



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021  
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 Arkansas

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  
(City or Town, State, Country and Zip Code) 501-378-2000  
(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  
(City or Town, State, Country and Zip Code) 501-378-2000  
(Area Code) (Telephone Number)

Internet Website Address www.arkansasbluecross.com

Statutory Statement Contact Scott Bradley Winter, 501-399-3951  
(Name) (Area Code) (Telephone Number)  
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(E-mail Address) (FAX Number)

**OFFICERS**

President / CEO Curtis Edwin Barnett Executive VP / COO Gray Donald Dillard  
 Treasurer / CFO Scott Bradley Winter Secretary Timothy Gerard Gauger

**OTHER**

<u>Alicia Marie Berkemeyer</u>	<u>Judy Dawn Blevins</u>	<u>Gary Hugh Boyd #</u>
<u>Victor Pratt Davis</u>	<u>Bryan Keith Dorathy</u>	<u>Martine Lucette Downs Pollard #</u>
<u>Matthew Richard Flora</u>	<u>Maxine Arlene Greenwood</u>	<u>Kimberly Ann Henderson</u>
<u>Christina Powell Hockaday</u>	<u>Harvey David Jacobson</u>	<u>Anthony Marcus James</u>
<u>Mark Thomas Jansen</u>	<u>Calvin Eugene Kellogg</u>	<u>Wanda Denise King</u>
<u>David Bryan Martin</u>	<u>Mary Alison Melson</u>	<u>Odell Calvin Nickelberry</u>
<u>Deborah Leann Rogers #</u>	<u>Kathleen O'Dea Ryan</u>	<u>Wendy Womack See</u>
<u>Philip Eugene Sherrill</u>	<u>Joanna Maria Thomas</u>	<u>Jason Dwain Treece #</u>
<u>Brett Allan Trelfa</u>	<u>Matthew Dennis Vannatta</u>	

**DIRECTORS OR TRUSTEES**

<u>Curtis Edwin Barnett</u>	<u>Susan Glover Brittain</u>	<u>Robert Vincent Brothers</u>
<u>Dalton Alec Farmer Jr. #</u>	<u>Mark William Greenway</u>	<u>Marla Kay Johnson</u>
<u>James Virgil Kelley</u>	<u>Mahlon Ogden Maris MD</u>	<u>Carla Marie Martin</u>
<u>James Thomas May</u>	<u>Robert Daniel Nabholz</u>	<u>Ben Edwin Owens</u>
<u>Lonnie Stewart Robinson MD</u>	<u>Robert Lee Shoptaw</u>	<u>Sherman Ellis Tate</u>
<u>Rex Moreland Terry</u>	<u>Paul Mark White</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 Scott Bradley Winter Gray Donald Dillard  
 President / CEO Treasurer / CFO 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 2021 OF 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) .....	666,925,917		666,925,917	563,427,528
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	509,272,335		509,272,335	484,313,747
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) .....	56,512,957		56,512,957	59,359,011
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	6,768,085		6,768,085	6,683,444
4.3 Properties held for sale (less \$ .....0 encumbrances) .....			0	0
5. Cash (\$ .....118,790,488 , Schedule E - Part 1), cash equivalents (\$ .....74,306,935 , Schedule E - Part 2) and short-term investments (\$ .....25,705,798 , Schedule DA) .....	218,803,221		218,803,221	166,296,846
6. Contract loans, (including \$ ..... premium notes) .....			0	0
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....	227,986,486		227,986,486	196,405,498
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0		0	0
11. Aggregate write-ins for invested assets .....	3,442,533	0	3,442,533	3,461,618
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,689,711,534	0	1,689,711,534	1,479,947,692
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	3,453,459		3,453,459	3,636,150
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....			0	0
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ .....145,909,716 ) and contracts subject to redetermination (\$ .....4,616,992 ) .....	150,526,708	2,911,753	147,614,955	157,243,827
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	3,334,419		3,334,419	3,811,787
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 .....	106,896,752	7,244,050	99,652,702	74,609,748
18.1 Current federal and foreign income tax recoverable and interest thereon .....	19,002,719		19,002,719	18,236,898
18.2 Net deferred tax asset .....	105,099,215	57,506,987	47,592,228	55,377,473
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....	8,944,739	3,367,206	5,577,533	4,907,031
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	16,863,081	16,863,081	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	11,977,493	398,336	11,579,157	35,540,067
24. Health care (\$ .....51,618,494 ) and other amounts receivable .....	118,020,325	32,252,716	85,767,609	109,315,460
25. Aggregate write-ins for other than invested assets .....	96,088,337	52,294,175	43,794,162	43,004,008
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,329,918,780	172,838,303	2,157,080,477	1,985,630,141
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27)	2,329,918,780	172,838,303	2,157,080,477	1,985,630,141
<b>DETAILS OF WRITE-INS</b>				
1101. Deposits with National Accounts .....	3,442,533	0	3,442,533	3,461,618
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	3,442,533	0	3,442,533	3,461,618
2501. Supplemental Savings Plan .....	43,794,162		43,794,162	42,652,494
2502. Other Assets .....	250,017	250,017	0	351,514
2503. Other Non-Admitted Assets .....	52,044,158	52,044,158	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	96,088,337	52,294,175	43,794,162	43,004,008

ANNUAL STATEMENT FOR THE YEAR 2021 OF USABLE MUTUAL INSURANCE COMPANY

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 1,891,745 reinsurance ceded)	147,959,634	263,527	148,223,161	104,603,081
2. Accrued medical incentive pool and bonus amounts	7,091,660		7,091,660	4,791,378
3. Unpaid claims adjustment expenses	9,837,684		9,837,684	6,674,257
4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act	174,008,650		174,008,650	138,642,485
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	34,109,386		34,109,386	27,681,746
9. General expenses due or accrued	554,135,482		554,135,482	576,802,037
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized capital gains (losses))	0		0	0
10.2 Net deferred tax liability	0		0	0
11. Ceded reinsurance premiums payable	4,963,589		4,963,589	4,641,009
12. Amounts withheld or retained for the account of others	54,571,282		54,571,282	59,703,741
13. Remittances and items not allocated	1,156,971		1,156,971	1,470,482
14. Borrowed money (including \$ current) and interest thereon \$ (including current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	2,759,387		2,759,387	143,905
16. Derivatives			0	0
17. Payable for securities	250,000		250,000	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	61,915,337		61,915,337	45,927,638
23. Aggregate write-ins for other liabilities (including \$ current)	22,801,728	0	22,801,728	21,857,879
24. Total liabilities (Lines 1 to 23)	1,075,560,790	263,527	1,075,824,317	992,939,638
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	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	1,081,256,161	992,690,504
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	1,081,256,161	992,690,504
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,157,080,478	1,985,630,142
<b>DETAILS OF WRITE-INS</b>				
2301. Deferred Gain on Capitalization of joint venture	19,617,685		19,617,685	19,617,685
2302. Miscellaneous	3,184,043		3,184,043	2,240,194
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	22,801,728	0	22,801,728	21,857,879
2501. 2020 ACA Insurer Fee Estimate	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 thru 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 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	XXX	7,559,347	7,470,965
2. Net premium income ( including \$ non-health premium income)	XXX	2,519,996,462	2,436,239,329
3. Change in unearned premium reserves and reserve for rate credits	XXX	4,112,001	(12,610,091)
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		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	2,524,108,463	2,423,629,238
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits		1,222,138,149	1,055,316,796
10. Other professional services		50,399,140	43,420,474
11. Outside referrals		35,663,935	24,278,767
12. Emergency room and out-of-area		223,915,488	199,890,875
13. Prescription drugs		504,136,926	468,942,436
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		17,820,679	19,956,419
16. Subtotal (Lines 9 to 15)	0	2,054,074,317	1,811,805,767
<b>Less:</b>			
17. Net reinsurance recoveries		(75,084,431)	(36,152,139)
18. Total hospital and medical (Lines 16 minus 17)	0	2,129,158,748	1,847,957,906
19. Non-health claims (net)			0
20. Claims adjustment expenses, including \$ 25,557,628 cost containment expenses		114,473,028	111,962,879
21. General administrative expenses		232,682,377	366,836,181
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		0	0
23. Total underwriting deductions (Lines 18 through 22)	0	2,476,314,153	2,326,756,966
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	47,794,310	96,872,272
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		17,920,220	23,370,448
26. Net realized capital gains (losses) less capital gains tax of \$ 113,526		1,334,390	22,490,257
27. Net investment gains (losses) (Lines 25 plus 26)	0	19,254,610	45,860,705
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	4,908,442	4,092,973
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	71,957,362	146,825,950
31. Federal and foreign income taxes incurred	XXX	19,994,134	41,194,000
32. Net income (loss) (Lines 30 minus 31)	XXX	51,963,228	105,631,950
<b>DETAILS OF WRITE-INS</b>			
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 thru 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 thru 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 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901. Miscellaneous Income/Expense		4,908,442	4,092,973
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	4,908,442	4,092,973

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year.....	992,690,505	919,065,986
34. Net income or (loss) from Line 32.....	51,963,228	105,631,948
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....	62,380,244	(41,135,597)
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	(446,494)	6,012,348
39. Change in nonadmitted assets.....	(25,609,429)	2,883,454
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.....	278,108	232,366
48. Net change in capital and surplus (Lines 34 to 47).....	88,565,657	73,624,519
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,081,256,162	992,690,505
<b>DETAILS OF WRITE-INS</b>		
4701. Capital Lease Adjustment.....	278,108	232,366
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	278,108	232,366

ANNUAL STATEMENT FOR THE YEAR 2021 OF USABLE MUTUAL INSURANCE COMPANY

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	2,570,495,549	2,395,090,337
2. Net investment income .....	19,077,490	26,259,469
3. Miscellaneous income .....	0	0
4. Total (Lines 1 through 3) .....	2,589,573,039	2,421,349,806
5. Benefit and loss related payments .....	2,066,368,437	1,975,889,297
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	353,282,305	343,677,228
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	19,748,087	44,959,849
10. Total (Lines 5 through 9) .....	2,439,398,829	2,364,526,374
11. Net cash from operations (Line 4 minus Line 10) .....	150,174,210	56,823,432
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	223,217,266	327,904,772
12.2 Stocks .....	1,468,859	46,581,448
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	5,000,000	0
12.5 Other invested assets .....	1,575,999	16,624,509
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(5,157)	0
12.7 Miscellaneous proceeds .....	269,085	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	231,526,051	391,110,729
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	328,562,088	287,984,103
13.2 Stocks .....	2,909,238	111,277,282
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	10,031,253	13,698,406
13.5 Other invested assets .....	1,560,150	(105,951)
13.6 Miscellaneous applications .....	0	59,642
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	343,062,729	412,913,482
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) .....	(111,536,677)	(21,802,753)
<b>Cash from Financing and Miscellaneous Sources</b>		
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 .....	0	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) .....	13,868,844	(10,833,442)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	13,868,844	(10,833,442)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	52,506,376	24,187,237
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	166,296,845	142,109,608
19.2 End of year (Line 18 plus Line 19.1) .....	218,803,221	166,296,845

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

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ANNUAL STATEMENT FOR THE YEAR 2021 OF USABLE MUTUAL INSURANCE COMPANY  
**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	2,519,996,462	1,795,688,509	283,542,159	62,938	24,185	309,199,546	82,457,397		49,021,728	
2. Change in unearned premium reserves and reserve for rate credit	4,112,001	5,424	15,936			4,090,641				
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	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	2,524,108,463	1,795,693,933	283,558,095	62,938	24,185	313,290,187	82,457,397	0	49,021,728	0
8. Hospital/medical benefits	1,222,138,149	773,133,825	215,680,523	(125,508)		187,576,280	42,152,202		3,720,827	XXX
9. Other professional services	50,399,140	7,049	91,095	39,816,336	5,595,152	4,852,730	36,778			XXX
10. Outside referrals	35,663,935	35,513,801							150,134	XXX
11. Emergency room and out-of-area	223,915,488	216,118,767	350,638				5,112,153		2,333,930	XXX
12. Prescription drugs	504,136,926	378,549,785	(1,611)			90,971,503	8,298,271		26,318,978	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	17,820,679	15,521,579				1,007,462	668,163		623,475	XXX
15. Subtotal (Lines 8 to 14)	2,054,074,317	1,418,844,806	216,120,645	39,690,828	5,595,152	284,407,975	56,267,567	0	33,147,344	XXX
16. Net reinsurance recoveries	(75,084,431)	(99,676,727)		39,690,828	5,595,152		(15,172,582)		(5,521,102)	XXX
17. Total medical and hospital (Lines 15 minus 16)	2,129,158,748	1,518,521,533	216,120,645	0	0	284,407,975	71,440,149	0	38,668,446	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ cost containment expenses	114,473,028	48,693,846	9,950,312	192,833	190,550	11,688,972	8,019,636		35,736,879	
20. General administrative expenses	232,682,376	177,399,114	37,652,441	6,219,772	3,669,603	15,423,307	9,295,543		(16,977,404)	
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	
23. Total underwriting deductions (Lines 17 to 22)	2,476,314,152	1,744,614,493	263,723,398	6,412,605	3,860,153	311,520,254	88,755,328	0	57,427,921	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	47,794,311	51,079,440	19,834,697	(6,349,667)	(3,835,968)	1,769,933	(6,297,931)	0	(8,406,193)	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	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		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	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	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	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2021 OF 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) .....	1,671,991,251	123,697,257		1,795,688,508
2. Medicare Supplement .....	283,542,159			283,542,159
3. Dental only .....	57,543,095		57,480,157	62,938
4. Vision only .....	7,348,126		7,323,941	24,185
5. Federal Employees Health Benefits Plan .....	309,199,546			309,199,546
6. Title XVIII - Medicare .....	64,058,795	18,398,602		82,457,397
7. Title XIX - Medicaid .....				0
8. Other health .....	49,021,728			49,021,728
9. Health subtotal (Lines 1 through 8) .....	2,442,704,700	142,095,859	64,804,098	2,519,996,461
10. Life .....				0
11. Property/casualty .....				0
12. Totals (Lines 9 to 11)	2,442,704,700	142,095,859	64,804,098	2,519,996,461

ANNUAL STATEMENT FOR THE YEAR 2021 OF USABLE MUTUAL INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	2,021,254,721	1,390,883,153	214,596,675	39,816,336	5,595,152	281,855,943	53,609,035		34,898,427	
1.2 Reinsurance assumed	102,826,369	86,616,527					16,209,842			
1.3 Reinsurance ceded	45,888,857			40,282,024	5,595,152				11,681	
1.4 Net	2,078,192,233	1,477,499,680	214,596,675	(465,688)	0	281,855,943	69,818,877	0	34,886,746	0
2. Paid medical incentive pools and bonuses	15,520,397	12,933,963				1,007,462	952,713		626,259	
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	129,779,181	62,001,270	30,009,447	1,891,745	0	24,563,382	6,557,266	0	4,756,071	0
3.2 Reinsurance assumed	20,335,724	18,147,700	0	0	0	0	2,188,024	0	0	0
3.3 Reinsurance ceded	1,891,745	0	0	1,891,745	0	0	0	0	0	0
3.4 Net	148,223,160	80,148,970	30,009,447	0	0	24,563,382	8,745,290	0	4,756,071	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	7,091,661	7,038,020					52,843		798	
6. Net healthcare receivables (a)	10,951,616	15,534,592	2,520			(53,278)	(1,232,537)		(3,299,681)	
7. Amounts recoverable from reinsurers December 31, current year	3,334,419			3,334,419						
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	103,828,651	34,026,033	28,482,957	2,017,253	0	23,072,089	5,800,008	0	10,430,311	0
8.2 Reinsurance assumed	8,312,784	5,087,500	0	0	0	0	3,225,284	0	0	0
8.3 Reinsurance ceded	7,538,355	0	0	2,017,253	0	0	0	0	5,521,102	0
8.4 Net	104,603,080	39,113,533	28,482,957	0	0	23,072,089	9,025,292	0	4,909,209	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	4,791,378	4,450,404	0	0	0	0	337,392	0	3,582	0
11. Amounts recoverable from reinsurers December 31, prior year	3,811,787	0	0	3,800,106	0	0	0	0	11,681	0
12. Incurred Benefits:										
12.1 Direct	2,036,253,635	1,403,323,798	216,120,645	39,690,828	5,595,152	283,400,514	55,598,830	0	32,523,868	0
12.2 Reinsurance assumed	114,849,309	99,676,727	0	0	0	0	15,172,582	0	0	0
12.3 Reinsurance ceded	39,764,879	0	0	39,690,829	5,595,152	0	0	0	(5,521,102)	0
12.4 Net	2,111,338,065	1,503,000,525	216,120,645	(1)	0	283,400,514	70,771,412	0	38,044,970	0
13. Incurred medical incentive pools and bonuses	17,820,680	15,521,579	0	0	0	1,007,462	668,164	0	623,475	0

