,629
USABLE Partners, LLC	\$0	\$6,732
Blue & You Foundation	\$0	\$3,868
Group Service Underwriters, Inc.	\$0	\$0
USABLE Life	\$437,754	\$6,572
	<u>\$ 23,975,289</u>	<u>\$ 14,437,334</u>

At December 31, the Company reported the following amounts due to Affiliates:

	2025	2024
USABLE Mutual Insurance Company	\$12,127,465	\$0
USABLE HMO	\$19,397	\$0
HMO Partners, Inc.	\$0	\$128,796
USABLE Corporation	\$0	\$0
Blue & You Foundation	\$0	\$42,715
	<u>\$ 12,146,862</u>	<u>\$ 171,511</u>

E. Material Management or Service Contracts and Cost-Sharing Arrangements

Not Applicable - The Company has no material management or service contracts or cost-sharing arrangements.

F. Guarantees or Undertakings

Not Applicable - The Company has no guarantees or undertakings.

G. Nature of the Control Relationship

Not Applicable

H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned

Not Applicable - The Company had no amount deducted.

I. Investments in SCA that Exceed 10% of Admitted Assets

The Company owns 100% of USABLE Corporation. With prior approval from the Arkansas Insurance Department, the carrying value is equal to or exceeds 10% of the admitted assets of the Company. The Company carries USABLE Corporation at GAAP equity adjusted for subsidiary statutory differences. There is no Goodwill associated with this investment.

The Company's interest in USABLE Corporation is privately held and not traded on the New York Stock Exchange. The Company's statement value of USABLE Corporation assets and liabilities as of 12/31/2025 were \$310,494,561 and \$11,870,983, respectively. The Company's share of net income of USABLE Corporation was \$16,303,200 for the quarter-ended 12/31/2025.

J. Investments in Impaired SCAs

Not Applicable - The Company had no investments in impaired SCAs.

K. Investment in Foreign Insurance Subsidiary

Not Applicable - The Company had no investment in foreign insurance subsidiaries.

L. Investment in Downstream Noninsurance Holding Company

Not Applicable - The Company had no investments in downstream noninsurance holding companies.

M. All SCA Investments

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
Total SSAP No. 97 8a Entities	XXX	\$ -	\$ -	\$ -
b. SSAP No. 97 8b(ii) Entities				
Total SSAP No. 97 8b(ii) Entities	XXX	\$ -	\$ -	\$ -
c. SSAP No. 97 8b(iii) Entities				
USABLE Corporation	100.0%	\$ 297,001,435	\$ 297,001,435	\$ -
Total SSAP No. 97 8b(iii) Entities	XXX	\$ 297,001,435	\$ 297,001,435	\$ -

NOTES TO FINANCIAL STATEMENTS

d. SSAP No. 97 8b(iv) Entities					
Total SSAP No. 97 8b(iv) Entities	XXX	\$ -	\$ -	\$ -	
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	\$ 297,001,435	\$ 297,001,435	\$ -	
f. Aggregate Total (a+ e)	XXX	\$ 297,001,435	\$ 297,001,435	\$ -	

(2) NAIC Filing Response Information

SCA Entity (Should be same entities as shown in M(1) above.)	Type of NAIC Filing *	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Yes/No	NAIC Disallowed Entities Valuation Method, Resubmission Required Yes/No	Code **
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8a Entities	XXX	XXX	\$ -	XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities						
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities						
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	\$ -	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	\$ -	XXX	XXX	XXX

* S1 - Sub-1, S2 - Sub-2 or RDF - Resubmission of Disallowed Filing

** I - Immaterial or M - Material

N. Investment in Insurance SCAs

(1) Accounting Practice that Differs from NAIC Statutory Accounting Practices and Procedures

Not Applicable - Accounting practices do not differ from NAIC Statutory Accounting Practices and Procedures.

(2) The monetary effect on net income and surplus as a result of using an accounting practice that differed from NAIC Statutory Accounting Practices and Procedures (NAIC SAP), the amount of the investment in the insurance SCA per audited statutory equity and amount of the investment if the insurance SCA had completed statutory financial statements in accordance with the AP&P Manual.

SCA Entity (Investments in Insurance SCA Entities)	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase/ (Decrease)	Surplus Increase/ (Decrease)	Per Audited Statutory Equity	If the Insurance SCA Had Completed Statutory Financial Statements *

* Per AP&P Manual (without permitted or prescribed practices)

(3) RBC Regulatory Event Avoided with use of Prescribed or Permitted Practice

Not Applicable

O. SCA or SSAP 48 Entity Loss Tracking

Not Applicable

NOTE 11 Debt

A. Debt Including Capital Notes

On April 24, 2025, USABLE Mutual Insurance Company (UMIC) entered into a collateralized line of credit agreement with Arvest Bank for \$50,000,000. This line of credit is collateralized by US Treasury holdings as identified in section "m." of the restricted assets table as illustrated in Note 5. The total value of assets pledged at December 31, 2025, is \$63,413,919. At December 31, 2025, \$30 million in advances were outstanding.

USABLE Mutual Insurance Company does continue to maintain a relationship with the FHLB of Dallas as noted in 11 B. UMIC does not currently have any bonds pledged as collateral at the FHLB of Dallas.

USABLE Mutual Insurance Company has no other corporate debt reflected on its financial statements as of December 31, 2025.

NOTES TO FINANCIAL STATEMENTS

B. FHLB (Federal Home Loan Bank) Agreements

(1) Nature of the Agreement, Type of Borrowing (advances, lines of credit, borrowed money, etc) and Use of the Funding

The Company is a member of the Federal Home Loan Bank (FHLB) of Dallas. Through its membership, the Company has the ability to conduct business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds as operational liquidity. (For example backup liquidity, to increase profitability and/or tactical funding and/or to improve spread lending liquidity.) The Company has determined the actual/estimated maximum borrowing capacity as \$ 90,000,000. The Company calculated this amount in accordance with current and potential acquisitions of FHLB capital stock.

(2) FHLB Capital Stock

a. Aggregate Totals

	<u>Total</u>
1. Current Year	
(a) Membership Stock - Class A	
(b) Membership Stock - Class B	\$ 939,600
(c) Activity Stock	
(d) Excess Stock	\$ 158,200
(e) Aggregate Total (a+b+c+d)	\$ 1,097,800
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	
2. Prior Year-end	
(a) Membership Stock - Class A	
(b) Membership Stock - Class B	\$ 1,009,600
(c) Activity Stock	
(d) Excess Stock	\$ 40,700
(e) Aggregate Total (a+b+c+d)	\$ 1,050,300
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	\$ 90,000,000

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)

11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	1	2	<u>Eligible for Redemption</u>			
			3	4	5	6
	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
Membership Stock						
1. Class A	\$ -					
2. Class B	\$ 939,600	\$ 939,600				

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)

11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

(3) Collateral Pledged to FHLB

There was no collateral pledged in 2024 and no collateral has been pledged to date in 2025.

a. Amount Pledged as of Reporting Date

	1	2	3
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Aggregate Total Borrowing</u>
1. Current Year Total Collateral Pledged			
2. Prior Year-end Total Collateral Pledged			

11B(3)a1 (Column 2) should be equal to or less than 11B(3)b1 (Column 2)

11B(3)a2 (Column 2) should be equal to or less than 11B(3)b2 (Column 2)

b. Maximum Amount Pledged During Reporting Period

	1	2	3
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Amount Borrowed at Time of Maximum Collateral</u>
1. Current Year Total Maximum Collateral Pledged			
2. Prior Year-end Total Maximum Collateral Pledged			

(4) Borrowing from FHLB

USABLE Mutual Insurance Company has not taken any advances since joining the FHLB-Dallas.