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF USABLE MUTUAL INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	50,907,830	37,035,235	9,744,447			1,844,034	(926,596)		3,210,710	
1.2 Reinsurance assumed .....	0									
1.3 Reinsurance ceded .....	0									
1.4 Net .....	50,907,830	37,035,235	9,744,447	0	0	1,844,034	(926,596)	0	3,210,710	0
2. Incurred but Unreported:										
2.1 Direct .....	78,870,779	24,966,035	20,265,000	1,891,745		22,719,348	7,483,290		1,545,361	
2.2 Reinsurance assumed .....	20,335,724	18,147,700					2,188,024			
2.3 Reinsurance ceded .....	1,891,745			1,891,745						
2.4 Net .....	97,314,758	43,113,735	20,265,000	0	0	22,719,348	9,671,314	0	1,545,361	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	572						572			
3.2 Reinsurance assumed .....	0									
3.3 Reinsurance ceded .....	0									
3.4 Net .....	572	0	0	0	0	0	572	0	0	0
4. TOTALS:										
4.1 Direct .....	129,779,181	62,001,270	30,009,447	1,891,745	0	24,563,382	6,557,266	0	4,756,071	0
4.2 Reinsurance assumed .....	20,335,724	18,147,700	0	0	0	0	2,188,024	0	0	0
4.3 Reinsurance ceded .....	1,891,745	0	0	1,891,745	0	0	0	0	0	0
4.4 Net .....	148,223,160	80,148,970	30,009,447	0	0	24,563,382	8,745,290	0	4,756,071	0

ANNUAL STATEMENT FOR THE YEAR 2021 OF 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) .....	184,550,344	1,332,045,210	(93,756,270)	172,012,923	90,794,074	37,096,280
2. Medicare Supplement .....	26,325,557	188,271,118	44,465	29,964,982	26,370,022	28,482,957
3. Dental Only .....	1,662,533	38,153,804	48,282	1,843,463	1,710,815	2,017,253
4. Vision Only .....		5,595,152			0	0
5. Federal Employees Health Benefits Plan .....	19,277,613	262,578,330	192,609	24,370,772	19,470,222	23,072,089
6. Title XVIII - Medicare .....	13,271,628	40,337,407		8,745,863	13,271,628	9,025,292
7. Title XIX - Medicaid .....					0	0
8. Other health .....	1,589,040	33,309,387	22,612	4,733,459	1,611,652	4,909,209
9. Health subtotal (Lines 1 to 8) .....	246,676,715	1,900,290,408	(93,448,302)	241,671,462	153,228,413	104,603,080
10. Healthcare receivables (a) .....		79,249,134			0	0
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....	4,322,137	11,198,259		7,091,660	4,322,137	4,791,378
13. Totals (Lines 9 - 10 + 11 + 12)	250,998,852	1,832,239,533	(93,448,302)	248,763,122	157,550,550	109,394,458

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF 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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	1,548,274	1,549,824	1,549,824	1,549,824	1,549,824
2.	2017 .....	1,490,216	1,605,241	1,603,900	1,603,900	1,603,900
3.	2018 .....	XXX	1,308,355	1,448,562	1,450,615	1,450,615
4.	2019 .....	XXX	XXX	1,238,491	1,325,624	1,325,524
5.	2020 .....	XXX	XXX	XXX	1,291,560	1,476,210
6.	2021 .....	XXX	XXX	XXX	XXX	1,332,045

**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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	1,548,375	1,549,824	1,549,824	1,549,824	1,549,824
2.	2017 .....	1,651,483	1,607,102	1,603,900	1,603,900	1,603,900
3.	2018 .....	XXX	1,448,921	1,438,761	1,450,615	1,450,615
4.	2019 .....	XXX	XXX	1,376,783	1,325,313	1,325,524
5.	2020 .....	XXX	XXX	XXX	1,338,261	1,391,959
6.	2021 .....	XXX	XXX	XXX	XXX	1,504,058

**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. 2017 .....	1,789,027	1,603,900	45,378	2.8	1,649,278	92.2			1,649,278	92.2
2. 2018 .....	1,748,133	1,450,615	51,190	3.5	1,501,805	85.9			1,501,805	85.9
3. 2019 .....	1,667,240	1,325,524	51,389	3.9	1,376,913	82.6			1,376,913	82.6
4. 2020 .....	1,685,982	1,476,210	45,472	3.1	1,521,682	90.3	(93,756)	(8,266)	1,419,660	84.2
5. 2021 .....	1,795,689	1,332,045	48,694	3.7	1,380,739	76.9	179,052	15,787	1,575,578	87.7

ANNUAL STATEMENT FOR THE YEAR 2021 OF 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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	200,791	200,660	200,660	200,660	200,660
2.	2017 .....	191,173	208,672	208,659	208,659	208,659
3.	2018 .....	XXX	195,683	213,257	213,200	213,200
4.	2019 .....	XXX	XXX	193,269	220,707	220,780
5.	2020 .....	XXX	XXX	XXX	180,750	207,002
6.	2021 .....	XXX	XXX	XXX	XXX	188,271

**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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	200,772	200,660	200,660	200,660	200,660
2.	2017 .....	211,439	208,617	208,659	208,659	208,659
3.	2018 .....	XXX	216,053	213,315	213,200	213,200
4.	2019 .....	XXX	XXX	214,093	220,579	220,780
5.	2020 .....	XXX	XXX	XXX	209,129	207,016
6.	2021 .....	XXX	XXX	XXX	XXX	218,236

**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. 2017 .....	257,379	208,659	7,108	3.4	215,767	83.8			215,767	83.8
2. 2018 .....	264,659	213,200	8,909	4.2	222,109	83.9			222,109	83.9
3. 2019 .....	262,534	220,780	7,794	3.5	228,574	87.1			228,574	87.1
4. 2020 .....	283,822	207,002	7,772	3.8	214,774	75.7	44	1	214,819	75.7
5. 2021 .....	283,542	188,271	9,950	5.3	198,221	69.9	29,965	870	229,056	80.8

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ANNUAL STATEMENT FOR THE YEAR 2021 OF 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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	32,790	32,805	32,805	32,805	32,805
2.	2017 .....	33,510	34,815	34,815	34,815	34,815
3.	2018 .....	XXX	33,204	34,310	34,310	34,310
4.	2019 .....	XXX	XXX	35,506	36,893	36,893
5.	2020 .....	XXX	XXX	XXX	32,819	34,481
6.	2021 .....	XXX	XXX	XXX	XXX	38,154

**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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	32,801	32,805	32,805	32,805	32,805
2.	2017 .....	35,044	34,830	34,815	34,815	34,815
3.	2018 .....	XXX	34,494	34,309	34,310	34,310
4.	2019 .....	XXX	XXX	36,849	36,901	36,893
5.	2020 .....	XXX	XXX	XXX	34,822	34,515
6.	2021 .....	XXX	XXX	XXX	XXX	39,997

**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. 2017 .....	0	34,815		0.0	34,815	0.0			34,815	0.0
2. 2018 .....	0	34,310		0.0	34,310	0.0			34,310	0.0
3. 2019 .....	0	36,893	347	0.9	37,240	0.0			37,240	0.0
4. 2020 .....	0	34,481	294	0.9	34,775	0.0	48	0	34,823	0.0
5. 2021 .....	0	38,154	193	0.5	38,347	0.0	1,843	0	40,190	0.0

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ANNUAL STATEMENT FOR THE YEAR 2021 OF 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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	2,463	2,463	2,463	2,463	2,463
2. 2017 .....	3,814	3,814	3,814	3,814	3,814
3. 2018 .....	XXX	4,213	4,213	4,213	4,213
4. 2019 .....	XXX	XXX	6,777	6,777	6,777
5. 2020 .....	XXX	XXX	XXX	4,400	4,400
6. 2021 .....	XXX	XXX	XXX	XXX	5,595

**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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	2,463	2,463	2,463	2,463	2,463
2. 2017 .....	3,860	3,814	3,814	3,814	3,814
3. 2018 .....	XXX	4,213	4,213	4,213	4,213
4. 2019 .....	XXX	XXX	6,777	6,777	6,777
5. 2020 .....	XXX	XXX	XXX	4,400	4,400
6. 2021 .....	XXX	XXX	XXX	XXX	5,595

**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. 2017 .....	5,708	3,814		0.0	3,814	66.8			3,814	66.8
2. 2018 .....	6,700	4,213		0.0	4,213	62.9			4,213	62.9
3. 2019 .....	8,401	6,777	140	2.1	6,917	82.3			6,917	82.3
4. 2020 .....	0	4,400	193	4.4	4,593	0.0			4,593	0.0
5. 2021 .....	0	5,595	191	3.4	5,786	0.0			5,786	0.0

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ANNUAL STATEMENT FOR THE YEAR 2021 OF 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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	230,677	230,679	230,679	230,679	230,679
2.	2017 .....	219,381	235,519	235,537	235,537	235,537
3.	2018 .....	XXX	217,593	236,519	236,607	236,607
4.	2019 .....	XXX	XXX	234,853	252,207	252,237
5.	2020 .....	XXX	XXX	XXX	238,159	257,408
6.	2021 .....	XXX	XXX	XXX	XXX	262,578

**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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	230,776	230,679	230,679	230,679	230,679
2.	2017 .....	236,267	235,514	235,537	235,537	235,537
3.	2018 .....	XXX	234,982	236,607	236,607	236,607
4.	2019 .....	XXX	XXX	255,654	252,256	252,237
5.	2020 .....	XXX	XXX	XXX	260,990	257,388
6.	2021 .....	XXX	XXX	XXX	XXX	286,949

**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. 2017 .....	256,173	235,537	9,422	4.0	244,959	95.6			244,959	95.6
2. 2018 .....	266,136	236,607	9,836	4.2	246,443	92.6			246,443	92.6
3. 2019 .....	287,745	252,237	10,579	4.2	262,816	91.3			262,816	91.3
4. 2020 .....	305,462	257,408	10,925	4.2	268,333	87.8	193	8	268,534	87.9
5. 2021 .....	309,200	262,578	11,689	4.5	274,267	88.7	24,371	954	299,592	96.9

ANNUAL STATEMENT FOR THE YEAR 2021 OF 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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	131,015	131,198	131,198	131,198	131,198
2.	2017 .....	111,279	127,474	127,598	127,598	127,598
3.	2018 .....	XXX	96,992	109,482	109,734	109,734
4.	2019 .....	XXX	XXX	77,546	86,986	87,577
5.	2020 .....	XXX	XXX	XXX	56,656	69,337
6.	2021 .....	XXX	XXX	XXX	XXX	40,338

**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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	131,046	131,198	131,198	131,198	131,198
2.	2017 .....	128,103	127,657	127,598	127,598	127,598
3.	2018 .....	XXX	109,970	109,588	109,734	109,734
4.	2019 .....	XXX	XXX	88,177	87,162	87,577
5.	2020 .....	XXX	XXX	XXX	65,625	69,871
6.	2021 .....	XXX	XXX	XXX	XXX	49,083

**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. 2017 .....	148,744	127,598	6,272	4.9	133,870	90.0			133,870	90.0
2. 2018 .....	161,254	109,734	6,582	6.0	116,316	72.1			116,316	72.1
3. 2019 .....	128,398	87,577	5,776	6.6	93,353	72.7			93,353	72.7
4. 2020 .....	118,394	69,337	11,533	16.6	80,870	68.3			80,870	68.3
5. 2021 .....	82,457	40,338	8,020	19.9	48,358	58.6	8,798	418	57,574	69.8

ANNUAL STATEMENT FOR THE YEAR 2021 OF 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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	31,774	31,779	31,779	31,779	31,779
2.	2017	32,420	32,836	32,875	32,875	32,875
3.	2018	XXX	29,156	29,218	29,209	29,209
4.	2019	XXX	XXX	21,636	22,352	22,354
5.	2020	XXX	XXX	XXX	32,450	34,037
6.	2021	XXX	XXX	XXX	XXX	33,309

**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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	31,624	31,779	31,779	31,779	31,779
2.	2017	39,695	32,845	32,875	32,875	32,875
3.	2018	XXX	35,352	29,205	29,209	29,209
4.	2019	XXX	XXX	27,281	22,349	22,354
5.	2020	XXX	XXX	XXX	37,351	34,053
6.	2021	XXX	XXX	XXX	XXX	38,043

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

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. 2017	42,931	32,875	3,405	10.4	36,280	84.5			36,280	84.5
2. 2018	34,844	29,209	2,840	9.7	32,049	92.0			32,049	92.0
3. 2019	35,244	22,354	2,587	11.6	24,941	70.8			24,941	70.8
4. 2020	42,996	34,037	844	2.5	34,881	81.1	23		34,904	81.2
5. 2021	49,022	33,309	1,580	4.7	34,889	71.2	4,734	66	39,689	81.0

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ANNUAL STATEMENT FOR THE YEAR 2021 OF 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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	2,177,784	2,179,408	2,179,408	2,179,408	2,179,408
2.	2017	2,081,793	2,248,371	2,247,198	2,247,198	2,247,198
3.	2018	XXX	1,885,196	2,075,561	2,077,888	2,077,888
4.	2019	XXX	XXX	1,808,078	1,951,546	1,952,142
5.	2020	XXX	XXX	XXX	1,836,794	2,082,875
6.	2021	XXX	XXX	XXX	XXX	1,900,290

**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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	2,177,857	2,179,408	2,179,408	2,179,408	2,179,408
2.	2017	2,305,891	2,250,379	2,247,198	2,247,198	2,247,198
3.	2018	XXX	2,083,985	2,065,998	2,077,888	2,077,888
4.	2019	XXX	XXX	2,005,614	1,951,337	1,952,142
5.	2020	XXX	XXX	XXX	1,950,578	1,999,202
6.	2021	XXX	XXX	XXX	XXX	2,141,961

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

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. 2017	2,499,962	2,247,198	71,585	3.2	2,318,783	92.8	0	0	2,318,783	92.8
2. 2018	2,481,726	2,077,888	79,357	3.8	2,157,245	86.9	0	0	2,157,245	86.9
3. 2019	2,389,562	1,952,142	78,612	4.0	2,030,754	85.0	0	0	2,030,754	85.0
4. 2020	2,436,656	2,082,875	77,033	3.7	2,159,908	88.6	(93,448)	(8,257)	2,058,203	84.5
5. 2021	2,519,910	1,900,290	80,317	4.2	1,980,607	78.6	248,763	18,095	2,247,465	89.2

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ANNUAL STATEMENT FOR THE YEAR 2021 OF USABLE MUTUAL INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	679,009		679,009						
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 .....	173,329,640	39,478,165				133,851,475			
5. Aggregate write-ins for other policy reserves .....	0	0	0	0	0	0	0	0	0
6. Totals (gross) .....	174,008,649	39,478,165	679,009	0	0	133,851,475	0	0	0
7. Reinsurance ceded .....	0								
8. Totals (Net)(Page 3, Line 4) .....	174,008,649	39,478,165	679,009	0	0	133,851,475	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
12. Totals (gross) .....	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
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
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	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
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) .....	0	0	0	0	0	0	0	0	0

(a) Includes \$ ..... premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2021 OF 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 (\$ .....8,014,566 for occupancy of own building) .....	364,316	908,801	8,362,383	8,014,566	17,650,066
2. Salary, wages and other benefits .....	80,639,564	37,225,654	178,564,513		296,429,731
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....			39,133,140		39,133,140
4. Legal fees and expenses .....	99,833		1,209,598		1,309,431
5. Certifications and accreditation fees .....	157,300				157,300
6. Auditing, actuarial and other consulting services .....	362,621		11,319,767		11,682,388
7. Traveling expenses .....	109,255	8,535	696,387		814,177
8. Marketing and advertising .....	111,680	247	4,624,570		4,736,497
9. Postage, express and telephone .....	1,113,645	4,522,363	8,532,310		14,168,318
10. Printing and office supplies .....	237,360	42,253	6,311,372		6,590,985
11. Occupancy, depreciation and amortization .....	884,488	160,040	6,256,581		7,301,109
12. Equipment .....	244,559	76,415	3,766,056		4,087,030
13. Cost or depreciation of EDP equipment and software .....	11,568,331	2,483,213	53,804,581		67,856,125
14. Outsourced services including EDP, claims, and other services .....	29,146,286	(9,406,262)	17,031,820	1,380,065	38,151,909
15. Boards, bureaus and association fees .....	174,116	2,617	4,281,607		4,458,340
16. Insurance, except on real estate .....	275,685	188,760	3,491,022		3,955,467
17. Collection and bank service charges .....			3,344,618		3,344,618
18. Group service and administration fees .....	(3,192,507)	44,572,975	4,829,949		46,210,417
19. Reimbursements by uninsured plans .....	(116,011,008)	(2,093,023)	(210,276,207)		(328,380,238)
20. Reimbursements from fiscal intermediaries .....		1,246,513			1,246,513
21. Real estate expenses .....	507,818	202,187	5,558,176	696,277	6,964,458
22. Real estate taxes .....	65,563	13,322	514,920	20,986	614,791
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....		16,251	(134,891)		(118,640)
23.2 State premium taxes .....			34,192,840		34,192,840
23.3 Regulatory authority licenses and fees .....	17,545		1,330,020		1,347,565
23.4 Payroll taxes .....	4,394,774	2,078,093	8,883,165		15,356,032
23.5 Other (excluding federal income and real estate taxes) .....	13,716	4,628	360,665		379,009
24. Investment expenses not included elsewhere .....					0
25. Aggregate write-ins for expenses .....	14,272,688	6,661,818	36,693,415	0	57,627,921
26. Total expenses incurred (Lines 1 to 25) .....	25,557,628	88,915,400	232,682,377	10,111,894	(a) 357,267,299
27. Less expenses unpaid December 31, current year .....		9,837,684	554,135,482		563,973,166
28. Add expenses unpaid December 31, prior year .....	0	6,674,257	576,802,037	0	583,476,294
29. Amounts receivable relating to uninsured plans, prior year .....	0	0	8,217,104	0	8,217,104
30. Amounts receivable relating to uninsured plans, current year .....			8,360,906		8,360,906
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	25,557,628	85,751,973	255,492,734	10,111,894	376,914,229
<b>DETAILS OF WRITE-INS</b>					
2501. Administrative Expenses Assumed .....	12,895,828	686,952	33,978,370		47,561,150
2502. Administrative Expenses Ceded .....	(667)	3,498,336	(5,059,111)		(1,561,442)
2503. HMOP ASA Agreement .....			(3,035,737)		(3,035,737)
2598. Summary of remaining write-ins for Line 25 from overflow page .....	1,377,527	2,476,530	10,809,893	0	14,663,950
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	14,272,688	6,661,818	36,693,415	0	57,627,921

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF USABLE MUTUAL INSURANCE COMPANY

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 1,945,106	2,069,753
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 13,871,258	13,558,875
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	1,390,656	1,390,656
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	9,401,018
5. Contract Loans		
6. Cash, cash equivalents and short-term investments	(e) 45,785	50,830
7. Derivative instruments	(f)	
8. Other invested assets	6,299,190	1,560,982
9. Aggregate write-ins for investment income		
10. Total gross investment income	23,551,995	28,032,114
11. Investment expenses		(g) 10,111,894
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		10,111,894
17. Net investment income (Line 10 minus Line 16)		17,920,220
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		

- (a) Includes \$ 1,124,724 accrual of discount less \$ 2,099,302 amortization of premium and less \$ 291,259 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ 4,959 accrual of discount less \$ 40,062 amortization of premium and less \$ 9,371 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ 8,699,985 depreciation on real estate and \$ 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	(948,788)	0	(948,788)	0	0
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	(1,531)	0	(1,531)	78,465	0
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	1,468,859	0	1,468,859	13,762,196	0
2.21 Common stocks of affiliates	0	0	0	8,287,154	0
3. Mortgage loans					
4. Real estate	907,318	0	907,318		0
5. Contract loans					
6. Cash, cash equivalents and short-term investments	(5,157)	0	(5,157)	0	0
7. Derivative instruments					
8. Other invested assets	27,216	0	27,216	31,569,621	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	8,682,807	0
10. Total capital gains (losses)	1,447,916	0	1,447,916	62,380,243	0
<b>DETAILS OF WRITE-INS</b>					
0901. OPEB			0	8,181,240	
0902. SSP & Other			0	501,567	
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	8,682,807	0

ANNUAL STATEMENT FOR THE YEAR 2021 OF 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	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....		0	0
2.2 Common stocks .....		0	0
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 .....		0	0
4.2 Properties held for the production of income .....		0	0
4.3 Properties held for sale .....		0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....		0	0
6. Contract loans .....		0	0
7. Derivatives (Schedule DB) .....		0	0
8. Other invested assets (Schedule BA) .....		0	0
9. Receivables for securities .....		0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....		0	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	0
14. Investment income due and accrued .....		0	0
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 .....		0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	2,911,753	1,665,583	(1,246,170)
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....		0	0
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 .....	7,244,050	2,488,269	(4,755,781)
18.1 Current federal and foreign income tax recoverable and interest thereon .....		0	0
18.2 Net deferred tax asset .....	57,506,987	51,293,629	(6,213,358)
19. Guaranty funds receivable or on deposit .....		0	0
20. Electronic data processing equipment and software .....	3,367,206	4,868,352	1,501,146
21. Furniture and equipment, including health care delivery assets .....	16,863,081	21,751,075	4,887,994
22. Net adjustment in assets and liabilities due to foreign exchange rates .....		0	0
23. Receivable from parent, subsidiaries and affiliates .....	398,336	17,569	(380,767)
24. Health care and other amounts receivable .....	32,252,716	25,097,446	(7,155,270)
25. Aggregate write-ins for other than invested assets .....	52,294,175	40,046,951	(12,247,224)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	172,838,303	147,228,874	(25,609,429)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		0	0
28. Total (Lines 26 and 27)	172,838,303	147,228,874	(25,609,429)
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Other Assets .....	52,294,175	40,046,951	(12,247,224)
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	52,294,175	40,046,951	(12,247,224)

ANNUAL STATEMENT FOR THE YEAR 2021 OF USABLE MUTUAL INSURANCE COMPANY

**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 .....	391,908	404,682	406,096	408,619	411,325	4,884,824
4. Point of Service .....						
5. Indemnity Only .....	238,395	218,884	221,484	225,165	224,100	2,674,523
6. Aggregate write-ins for other lines of business .....	0	0	0	0	0	0
7. Total	630,303	623,566	627,580	633,784	635,425	7,559,347
<b>DETAILS OF WRITE-INS</b>						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

## 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 Arkansas Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Arkansas for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Arkansas Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the Arkansas Insurance Department.

	SSAP #	F/S Page	F/S Line #	2021	2020
NET INCOME					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 51,963,228	\$ 105,631,950
(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	\$ 51,963,228	\$ 105,631,950
SURPLUS					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 1,081,256,161	\$ 992,690,504
(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	\$ 1,081,256,161	\$ 992,690,504

USable Mutual Insurance Company and USable Life have a common NAIC Group Code (876). USable Life was a wholly-owned subsidiary of the Company prior to 2005 and as noted in Note 10, such ownership has declined substantially. The Arkansas Insurance Department has allowed the Company and USable Life to file separate holding company registration statements for several years. Effective with the 2016 annual statement, the Arkansas Insurance Department approved request to file separate Schedule Y statements for inclusion with their annual statements. This practice deviates from the NAIC annual statement instructions for Schedule Y which states that "All insurer and reporting entity members of a holding company group shall prepare a common schedule for inclusion in each of the individual annual statements."

**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.

**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 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 Loan-Backed Securities and Adjustment Methodology**  
Loan-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.

**NOTES TO FINANCIAL STATEMENTS**

(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 5 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 receivable estimates are based upon the prior quarter's invoiced amounts.

D. Going Concern

Management has evaluated the Company's ability to continue as a going concern as of December 31, 2021. 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**

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Arkansas. There were no accounting changes or correction of errors during 2021 or 2020.

**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.

A. Statutory Purchase Method  
Not Applicable

The transaction was accounted for as a statutory purchase, and reflects the following:

1	2	3	4	5
Purchased Entity	Acquisition Date	Cost of Acquired Entity	Original Amount of Goodwill	Original Amount of Admitted Goodwill
<b>Total</b>	XXX	\$ -	\$ -	\$ -

1	6	7	8	9
Purchased Entity	Admitted Goodwill as of the Reporting Date	Amount of Goodwill Amortized During the Reporting Period	Book Value of SCA	Admitted Goodwill as a % of SCA BACV, Gross of Admitted Goodwill Col. 6/Col. 8
<b>Total</b>	\$ -	\$ -	\$ -	XXX

B. Statutory Merger  
Not Applicable

C. Assumption Reinsurance  
Not Applicable

D. Impairment Loss  
Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

E. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill  
Not Applicable

- (1) Capital & Surplus
- Less:
  - (2) Admitted Positive Goodwill
  - (3) Admitted EDP Equipment & Operating System Software
  - (4) Admitted Net Deferred Taxes
- (5) Adjusted Capital and Surplus (Line 1-2-3-4)
- (6) Limitation on amount of goodwill (adjusted capital and surplus times 10% goodwill limitation [Line 5\*10%])
- (7) Current period reported Admitted Goodwill
- (8) Current Period Admitted Goodwill as a % of prior period Adjusted Capital and Surplus (Line 7/Line 5)

Calculation of Limitation Using Prior Quarter Numbers	Current Reporting Period
	XXX
	XXX
	XXX
	XXX
\$ -	XXX
\$ -	XXX
XXX	
XXX	0.0%

**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.

A. Discontinued Operation Disposed of or Classified as Held for Sale  
Not Applicable

(1) List of Discontinued Operations Disposed of or Classified as Held for Sale

Discontinued Operation Identifier	Description of Discontinued Operation

(2) Description of the Facts and Circumstances Leading to the Disposal or Expected Disposal and a Description of the Expected Manner and Timing of that Disposal

(3) Loss Recognized on Discontinued Operations

Discontinued Operation Identifier	Amount for Reporting Period	Cumulative Amount Since Classified as Held for Sale

(4) Carrying Amount and Fair Value of Discontinued Operations and the Effect on Assets, Liabilities, Surplus and Income  
a. Carrying Amount of Discontinued Operations

Discontinued Operation Identifier	Carrying Amount Immediately Prior to Classification as Held for Sale	Current Fair Value Less Costs to Sell

b. Effect of Discontinued Operations on Assets, Liabilities, Surplus and Income

Discontinued Operation Identifier	Line Number	Line Description	Amount Attributable to Discontinued Operations
1. Assets			
2. Liabilities			
3. Surplus			
4. Income			

B. Change in Plan of Sale of Discontinued Operation  
Not Applicable

C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal  
Not Applicable

D. Equity Interest Retained in the Discontinued Operation After Disposal  
Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 Investments**

A. Mortgage Loans, including Mezzanine Real Estate Loans  
 Not Applicable -The Company has no direct investments in mortgage loans at this time.

(1) Maximum and Minimum Lending Rates  
 Not Applicable

(2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgage was:  
 Not Applicable

(3) Taxes, assessments and any amounts advanced and not included in the mortgage loan total

	Current Year	Prior Year
--	--------------	------------

(4) Age Analysis of Mortgage Loans and Identification of Mortgage Loans in Which the Insurer is a Participant or Co-lender in a Mortgage Loan Agreement:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
<b>a. Current Year</b>							
1. Recorded Investment (All)							
(a) Current							\$ -
(b) 30 - 59 Days Past Due							\$ -
(c) 60 - 89 Days Past Due							\$ -
(d) 90 - 179 Days Past Due							\$ -
(e) 180+ Days Past Due							\$ -
2. Accruing Interest 90 - 179 Days Past Due							
(a) Recorded Investment							\$ -
(b) Interest Accrued							\$ -
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment							\$ -
(b) Interest Accrued							\$ -
4. Interest Reduced							
(a) Recorded Investment							\$ -
(b) Number of Loans							\$ -
(c) Percent Reduced							\$ -
5. Participant or Co-lender in a Mortgage Loan Agreement							\$ -
(a) Recorded Investment							\$ -
<b>b. Prior Year</b>							
1. Recorded Investment (All)							
(a) Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) 30 - 59 Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) 60 - 89 Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(d) 90 - 179 Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(e) 180+ Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Accruing Interest 90 - 179 Days Past Due							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Interest Accrued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Interest Accrued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Interest Reduced							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Number of Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) Percent Reduced							
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(5) Investment in Impaired Loans With or Without Allowance for Credit Losses and Impaired Loans Subject to a Participant or Co-lender Mortgage Loan Agreement for Which the Reporting Entity is Restricted from Unilaterally Foreclosing on the Mortgage Loan Agreement:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
<b>a. Current Year</b>							
1. With Allowance for Credit Losses							\$ -
2. No Allowance for Credit Losses							\$ -
3. Total (1 + 2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan							\$ -
<b>b. Prior Year</b>							
1. With Allowance for Credit Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. No Allowance for Credit Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Total (1 + 2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## NOTES TO FINANCIAL STATEMENTS

(6) Investment in Impaired Loans – Average Recorded Investment, Interest Income Recognized, Recorded Investment on Nonaccrual Status and Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
<b>a. Current Year</b>							
1. Average Recorded Investment							\$ -
2. Interest Income Recognized							\$ -
3. Recorded Investments on Nonaccrual Status							\$ -
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting							\$ -
<b>b. Prior Year</b>							
1. Average Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest Income Recognized	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Recorded Investments on Nonaccrual Status	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(7) Allowance for credit losses:

	<u>Current Year</u>	<u>Prior Year</u>
a) Balance at beginning of period	\$ -	
b) Additions charged to operations		
c) Direct write-downs charged against the allowances		
d) Recoveries of amounts previously charged off		
e) Balance at end of period	\$ -	\$ -

(8) Mortgage Loans Derecognized as a Result of Foreclosure:

	<u>Current Year</u>
a) Aggregate amount of mortgage loans derecognized	
b) Real estate collateral recognized	
c) Other collateral recognized	
d) Receivables recognized from a government guarantee of the foreclosed mortgage loan	

(9) Policy for Recognizing Interest Income on Impaired Loans  
Not Applicable

**B. Debt Restructuring**

Not Applicable -The Company has no investments in loans or restructured debt at this time.

	<u>Current Year</u>	<u>Prior Year</u>
(1) The total recorded investment in restructured loans, as of year end		
(2) The realized capital losses related to these loans		
(3) Total contractual commitments to extend credit to debtors owning receivables whose terms have been modified in troubled debt restructurings		
(4) Creditor's Income Recognition Policy for Interest Income on Impaired Loans		

**C. Reverse Mortgages**

Not Applicable -The Company has no investments in reverse mortgages at this time.

- (1) Description of Accounting Policies and Methods  
Not Applicable
- (2) General Information Regarding Commitment Under the Agreement  
Not Applicable
- (3) Reverse Mortgages: Enter the reserve amount that is netted against the asset
- (4) Reverse Mortgages: Investment income or (loss) recognized in the period as a result of the re-estimated cash flows

**D. Loan-Backed Securities**

(1) Descriptions of sources used to determine prepayment assumptions:

For fixed-rate agency mortgage-backed securities, Clearwater Analytics calculates prepayment speeds utilizing Mortgage Industry Advisory Corporation (MIAC) Mortgage Industry Medians (MIMs). MIMs are derived from a semi-monthly dealer-consensus survey of long-term prepayment projections. For other mortgage-backed, loan-backed, and structured securities, Clearwater utilizes prepayment assumptions from Moody's Analytics. Moody's applies a flat economic credit model and utilizes a vector of multiple monthly speeds as opposed to a single speed for more robust projections. In instances where Moody's projections are not available, Clearwater uses data from Reuters, which utilizes the median prepayment speed from contributors' models.



## NOTES TO FINANCIAL STATEMENTS

- (3) Collateral Received  
Not Applicable  
a. Aggregate Amount Collateral Received

	Fair Value
1. Securities Lending	
(a) Open	
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal	\$ -
(g) Securities Received	
(h) Total Collateral Received	\$ -
2. Dollar Repurchase Agreement	
(a) Open	
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal	\$ -
(g) Securities Received	
(h) Total Collateral Received	\$ -
b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged	

- c. Information about Sources and Uses of Collateral  
Not Applicable

- (4) Aggregate Value of the Reinvested Collateral  
Not Applicable

- (5) Collateral Reinvestment  
Not Applicable

- a. Aggregate Amount Collateral Reinvested

	Amortized Cost	Fair Value
1. Securities Lending		
(a) Open		
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 years		
(i) 2 to 3 years		
(j) Greater than 3 years		
(k) Subtotal	\$ -	\$ -
(l) Securities Received		
(m) Total Collateral Reinvested	\$ -	\$ -
2. Dollar Repurchase Agreement		
(a) Open		
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 years		
(i) 2 to 3 years		
(j) Greater than 3 years		
(k) Subtotal	\$ -	\$ -
(l) Securities Received		
(m) Total Collateral Reinvested	\$ -	\$ -

- b. Explanation of Additional Sources of Liquidity for Maturity Date Mismatches

- (6) Detail on Collateral Transactions Not Permitted by Contract or Custom to Sell or Repledge  
Not Applicable

- (7) Collateral for securities lending transactions that extend beyond one year from the reporting date.  
Not Applicable

Description of Collateral	Amount
<b>Total Collateral Extending beyond one year of the reporting date</b>	<b>\$ -</b>

**NOTES TO FINANCIAL STATEMENTS**

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing  
 NONE -The Company has no repurchase agreements at this time.