a. Amount as of Reporting Date

	<u>Total</u>	<u>Funding Agreements Reserves Established</u>
1. Current Year		
(a) Debt		XXX
(b) Funding Agreements		XXX
(c) Other		XXX
(d) Aggregate Total (a+b+c)	\$ -	\$ -
2. Prior Year end		
(a) Debt		XXX
(b) Funding Agreements		XXX
(c) Other		XXX
(d) Aggregate Total (a+b+c)	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

b. Maximum Amount During Reporting Period (Current Year)

	<u>Total</u>
1. Debt	
2. Funding Agreements	
3. Other	
4. Aggregate Total (Lines 1+2+3)	\$ -

11B(4)b4 should be equal to or greater than 11B(4)a1(d)

c. FHLB - Prepayment Obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	No
2. Funding Agreements	No
3. Other	No

C. Unused commitments and lines of credit for financing arrangements:

	<u>Current Year</u>		<u>Prior Year</u>	
	<u>Unused Commitments</u>	<u>Unused Lines Of Credit</u>	<u>Unused Commitments</u>	<u>Unused Lines Of Credit</u>
1. Short-Term (contracts terminating in 12 months or less)				
2. Long-Term (contracts terminating in more than 12 months)				
3. Total	\$ -	\$ -	\$ -	\$ -

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

A. Defined Benefit Plan

Disclose the following regarding a reporting entity sponsoring a Defined Benefit Plan for which the reporting entity is directly liable (i.e., the plan resides directly in the reporting entity):

(1) Change in benefit obligation

a. Pension Benefits

	<u>Overfunded</u>		<u>Underfunded</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
1. Benefit obligation at beginning of year	\$ -	\$ -	\$ -	\$ -
2. Service cost				
3. Interest cost				
4. Contribution by plan participants				
5. Actuarial gain/loss				
6. Foreign currency exchange rate changes				
7. Benefits paid				
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$ -	\$ -	\$ -	\$ -

b. Postretirement Benefits

	<u>Overfunded</u>		<u>Underfunded</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
1. Benefit obligation at beginning of year	\$ 127,024,000	\$ 132,825,000	\$ -	\$ -
2. Service cost	\$ 60,000	\$ 105,000		
3. Interest cost	\$ 6,890,000	\$ 6,464,000		
4. Contribution by plan participants	\$ -	\$ -		
5. Actuarial gain/loss	\$ 7,512,000	\$ (5,185,000)		
6. Foreign currency exchange rate changes	\$ -	\$ -		
7. Benefits paid	\$ (7,632,000)	\$ (7,185,000)		
8. Plan amendments	\$ -	\$ -		
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$ 133,854,000	\$ 127,024,000	\$ -	\$ -

c. Special or Contractual Benefits Per SSAP No. 11

	<u>Overfunded</u>		<u>Underfunded</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
1. Benefit obligation at beginning of year	\$ -	\$ -	\$ -	\$ -
2. Service cost				
3. Interest cost				
4. Contribution by plan participants				
5. Actuarial gain/loss				
6. Foreign currency exchange rate changes				
7. Benefits paid				
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$ -	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2025	2024	2025	2024	2025	2024
(2) Change in plan assets						
a. Fair value of plan assets at beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Actual return on plan assets						
c. Foreign currency exchange rate changes						
d. Reporting entity contribution						
e. Plan participants' contributions						
f. Benefits paid						
g. Business combinations, divestitures and settlements						
h. Fair value of plan assets at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
(3) Funded status				
a. Components:				
1. Prepaid benefit costs				
2. Overfunded plan assets				
3. Accrued benefit costs				
4. Liability for pension benefits				
b. Assets and liabilities recognized:				
1. Assets (nonadmitted)				
2. Liabilities recognized				
c. Unrecognized liabilities				

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2025	2024	2025	2024	2025	2024
(4) Components of net periodic benefit cost						
a. Service cost			\$ 60,000	\$ 105,000		
b. Interest cost			\$ 6,890,000	\$ 6,464,000		
c. Expected return on plan assets			\$ -	\$ -		
d. Transition asset or obligation			\$ -	\$ -		
e. Gains and losses			\$ -	\$ -		
f. Prior service cost or credit			\$ -	\$ -		
g. Gain or loss recognized due to a settlement or curtailment			\$ -	\$ -		
h. Total net periodic benefit cost	\$ -	\$ -	\$ 6,950,000	\$ 6,569,000	\$ -	\$ -

	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost				
a. Items not yet recognized as a component of net periodic cost - prior year	\$ -	\$ -	\$ -	\$ -
b. Net transition asset or obligation recognized				
c. Net prior service cost or credit arising during the period				
d. Net prior service cost or credit recognized				
e. Net gain and loss arising during the period				
f. Net gain and loss recognized				
g. Items not yet recognized as a component of net periodic cost - current year	\$ -	\$ -	\$ -	\$ -

	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
(6) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost				
a. Net transition asset or obligation				
b. Net prior service cost or credit				
c. Net recognized gains and losses				

	2025	2024
	(7) Weighted-average assumptions used to determine net periodic benefit cost as of the end of current period:	
a. Weighted average discount rate	5.390%	5.590%
b. Expected long-term rate of return on plan assets		
c. Rate of compensation increase	3.250%	3.250%
d. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)		

	2025	2024
	Weighted average assumptions used to determine projected benefit obligations as of end of current period:	
e. Weighted average discount rate	5.390%	5.590%
f. Rate of compensation increase	3.250%	3.250%
g. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)		

(8) Accumulated Benefit Obligation for Defined Benefit Pension Plans
Not Applicable

(9) For Postretirement Benefits Other Than Pensions, the Assumed Health Care Cost Trend Rate(s)
The rates were 4.5% for 2025 and 2024.

NOTES TO FINANCIAL STATEMENTS

(10) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

	Amount
a. 2026	\$ 8,386,000
b. 2027	\$ 8,847,000
c. 2028	\$ 9,183,000
d. 2029	\$ 9,461,000
e. 2030	\$ 9,657,000
f. 2031 through 20xx	\$ 49,242,000

(11) Estimate of Contributions Expected to be Paid to the Plan

The estimate of contributions expected to be paid to the plan is \$7,632,000 and \$7,185,000 for 2025 and 2024, respectively.

(12) Amounts and Types of Securities Included in Plan Assets

Not Applicable

(13) Alternative Method Used to Amortize Prior Service Amounts or Net Gains and Losses

Not Applicable

(14) Substantive Comment Used to Account for Benefit Obligation

Not Applicable

(15) Cost of Providing Special or Contractual Termination Benefits Recognized

Not Applicable

(16) Reasons for Significant Gains/Losses Related to Changes in Defined Benefit Obligation and any Other Significant Change in the Benefit Obligations or Plan Assets Not Otherwise Apparent

Not Applicable

(17) Accumulated Postretirement and Pension Benefit Obligation and Fair Value of Plan Assets for Defined Postretirement and Pension Benefit Plans

Not Applicable

B. Investment Policies and Strategies

Not Applicable - Unfunded Plans

C. The fair value of each class of plan assets

Not Applicable - Unfunded Plans

D. Basis Used to Determine Expected Long-Term Rate-of-Return

Not Applicable - Unfunded Plans

E. Defined Contribution Plan

The Company offers an optional 401(k) plan to all eligible employees. The employee has the option of deferring up to 50% of his or her salary. The Company matches the amount deferred by the employee based upon years of service from a minimum of 50% to a maximum of 100% of a 6% contribution.

Effective July 1, 1998 the plan was amended to establish a non-contributory, defined contribution portion of the plan known as 401(k) Plu\$. Employees are not required to participate in the original defined contribution plan in order to receive benefits under the 401(k) Plu\$ portion of the plan. Under the 401(k) Plu\$ the Company makes a minimum contribution of 2% of the eligible compensation of all eligible employees. The determination of the percentage to be used in calculating the contribution is based upon annually established net income targets. At no time will the contribution be less than 2%. For 2024, a range of 2% was used to calculate the Company's contribution of \$5,804,342. For 2025, a range of 4% was used to calculate the Company's contribution of \$10,690,851.

All funds under the 401(k) Plu\$ portions of the plan are held by an outside trustee.

F. Multiemployer Plans

Not Applicable - The Company does not participate in multi-employer plans.

G. Consolidated/Holding Company Plans

Not Applicable - The Company has no consolidated/holding company plans.

H. Postemployment Benefits and Compensated Absences

Not Applicable - The Company does not offer a postretirement benefit plan.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

(1) Recognition of the Existence of the Act

Not Applicable

(2) Effects of the Subsidy in Measuring the Net Postretirement Benefit Cost

Not Applicable

(3) Disclosure of Gross Benefit Payments

Not Applicable

NOTE 13 Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

A. Number of Share and Par or State Value of Each Class

For the years ended December 31, 2025 and 2024, the Company had no common capital shares authorized, issued or outstanding.

B. Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues

The Company has no preferred stock outstanding.

C. Dividend Restrictions, if any, and an Indication if the Dividends are Cumulative

The Company has no dividend restrictions.

NOTES TO FINANCIAL STATEMENTS

- D. Dates and Amounts of Dividends Paid
As a Mutual Insurer, the Company can only pay dividends on participating policies, and the Company does not issue participating policies.
- E. Profits that may be Paid as Ordinary Dividends to Stockholders
Not Applicable - All unassigned surplus is held for stockholders.
- F. Restrictions Placed on Unassigned Funds (Surplus)
The Company had no restrictions on its unassigned surplus.
- G. Amount of Advances to Surplus not Repaid
The Company does not have any advances to surplus.
- H. Amount of Stock Held for Special Purposes
Not Applicable - As of December 31, 2025 and 2024, the Company held no stock for special purposes such as employee stock options, stock purchase warrants, or conversion of preferred stock.
- I. Reasons for Changes in Balance of Special Surplus Funds from Prior Period
The Company has no special surplus funds as of December 31, 2025 or December 31, 2024.
- J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$ 10,228,583
- K. The Company issued the following surplus debentures or similar obligations:
Not Applicable - The Company has not issued surplus notes, debentures, or similar or similar obligations.
- L. The impact of any restatement due to prior quasi-reorganizations is as follows:
Not Applicable - The Company was not involved in a quasi-reorganization.
- M. Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization
Not Applicable - The Company was not involved in a quasi-reorganization.

NOTE 14 Liabilities, Contingencies and Assessments

- A. Contingent Commitments
Not Applicable - The Company did not have any contingent commitments as of December 31, 2025 or December 31, 2024.
- B. Assessments
Not Applicable
-
- C. Gain Contingencies
Not Applicable
- D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits
Not Applicable
- E. Joint and Several Liabilities
None
- F. All Other Contingencies

The Company, along with the Blue Cross and Blue Shield Association and 32 other independent "Blue" licensee companies, is defending a collection of antitrust lawsuits that are currently consolidated as one action in the U.S. District Court for the Northern District of Alabama in Birmingham, known as "MDL 2406". While the Company does not believe that any of the allegations of these lawsuits have merit because the Company has not conspired (as alleged in the lawsuit) to suppress competition in any manner, the Company nevertheless believes it prudent from a financial management perspective to establish reserves against any contingencies related to these lawsuits, including potential settlement of some or all of the claims asserted. There is a "Subscriber Track" and "Provider Track" in MDL 2406. The "Subscriber Track" settled, all court challenges have been resolved, and class members are submitting claims to the claims administrator. However, some self-funded ASO employers opted out of the "Subscriber Track" settlement and have filed their own separate lawsuits which have been consolidated as part of MDL 2406 and are currently being litigated, i.e. the "ASO Opt-Out cases". The "Provider Track" settled, the Court entered preliminary approval of the settlement, and there are no active challenges to the Provider Track settlement. The Company, along with the other Blue Cross and Blue Shield Plans, have paid into the settlement fund for the "Provider Track" settlement and will implement the injunctive relief on an agreed timeline. However, some of the providers (facilities and individual providers) opted out of the "Provider Track" settlement and have filed their own separate lawsuits, some of which have been consolidated as part of MDL 2406, and others are pending in California state court, i.e. the "Provider Opt-Out cases". The Company reserved for its share of the "Subscriber Track" settlement, including for potential settlement or recoveries in the Subscriber ASO Opt-Out cases. In addition, the Company reserved for its share of the "Provider Track" settlement, including for potential settlement or recoveries in the Provider Opt-Out cases.

NOTE 15 Leases

- A. Lessee Operating Lease:
- (1) Lessee's Leasing Arrangements
 - a. Rental Expense
The Company leases office equipment and space under various noncancelable operating lease agreements that expire through 2030.
Rental expense for 2025 and 2024 was approximately \$6,281,261 and \$8,564,049.
 - b. Basis on Which Contingent Rental Payments are Determined
Not Applicable
 - c. Existence and Terms of Renewal or Purchase Options and Escalation Clauses
Not Applicable
 - d. Restrictions Imposed by Lease Agreements
Not Applicable
 - e. Identification of Lease Agreements that have been Terminated Early
Not Applicable

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company
NOTES TO FINANCIAL STATEMENTS

(2) a. At December 31, 2025, the minimum aggregate rental commitments are as follows:

	Operating Leases
1. 2026	\$ 3,014,337
2. 2027	\$ 2,228,846
3. 2028	\$ 1,725,725
4. 2029	\$ 1,647,382
5. 2030	\$ 1,437,008
6. Thereafter	\$ 874,443
7. Total (sum of 1 through 6)	\$ 10,927,741

(3) For Sale-Leaseback Transactions

- a. Terms of the Sale-Leaseback Transactions
Not Applicable
- b. Obligation of Future Minimum Lease Payments and Total of Minimum Sublease Rentals
Not Applicable

- B. Lessor Leases
Not Applicable - The Company does not lease any property or equipment.

NOTE 16 Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not Applicable - The Company did not have any financial instruments with off-balance sheet risk or financial instruments with concentration of credit risk during the reporting periods.

NOTE 17 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales
Not Applicable - The Company had no transfers of receivables reported as sales.
- B. Transfer and Servicing of Financial Assets
Not Applicable - The Company had no transfer and servicing of financial assets.
- C. Wash Sales
Not Applicable - The Company did not have any wash sales.

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

- A. ASO Plans:
The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2025:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative Expenses (including administrative fees) in excess of actual expenses	\$ (11,592,853)		\$ (11,592,853)
b. Total net other income or expenses (including interest paid to or received from plans)			\$ -
c. Net gain or (loss) from operations (a+b)	\$ (11,592,853)	\$ -	\$ (11,592,853)
d. Total claim payment volume	\$ 634,484,500		\$ 634,484,500

- B. ASC Plans:
The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2025:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 4,489,030,065		\$ 4,489,030,065
b. Gross administrative fees accrued	\$ 295,496,856		\$ 295,496,856
c. Other income or expenses (including interest paid to or received from plans)	\$ (330,028)		\$ (330,028)
d. Gross expenses incurred (claims and administrative) (a+b+c)	\$ 4,784,196,893	\$ -	\$ 4,784,196,893
e. Total net gain or loss from operations	\$ (33,745,733)		\$ (33,745,733)

- C. Medicare or Similarly Structured Cost Based Reimbursement Contract
Not Applicable - The Company did not have a Medicare or similarly structured cost based reimbursement contract during 2025 or 2024.