(1) Company Policies or Strategies for Repo Programs  
 Not Applicable

REPURCHASE TRANSACTION – CASH TAKER – OVERVIEW OF SECURED BORROWING TRANSACTIONS

(2) Type of Repo Trades Used

- a. Bilateral (YES/NO)
- b. Tri-Party (YES/NO)

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

(3) Original (Flow) & Residual Maturity

- a. Maximum Amount
  - 1. Open – No Maturity
  - 2. Overnight
  - 3. 2 Days to 1 Week
  - 4. > 1 Week to 1 Month
  - 5. > 1 Month to 3 Months
  - 6. > 3 Months to 1 Year
  - 7. > 1 Year
- b. Ending Balance
  - 1. Open – No Maturity
  - 2. Overnight
  - 3. 2 Days to 1 Week
  - 4. > 1 Week to 1 Month
  - 5. > 1 Month to 3 Months
  - 6. > 3 Months to 1 Year
  - 7. > 1 Year

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

(4) Fair Value Securities Sold and/or Acquired that Resulted in Default  
 Not Applicable

(5) Securities "Sold" Under Repo – Secured Borrowing

- a. Maximum Amount
  - 1. BACV
  - 2. Nonadmitted - Subset of BACV
  - 3. Fair Value
- b. Ending Balance
  - 1. BACV
  - 2. Nonadmitted - Subset of BACV
  - 3. Fair Value

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
XXX	XXX	XXX	
XXX	XXX	XXX	
XXX	XXX	XXX	
XXX	XXX	XXX	

(6) Securities Sold Under Repo – Secured Borrowing by NAIC Designation

**ENDING BALANCE**

- a. Bonds - BACV
- b. Bonds - FV
- c. LB & SS - BACV
- d. LB & SS - FV
- e. Preferred Stock - BACV
- f. Preferred Stock - FV
- g. Common Stock
- h. Mortgage Loans - BACV
- i. Mortgage Loans - FV
- j. Real Estate - BACV
- k. Real Estate - FV
- l. Derivatives - BACV
- m. Derivatives - FV
- n. Other Invested Assets - BACV
- o. Other Invested Assets - FV
- p. Total Assets - BACV
- q. Total Assets - FV

1 NONE	2 NAIC 1	3 NAIC 2	4 NAIC 3
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -

**NOTES TO FINANCIAL STATEMENTS**

**ENDING BALANCE**

	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 NON- ADMITTED
a. Bonds - BACV				
b. Bonds - FV				
c. LB & SS - BACV				
d. LB & SS - FV				
e. Preferred Stock - BACV				
f. Preferred Stock - FV				
g. Common Stock				
h. Mortgage Loans - BACV				
i. Mortgage Loans - FV				
j. Real Estate - BACV				
k. Real Estate - FV				
l. Derivatives - BACV				
m. Derivatives - FV				
n. Other Invested Assets - BACV				
o. Other Invested Assets - FV				
p. Total Assets - BACV	\$ -	\$ -	\$ -	\$ -
q. Total Assets - FV	\$ -	\$ -	\$ -	\$ -

(7) Collateral Received – Secured Borrowing

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash				
2. Securities (FV)				
b. Ending Balance				
1. Cash				
2. Securities (FV)				

(8) Cash & Non-Cash Collateral Received – Secured Borrowing by NAIC Designation

**ENDING BALANCE**

	1 NONE	2 NAIC 1	3 NAIC 2	4 NAIC 3
a. Cash				
b. Bonds - FV				
c. LB & SS - FV				
d. Preferred Stock - FV				
e. Common Stock				
f. Mortgage Loans - FV				
g. Real Estate - FV				
h. Derivatives - FV				
i. Other Invested Assets - FV				
j. Total Collateral Assets - FV (Sum of a through i)	\$ -	\$ -	\$ -	\$ -

**ENDING BALANCE**

	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 DOES NOT QUALIFY AS ADMITTED
a. Cash				
b. Bonds - FV				
c. LB & SS - FV				
d. Preferred Stock - FV				
e. Common Stock				
f. Mortgage Loans - FV				
g. Real Estate - FV				
h. Derivatives - FV				
i. Other Invested Assets - FV				
j. Total Collateral Assets - FV (Sum of a through i)	\$ -	\$ -	\$ -	\$ -

(9) Allocation of Aggregate Collateral by Remaining Contractual Maturity

	FAIR VALUE
a. Overnight and Continuous	
b. 30 Days or Less	
c. 31 to 90 Days	
d. > 90 Days	

(10) Allocation of Aggregate Collateral Reinvested by Remaining Contractual Maturity

	AMORTIZED COST	FAIR VALUE
a. 30 Days or Less		
b. 31 to 60 Days		
c. 61 to 90 Days		
d. 91 to 120 Days		
e. 121 to 180 Days		
f. 181 to 365 Days		
g. 1 to 2 years		
h. 2 to 3 years		
i. > than 3 years		

**NOTES TO FINANCIAL STATEMENTS**

(11) Liability to Return Collateral – Secured Borrowing (Total)

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash (Collateral – All)				
2. Securities Collateral (FV)				
b. Ending Balance				
1. Cash (Collateral – All)				
2. Securities Collateral (FV)				

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing  
NONE -The Company has no reverse repurchase agreements at this time.

(1) Company Policy or Strategies for Engaging in Repo Programs  
Not Applicable

REPURCHASE TRANSACTION – CASH PROVIDER – OVERVIEW OF SECURED BORROWING TRANSACTIONS

(2) Type of Repo Trades Used

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Bilateral (YES/NO)				
b. Tri-Party (YES/NO)				

(3) Original (Flow) & Residual Maturity

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Open – No Maturity				
2. Overnight				
3. 2 Days to 1 Week				
4. > 1 Week to 1 Month				
5. > 1 Month to 3 Months				
6. > 3 Months to 1 Year				
7. > 1 Year				
b. Ending Balance				
1. Open – No Maturity				
2. Overnight				
3. 2 Days to 1 Week				
4. > 1 Week to 1 Month				
5. > 1 Month to 3 Months				
6. > 3 Months to 1 Year				
7. > 1 Year				

(4) Fair Value Securities Sold and/or Acquired that Resulted in Default  
Not Applicable

(5) Fair Value of Securities Acquired Under Repo – Secured Borrowing

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
b. Ending Balance				

(6) Securities Acquired Under Repo – Secured Borrowing by NAIC Designation

**ENDING BALANCE**

	1 NONE	2 NAIC 1	3 NAIC 2	4 NAIC 3
a. Bonds - FV				
b. LB & SS - FV				
c. Preferred Stock - FV				
d. Common Stock				
e. Mortgage Loans - FV				
f. Real Estate - FV				
g. Derivatives - FV				
h. Other Invested Assets - FV				
i. Total Assets - FV (Sum of a through h)	\$ -	\$ -	\$ -	\$ -

**ENDING BALANCE**

	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 DOES NOT QUALIFY AS ADMITTED
a. Bonds - FV				
b. LB & SS - FV				
c. Preferred Stock - FV				
d. Common Stock				
e. Mortgage Loans - FV				
f. Real Estate - FV				
g. Derivatives - FV				
h. Other Invested Assets - FV				
i. Total Assets - FV (Sum of a through h)	\$ -	\$ -	\$ -	\$ -

**NOTES TO FINANCIAL STATEMENTS**

(7) Collateral Provided – Secured Borrowing

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash				
2. Securities (FV)				
3. Securities (BACV)	XXX	XXX	XXX	XXX
4. Nonadmitted Subset (BACV)	XXX	XXX	XXX	XXX
b. Ending Balance				
1. Cash				
2. Securities (FV)				
3. Securities (BACV)				
4. Nonadmitted Subset (BACV)				

(8) Allocation of Aggregate Collateral Pledged by Remaining Contractual Maturity

	AMORTIZED COST	FAIR VALUE
a. Overnight and Continuous		
b. 30 Days or Less		
c. 31 to 90 Days		
d. > 90 Days		

(9) Recognized Receivable for Return of Collateral – Secured Borrowing

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash				
2. Securities (FV)				
b. Ending Balance				
1. Cash				
2. Securities (FV)				

(10) Recognized Liability to Return Collateral – Secured Borrowing (Total)

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Repo Securities Sold/Acquired with Cash Collateral				
2. Repo Securities Sold/Acquired with Securities Collateral (FV)				
b. Ending Balance				
1. Repo Securities Sold/Acquired with Cash Collateral				
2. Repo Securities Sold/Acquired with Securities Collateral (FV)				

H. Repurchase Agreements Transactions Accounted for as a Sale  
NONE -The Company has no reverse repurchase agreements at this time.

(1) Company Policy or Strategies for Engaging in Repo Programs  
Not Applicable

REPURCHASE TRANSACTION – CASH TAKER – OVERVIEW OF SALE TRANSACTIONS

(2) Type of Repo Trades Used

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Bilateral (YES/NO)				
b. Tri-Party (YES/NO)				

(3) Original (Flow) & Residual Maturity

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Open – No Maturity				
2. Overnight				
3. 2 Days to 1 Week				
4. > 1 Week to 1 Month				
5. > 1 Month to 3 Months				
6. > 3 Months to 1 Year				
7. > 1 Year				
b. Ending Balance				
1. Open – No Maturity				
2. Overnight				
3. 2 Days to 1 Week				
4. > 1 Week to 1 Month				
5. > 1 Month to 3 Months				
6. > 3 Months to 1 Year				
7. > 1 Year				

(4) Fair Value Securities Sold and/or Acquired that Resulted in Default  
Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

(5) Securities "Sold" Under Repo – Sale

- a. Maximum Amount
  - 1. BACV
  - 2. Nonadmitted - Subset of BACV
  - 3. Fair Value
- b. Ending Balance
  - 1. BACV
  - 2. Nonadmitted - Subset of BACV
  - 3. Fair Value

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
XXX XXX	XXX XXX	XXX XXX	
XXX XXX	XXX XXX	XXX XXX	

(6) Securities Sold Under Repo – Sale by NAIC Designation

**ENDING BALANCE**

- a. Bonds - BACV
- b. Bonds - FV
- c. LB & SS - BACV
- d. LB & SS - FV
- e. Preferred Stock - BACV
- f. Preferred Stock - FV
- g. Common Stock
- h. Mortgage Loans - BACV
- i. Mortgage Loans - FV
- j. Real Estate - BACV
- k. Real Estate - FV
- l. Derivatives - BACV
- m. Derivatives - FV
- n. Other Invested Assets - BACV
- o. Other Invested Assets - FV
- p. Total Assets - BACV
- q. Total Assets - FV

1 NONE	2 NAIC 1	3 NAIC 2	4 NAIC 3
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -

**ENDING BALANCE**

- a. Bonds - BACV
- b. Bonds - FV
- c. LB & SS - BACV
- d. LB & SS - FV
- e. Preferred Stock - BACV
- f. Preferred Stock - FV
- g. Common Stock
- h. Mortgage Loans - BACV
- i. Mortgage Loans - FV
- j. Real Estate - BACV
- k. Real Estate - FV
- l. Derivatives - BACV
- m. Derivatives - FV
- n. Other Invested Assets - BACV
- o. Other Invested Assets - FV
- p. Total Assets - BACV
- q. Total Assets - FV

5 NAIC 4	6 NAIC 5	7 NAIC 6	8 NON-ADMITTED
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -

(7) Proceeds Received – Sale

- a. Maximum Amount
  - 1. Cash
  - 2. Securities (FV)
  - 3. Nonadmitted
- b. Ending Balance
  - 1. Cash
  - 2. Securities (FV)
  - 3. Nonadmitted

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

**NOTES TO FINANCIAL STATEMENTS**

(8) Cash & Non-Cash Collateral Received – Sale by NAIC Designation

**ENDING BALANCE**

- a. Bonds - FV
- b. LB & SS - FV
- c. Preferred Stock - FV
- d. Common Stock
- e. Mortgage Loans - FV
- f. Real Estate - FV
- g. Derivatives - FV
- h. Other Invested Assets - FV
- i. Total Collateral Assets - FV (Sum of a through h)

1 NONE	2 NAIC 1	3 NAIC 2	4 NAIC 3
\$ -	\$ -	\$ -	\$ -

**ENDING BALANCE**

- a. Bonds - FV
- b. LB & SS - FV
- c. Preferred Stock - FV
- d. Common Stock
- e. Mortgage Loans - FV
- f. Real Estate - FV
- g. Derivatives - FV
- h. Other Invested Assets - FV
- i. Total Collateral Assets - FV (Sum of a through h)

5 NAIC 4	6 NAIC 5	7 NAIC 6	8 NON- ADMITTED
\$ -	\$ -	\$ -	\$ -

(9) Recognized Forward Resale Commitment

- a. Maximum Amount
- b. Ending Balance

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale  
NONE -The Company has no repurchase agreements or reverse repurchase agreements at this time.

(1) Company Policy or Strategies for Engaging in Repo Programs  
Not Applicable

REPURCHASE TRANSACTION – CASH PROVIDER – OVERVIEW OF SALE TRANSACTIONS

(2) Type of Repo Trades Used

- a. Bilateral (YES/NO)
- b. Tri-Party (YES/NO)

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

(3) Original (Flow) & Residual Maturity

- a. Maximum Amount
  - 1. Open – No Maturity
  - 2. Overnight
  - 3. 2 Days to 1 Week
  - 4. > 1 Week to 1 Month
  - 5. > 1 Month to 3 Months
  - 6. > 3 Months to 1 Year
  - 7. > 1 Year
- b. Ending Balance
  - 1. Open – No Maturity
  - 2. Overnight
  - 3. 2 Days to 1 Week
  - 4. > 1 Week to 1 Month
  - 5. > 1 Month to 3 Months
  - 6. > 3 Months to 1 Year
  - 7. > 1 Year

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

(4) Fair Value Securities Sold and/or Acquired that Resulted in Default  
Not Applicable

(5) Securities Acquired Under Repo – Sale

- a. Maximum Amount
  - 1. BACV
  - 2. Nonadmitted - Subset of BACV
  - 3. Fair Value
- b. Ending Balance
  - 1. BACV
  - 2. Nonadmitted - Subset of BACV
  - 3. Fair Value

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
XXX XXX	XXX XXX	XXX XXX	
XXX XXX	XXX XXX	XXX XXX	



**NOTES TO FINANCIAL STATEMENTS**

K. Low Income Housing tax Credits (LIHTC)

Not Applicable -The Company has no investments in low-income housing tax credits (LIHTC) at this time.

- (1) Number of Remaining Years of Unexpired Tax Credits and Holding Period for LIHTC Investments  
Not Applicable
- (2) Amount of LIHTC and Other Tax Benefits Recognized  
Not Applicable
- (3) Balance of Investment Recognized  
Not Applicable
- (4) Regulatory Reviews  
Not Applicable
- (5) LIHTC investments which Exceed 10% of Total Admitted Assets  
Not Applicable
- (6) Recognized Impairment  
Not Applicable
- (7) Amount and Nature of Write-Downs or Reclassifications  
Not Applicable

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	\$ 794,700	\$ 744,100	\$ 50,600		\$ 794,700	0.034%	0.037%
j. On deposit with states	\$ 149,745	\$ 152,325	\$ (2,580)		\$ 149,745	0.006%	0.007%
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		\$ -	\$ -		\$ -	0.000%	0.000%
n. Other restricted assets	\$ 106,500	\$ 106,500	\$ -		\$ 106,500	0.005%	0.005%
<b>o. Total Restricted Assets</b>	<b>\$ 1,050,945</b>	<b>\$ 1,002,925</b>	<b>\$ 48,020</b>	<b>\$ -</b>	<b>\$ 1,050,945</b>	<b>0.045%</b>	<b>0.049%</b>

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

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

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance 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
<b>Total (a)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.000%</b>	<b>0.000%</b>

(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.

**NOTES TO FINANCIAL STATEMENTS**

3.

Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance 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
High Deductible Workers' Comp - Money Market Fund	\$ 106,500	\$ 106,500	\$ -	\$ 106,500	0.005%	0.005%
<b>Total (a)</b>	<b>\$ 106,500</b>	<b>\$ 106,500</b>	<b>\$ -</b>	<b>\$ 106,500</b>	<b>0.005%</b>	<b>0.005%</b>

(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 Reflected as Assets Within the Reporting Entity's Financial Statements

Collateral Assets	1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted)*	4 % of BACV to Total Admitted Assets **
a. Cash, Cash Equivalents and Short-Term Investments			0.000%	0.000%
b. Schedule D, Part 1			0.000%	0.000%
c. Schedule D, Part 2, Section 1			0.000%	0.000%
d. Schedule D, Part 2, Section 2			0.000%	0.000%
e. Schedule B			0.000%	0.000%
f. Schedule A			0.000%	0.000%
g. Schedule BA, Part 1			0.000%	0.000%
h. Schedule DL, Part 1			0.000%	0.000%
i. Other			0.000%	0.000%
<b>j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.000%</b>	<b>0.000%</b>

\* Column 1 divided by Asset Page, Line 26 (Column 1)

\*\* Column 1 divided by Asset Page, Line 26 (Column 3)

1 Amount	2 % of Liability to Total Liabilities *
k. Recognized Obligation to Return Collateral Asset	0.000%

\* Column 1 divided by Liability Page, Line 24 (Column 3)

M. Working Capital Finance Investments

Not Applicable -The Company has no Working Capital Finance Investments (WCFI) at this time.