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

Not Applicable - The Company did not have any direct premium written/produced by managing general agents or third party administrators during 2025 or 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 20 Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Other Invested Assets		\$ 1,300,000	\$ 124,065,607	\$ 148,204,618	\$ 273,570,225
Money Market Fund		\$ 20,403,533			\$ 20,403,533
Bonds		\$ 1,644,992			\$ 1,644,992
Common Stock	\$ 1,097,800	\$ 4,607,016			\$ 5,704,816
Mutual Fund		\$ 93,939,417			\$ 93,939,417
Parent, Subsidiaries, and Affiliates			\$ 319,030,446		\$ 319,030,446
Total assets at fair value/NAV	\$ 1,097,800	\$ 121,894,958	\$ 443,096,053	\$ 148,204,618	\$ 714,293,429

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
b. Liabilities at fair value					
Supplemental Savings Plan	\$ 70,028,611				\$ 70,028,611
Total liabilities at fair value	\$ 70,028,611	\$ -	\$ -	\$ -	\$ 70,028,611

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

Description	Beginning Balance at 01/01/2025	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2025
a. Assets										
Parent, Subsidiaries, and Affiliates	\$ 429,204,240				\$ 23,158,048			\$ (133,331,842)		\$ 319,030,446
Other Invested Assets	\$ 124,480,657				\$ (415,050)					\$ 124,065,607
Total Assets	\$ 553,684,897	\$ -	\$ -	\$ -	\$ 22,742,998	\$ -	\$ -	\$ (133,331,842)	\$ -	\$ 443,096,053

Description	Beginning Balance at 01/01/2025	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2025
b. Liabilities										
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(3) Policies when Transfers Between Levels are Recognized

Not Applicable

(4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

As of December 31, 2025, the reported fair value of the reporting entity's investments in Level 2 includes money market mutual funds, equity mutual funds, and common stock with a value of \$118,949,966. Fair value measurements for these securities are provided by the fund and indicate the closing net asset value at December 31, 2025. The industrial and miscellaneous bond investments in Level 2 are reported at a value of \$2,944,992. The pricing assumptions and valuation of these bonds is provided by Clearwater Analytics. All fair value measurements are provided in US Dollars. There has been no change in these valuation techniques.

As of December 31, 2025, the reported fair value of the reporting entity's investments in Level 3 includes an investment in Life & Specialty Ventures, LLC with a value of \$124,065,607 and investment in PSA with a value of \$319,030,446. Fair value measurements for the investment in Life & Specialty Ventures is based upon Life and Specialty Ventures, LLC GAAP equity adjusted for statutory differences which essentially equates to the statutory equity balance in USABLE Life and LifeMap Assurance Company plus the Company's remaining ownership percentage of the remaining Life and Specialty Ventures GAAP Equity fair value at December 31, 2025. Fair value measurements for the PSA investments, HMO Partners, Inc. and USABLE Corporation are based upon GAAP Equity as adjusted for statutory differences for HMO Partners, Inc. and for USABLE Corporation, USABLE HMO, Inc. and USABLE PPO Insurance Company statutory differences. All fair value measurements are provided in US Dollars. There has been no change in this valuation technique.

(5) Fair Value Disclosures

Not Applicable - The Company does not have any derivative assets or liabilities.

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Not Applicable

C. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Other Invested Assets	\$ 273,570,225	\$ 273,570,225		\$ 1,300,000	\$ 124,065,607	\$ 148,204,618	
Industrial & Misc.	\$ 1,644,992	\$ 1,644,992		\$ 1,644,992			
Money Market Fund	\$ 20,403,533	\$ 20,403,533		\$ 20,403,533			
Common Stock	\$ 418,674,679	\$ 418,674,679	\$ 1,097,800	\$ 98,546,433	\$ 319,030,446		

D. Not Practicable to Estimate Fair Value

Not Applicable

NOTES TO FINANCIAL STATEMENTS

E. NAV Practical Expedient Investments
NAV Practical Expedient Investments

1. Martingale Investment Trust – Series 1 Low Volatility Large Cap+

This strategy seeks to meet or exceed equity market returns while realizing significantly less volatility. This investment focuses on identifying and investing in low risk companies with sound fundamental properties. The portfolio is considered to be a low risk portfolio with broad, stable sector diversification. The fund contains 171 individual holdings as of 12/31/2025 with the top 10 of all holdings representing 16.2% of the total portfolio. Overall, the risk target of this portfolio is to perform with 70%-80% of the overall market volatility of the Russell 1000 Index.

The fund is able to be liquidated on a monthly basis. Because the underlying portfolio contains assets that are part of the Russell 1000 Index, it is very probable that the fund would not liquidate at the NAV of a prior month. It is possible the fund could be liquidated at a higher or lower price depending on overall market actions.

Barings U.S. Loan Fund Series – Tranche A

The Barings investment process is a focused and detailed fundamental bottom-up due diligence. The firm's investment philosophy is based on the belief that long-term, risk-adjusted returns can best be achieved through active portfolio management coupled with strong fundamental credit underwriting with the goal of minimizing principal losses. The firm takes a credit-intensive approach when selecting assets that seeks to determine where favorable value exists within companies on a relative basis to other investment alternatives.

The portfolio consists of 319 issues with 269 issuers at the end of the 4th quarter of 2025, with the top ten issuers making up 9.87% of the fund. The portfolio is diversified across twenty-seven sectors, with five sectors containing 54.63% of all holdings. First lien loans make up 93.79% of the fund.

The fund has daily liquidity but a 30 calendar day prior to withdraw notice is necessary. As of 12/31/2025, the fund totals a NAV just over \$1.07 Billion.

2. Not Applicable (The investments can be redeemed on a monthly basis.)

3. Not Applicable (There is no required capital commitment for the investments in Martingale or Barings)

4. Redemption of shares of either holding are processed on a monthly basis at prevailing market NAV.

5. Not Applicable

6. Not Applicable (There are no restrictions to viewing the investments of the Martingale Investment Trust – Series 1 Low Volatility Large Cap+ or the Barings U.S. Loan Fund Series – Tranche A. The holdings are provided to the Investor in each of the fund's annual reports and can be requested at any month end closing.)

7. Not Applicable (The investor has not made a decision to redeem shares of the Martingale Investment Trust – Series 1 Low Volatility Large Cap+ or the Barings U.S. Loan Fund Series – Tranche A at this time.)

NOTE 21 Other Items

A. Unusual or Infrequent Items

The Company had no unusual or infrequent items as of December 31, 2025.

B. Troubled Debt Restructuring: Debtors

The Company had no troubled debt restructuring as of December 31, 2025.

C. Other Disclosures

The Company does not have any other disclosure items.

D. Business Interruption Insurance Recoveries

Not Applicable - The Company did not have business interruption insurance recoveries as of December 31, 2025 or December 31, 2024.

E. State and Federal Tax Credits

Not Applicable - The Company has no state and federal tax credits.

F. Subprime Mortgage Related Risk Exposure

(1) Description of the Subprime-Mortgage-Related Risk Exposure and Related Risk Management Practices

The Company did not have subprime mortgage related exposure as of December 31, 2025 and December 31, 2024.

(2) Direct exposure through investments in subprime mortgage loans.

Not Applicable

(3) Direct exposure through other investments.

Not Applicable

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

The Company has no underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty Insurance Coverage.

G. Retained Assets

Not Applicable - The Company has no retained assets.

H. Insurance-Linked Securities (ILS) Contracts

The Company has no insurance-linked securities (ILS) contracts.

I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

Not Applicable

NOTE 22 Events Subsequent

Type I – Recognized Subsequent Events:

Not Applicable - No material "Type I" recognized subsequent events were noted for the statutory statements issued on March 1, 2025. Subsequent events have been considered through February 27, 2026.

Type II – Nonrecognized Subsequent Events:

Not Applicable - No material "Type II" nonrecognized subsequent events were noted for the statutory statements issued on March 1, 2025. Subsequent events have been considered through February 27, 2026.

NOTES TO FINANCIAL STATEMENTS

NOTE 23 Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? Yes [] No [X]
If yes, give full details.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business? Yes [] No [X]
If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes [] No [X]

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$ -0-

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$ -0-

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes [] No [X] If yes, give full details:

Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ -0-

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? Yes [] No [X]
If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$ 0

B. Uncollectible Reinsurance

Not Applicable - The Company did not have any uncollectible reinsurance written off during the year.

C. Commutation of Reinsurance Reflected in Income and Expenses.

Not Applicable - The Company did not commute any ceded reinsurance during the reporting periods.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable - The Company did not utilize a certified reinsurer during the reporting periods.

E. Reinsurance Credit

Not Applicable - The Company has no reinsurance credits.

NOTE 24 Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

The Company estimates accrued retrospective premium adjustments for its health insurance business through a mathematical approach using an algorithm of the company's underwriting rules and experience rating practices.

B. Retrospective Premiums Recorded Through Written Premium or as an Adjustment to Earned Premium

The Company records accrued retrospective premium as an adjustment to earned premium.

C. Amount and Percentage of Net Premiums Written Subject to Retrospective Rating Features

The amount of net premiums written by the Company at December 31, 2025 that are subject to retrospective rating features was \$2,936,057,936 that represented 100% of the total net premium written. No other net premiums written by the Company are subject to retrospective rating features.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act.

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ -	\$ -	\$ -	\$ -	\$ -
(2) Medical loss ratio rebates paid	\$ -	\$ -	\$ -	\$ -	\$ -
(3) Medical loss ratio rebates unpaid	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ -
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Medical loss ratio rebates paid					\$ -
(9) Medical loss ratio rebates unpaid					\$ -
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ -

NOTES TO FINANCIAL STATEMENTS

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)? Yes [X] No []

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year Amount

a. Permanent ACA Risk Adjustment Program

Assets

1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments) \$ -

Liabilities

2. Risk adjustment user fees payable for ACA Risk Adjustment \$ -

3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premium) \$ 30,999,266

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment \$ 6,909,634

5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) \$ 467,926

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
	1	2	3	4	Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Ref	Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)
					5	6	7	8		9	10
	Receivable	Payable	Receivable	Payable	Receivable	Payable	Receivable	Payable		Receivable	Payable
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high risk pool payments)			\$ 1,000,475		\$(1,000,475)	\$ -	\$ 1,073,978		A	\$ 73,503	\$ -
2. Premium adjustments (payable) (including high risk pool premium)		\$64,458,475		\$27,550,033	\$ -	\$36,908,442		\$ (36,908,442)	B	\$ -	\$ -
3. Subtotal ACA Permanent Risk Adjustment Program	\$ -	\$64,458,475	\$ 1,000,475	\$27,550,033	\$(1,000,475)	\$36,908,442	\$ 1,073,978	\$ (36,908,442)		\$ 73,503	\$ -

Explanations of Adjustments

A.

B.

Adjustment to Payable

NOTE 25 Change in Incurred Claims and Claim Adjustment Expenses

A. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2024 were \$443,136,747. As of December 31, 2025, \$332,615,817 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$44,601,753 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been an \$65,919,176 favorable prior-year development since December 31, 2024 to December 31, 2025. The change is generally the result of ongoing analysis of recent loss development trends and cost sharing reductions. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

12/31/2024 Reserves	\$ 443,136,747
2024 Claims paid in 2025	<u>332,615,817</u>
Adjusted Net Reserves	110,520,930
Less -	
2024 Remaining Reserves	<u>44,601,753</u>
Development	<u>\$ 65,919,176</u>

B. Information about Significant Changes in Methodologies and Assumptions

There have been no significant changes in methodologies and assumptions.

NOTE 26 Intercompany Pooling Arrangements

Not Applicable - The Company did not have intercompany pooling arrangements during the reporting periods.

NOTE 27 Structured Settlements

Not Applicable - The Company did not have structured settlements during the reporting periods.

NOTES TO FINANCIAL STATEMENTS

NOTE 28 Health Care Receivables

A. Pharmaceutical Rebate Receivables

Date	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2025	\$ 51,305,122				
09/30/2025	\$ 66,897,197	\$ 72,417,723	\$ 65,602,851		
06/30/2025	\$ 71,159,862	\$ 72,526,251	\$ 63,989,727	\$ 6,050	
03/31/2025	\$ 71,783,663	\$ 68,742,847	\$ 63,079,173	\$ (319,907)	\$ 3,768
12/31/2024	\$ 74,896,871	\$ 72,237,338	\$ 69,955,155	\$ 280,697	\$ 68,381
09/30/2024	\$ 74,423,593	\$ 74,962,782	\$ 68,416,877	\$ 676,821	\$ 95,676
06/30/2024	\$ 69,413,316	\$ 72,806,192	\$ 66,678,046	\$ 2,231,703	\$ 87,732
03/31/2024	\$ 65,161,547	\$ 68,460,879	\$ 64,585,630	\$ 2,257,808	\$ (204,689)
12/31/2023	\$ 70,158,299	\$ 70,885,703	\$ 59,022,247	\$ 5,435,834	\$ 1,975,842
09/30/2023	\$ 68,348,154	\$ 70,158,299	\$ 59,740,372	\$ 5,083,875	\$ 1,181,244
06/30/2023	\$ 63,518,187	\$ 68,348,153	\$ 61,801,433	\$ 6,204,187	\$ (404,046)
03/31/2023	\$ 59,024,876	\$ 63,518,187	\$ 58,119,571	\$ 5,194,867	\$ (139,390)

B. Risk-Sharing Receivables

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2025	2025		\$ 43,327		\$ 43,327				
	2024	\$ 127,369	\$ 311,519	\$ 343,476	\$ 95,412	\$ 343,476			
2024	2024		\$ 127,369		\$ 127,369				
	2023	\$ 429,183		\$ 494,533		\$ 293,528			
	2022	\$ 643,526					\$ 643,526		
2023	2023		\$ 429,183		\$ 429,183				
	2022	\$ 434,198	\$ 643,526	\$ 643,526					

C. Medicare Prescription Payment Plan Receivables

(1) Amounts included in other health care receivables which are recoverable from participants in Medicare Part D Prescription Payment Plan for the current reporting period \$ 45,923

(2) Aging of other health care receivables which are due from participant in Medicare Part D Prescription Payment Plan.

1	2	3	4	5	6	7	8
Name of Plan	Current Period Gross*	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted
Medicare Prescription Payment Plan Recoverables	\$ 45,923	\$ 35,533	\$ 1,762	\$ 1,318	\$ 7,310	\$ 7,310	\$ 38,613

*represents the Assets Page Column 1, included within Line 24 before nonadmission.

(3) Incurred claims expense includes write-offs of impaired Medicare Prescription Payment Plan receivables of \$ - for 2025 and \$ - for 2024.

NOTE 29 Participating Policies

Not Applicable - The Company did not have participating contracts during the reporting periods.