1. Aggregate Working Capital Finance Investments (WCFI) Book/Adjusted Carrying Value by NAIC Designation:

Not Applicable

	Gross Asset CY	Non-admitted Asset CY	Net Admitted Asset CY
a. WCFI Designation 1			\$ -
b. WCFI Designation 2			\$ -
c. WCFI Designation 3			\$ -
d. WCFI Designation 4			\$ -
e. WCFI Designation 5			\$ -
f. WCFI Designation 6			\$ -
g. Total	\$ -	\$ -	\$ -

2. Aggregate Maturity Distribution on the Underlying Working Capital Finance Programs

Not Applicable

	Book/Adjusted Carrying Value
a. Up to 180 Days	
b. 181 to 365 Days	
c. Total	\$ -

3. Any Events of Default or Working Capital Finance Investments

N. Offsetting and Netting of Assets and Liabilities

Not Applicable -The Company does not have assets or liabilities with a valid right to offset subject to SSAP No. 64.

	Gross Amount Recognized	Amount Offset*	Net Amount Presented on Financial Statements
(1) Assets			

\* For derivative assets and derivative liabilities, the amount offset shall agree to Schedule DB, Part D, Section 1

	Gross Amount Recognized	Amount Offset*	Net Amount Presented on Financial Statements
(2) Liabilities			

\* For derivative assets and derivative liabilities, the amount offset shall agree to Schedule DB, Part D, Section 1

## NOTES TO FINANCIAL STATEMENTS

## O. 5GI Securities

Not Applicable -The Company does not hold any 5GI securities at this time.

Investment	Number of 5GI Securities		Aggregate BACV		Aggregate Fair Value	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
(1) Bonds - AC						
(2) Bonds - FV						
(3) LB&SS - AC						
(4) LB&SS - FV						
(5) Preferred Stock - AC						
(6) Preferred Stock - FV						
(7) Total (1+2+3+4+5+6)	0	0	\$ -	\$ -	\$ -	\$ -

AC - Amortized Cost FV - Fair Value

## P. Short Sales

Not Applicable -The Company did not have any short sales during the reporting periods.

## (1) Unsettled Short Sale Transactions (Outstanding as of Reporting Date)

	Proceeds Received	Current Fair Value of Securities Sold Short	Unrealized Gain or Loss	Expected Settlement (# of Days)	Fair Value of Short Sales Exceeding (or expected to exceed) 3 Settlement Days	Fair Value of Short Sales Expected to be Settled by Secured Borrowing
a. Bonds						
b. Preferred Stock						
c. Common Stock						
d. Totals (a+b+c)	\$ -	\$ -	\$ -	XXX	\$ -	\$ -

## (2) Settled Short Sale Transactions

	Proceeds Received	Current Fair Value of Securities Sold Short	Realized Gain or Loss on Transaction	Fair Value of Short Sales that Exceeded 3 Settlement Days	Fair Value of Short Sales Settled by Secured Borrowing
a. Bonds					
b. Preferred Stock					
c. Common Stock					
d. Totals (a+b+c)	\$ -	\$ -	\$ -	\$ -	\$ -

## Q. Prepayment Penalty and Acceleration Fees

	<u>General Account</u>
1. Number of CUSIPs	5
2. Aggregate Amount of Investment Income	\$ 500,334

## R. Reporting Entity's Share of Cash Pool by Asset Type

<u>Asset Type</u>	<u>Percent Share</u>
(1) Cash	54.3%
(2) Cash Equivalents	34.0%
(3) Short-Term Investments	11.7%
(4) Total	100.0%

**NOTE 6 Joint Ventures, Partnerships and Limited Liability Companies**

## A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership

Not Applicable - The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies that exceed 10% of its admitted assets.

## B. Investments in Impaired 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.

**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:

The total amount excluded was -0- for 2021 and 2020.

**NOTE 8 Derivative Instruments**

Not Applicable -The Company did not have any derivative instruments.

## A. Derivatives under SSAP No. 86—Derivatives

## (1) Market Risk, Credit Risk and Cash Requirements

Not Applicable

## (2) Objectives for Derivative Use

Not Applicable

## (3) Accounting Policies for Recognition and Measurement

Not Applicable

## (4) Identification of Whether Derivative Contracts with Financing Premiums

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

(5) Net Gain or Loss Recognized  
Not Applicable

(6) Net Gain or Loss Recognized from Derivatives that no Longer Qualify for Hedge Accounting  
Not Applicable

(7) For derivatives accounted for as cash flow hedges of a forecasted transaction, disclose:  
Not Applicable

(8) Total Premium Costs for Contracts  
Not Applicable

a.

	Fiscal Year	Derivative Premium Payments Due
1. 2022		
2. 2023		
3. 2024		
4. 2025		
5. Thereafter		
6. Total Future Settled Premiums		\$ -

b.

	Undiscounted Future Premium Commitments	Derivative Fair Value With Premium Commitments (Reported on DB)	Derivative Fair Value Excluding Impact of Future Settled Premiums
1. Prior Year			
2. Current Year			

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

(1) Discussion of Hedged Item/Hedging Instruments and Hedging Strategy  
Not Applicable

(2) Recognition of gains/losses and deferred assets and liabilities  
Not Applicable

a. Scheduled Amortization

Amortization Year	Deferred Assets	Deferred Liabilities
1. 2022		
2. 2023		
3. 2024		
4. 2025		
5. 2026		
6. 2027		
7. 2028		
8. 2029		
9. 2030		
10. 2031		
11. Total	\$ -	\$ -

b. Total Deferred Balance \*

\* Should agree to Column 19 of Schedule DB, Part E

\$ -

c. Reconciliation of Amortization:

1. Prior Year Total Deferred Balance	\$ -
2. Current Year Amortization	
3. Current Year Deferred Recognition	
4. Ending Deferred Balance [1 - (2 + 3)]	\$ -

d. Open Derivative Removed from SSAP No. 108 and Captured in Scope of SSAP No. 86

1. Total Derivative Fair Value Change	
2. Change in Fair Value Reflected as a Natural Offset to VM21 Liability under SSAP No. 108	
3. Change in Fair Value Reflected as a Deferred Asset / Liability Under SSAP No. 108	
4. Other Changes	
5. Unrealized Gain / Loss Recognized for Derivative Under SSAP No. 86 [1-(sum of 2 through 4)]	\$ -

e. Open Derivative Removed from SSAP No. 86 and Captured in Scope of SSAP No. 108

1. Total Derivative Fair Value Change	
2. Unrealized Gain / Loss Recognized Prior to the Reclassification to SSAP No. 108	
3. Other Changes	
4. Fair Value Change Available for Application under SSAP No. 108 [1-(2+3)]	\$ -

**NOTES TO FINANCIAL STATEMENTS**

(3) Hedging Strategies Identified as No Longer Highly Effective  
Not Applicable

a. Information on Determination of Ineffectiveness, Including Variations from Prior Assessments Resulting in the Change from Classification as a

b. Details of Hedging Strategies Identified as No Longer Highly Effective

Unique Identifier	Date Domiciliary State Notified	Amortization (# of Years) 5 or Less	Recognized Deferred Assets	Recognized Deferred Liabilities

c. Amortization

Amortization Year	Recognized Deferred Assets	Recognized Deferred Assets	Accelerated Amortization	Original Amortization
1. 2022				
2. 2023				
3. 2024				
4. 2025				
5. 2026				

6. Total Adjusted Amortization

d. Disclosure on Whether the Reporting Entity is Electing to Accelerate Amortization

(4) Hedging Strategies Terminated  
Not Applicable

a. Key Elements in the Reporting Entity's Decision to Terminate

b. Details of Hedging Strategies Terminated

Unique Identifier	Date Domiciliary State Notified	Amortization (# of Years) 5 or Less	Recognized Deferred Assets	Recognized Deferred Liabilities

c. Amortization

Amortization Year	Recognized Deferred Assets	Recognized Deferred Assets	Accelerated Amortization	Original Amortization
1. 2022				
2. 2023				
3. 2024				
4. 2025				
5. 2026				

6. Total Adjusted Amortization

d. Disclosure on Whether the Reporting Entity is Electing to Accelerate Amortization

**NOTE 9 Income Taxes**

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

1.

	As of End of Current Period			12/31/2020			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
(a) Gross Deferred Tax Assets	#####	\$ 36,948	#####	#####	\$ 810,953	#####	\$11,139,600	\$ (774,005)	\$10,365,595
(b) Statutory Valuation Allowance Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	#####	\$ 36,948	#####	#####	\$ 810,953	#####	\$11,139,600	\$ (774,005)	\$10,365,595
(d) Deferred Tax Assets Nonadmitted	\$57,506,987	\$ -	\$57,506,987	\$51,293,629	\$ -	\$51,293,629	\$ 6,213,358	\$ -	\$ 6,213,358
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$73,672,553	\$ 36,948	\$73,709,501	\$68,746,311	\$ 810,953	\$69,557,264	\$ 4,926,242	\$ (774,005)	\$ 4,152,237
(f) Deferred Tax Liabilities	\$ 6,202,254	\$19,915,019	\$26,117,273	\$ 1,002,649	\$13,177,142	\$14,179,791	\$ 5,199,605	\$ 6,737,877	\$11,937,482
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$67,470,299	#####	\$47,592,228	\$67,743,662	#####	\$55,377,473	\$ (273,363)	\$ (7,511,882)	\$ (7,785,245)

## NOTES TO FINANCIAL STATEMENTS

## 2. Admission Calculation Components SSAP No. 101

	As of End of Current Period			12/31/2020			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$47,572,935	\$ -	\$47,572,935	\$55,377,472	\$ -	\$55,377,472	\$(7,804,537)	\$ -	\$(7,804,537)
(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)	\$ 19,293	\$ -	\$ 19,293	\$ -	\$ -	\$ -	\$ 19,293	\$ -	\$ 19,293
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ 19,293	\$ -	\$ 19,293	\$ -	\$ -	\$ -	\$ 19,293	\$ -	\$ 19,293
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	XXX	XXX	XXX	\$ -	XXX	XXX	\$ -
(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.	\$26,080,325	\$ 36,948	\$26,117,273	\$13,368,838	\$ 810,953	\$14,179,791	\$12,711,487	\$ (774,005)	\$11,937,482
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$73,672,553	\$ 36,948	\$73,709,501	\$68,746,310	\$ 810,953	\$69,557,263	\$ 4,926,243	\$ (774,005)	\$ 4,152,238

## 3. Other Admissibility Criteria

	2021	2020
a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	718.883%	715.975%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 1,081,256,161	\$ 992,690,504

## 4. Impact of Tax Planning Strategies

	As of End of Current Period		12/31/2020		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col. 1 - 3) Ordinary	(6) (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)	\$ 131,179,540	\$ 36,948	\$ 120,039,940	\$ 810,953	\$ 11,139,600	\$ (774,005)
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)	\$ 73,672,553	\$ 36,948	\$ 68,746,311	\$ 810,953	\$ 4,926,242	\$ (774,005)
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 

## B. Deferred Tax Liabilities Not Recognized

Not Applicable - The Company does not have any deferred tax liabilities not recognized.

## NOTES TO FINANCIAL STATEMENTS

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

	(1) As of End of Current Period	(2) 12/31/2020	(3) (Col. 1 - 2) Change
1. Current Income Tax			
(a) Federal	\$ 20,303,754	\$ 44,824,578	\$ (24,520,824)
(b) Foreign		\$ -	\$ -
(c) Subtotal	\$ 20,303,754	\$ 44,824,578	\$ (24,520,824)
(d) Federal income tax on net capital gains	\$ 113,526	\$ 4,873,590	\$ (4,760,064)
(e) Utilization of capital loss carry-forwards		\$ -	\$ -
(f) Other	\$ (309,619)	\$ (3,630,578)	\$ 3,320,959
(g) Federal and foreign income taxes incurred	\$ 20,107,661	\$ 46,067,590	\$ (25,959,929)
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 1,320,627	\$ 677,638	\$ 642,989
(2) Unearned premium reserve		\$ -	\$ -
(3) Policyholder reserves		\$ -	\$ -
(4) Investments		\$ -	\$ -
(5) Deferred acquisition costs	\$ 78,119	\$ 169,099	\$ (90,980)
(6) Policyholder dividends accrual		\$ -	\$ -
(7) Fixed Assets		\$ (1,461,411)	\$ 1,461,411
(8) Compensation and benefits accrual	\$ 47,597,626	\$ 49,917,683	\$ (2,320,057)
(9) Pension accrual		\$ -	\$ -
(10) Receivables - nonadmitted	\$ 21,082,480	\$ 16,158,895	\$ 4,923,585
(11) Net operating loss carry-forward		\$ -	\$ -
(12) Tax credit carry-forward		\$ -	\$ -
(13) Other (including items <5% of total ordinary tax assets)	\$ 61,100,688	\$ 54,578,036	\$ 6,522,652
(99) Subtotal	\$ 131,179,540	\$ 120,039,940	\$ 11,139,600
(b) Statutory valuation allowance adjustment		\$ -	\$ -
(c) Nonadmitted	\$ 57,506,987	\$ 51,293,629	\$ 6,213,358
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 73,672,553	\$ 68,746,311	\$ 4,926,242
(e) Capital:			
(1) Investments	\$ 36,948	\$ 810,953	\$ (774,005)
(2) Net capital loss carry-forward		\$ -	\$ -
(3) Real estate		\$ -	\$ -
(4) Other (including items <5% of total ordinary tax assets)		\$ -	\$ -
(99) Subtotal	\$ 36,948	\$ 810,953	\$ (774,005)
(f) Statutory valuation allowance adjustment		\$ -	\$ -
(g) Nonadmitted		\$ -	\$ -
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 36,948	\$ 810,953	\$ (774,005)
(i) Admitted deferred tax assets (2d + 2h)	\$ 73,709,501	\$ 69,557,264	\$ 4,152,237
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ 330,744	\$ 195,014	\$ 135,730
(2) Fixed Assets	\$ 2,878,378	\$ -	\$ 2,878,378
(3) Deferred and uncollected premium		\$ -	\$ -
(4) Policyholder reserves		\$ -	\$ -
(5) Other (including items <5% of total ordinary tax liabilities)	\$ 2,993,132	\$ 807,635	\$ 2,185,497
(99) Subtotal	\$ 6,202,254	\$ 1,002,649	\$ 5,199,605
(b) Capital:			
(1) Investments	\$ 19,915,019	\$ 13,177,142	\$ 6,737,877
(2) Real estate		\$ -	\$ -
(3) Other (including items <5% of total capital tax liabilities)		\$ -	\$ -
(99) Subtotal	\$ 19,915,019	\$ 13,177,142	\$ 6,737,877
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 26,117,273	\$ 14,179,791	\$ 11,937,482
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 47,592,228	\$ 55,377,473	\$ (7,785,245)

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

	Amount 12/31/2020	Effective Tax Rate Percentage
<b>Permanent Differences:</b>		
1. Provision computed at statutory rate	\$ 15,134,887	21.0
2. Change in nonadmitted assets	\$ -	0.0
3. Proration of tax exempt investment income	\$ 307,460	0.4
4. Tax exempt income deduction	\$ (290,094)	-0.4
5. Dividends received deduction	\$ (939,745)	-1.3
6. Disallowed travel and entertainment	\$ 39,242	0.1
7. Other permanent differences	\$ 787,665	1.1
<b>Temporary Differences:</b>		
8. Total ordinary DTAs	\$ -	0.0
9. Total ordinary DTLs	\$ -	0.0
10. Total capital DTAs	\$ -	0.0
11. Total capital DTLs	\$ -	0.0
<b>Other:</b>		
12. Statutory valuation allowance adjustment	\$ -	0.0
13. Accrual adjustment - prior year	\$ 500,263	0.7
14. Other	\$ 5,014,476	7.0
15. Totals	\$ 20,554,153	7.0
16. Federal and foreign income taxes incurred	\$ 19,994,135	28.5
17. Realized capital gain (losses) tax	\$ 113,526	0.2
18. Change in net deferred income taxes	\$ 446,492	0.6
19. Total statutory income taxes	\$ 20,554,152	28.5

## NOTES TO FINANCIAL STATEMENTS

### 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 (NOL or tax credit cfw)	Amount	Origination Date	Expiration Date
none	0		

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
2021	\$ 20,417,279
2020	\$ 49,262,744

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
2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:  
The method of allocation among companies is subject to a written agreement, approved by the required authorized officers. The method of allocation chosen is in accordance with IRS Regulation 1.1502-33(d)(2)(l) whereby profitable companies pay tax according to their income or losses. Intercompany tax balances are paid quarterly based on estimates and settled annual upon completion of the consolidated tax return.

### 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

The Company does not have any AMT credits.

	Amount
(1) Gross AMT Credit Recognized as:	
a. Current year recoverable	
b. Deferred tax asset (DTA)	
(2) Beginning Balance of AMT Credit Carryforward	\$ -
(3) Amounts Recovered	
(4) Adjustments	
(5) Ending Balance of AMT Credit Carryforward (5=2-3-4)	\$ -
(6) Reduction for Sequestration	
(7) Nonadmitted by Reporting Entity	
(8) Reporting Entity Ending Balance (8=5-6-7)	\$ -

### 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 owns 35.49% of LSV, LLC. LSV, LLC owns 100% of USABLE Life and 100% of LifeMap Assurance Company. As of December 31, 2021, USABLE Corporation owns 100% of Pinnacle Insurance Agency, 100% of USABLE Partners, LLC, 10% of New Directions Behavioral Health Holding Company, LLC, 100% USABLE HMO, and 100% USABLE PPO.