NOTE 30 Premium Deficiency Reserves

- Liability carried for premium deficiency reserves \$ -
- Date of the most recent evaluation of this liability 12/31/2025
- Was anticipated investment income utilized in the calculation? Yes [X] No []

NOTE 31 Anticipated Salvage and Subrogation

The Company took into account estimated anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses and reduced such liability by \$241,620 as of December 31, 2025 and \$340,983 as of December 31, 2024.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 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, 1A, 2 and 3.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? Arkansas
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 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 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2020
- 3.2 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. 12/31/2020
- 3.3 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). 07/13/2022
- 3.4 By what department or departments?
Arkansas Insurance Department
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the 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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
7.21 State the percentage of foreign control %
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If the response to 8.1 is yes, please identify the name of the DIHC.
.....
- 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 locations (city and state of the main office) of any affiliates regulated by a federal financial 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

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company? Yes [] No [X]
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? Yes [] No [] N/A [X]
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
FORVIS MAZARS, LLP 111 Center St., Suite 1600, Little Rock, Arkansas 72201
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain.
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Victor P. Davis, Vice President - Actuarial Services & Chief Actuary, Arkansas Blue Cross Blue Shield 601 Gaines Street, Little Rock, AR 72201
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company ...
- 12.12 Number of parcels involved 0
- 12.13 Total book/adjusted carrying value \$0
- 12.2 If yes, provide explanation
.....
- 13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 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 [X] 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.
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers.....\$0
 - 20.12 To stockholders not officers.....\$0
 - 20.13 Trustees, supreme or grand (Fraternal Only)\$0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers.....\$0
 - 20.22 To stockholders not officers.....\$0
 - 20.23 Trustees, supreme or grand (Fraternal Only)\$0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others.....\$
 - 21.22 Borrowed from others.....\$
 - 21.23 Leased from others\$
 - 21.24 Other\$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [X] No []
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 15,069,100
 - 22.22 Amount paid as expenses\$0
 - 22.23 Other amounts paid\$0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$0
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? Yes [] No [X]
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

Name of Third-Party	Is the Third-Party Agent a Related Party (Yes/No)

INVESTMENT

- 25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)..... Yes [X] No []

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

GENERAL INTERROGATORIES

- 25.02 If no, give full and complete information, relating thereto
.....
- 25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
.....
- 25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$0
- 25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$0
- 25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
- 25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]
- 25.09 For the reporting entity's securities lending program state the amount of the following as of December 31 of the current year:
- 25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$0
- 25.092 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$0
- 25.093 Total payable for securities lending reported on the liability page \$0

- 26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). Yes [X] No []
- 26.2 If yes, state the amount thereof at December 31 of the current year:
- 26.21 Subject to repurchase agreements \$0
- 26.22 Subject to reverse repurchase agreements \$0
- 26.23 Subject to dollar repurchase agreements \$0
- 26.24 Subject to reverse dollar repurchase agreements \$0
- 26.25 Placed under option agreements \$0
- 26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$0
- 26.27 FHLB Capital Stock \$ 1,097,800
- 26.28 On deposit with states \$ 168,873
- 26.29 On deposit with other regulatory bodies \$0
- 26.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ 63,413,919
- 26.31 Pledged as collateral to FHLB - including assets backing funding agreements \$0
- 26.32 Other \$0

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 27.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

- 27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [] No [X]
- 27.4 If the response to 27.3 is YES, does the reporting entity utilize:
- 27.41 Special accounting provision of SSAP No. 108 Yes [] No []
- 27.42 Permitted accounting practice Yes [] No []
- 27.43 Other accounting guidance Yes [] No []
- 27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [] No []
- The reporting entity has obtained explicit approval from the domiciliary state.
 - Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
 - Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
 - Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.
- 28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 28.2 If yes, state the amount thereof at December 31 of the current year. \$0
29. 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 []

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

1 Name of Custodian(s)	2 Custodian's Address
US Bank Institutional Trust and Custody	777 East Wisconsin Avenue, Milwaukee, WI 53202
FHLB - Dallas	8500 Freeport Parkway, Suite 600, Irving, TX 75063

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

GENERAL INTERROGATORIES

29.02 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)

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?..... Yes [] No [X]

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

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

29.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. This includes both primary and sub-advisors. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
SIT Fixed Income Advisors II, LLC	U.....
Scott B. Winter	I.....
Martingale Asset Management, LP	U.....
Barings, LLC	U.....
Pacific Investment Management Company LLC	U.....
The Vanguard Group, Inc.	U.....

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [X] No [] N/A []

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [X] No [] N/A []

29.06 For those firms or individuals listed in the table for 29.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Registered With	4 Investment Management Agreement (IMA) Filed
108271	SIT Fixed Income Advisors II, LLC	SEC	NO.....
106006	Barings, LLC	SEC, CFTC, NFA	NO.....
108526	Martingale Asset Management, LP	SEC	NO.....
104559	Pacific Investment Management Company LLC	SEC	NO.....
7452	The Vanguard Group, Inc.	SEC	NO.....

30.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [X] No []

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
922908-71-0	Vanguard 500 Index Fund Admiral (VFIAX)	93,939,417
30.2999 - Total		93,939,417

30.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
Vanguard 500 Index Fund Admiral (VFIAX)	NVIDIA Corp.	7,270,911	12/31/2025 ..
Vanguard 500 Index Fund Admiral (VFIAX)	Apple Inc.	6,444,244	12/31/2025 ..
Vanguard 500 Index Fund Admiral (VFIAX)	Microsoft Corp	5,767,880	12/31/2025 ..
Vanguard 500 Index Fund Admiral (VFIAX)	Amazon.com Inc.	3,597,880	12/31/2025 ..
Vanguard 500 Index Fund Admiral (VFIAX)	Meta Facebook Inc. Class A	2,921,516	12/31/2025 ..

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

GENERAL INTERROGATORIES

31. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Issuer Credit Obligations	498,988	499,050	62
31.2 Asset-Backed Securities	414,386,361	396,980,967	(17,405,394)
31.3 Preferred stocks	0		0
31.4 Totals	414,885,349	397,480,017	(17,405,332)

31.5 Describe the sources or methods utilized in determining the fair values:

Fair value pricing obtained from market prices provided by Clearwater Analytics, US Bank Institutional Trust and Custody, custodian for investment assets, or where applicable, from the NAIC Valuation of Securities database, for assets not priced by US Bank or Clearwater Analytics.

32.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

32.2 If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

33.2 If no, list exceptions:

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [] No [X]

35. By self-designating PLGI securities, the reporting entity is certifying its compliance with the requirements as specified in the Purposes and Procedures Manual of the NAIC Investment Analysis Office (P&P Manual) for private letter rating (PLR) securities and the following elements of each self-designated PLGI security:

- a. The security was either:
 - i. issued prior to January 1, 2018 (which is exempt from PLR filing requirements pursuant to the P&P Manual), or
 - ii. issued from January 1, 2018 to December 31, 2021 and subject to a confidentiality agreement executed prior to January 1, 2022 which confidentiality agreement remains in force, for which an insurance company cannot provide a copy of a private letter rating rationale report to the SVO due to confidentiality or other contractual reasons ("waived submission PLR securities").
- b. The reporting entity is holding capital commensurate with the NAIC Designation and NAIC Designation Category reported for the security.
- c. The NAIC Designation and NAIC Designation Category were derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating, dated during the financial statement year, held by the insurer and available for examination by state insurance regulators.
- d. Other than for waived submission PLR securities, defined above, on or after January 1, 2024 for any PLR securities issued on or after January 1, 2022, if the reporting entity is not permitted to share this private credit rating or the private rating letter rationale report of the PL security with the SVO, it certifies that it is reporting it as an NAIC 5.B GI and may not assign any other self-designation.

Has the reporting entity self-designated PLGI to securities, all of which meet the above requirement and as specified in the P&P Manual? Yes [] No [X]

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [X] No [] N/A []

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

GENERAL INTERROGATORIES

38.1 Does the reporting entity directly hold cryptocurrencies? Yes [] No [X]

38.2 If the response to 38.1 is yes, on what schedule are they reported?
.....

39.1 Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies? Yes [] No [X]

39.2 If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?
39.21 Held directly Yes [] No []
39.22 Immediately converted to U.S. dollars Yes [] No []

39.3 If the response to 38.1 or 39.1 is yes, list all cryptocurrencies accepted for payments of premiums or that are held directly.