#### B. Transactions

Not Applicable - The Company had no transactions.

**NOTES TO FINANCIAL STATEMENTS**

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

(1) Detail of Material Related Party Transactions

Ref #	Date of Transaction	Name of Related Party	Nature of Relationship	Type of Transaction	Written Agreement (Yes/No)	Due Date	Reporting Period Date Amount Due From (To)

Options for Type of Transaction:

- Loan
- Exchange of Assets or Liabilities (e.g., buys, sells and secured borrowing transactions)
- Management Services
- Cost-Sharing Agreement
- Other Transactions Involving Services
- Guarantee (e.g., guarantees to related parties, on behalf of, and when beneficiary is related party)
- Other

(2) Detail of Material Related Party Transactions Involving Services

Ref #	Name of Related Party	Overview Description	Amount Charged	Amount Based on Allocation of Costs or Market Rates	Amount Charged Modified or Waived (Yes/No)
Total			\$ -	\$ -	

(3) Detail of Material Related Party Transactions Involving Exchange of Assets and Liabilities

a. Description of Transaction

Ref #	Name of Related Party	Overview Description	Have Terms Changed from Preceding Period? (Yes/No)

b. Assets Received

Ref #	Name of Related Party	Description of Assets Received	Statement Value of Assets Received
Total			\$ -

c. Assets Transferred

Ref #	Name of Related Party	Description of Assets Transferred	Statement Value of Assets Transferred
Total			\$ -

(4) Detail of Amounts Owed To/From a Related Party

Ref #	Name of Related Party	Aggregate Reporting Period Amount Due From	Aggregate Reporting Period (Amount Due To)	Amount Offset in Financial Statement (if qualifying)	Net Amount Recoverable/ (Payable) by Related Party	Admitted Recoverable
Total		\$ -	\$ -	\$ -	\$ -	\$ -

## NOTES TO FINANCIAL STATEMENTS

**D. Amounts Due From or To Related Parties**

At December 31, 2021, the Company reported the following admitted amounts due from Affiliates:

HMO Partners, Inc.	\$11,128,740
USAbLe Corporation	251,648
USAbLe PPO Insurance Company	99,651
USAbLe Partners, LLC	31,406
Blue & You Foundation	28,890
Group Service Underwriters, Inc.	25,133
USAbLe Life	13,690
	\$11,579,157

At December 31, 2021, the Company reported the following amounts due to Affiliates:

USAbLe HMO, Inc.	\$1,308,665
HMO Partners, Inc.	\$896,560
USAbLe Corporation	444,236
	\$2,759,388

**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**

Not Applicable - The Company had no investments in SCA that exceeded 10% of admitted assets.

**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%	\$ 399,424,826	\$ 399,424,826	\$ -
Total SSAP No. 97 8b(iii) Entities	XXX	\$ 399,424,826	\$ 399,424,826	\$ -
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	\$ 399,424,826	\$ 399,424,826	\$ -
f. Aggregate Total (a+ e)	XXX	\$ 399,424,826	\$ 399,424,826	\$ -

**NOTES TO FINANCIAL STATEMENTS**

(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 Because of Prescribed or Permitted Practice

Not Applicable

O. SCA or SSAP 48 Entity Loss Tracking

1 Entity	2 Reporting Entity's Share of Net Income (Loss)	3 Accumulated Share of Net Income (Losses)	4 Reporting Entity's Share of Equity, Including Negative Equity	5 Guaranteed Obligation / Commitment for Financial Support (Yes/No)	6 Amount of the Recognized Guarantee Under SSAP No. 5R

## NOTES TO FINANCIAL STATEMENTS

**NOTE 11 Debt**

**A. Debt Including Capital Notes**

Not Applicable - The company has no debt including capital notes.

**B. FHLB (Federal Home Loan Bank) Agreements**

(1) Nature of the Agreement

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 \$ 70,000,000, The Company calculated this amount in accordance with current and potential acquisitions of FHLB capital stock.

(2) FHLB Capital Stock

a. Aggregate Totals

	Total
1. Current Year	
(a) Membership Stock - Class A	
(b) Membership Stock - Class B	\$ 794,300
(c) Activity Stock	
(d) Excess Stock	\$ 400
(e) Aggregate Total (a+b+c+d)	\$ 794,700
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	\$ 70,000,000
2. Prior Year-end	
(a) Membership Stock - Class A	
(b) Membership Stock - Class B	\$ 744,100
(c) Activity Stock	
(d) Excess Stock	
(e) Aggregate Total (a+b+c+d)	\$ 744,100
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	\$ 70,000,000

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

			Eligible for Redemption			
	1	2	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	\$ 794,700	\$ 794,700				

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)

**NOTES TO FINANCIAL STATEMENTS**

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1	2	3
	Fair Value	Carrying Value	Aggregate Total Borrowing
1. Current Year Total Collateral Pledged			
2. Prior Year-end Total Collateral Pledged			
11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)			
11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)			
11B(3)a3 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (Columns 1, 2 and 3 respectively)			
11B(3)a4 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (Columns 1, 2 and 3 respectively)			

b. Maximum Amount Pledged During Reporting Period

	1	2	3
	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
1. Current Year Total Maximum Collateral Pledged			
2. Prior Year-end Total Maximum Collateral Pledged	\$ 181,064,834	\$ 170,197,306	\$ -

(4) Borrowing from FHLB

a. Amount as of Reporting Date

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

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

b. Maximum Amount During Reporting Period (Current Year)

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

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

11B(4)b4 (Columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (Columns 1, 2 and 3 respectively)

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

## NOTES TO FINANCIAL STATEMENTS

**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**

	Overfunded		Underfunded	
	2021	2020	2021	2020
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**

	Overfunded		Underfunded	
	2021	2020	2021	2020
1. Benefit obligation at beginning of year	\$ 174,272,000	\$ 155,007,000	\$ -	\$ -
2. Service cost	\$ 563,000	\$ 567,000	\$ -	\$ -
3. Interest cost	\$ 4,173,000	\$ 4,887,000	\$ -	\$ -
4. Contribution by plan participants	\$ -			
5. Actuarial gain (loss)	\$ (7,755,000)	\$ 19,403,000	\$ -	\$ -
6. Foreign currency exchange rate changes	\$ -			
7. Benefits paid	\$ (6,524,000)	\$ (5,592,000)	\$ -	\$ -
8. Plan amendments	\$ -			
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$ -			
10. Benefit obligation at end of year	\$ 164,729,000	\$ 174,272,000	\$ -	\$ -

**c. Special or Contractual Benefits Per SSAP No. 11**

	Overfunded		Underfunded	
	2021	2020	2021	2020
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	\$ -	\$ -	\$ -	\$ -

**(2) Change in plan assets**

Not Applicable

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2021	2020	2021	2020	2021	2020
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## NOTES TO FINANCIAL STATEMENTS

## (3) Funded status

Not Applicable

## Pension Benefits

## Postretirement Benefits

2021

2020

2021

2020

## 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	
	2021	2020	2021	2020	2021	2020
(4) Components of net periodic benefit cost						
a. Service cost	\$ -	\$ -	\$ 563,000	\$ 567,000	\$ -	\$ -
b. Interest cost	\$ -	\$ -	\$ 4,173,000	\$ 4,887,000	\$ -	\$ -
c. Expected return on plan assets			\$ -	\$ -		
d. Transition asset or obligation			\$ -	\$ -		
e. Gains and losses	\$ -	\$ -	\$ 3,545,000	\$ 368,000	\$ -	\$ -
f. Prior service cost or credit	\$ -	\$ -	\$ (944,000)	\$ (1,813,000)	\$ -	\$ -
g. Gain or loss recognized due to a settlement or curtailment			\$ -	\$ -		
h. Total net periodic benefit cost	\$ -	\$ -	\$ 7,337,000	\$ 4,009,000	\$ -	\$ -

## (5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

Not Applicable

## Pension Benefits

## Postretirement Benefits

2021

2020

2021

2020

## 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

\$ -	\$ -	\$ -	\$ -
------	------	------	------

## (6) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost

Not Applicable

## Pension Benefits

## Postretirement Benefits

2021

2020

2021

2020

## a. Net transition asset or obligation

## b. Net prior service cost or credit

## c. Net recognized gains and losses

## (7) Weighted-average assumptions used to determine net periodic benefit cost as of the end of current period:

## a. Weighted average discount rate

2021	2020
2.790%	2.440%

## b. Expected long-term rate of return on plan assets

## c. Rate of compensation increase

3.500%	3.500%
--------	--------

## d. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)

Weighted average assumptions used to determine projected benefit obligations as of end of current period:

## e. Weighted average discount rate

2021	2020
2.790%	2.440%

## f. Rate of compensation increase

3.500%	3.500%
--------	--------

## 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 2021 and 2020.

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

	Amount
a. 2022	\$ 6,458,000
b. 2023	\$ 6,830,000
c. 2024	\$ 7,175,000
d. 2025	\$ 7,473,000
e. 2026	\$ 7,736,000
f. 2027 through 20xx	\$ 41,137,000

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

The estimate of contributions expected to be paid to the plan is \$6,524,000.

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

Not Applicable

## NOTES TO FINANCIAL STATEMENTS

- (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
- (18) Full Transition Surplus Impact of SSAP 102  
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

(1) Fair Value Measurements of Plan Assets at Reporting Date

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
Total Plan Assets	\$ -	\$ -	\$ -	\$ -

(2) Valuation Technique(s) and Inputs Used to Measure Fair Value  
Not Applicable

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 2021, a range of 4% to 6% was used to calculate the Company's contribution of \$14,178,034.

F. Multiemployer Plans

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

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

As of December 31, 2021, 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

The Company has no dividend restrictions.

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.

## NOTES TO FINANCIAL STATEMENTS

- H. Amount of Stock Held for Special Purposes  
Not Applicable - As of December 31, 2021 and 2020, 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, 2021 or December 31, 2020.
- J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$ 15,407,093
- K. The Company issued the following surplus debentures or similar obligations:  
The Company has no Surplus Notes as of December 31, 2021.

1	2	3	4	5	6	7	8
Item Number	Date Issued	Interest Rate	Original Issue Amount of Note	Is Surplus Note Holder a Related Party (Y/N)	Carrying Value of Note Prior Year	Carrying Value of Note Current Year*	Unapproved Interest And/Or Principal
Total	XXX	XXX	\$ -	XXX	\$ -	\$ -	\$ -

\* Total should agree with Page 3, Line 29.

1	9	10	11	12	13	14
Item Number	Current Year Interest Expense Recognized	Life-To-Date Interest Expense Recognized	Current Year Interest Offset Percentage (not including amounts paid to a 3rd party liquidity provider)	Current Year Principal Paid	Life-To-Date Principal Paid	Date of Maturity
Total	\$ -	\$ -	XXX	\$ -	\$ -	XXX

1	15	16	17	18	19
Item Number	Are Surplus Note Payments Contractually Linked? (Y/N)	Surplus Note Payments Subject to Administrative Offsetting Provisions? (Y/N)	Were Surplus Note Proceeds Used to Purchase an Asset Directly From the Holder of the Surplus Note? (Y/N)	Is Asset Issuer a Related Party (Y/N)	Type of Assets Received Upon Issuance
Total	XXX	XXX	XXX	XXX	XXX

1	20	21	22
Item Number	Principal Amount of Assets Received Upon Issuance	Book/Adjusted Carry Value of Assets	Is Liquidity Source a Related Party to the Surplus Note Issuer? (Y/N)
Total	\$ -	\$ -	XXX

- L. The impact of any restatement due to prior quasi-reorganizations is as follows:  
The Company was not involved in a quasi-reorganization.

	Change in Gross Paid-in and Contributed Surplus
Change in Year Surplus	Change in Gross Paid-in and Contributed Surplus

- 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  
The Company did not have any contingent commitments as of 12/31/21

(1) Total contingent liabilities:

**NOTES TO FINANCIAL STATEMENTS**

(2) Detail of other contingent commitments  
None

(1)	(2)	(3)	(4)	(5)
Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted.	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted
<b>Total</b>	\$ -	XXX	\$ -	XXX

(3) Guarantee Obligations  
None

	Amount
a. Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for (2) above.)	\$ -
b. Current Liability Recognized in F/S:	
1. Noncontingent Liabilities	
2. Contingent Liabilities	
c. Ultimate Financial Statement Impact if action under the guarantee is required:	
1. Investments in SCA	
2. Joint Venture	
3. Dividends to Stockholders (capital contribution)	
4. Expense	
5. Other	
6. Total (Should equal (3)a.)	\$ -

**B. Assessments**

(1) Assessments Where Amount is Known or Unknown  
None

(2) a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end \$ -  
None

b. Decreases current year:

c. Increases current year:

d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end \$ -

(3) Guaranty Fund Liabilities and Assets Related to Assessments from Insolvencies for Long-Term Care Contracts  
None

a. Discount Rate Applied

b. The Undiscounted and Discounted Amount of the Guaranty Fund Assessments and Related Assets by Insolvency

Name of the Insolvency	Guaranty Fund Assessment		Related Assets	
	Undiscounted	Discounted	Undiscounted	Discounted

c. Number of Jurisdictions, Ranges of Years Used to Discount and Weighted Average Number of Years of the Discounting Time Period for Payables and Recoverables by Insolvency

Name of the Insolvency	Payables			Recoverables		
	Number of Jurisdictions	Range of Years	Weighted Average Number of Years	Number of Jurisdictions	Range of Years	Weighted Average Number of Years

C. Gain Contingencies  
None

## NOTES TO FINANCIAL STATEMENTS

- D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits  
None

Direct

(1) The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits

(2) Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period

(3) Indicate whether claim count information is disclosed per claim or per claimant

- E. Joint and Several Liabilities  
None

- F. All Other Contingencies

The Company, along with the Blue Cross and Blue Shield Association and 35 other independent "Blue" licensee companies, is defending a collection of antitrust lawsuits that is 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. The Court has given preliminary approval of a "Subscriber" class settlement in the case, with final approval pending further review and orders of the Court. The Company has reserved for its share of such a settlement if and/or when finally approved by the Court.

### 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 2025.

Rental expense for 2021 and 2020 was approximately \$9,226,846 and \$7,805,832.

- 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

- (2) Leases with Initial or Remaining Noncancelable Lease Terms in Excess of One Year

- a. At December 31, 2021, the minimum aggregate rental commitments are as follows:

	Operating Leases
1. 2022	\$ 10,046,062
2. 2023	\$ 8,970,349
3. 2024	\$ 6,310,680
4. 2025	\$ 1,982,750
5. 2026	
6. Total	\$ 27,309,842

- b. Total of Minimum Rentals to be Received in the Future under Noncancelable Subleases

Not Applicable

- (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

## NOTES TO FINANCIAL STATEMENTS

### B. Lessor Leases

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

#### (1) Operating Leases:

##### a. Lessor's Leasing Arrangements

Not Applicable

##### b. Cost and Carrying Amount of Property on Lease or Held for Leasing

Not Applicable

##### c. Future minimum lease payment receivables under noncancelable leasing arrangements as of the end of current period are as follows:

Not Applicable

Operating  
Leases

1. 2022
2. 2023
3. 2024
4. 2025
5. 2026
6. Total

##### d. Total Contingent Rentals

Not Applicable

#### (2) Leveraged Leases

##### a. Terms Including Pretax Income from Leveraged Leases

Not Applicable

b. The Company's investment in leveraged leases relates to equipment used primarily in the transportation industries. The component of net income from leveraged leases as of the end of current period and December 31, 2020 were as shown below:

Not Applicable

	2021	2020
1. Income from leveraged leases before income tax including investment tax credit		
2. Less current income tax		
3. Net income from leverage leases	\$ -	\$ -

##### c. The components of the investment in leveraged leases as of the end of current period and December 31, 2020 were as shown below:

	2021	2020
1. Lease contracts receivable (net of principal and interest on non-recourse financing)		
2. Estimated residual value of leased assets		
3. Unearned and deferred income		
4. Investment in leveraged leases		
5. Deferred income taxes related to leveraged leases		
6. Net investment in leveraged leases	\$ -	\$ -

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

Not Applicable - The Company does not have any financial instruments with off-balance sheet risk or financial instruments with concentration of credit risk.

#### (1) The table below summarizes the face amount of the Company's financial instruments with off-balance sheet risk.

Not Applicable

	ASSETS		LIABILITIES	
	2021	2020	2021	2020
a. Swaps				
b. Futures				
c. Options				
d. Total	\$ -	\$ -	\$ -	\$ -

#### (2) Nature and Terms of Off-Balance Sheet Risk

Not Applicable

#### (3) Amount of Loss if any Party to the Financial Instrument Failed

Not Applicable

#### (4) Collateral or Other Security Required to Support Financial Instrument

Not Applicable

### 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.

##### (1) Proceeds to the Transferor

Not Applicable

##### (2) Gain or Loss Record on Sale

Not Applicable

#### B. Transfer and Servicing of Financial Assets

Not Applicable - The Company had no transfer and servicing of financial assets.

##### (1) Description of any Loaned Securities

Not Applicable

## NOTES TO FINANCIAL STATEMENTS

'(2) Servicing Assets and Servicing Liabilities

Not Applicable

(3) When Servicing Assets and Liabilities are Measured at Fair Value

Not Applicable

(4) Securitizations, Asset-Based Financing Arrangements and Similar Transfers Accounted for as Sales

Not Applicable

(5) Disclosure Requirements for Transfers of Assets Accounted for as Secured Borrowing

Not Applicable

'(6) Transfer of Receivables with Recourse

Not Applicable

(7) Securities Underlying Repurchase and Reverse Repurchase Agreements, Dollar Repurchase and Dollar Reverse Repurchase Agreements

Not Applicable

1	2	3	4	5	6	7	8
Identification of Transaction	BACV at Time of Transfer	Original Reporting Schedule of the Transferred Assets	Amount Derecognized from Sale Transaction	Amount that continues to be recognized in the statement of financial position (Col. 2 minus 4)	BACV of acquired interests in transferred assets	Reporting Schedule of Acquired Interests	Percentage of interests of a reporting entity's transferred assets acquired by affiliated entities

C. Wash Sales

Not Applicable - The Company did not have any wash sales.

(1) Description of the Objectives Regarding These Transactions

Not Applicable

(2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2021 and reacquired within 30 days of the sale date are:

Not Applicable

Description	NAIC Designation	Number of Transactions	Book Value of Securities Sold	Cost of Securities Repurchased	Gain/(Loss)

**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 2021:

	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	\$ (3,096,881)		\$ (3,096,881)
b. Total net other income or expenses (including interest paid to or received from plans)			\$ -
c. Net gain or (loss) from operations	\$ (3,096,881)	\$ -	\$ (3,096,881)
d. Total claim payment volume	\$ 321,306,331		\$ 321,306,331

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 2021:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 4,259,412,846		\$ 4,259,412,846
b. Gross administrative fees accrued	\$ 301,141,107		\$ 301,141,107
c. Other income or expenses (including interest paid to or received from plans)	\$ (62,002)	\$ -	\$ (62,002)
d. Gross expenses incurred (claims and administrative)	\$ 4,549,152,336		\$ 4,549,152,336
e. Total net gain or loss from operations	\$ 11,339,615	\$ -	\$ 11,339,615

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

Not Applicable - The Company does not currently have a Medicare or similarly structured cost based reimbursement contract.

(1) Major Components of Revenue by Payor

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

- (2) Receivables from Payors with Account Balances the Greater of 10% of Amounts Receivable Relating to Uninsured Accident and Health Plans or \$10,000  
Not Applicable
- (3) Recorded Allowances and Reserves for Adjustment of Recorded Revenues  
Not Applicable
- (4) Adjustments to Revenue Resulting from Audit of Receivables Related to Revenues Recorded in the Prior Period  
Not Applicable

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

The Company does not currently have direct premium written/produced by managing general agents/third party administrators.

Name and Address of Managing General Agent or Third Party Administrator	FEIN NUMBER	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/Produced By
<b>Total</b>	XXX	XXX	XXX	XXX	\$ -

- C - Claims Payment
- CA - Claims Adjustment
- R - Reinsurance Ceding
- B - Binding Authority
- P - Premium Collection
- U - Underwriting

**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
<b>a. Assets at fair value</b>					
Other Invested Assets			\$ 105,961,659	\$ 122,024,828	\$ 227,986,487
Money Market Fund		\$ 74,306,934			\$ 74,306,934
Bonds					\$ -
Industrial and Misc Common Stock					\$ -
Industrial and Misc Mutual Fund	\$ 5,401,716	\$ 81,959,716			\$ 5,401,716
Parent, Subsidiaries, and Affiliates			\$ 421,910,903		\$ 421,910,903
<b>Total assets at fair value/NAV</b>	<b>\$ 5,401,716</b>	<b>\$ 156,266,650</b>	<b>\$ 527,872,562</b>	<b>\$ 122,024,828</b>	<b>\$ 811,565,756</b>

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
<b>b. Liabilities at fair value</b>					
Supplemental Savings Plan	\$ 43,794,162				\$ 43,794,162
<b>Total liabilities at fair value</b>	<b>\$ 43,794,162</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43,794,162</b>

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

Description	Beginning Balance at 01/01/2021	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 12/31/2021
<b>a. Assets and Affiliates</b>										
Assets	\$ 413,623,749				\$ 8,287,154					\$ 421,910,903
Assets	\$ 90,993,226				\$ 14,987,913				\$ (19,480)	\$ 105,961,659
<b>Total Assets</b>	<b>\$ 504,616,975</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,275,067</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (19,480)</b>	<b>\$ 527,872,562</b>

Description	Beginning Balance at 01/01/2021	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 12/31/2021
<b>b. Liabilities</b>										
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

- (3) Policies when Transfers Between Levels are Recognized  
Not Applicable

## NOTES TO FINANCIAL STATEMENTS

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

As of December 31, 2021, the reported fair value of the reporting entity's investments in Level 2 include equity mutual funds with a value of \$156,266,650. Fair value measurements for these equity securities are provided by the fund and indicate the closing NAV at December 31, 2021. All fair value measurements are provided in US Dollars. There has been no change in this valuation technique.

As of December 31, 2021, 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 \$105,961,659 and investment in PSA with a value of \$421,910,903. 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 plus the Company's remaining ownership percentage of the remaining Life and Specialty Ventures GAAP Equity fair value at December 31, 2021. 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

### 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	\$ 227,986,487	\$ 227,986,487			\$ 105,961,659	\$ 122,024,828	
Bonds							
Money Market Fund	\$ 74,306,934	\$ 74,306,934		\$ 74,306,934			
Common Stock	\$ 509,272,335	\$ 509,272,335	\$ 5,401,716	\$ 81,959,716	\$ 421,910,903		

### D. Not Practicable to Estimate Fair Value Not Applicable

Type or Class of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation

### (1) Reasons why it is not practicable to estimate fair value

### E. 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 177 individual holdings as of 12/31/2021 with the top 10% of all holdings representing 14.7% of all fund holdings. 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 average number of loans in the portfolio is 252 at the end of the 4th quarter 2021, with 10.04% in the top ten holdings. The portfolio is diversified across ten sectors, with five sectors containing more than 10% of all holdings. Average annualized default since 2011 for the fund is 0.7%, while the historical average of the market is 2.8%.

The fund has daily liquidity but a 30 calendar day prior to withdraw notice is necessary. As of 12/31/21, there are \$0.94 Billion assets in the Commingled Fund.

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, 2021.

#### B. Troubled Debt Restructuring: Debtors

The Company had no troubled debt restructuring as of December 31, 2021.

#### C. Other Disclosures

The Company did not have any other disclosure items.

#### D. Business Interruption Insurance Recoveries

The Company has no business interruption insurance recoveries.

## NOTES TO FINANCIAL STATEMENTS

**E. State Transferable and Non-transferable Tax Credits**

The Company has no state transferable tax credits.

(1) Carrying Value of Transferable and Non-transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-transferable State Tax Credits by State and in Total

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
21E1999 - Total		\$ -	\$ -

(2) Method of Estimating Utilization of Remaining Transferable and Non-Transferable State Tax Credits

Not Applicable

(3) Impairment Loss

Not Applicable

(4) State Tax Credits Admitted and Nonadmitted

Not Applicable

	<u>Total Admitted</u>	<u>Total Nonadmitted</u>
a. Transferable		
b. Non-transferable		

**F. Subprime Mortgage Related Risk Exposure**

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

ABCBS's core fixed income holdings include one position that has exposure to sub-prime mortgage loans. This New Century Home Equity Loan Equity Trust Series 2005-C bond was purchased as \$1,750,000 of original par value and has current par value of \$675,216 at December 31, 2021. The book adjusted carrying value of this holding in the ABCBS core fixed income portfolio is \$672,994 which equates to 0.108% of the total core fixed income portfolio. This position carries investment grade ratings of "A" by Standard & Poor's and Aa1 by Moody's.

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

Not Applicable

	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Value of Land and Buildings	Other-Than-Temporary Impairment Losses Recognized	Default Rate
a. Mortgages in the process of foreclosure					
b. Mortgages in good standing					
c. Mortgages with restructure terms					
d. Total	\$ -	\$ -	\$ -	\$ -	XXX

(3) Direct exposure through other investments.

The Company has no material direct exposure through other investments.

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 640,443	\$ 672,994	\$ 674,845	\$ -
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investment in SCAs *				
f. Other assets				
g. Total	\$ 640,443	\$ 672,994	\$ 674,845	\$ -

\* These investments comprise of the companies invested assets.

(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.

	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at End of Current Period	IBNR Reserves at End of Current Period
a. Mortgage Guaranty Coverage				
b. Financial Guaranty Coverage				

	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at End of Current Period	IBNR Reserves at End of Current Period
c. Other Lines (specify):				
d. Total	\$ -	\$ -	\$ -	\$ -

**G. Retained Assets**

The Company has no retained assets.

(1) Description of How Accounts are Structured and Reporting

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

(2) Retained Assets In Force  
Not Applicable

	In Force			
	As of End of Current Year		As of End of Prior Year	
	Number	Balance	Number	Balance
a. Up to and including 12 Months				
b. 13 to 24 Months				
c. 25 to 36 Months				
d. 37 to 48 Months				
e. Equity investment in SCAs *				
f. 49 to 60 Months				
g. Total	0	\$ -	0	\$ -

(3) Segregation Between Individual and Group Contracts  
Not Applicable

	Individual		Group	
	Number	Balance/ Amount	Number	Balance/ Amount
a. Number/balance of retained asset accounts at the beginning of the year	0	\$ -	0	\$ -
b. Number/amount of retained asset accounts issued/added during the year				
c. Investment earnings credited to retained asset accounts during the year	XXX		XXX	
d. Fees and other charges assessed to retained asset account during the year	XXX		XXX	
e. Number/amount of retained asset accounts transferred to state unclaimed property funds during the year				
f. Number/amount of retained asset accounts closed/withdrawn during the year				
g. Number/balance of retained asset accounts at the end of the year (g = a + b + c - d - e - f)	0	\$ -	0	\$ -

H. Insurance-Linked Securities (ILS) Contracts  
The Company has no insurance-linked securities (ILS) contracts.

	Number of Outstanding ILS Contracts	Aggregate Maximum Proceeds
Management of Risk Related To:		
(1) Directly-Written Insurance Risks		
a. ILS Contracts as Issuer		
b. ILS Contracts as Ceding Insurer		
c. ILS Contracts as Counterparty		
(2) Assumed Insurance Risks		
a. ILS Contracts as Issuer		
b. ILS Contracts as Ceding Insurer		
c. ILS Contracts as Counterparty		

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

- (1) Amount of admitted balance that could be realized from an investment vehicle
- (2) Percentage Bonds
- (3) Percentage Stocks
- (4) Percentage Mortgage Loans
- (5) Percentage Real Estate
- (6) Percentage Cash and Short-Term Investments
- (7) Percentage Derivatives
- (8) Percentage Other Invested Assets

**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, 2022. Subsequent events have been considered through February 24, 2022.

Type II – Nonrecognized Subsequent Events:

Not Applicable - No material "Type II" nonrecognized subsequent events were noted for the statutory statements issued on March 1, 2022. Subsequent events have been considered through February 24, 2022.

**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. \$

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? \$

(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

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

(1) The Company has written off in the current year reinsurance balances due from the companies listed below, the amount of:

That is reflected as:

- a. Claims incurred
- b. Claims adjustment expenses incurred
- c. Premiums earned
- d. Other

e. \_\_\_\_\_ Company \_\_\_\_\_ Amount \_\_\_\_\_

C. Commutation of Reinsurance Reflected in Income and Expenses.

There was no commutation of ceded reinsurance during the year.

The company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

- (1) Losses incurred
- (2) Loss adjustment expenses incurred
- (3) Premiums earned
- (4) Other

(5) \_\_\_\_\_ Company \_\_\_\_\_ Amount \_\_\_\_\_

**NOTES TO FINANCIAL STATEMENTS**

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

There were no certified reinsurer rating downgraded or status subject to revocation during the year.

(1) Reporting Entity Ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation

Not Applicable

Name of Certified Reinsurer	Relationship to Reporting Entity	Date of Action	Jurisdiction of Action	Collateral Percentage Requirement		Net Obligation Subject to Collateral	Collateral Required (but not received)
				Before	After		

(2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable

Date of Action	Jurisdiction of Action	Collateral Percentage Requirement		Net Obligation Subject to Collateral	Collateral Required (but not yet Funded)
		Before	After		

E. Reinsurance Credit

The Company has no reinsurance credits.

(1) Disclose any reinsurance contracts subject to A-791 that includes a provision, which limits the reinsurer's assumption of significant risks identified as in A-791.

Not Applicable

(2) Disclose any reinsurance contracts not subject to A-791, for which reinsurance accounting was applied and includes a provision that limits the reinsurer's assumptions of risk.

Not Applicable

(3) Disclose if any reinsurance contracts contain features which result in delays in payment in form or in fact.

Not Applicable

(4) Disclose if the reporting entity has reflect reinsurance accounting credit for any contracts not subject to A-791 and not yearly renewal term, which meet the risk transfer requirements of SSAP No. 61R and identify the type of contacts and the reinsurance contracts.

Not Applicable

(5) Disclose if the reporting entity ceded any risk which is not subject to A-791 and not yearly renewable term reinsurance, under any reinsurance contract during the period covered by the financial statement.

Not Applicable

(6) If affirmative disclosure is required for Paragraph 23H(5) above, explain why the contract(s) is treated differently under GAAP and SAP.

Not Applicable

**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 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, 2021 that are subject to retrospective rating features was \$2,524,108,463 that represented 100% of the total net premium written. No other net premiums written by the company are subject to retrospective rating features.

**NOTES TO FINANCIAL STATEMENTS**

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
<b>Prior Reporting Year</b>					
(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	\$ -
<b>Current Reporting Year-to-Date</b>					
(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	\$ -

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

<b>a. Permanent ACA Risk Adjustment Program</b>		
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)		\$ 43,952,448
Operations (Revenue & Expense)		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment		\$ 51,409,047
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)		\$ 407,795
<b>b. Transitional ACA Reinsurance Program</b>		
Assets		
1. Amounts recoverable for claims paid due to ACA Reinsurance		
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)		
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance		
Liabilities		
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium		
5. Ceded reinsurance premiums payable due to ACA Reinsurance		
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance		
Operations (Revenue & Expense)		
7. Ceded reinsurance premiums due to ACA Reinsurance		
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments		
9. ACA Reinsurance contributions – not reported as ceded premium		
<b>c. Temporary ACA Risk Corridors Program</b>		
Assets		
1. Accrued retrospective premium due to ACA Risk Corridors		
Liabilities		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		
Operations (Revenue & Expense)		
3. Effect of ACA Risk Corridors on net premium income (paid/received)		
4. Effect of ACA Risk Corridors on change in reserves for rate credits		

**NOTES TO FINANCIAL STATEMENTS**

(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
<b>a. Permanent ACA Risk Adjustment Program</b>											
1. Premium adjustments receivable (including high risk pool payments)					\$ -	\$ -			A	\$ -	\$ -
2. Premium adjustments (payable) (including high risk pool premium)		\$10,074,148		\$14,713,195	\$ -	\$(4,639,047)	\$ -	\$ 4,639,047	B	\$ -	\$ -
3. Subtotal ACA Permanent Risk Adjustment Program	\$ -	\$10,074,148	\$ -	\$14,713,195	\$ -	\$(4,639,047)	\$ -	\$ 4,639,047		\$ -	\$ -
<b>b. Transitional ACA Reinsurance Program</b>											
1. Amounts recoverable for claims paid					\$ -	\$ -			C	\$ -	\$ -
2. Amounts recoverable for claims unpaid (contra liability)					\$ -	\$ -			D	\$ -	\$ -
3. Amounts receivable relating to uninsured plans					\$ -	\$ -			E	\$ -	\$ -
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium					\$ -	\$ -			F	\$ -	\$ -
5. Ceded reinsurance premiums payable					\$ -	\$ -			G	\$ -	\$ -
6. Liability for amounts held under uninsured plans					\$ -	\$ -			H	\$ -	\$ -
7. Subtotal ACA Transitional Reinsurance Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
<b>c. Temporary ACA Risk Corridors Program</b>											
1. Accrued retrospective premium					\$ -	\$ -			I	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			J	\$ -	\$ -
3. Subtotal ACA Risk Corridors Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
<b>d. Total for ACA Risk Sharing Provisions</b>	\$ -	\$10,074,148	\$ -	\$14,713,195	\$ -	\$(4,639,047)	\$ -	\$ 4,639,047		\$ -	\$ -

Explanations of Adjustments

- A.
- B.  
Adj to 2020 Payable
- C.
- D.
- E.
- F.
- G.
- H.
- I.
- J.