1	2	3
Name of Cryptocurrency	Immediately Converted to USD, Directly Held, or Both	Accepted for Payment of Premiums

OTHER

40.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 3,774,619

40.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations, and statistical or rating bureaus during the period covered by this statement.

1	2
Name	Amount Paid
Blue Cross Blue Shield Association	3,561,571

41.1 Amount of payments for legal expenses, if any? \$ 2,977,184

41.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
Foley & Lardner LLP	2,191,711

42.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any? \$ 427,531

42.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers, or departments of government during the period covered by this statement.

1	2
Name	Amount Paid
BlueCross BlueShield Association	219,949

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [X] No []

1.2 If yes, indicate premium earned on U.S. business only. \$ 304,269,879

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0

1.31 Reason for excluding
.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above \$ 0

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$ 261,985,457

1.6 Individual policies: Most current three years:

1.61 Total premium earned \$ 28,211,585

1.62 Total incurred claims \$ 25,563,728

1.63 Number of covered lives 16,104

All years prior to most current three years:

1.64 Total premium earned \$ 276,058,294

1.65 Total incurred claims \$ 236,421,729

1.66 Number of covered lives 91,666

1.7 Group policies: Most current three years:

1.71 Total premium earned \$ 0

1.72 Total incurred claims \$ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned \$ 0

1.75 Total incurred claims \$ 0

1.76 Number of covered lives 0

2. Health Test:

	1	2
	Current Year	Prior Year
2.1 Premium Numerator	2,965,799,552	2,907,391,540
2.2 Premium Denominator	2,965,799,552	2,907,391,540
2.3 Premium Ratio (2.1/2.2)	1.000	1.000
2.4 Reserve Numerator	536,965,444	636,812,496
2.5 Reserve Denominator	536,965,444	636,812,496
2.6 Reserve Ratio (2.4/2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]

3.2 If yes, give particulars:
.....

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [X]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No [X]

5.2 If no, explain:
Sufficient Surplus and over 50 year history of managing business without a stop loss reinsurance policy.

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical \$

5.32 Medical Only \$

5.33 Medicare Supplement \$

5.34 Dental & Vision \$

5.35 Other Limited Benefit Plan \$

5.36 Other \$

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
.....

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No []

7.2 If no, give details
.....

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 23,950

8.2 Number of providers at end of reporting year 25,007

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months.. \$.....

9.22 Business with rate guarantees over 36 months \$.....

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company
GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No []

10.2 If yes:

10.21 Maximum amount payable bonuses.....\$ 9,138,379

10.22 Amount actually paid for year bonuses.....\$ 24,805,148

10.23 Maximum amount payable withholds.....\$ 0

10.24 Amount actually paid for year withholds.....\$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [] No [X]

11.13 An Individual Practice Association (IPA), or, Yes [] No [X]

11.14 A Mixed Model (combination of above)? Yes [] No [X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No []

11.3 If yes, show the name of the state requiring such minimum capital and surplus. Arkansas

11.4 If yes, show the amount required. \$ 750,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]

11.6 If the amount is calculated, show the calculation

.....

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area	
State of Arkansas	
State of Texas	
State of Georgia	
State of Florida	
.....	

13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$

13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

13.4 If yes, please provide the balance of funds administered as of the reporting date. \$

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [] No [X] N/A []

14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
.....						

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written \$ 0

15.2 Total Incurred Claims \$ 0

15.3 Number of Covered Lives 0

*Ordinary Life Insurance Includes	
Term(whether full underwriting, limited underwriting, jet issue, "short form app")	
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")	
Variable Life (with or without secondary gurarantee)	
Universal Life (with or without secondary gurarantee)	
Variable Universal Life (with or without secondary gurarantee)	

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [X] No []

16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [] No []

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company

FIVE-YEAR HISTORICAL DATA

	1 2025	2 2024	3 2023	4 2022	5 2021
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	2,243,810,313	2,348,757,514	2,523,859,343	2,394,483,165	2,157,080,477
2. Total liabilities (Page 3, Line 24)	1,265,474,827	1,408,323,899	1,337,184,175	1,257,691,260	1,075,824,317
3. Statutory minimum capital and surplus requirement	750,000	750,000	750,000	750,000	750,000
4. Total capital and surplus (Page 3, Line 33)	978,335,489	940,433,617	1,186,675,172	1,136,791,910	1,081,256,161
Income Statement (Page 4)					
5. Total revenues (Line 8)	2,965,799,552	2,907,391,540	3,142,931,165	2,808,647,688	2,524,108,463
6. Total medical and hospital expenses (Line 18)	2,592,407,525	2,652,296,005	2,598,012,484	2,304,962,128	2,129,158,748
7. Claims adjustment expenses (Line 20)	100,525,442	123,872,862	127,198,548	144,147,974	114,473,028
8. Total administrative expenses (Line 21)	323,575,555	489,357,435	440,503,644	313,786,109	232,682,377
9. Net underwriting gain (loss) (Line 24)	(50,708,971)	(355,236,013)	(25,682,261)	45,751,477	47,794,310
10. Net investment gain (loss) (Line 27)	49,131,615	83,761,091	50,425,913	24,274,977	19,254,610
11. Total other income (Lines 28 plus 29)	3,803,144	4,308,634	4,221,994	3,430,878	4,908,442
12. Net income or (loss) (Line 32)	4,832,721	(226,244,686)	13,232,289	63,766,315	51,963,228
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(194,597,718)	(196,116,019)	95,290,239	209,107,166	150,174,210
Risk-Based Capital Analysis					
14. Total adjusted capital	978,335,489	940,433,617	1,186,675,172	1,136,791,910	1,081,256,161
15. Authorized control level risk-based capital	144,369,596	156,205,304	150,143,713	152,312,683	143,787,506
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	559,867	592,872	630,444	655,152	635,425
17. Total members months (Column 6, Line 7)	6,819,253	7,267,583	7,743,666	7,814,151	7,559,347
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	87.4	91.2	82.7	82.1	84.4
20. Cost containment expenses	2.8	3.4	3.2	1.5	1.0
21. Other claims adjustment expenses	0.6	0.9	0.8	3.6	3.5
22. Total underwriting deductions (Line 23)	101.7	112.2	100.8	98.4	98.1
23. Total underwriting gain (loss) (Line 24)	(1.7)	(12.2)	(0.8)	1.6	1.9
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5)	385,949,558	399,120,768	378,359,425	205,967,355	157,550,550
25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)]	452,958,366	468,259,211	356,667,574	155,314,820	109,394,458
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 9 + 15, Col. 1)	0				
27. Affiliated preferred stocks (Sch. D Summary, Line 22, Col. 1)					0
28. Affiliated common stocks (Sch. D Summary, Line 28, Col. 1)	319,030,446	429,204,240	429,076,643	420,784,556	421,910,903
29. Affiliated mortgage loans on real estate					
30. All other affiliated	124,065,607	124,480,657	119,102,649	103,772,197	105,961,659
31. Total of above Lines 26 to 30	443,096,053	553,684,897	548,179,292	524,556,753	527,872,562
32. Total investment in parent included in Lines 26 to 30 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Corrections of Errors? Yes [] No []
If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USABLE Mutual Insurance Company
SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, etc.	1 Active Status (a)	Direct Business Only									
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums & Other Considerations	8 Property/Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit-Type Contracts	
1. Alabama	AL	N								0	
2. Alaska	AK	N								0	
3. Arizona	AZ	N								0	
4. Arkansas	AR	L	2,096,055,047	28,596,192			410,264,386			2,534,915,625	
5. California	CA	N								0	
6. Colorado	CO	N								0	
7. Connecticut	CT	N								0	
8. Delaware	DE	N								0	
9. District of Columbia	DC	N								0	
10. Florida	FL	L	477							477	
11. Georgia	GA	L								0	
12. Hawaii	HI	N								0	
13. Idaho	ID	N								0	
14. Illinois	IL	N								0	
15. Indiana	IN	N								0	
16. Iowa	IA	N								0	
17. Kansas	KS	N								0	
18. Kentucky	KY	N								0	
19. Louisiana	LA	N								0	
20. Maine	ME	N								0	
21. Maryland	MD	N								0	
22. Massachusetts	MA	N								0	
23. Michigan	MI	N								0	
24. Minnesota	MN	N								0	
25. Mississippi	MS	N								0	
26. Missouri	MO	N								0	
27. Montana	MT	N								0	
28. Nebraska	NE	N								0	
29. Nevada	NV	N								0	
30. New Hampshire	NH	N								0	
31. New Jersey	NJ	N								0	
32. New Mexico	NM	N								0	
33. New York	NY	N								0	
34. North Carolina	NC	N								0	
35. North Dakota	ND	N								0	
36. Ohio	OH	N								0	
37. Oklahoma	OK	N								0	
38. Oregon	OR	N								0	
39. Pennsylvania	PA	N								0	
40. Rhode Island	RI	N								0	
41. South Carolina	SC	N								0	
42. South Dakota	SD	N								0	
43. Tennessee	TN	N								0	
44. Texas	TX	L								0	
45. Utah	UT	N								0	
46. Vermont	VT	N								0	
47. Virginia	VA	N								0	
48. Washington	WA	N								0	
49. West Virginia	WV	N								0	
50. Wisconsin	WI	N								0	
51. Wyoming	WY	N								0	
52. American Samoa	AS	N								0	
53. Guam	GU	N								0	
54. Puerto Rico	PR	N								0	
55. U.S. Virgin Islands	VI	N								0	
56. Northern Mariana Islands	MP	N								0	
57. Canada	CAN	N								0	
58. Aggregate other aliens	OT	XXX	0	0	0	0	0	0	0	0	0
59. Subtotal	XXX	2,096,055,524	28,596,192	0	0	410,264,386	0	0	2,534,916,102	0	0
60. Reporting entity contributions for employee benefit plans	XXX								0		
61. Totals (direct business)	XXX	2,096,055,524	28,596,192	0	0	410,264,386	0	0	2,534,916,102	0	0
DETAILS OF WRITE-INS											
58001.	XXX										
58002.	XXX										
58003.	XXX										
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0	0