**NOTES TO FINANCIAL STATEMENTS**

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

	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	Receivable	Payable
a. 2014											
1. Accrued retrospective premium					\$ -	\$ -			A	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			B	\$ -	\$ -
b. 2015											
1. Accrued retrospective premium					\$ -	\$ -			C	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			D	\$ -	\$ -
c. 2016											
1. Accrued retrospective premium					\$ -	\$ -			E	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			F	\$ -	\$ -
d. Total for Risk Corridors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -

Explanations of Adjustments

- A.
- B.
- C.
- D.
- E.
- F.

24E(4)d (Columns 1 through 10) should equal 24E(3)c3 (Column 1 through 10 respectively)

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset Balance (Gross of Non-admissions) (1-2-3)	5 Non-admitted Amount	6 Net Admitted Asset (4 - 5)
a. 2014				\$ -		\$ -
b. 2015				\$ -		\$ -
c. 2016				\$ -		\$ -
d. Total (a + b + c)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)

24E(5)d (Column 6) should equal 24E(2)c1

**NOTE 25 Change in Incurred Claims and Claim Adjustment Expenses**

A. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2020 were \$104,603,079. As of December 31, 2021, \$246,676,714 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$93,448,302 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$48,625,333 unfavorable prior-year development since December 31, 2020 to December 31, 2021. The increase 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.

12/31/2020 Reserves	\$ 104,603,079
2020 Claims paid in 2021	<u>246,676,714</u>
Adjusted Net Reserves	(142,073,635)
Less -	
2020 Remaining Reserves	<u>(93,448,302)</u>
Unfavorable Development	<u>\$ (48,625,333)</u>

B. Information about Significant Changes in Methodologies and Assumptions

There has been no significant changes in methodologies and assumptions.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 26 Intercompany Pooling Arrangements**

The Company has no intercompany pooling arrangements.

A. Identification of the Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

Not Applicable

B. Description of Lines and Types of Business Subject to the Pooling Agreement

Not Applicable

C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement

Not Applicable

D. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers

Not Applicable

E. Explanation of Discrepancies Between Entries of Pooled Business

Not Applicable

F. Description of Intercompany Sharing

Not Applicable

G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

Not Applicable

**NOTE 27 Structured Settlements**

Not Applicable - The company has no structured settlements.

**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
12/31/2021	\$ 48,467,988	\$ -	\$ 1,392,487	\$ -	\$ -
09/30/2021	\$ 47,361,772	\$ 48,467,988	\$ 30,256,745	\$ -	\$ -
06/30/2021	\$ 43,376,882	\$ 47,422,489	\$ 30,532,239	\$ 12,786,799	\$ -
03/31/2021	\$ 41,818,301	\$ 43,376,882	\$ 28,523,364	\$ 7,761,560	\$ 3,084,453
12/31/2020	\$ 39,742,719	\$ 41,821,600	\$ 28,205,838	\$ 5,851,418	\$ 6,702,732
09/30/2020	\$ 38,605,246	\$ 39,811,331	\$ 27,069,017	\$ 5,800,027	\$ 5,601,626
06/30/2020	\$ 37,147,587	\$ 38,647,128	\$ 26,186,709	\$ 5,572,602	\$ 5,385,449
03/31/2020	\$ 35,775,467	\$ 37,152,425	\$ 25,692,025	\$ 5,653,115	\$ 5,558,018
12/31/2019	\$ 27,840,184	\$ 28,021,276	\$ 23,125,695	\$ 4,100,277	\$ 4,306,805
09/30/2019	\$ 27,033,615	\$ 28,127,038	\$ 18,983,366	\$ 13,082,438	\$ (64,850)
06/30/2019	\$ 25,436,341	\$ 27,033,615	\$ 18,223,631	\$ 4,597,195	\$ 4,174,147
03/31/2019	\$ 24,759,711	\$ 25,436,341	\$ 18,723,252	\$ 5,963,125	\$ 403,936

B. Risk-Sharing Receivables

Not Applicable - The Company did not have risk sharing receivables for the years ending December 31, 2021 and December 31, 2020.

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

**NOTE 29 Participating Policies**

Not Applicable - The Company does not have participating contracts.

**NOTE 30 Premium Deficiency Reserves**

- Liability carried for premium deficiency reserves \$ -
- Date of the most recent evaluation of this liability 12/31/2021
- Was anticipated investment income utilized in the calculation? Yes [ ] No [X]

**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 \$140,649.

# 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. .... 12/31/2015
- 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). .... 04/28/2017
- 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 [ X ] No [ ] N/A [ ]
- 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 or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2021 OF 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 location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

- 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 reporting entity? ..... 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?  
BKD, LLP -- Little Rock, Arkansas .....
- 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).  
.....

## 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 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   | \$ | 0 |
| 21.22 Borrowed from others | \$ | 0 |
| 21.23 Leased from others   | \$ | 0 |
| 21.24 Other                | \$ | 0 |
- 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 | \$ | 13,462,028 |
| 22.22 Amount paid as expenses                  | \$ |            |
| 22.23 Other amounts paid                       | \$ |            |
- 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 2021 OF 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 \$  
 26.22 Subject to reverse repurchase agreements \$  
 26.23 Subject to dollar repurchase agreements \$  
 26.24 Subject to reverse dollar repurchase agreements \$  
 26.25 Placed under option agreements \$  
 26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$  
 26.27 FHLB Capital Stock \$ 794,700  
 26.28 On deposit with states \$ 149,745  
 26.29 On deposit with other regulatory bodies \$  
 26.30 Pledged as collateral - excluding collateral pledged to an FHLB \$  
 26.31 Pledged as collateral to FHLB - including assets backing funding agreements \$  
 26.32 Other \$ 106,500

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0

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. \$

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 Freepoint Parkway, Suite 600, Irving, TX 75063

ANNUAL STATEMENT FOR THE YEAR 2021 OF 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. 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.....
JP Morgan .....	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 [ ]

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 [ ]

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 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
108271 .....	SIT Fixed Income Advisors II, LLC .....	254900SYD4HP8THYWL27 .....	SEC .....	NO.....
106006 .....	Barings, LLC .....	ANDKRHQKPRR64Q2KLR05 .....	SEC, CFTC, NFA .....	NO.....
108526 .....	Martingale Asset Management, LP .....	549300GXM5ZGZJXZ1Y74 .....	SEC .....	NO.....
104559 .....	Pacific Investment Management Company LLC .....	549300KGPYQZXGMYYN38 .....	SEC .....	NO.....
79 .....	JP Morgan .....	K6Q0W1PS1L1041QL9C32 .....	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
46636U-87-6 .....	JP Morgan Equity Income Fund -R6(01EJX) .....	81,959,716
30.2999 - Total		81,959,716

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
JP Morgan Equity Income Fund -R6(01EJX) .....	UnitedHealth Group Inc. ....	2,442,400 .....	12/31/2021 .....
JP Morgan Equity Income Fund -R6(01EJX) .....	ConocoPhillips .....	2,024,405 .....	12/31/2021 .....
JP Morgan Equity Income Fund -R6(01EJX) .....	Bank of America Corp .....	1,942,445 .....	12/31/2021 .....
JP Morgan Equity Income Fund -R6(01EJX) .....	Blackrock, Inc. ....	1,852,290 .....	12/31/2021 .....
JP Morgan Equity Income Fund -R6(01EJX) .....	Comcast Corp Class A .....	1,729,350 .....	12/31/2021 .....

ANNUAL STATEMENT FOR THE YEAR 2021 OF 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 Bonds .....	692,631,714	702,786,969	10,155,254
31.2 Preferred stocks .....	0	0	0
31.3 Totals	692,631,714	702,786,969	10,155,254

31.4 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 the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was 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 held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? ..... 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 [ ]

**GENERAL INTERROGATORIES**

**OTHER**

38.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....3,967,557

38.2 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 Name	2 Amount Paid
BlueCross BlueShield Association .....	3,111,622
.....	.....

39.1 Amount of payments for legal expenses, if any? .....\$ .....1,429,575

39.2 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 Name	2 Amount Paid
Foley & Lardner .....	465,615
.....	.....

40.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....563,828

40.2 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 Name	2 Amount Paid
BlueCross BlueShield Association .....	202,307
.....	.....

ANNUAL STATEMENT FOR THE YEAR 2021 OF 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. .... \$ 279,392,491

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

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 ..... \$

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. .... \$ 213,085,520

1.6 Individual policies:

Most current three years:

1.61 Total premium earned ..... \$ 34,226,149

1.62 Total incurred claims ..... \$ 27,135,382

1.63 Number of covered lives ..... 22,045

All years prior to most current three years:

1.64 Total premium earned ..... \$ 245,166,342

1.65 Total incurred claims ..... \$ 185,950,138

1.66 Number of covered lives ..... 97,504

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 Current Year	2 Prior Year
2.1 Premium Numerator .....	2,519,996,462	2,436,239,329
2.2 Premium Denominator .....	2,519,996,462	2,436,239,329
2.3 Premium Ratio (2.1/2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	329,323,471	248,036,942
2.5 Reserve Denominator .....	329,323,471	248,036,944
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 ..... 20,051

8.2 Number of providers at end of reporting year ..... 21,426

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 ..... \$

**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 ..... \$ 7,091,660
- 10.22 Amount actually paid for year bonuses ..... \$ 15,520,397
- 10.23 Maximum amount payable withholds ..... \$
- 10.24 Amount actually paid for year withholds ..... \$

- 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. ....
- 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 .....
.....

- 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 2021 OF USABLE MUTUAL INSURANCE COMPANY

**FIVE-YEAR HISTORICAL DATA**

	1 2021	2 2020	3 2019	4 2018	5 2017
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	2,157,080,477	1,985,630,142	1,852,076,538	1,747,304,961	1,664,542,460
2. Total liabilities (Page 3, Line 24) .....	1,075,824,317	992,939,638	933,010,554	916,759,531	798,205,915
3. Statutory minimum capital and surplus requirement .....	750,000	750,000	750,000	750,000	500,000
4. Total capital and surplus (Page 3, Line 33) .....	1,081,256,161	992,690,504	919,065,983	830,545,432	866,336,545
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	2,524,108,463	2,423,629,238	2,394,999,635	2,480,226,100	2,523,712,982
6. Total medical and hospital expenses (Line 18) .....	2,129,158,748	1,847,957,908	1,959,147,139	2,009,095,022	2,216,931,381
7. Claims adjustment expenses (Line 20) .....	114,473,028	111,962,879	106,383,276	97,996,875	91,513,500
8. Total administrative expenses (Line 21) .....	232,682,377	366,836,181	264,507,096	388,768,746	208,983,349
9. Net underwriting gain (loss) (Line 24) .....	47,794,310	96,872,270	64,962,124	(13,472,612)	7,145,304
10. Net investment gain (loss) (Line 27) .....	19,254,610	45,860,705	46,045,927	36,447,109	24,162,696
11. Total other income (Lines 28 plus 29) .....	4,908,442	4,092,973	1,616,807	2,646,386	1,308,130
12. Net income or (loss) (Line 32) .....	51,963,228	105,631,948	84,545,585	(21,330,429)	30,666,365
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	150,174,210	56,823,432	77,990,236	138,467,700	(6,398,134)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	1,081,256,161	992,690,504	919,065,983	830,545,432	866,336,545
15. Authorized control level risk-based capital .....	143,787,506	130,914,271	125,188,323	104,849,670	103,665,567
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	635,425	630,303	617,680	618,679	665,312
17. Total members months (Column 6, Line 7) .....	7,559,347	7,470,965	7,437,192	7,739,589	8,147,024
<b>Operating Percentage</b> (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) .....	84.4	76.2	81.8	81.0	87.8
20. Cost containment expenses .....	1.0	1.2	0.8	0.5	0.3
21. Other claims adjustment expenses .....	3.5	3.5	3.6	3.5	3.3
22. Total underwriting deductions (Line 23) .....	98.1	96.0	97.3	100.5	99.7
23. Total underwriting gain (loss) (Line 24) .....	1.9	4.0	2.7	(0.5)	0.3
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	157,550,550	139,453,816	188,981,040	173,881,265	190,239,124
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	109,394,458	193,584,018	206,900,568	229,441,942	252,867,092
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	421,910,903	413,623,749	381,496,941	169,735,848	167,411,928
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....	0	0	0	0	0
31. All other affiliated .....	105,961,659	90,993,226	81,303,178	99,708,187	94,978,028
32. Total of above Lines 26 to 31 .....	527,872,562	504,616,975	462,800,119	269,444,035	262,389,956
33. Total investment in parent included in Lines 26 to 31 above .....	527,872,562	504,616,975	462,800,119	269,444,035	262,389,956

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 Correction of Errors? Yes [ ] No [ ]  
 If no, please explain: .....

**ANNUAL STATEMENT FOR THE YEAR 2021 OF USABLE MUTUAL INSURANCE COMPANY**  
**SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS**

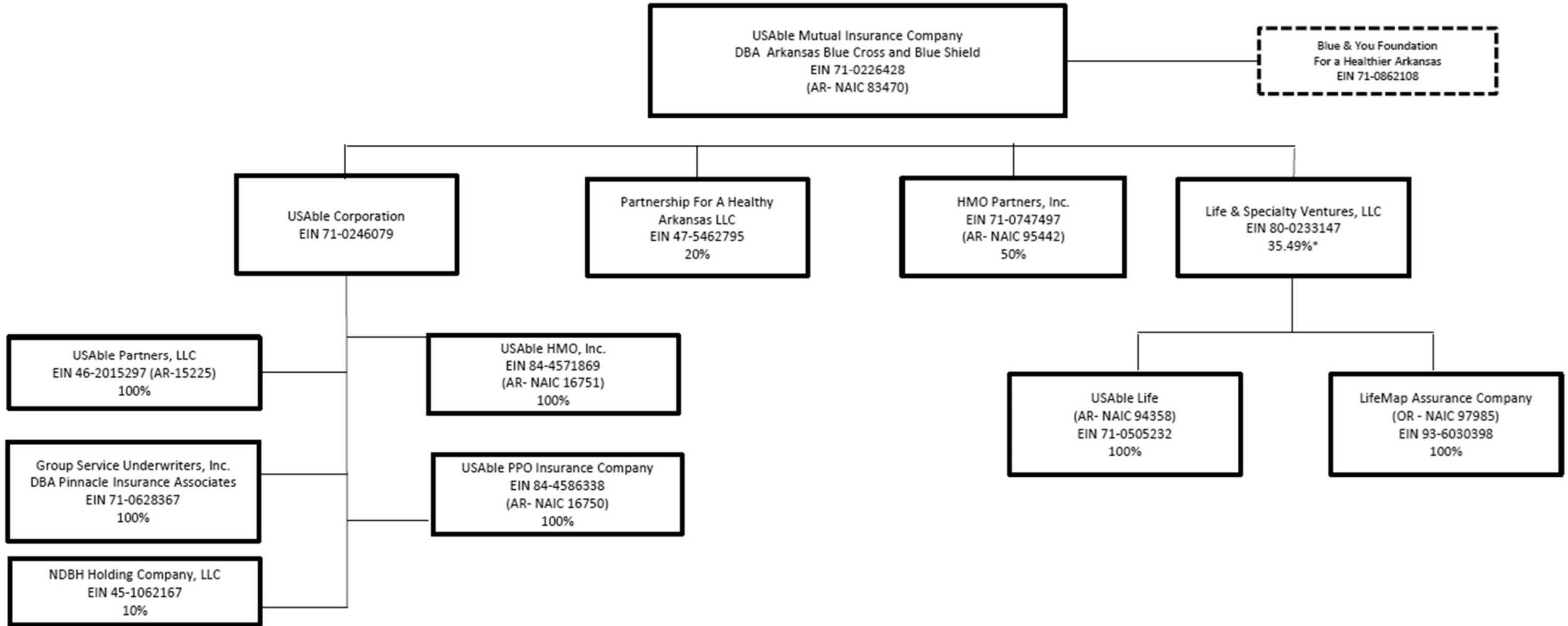
**Allocated by States and Territories**

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	2,069,379,501	64,058,795			309,199,546				2,442,637,842	
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	N									0	
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	66,858								66,858	
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	0
59. Subtotal	XXX	2,069,446,359	64,058,795	0	0	309,199,546	0	0	2,442,704,700	0	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX								0		0
61. Totals (Direct Business)	XXX	2,069,446,359	64,058,795	0	0	309,199,546	0	0	2,442,704,700	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:  
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 3 R - Registered - Non-domiciled RRGs..... 0  
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state..... 0 Q - Qualified - Qualified or accredited reinsurer..... 0  
N - None of the above - Not allowed to write business in the state..... 54

(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**



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\* Effective on or about December 31, 2021, Cambia Health Solutions, Inc. indirectly acquired a 17.6% interest in Life & Specialty Ventures, LLC thereby reducing UMIC's ownership percentage in Life & Specialty Ventures, LLC from 43.07% to 35.49%.

**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. Contributions .....	11,700		3,717,920		3,729,620
2505. Miscellaneous .....	1,365,827	2,476,530	781,500		4,623,857
2506. User Exchange Fee .....			6,310,473		6,310,473
2507. ....					0
2508. ....					0
2509. ....					0
2510. ....					0
2597. Summary of remaining write-ins for Line 25 from overflow page	1,377,527	2,476,530	10,809,893	0	14,663,950