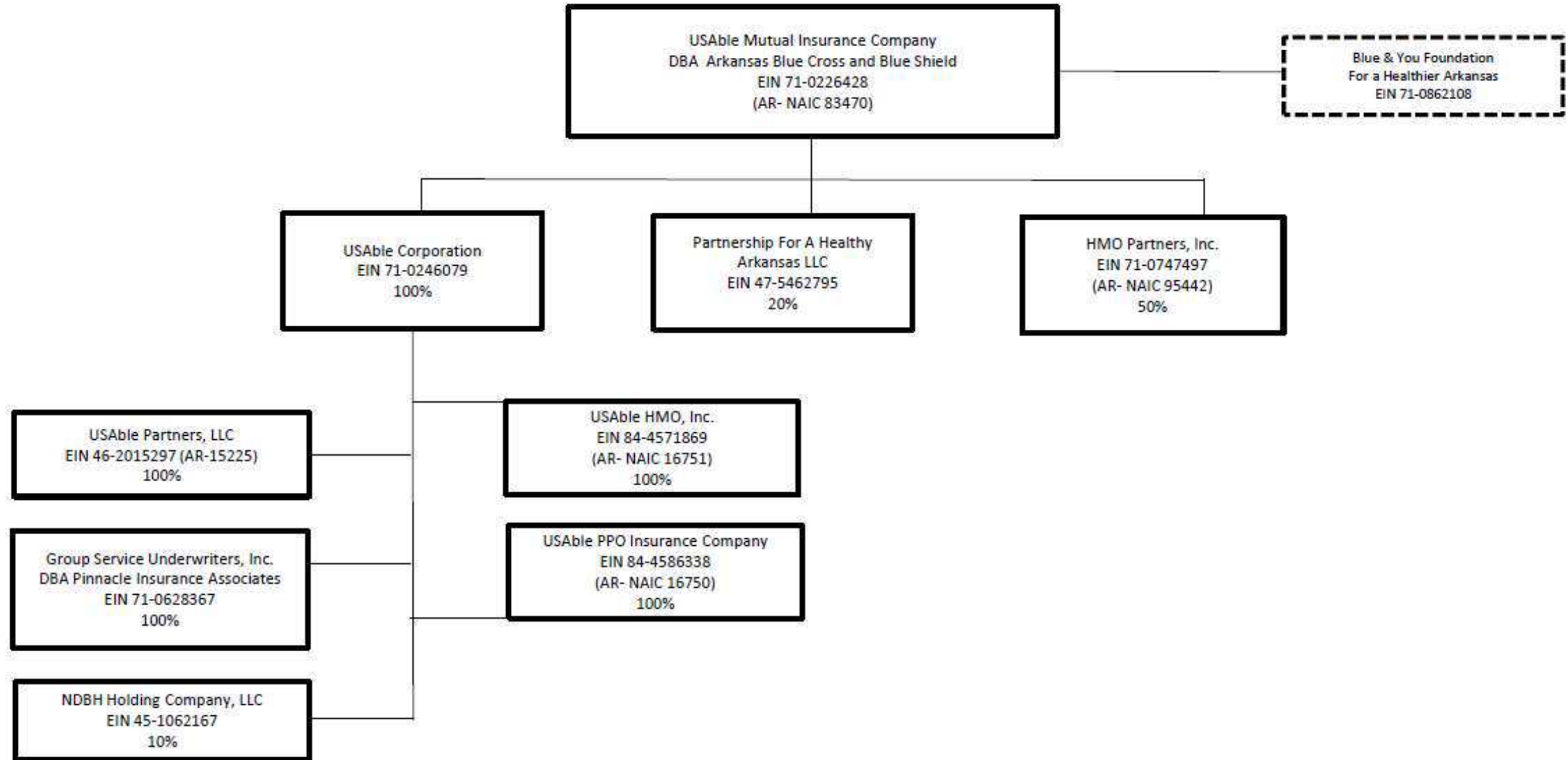
(a) Active Status Counts:

- 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 4
- 2. R - Registered - Non-domiciled RRGs..... 0
- 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state. 0
- 4. Q - Qualified - Qualified or accredited reinsurer..... 0
- 5. N - None of the above - Not allowed to write business in the state..... 53

(b) Explanation of basis of allocation by states, premiums by state, etc.

Each state's premium is recorded based on system data at the group/individual level.

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



NOTE: Life & Specialty Ventures, LLC formed its own holding company group (Group 5050) in May 2023 and is no longer a member of the Arkansas BCBS GRP #876.

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE USAble Mutual Insurance Company

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
2504. UPCP		(2,213,691)			(2,213,691)
2505. Assumed HA UPCP		(428,118)			(428,118)
2506. Bad Debt Expense			(204,904)		(204,904)
2507. Admin Fee Deficiency Reserve			(67,400,000)		(67,400,000)
2508. User Exchange Fee			3,134,555		3,134,555
2509. Miscellaneous	2,791	143,889	6,416,534		6,563,214
2597. Summary of remaining write-ins for Line 25 from overflow page	2,791	(2,497,920)	(58,053,816)	0	(60,548,945)