



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2022
OF THE CONDITION AND AFFAIRS OF THE

USAbLe Mutual Insurance Company

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

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

Is HMO Federally Qualified? Yes [] No []

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

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

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

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

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

Internet Website Address www.arkansasbluecross.com

Statutory Statement Contact Samuel Patterson Wenger, 501-399-3953
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OFFICERS

President / CEO Curtis Edwin Barnett Treasurer / 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>George Hoyt Burks #</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>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>Sheila Diane Colclasure #</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>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 2022 OF THE USABLE Mutual Insurance Company

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	845,951,797	0	845,951,797	666,925,917
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks	506,879,474	0	506,879,474	509,272,335
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 \$ encumbrances)	53,851,986	0	53,851,986	56,512,957
4.2 Properties held for the production of income (less \$ encumbrances)	6,775,861	0	6,775,861	6,768,085
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ 75,831,360 , Schedule E - Part 1), cash equivalents (\$ 111,386,130 , Schedule E - Part 2) and short-term investments (\$ 39,841,853 , Schedule DA)	227,059,342		227,059,342	218,803,221
6. Contract loans, (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	231,781,147	0	231,781,147	227,986,486
9. Receivables for securities	132,469		132,469	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	3,199,384	0	3,199,384	3,442,533
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,875,631,461	0	1,875,631,461	1,689,711,534
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	5,897,175		5,897,175	3,453,459
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$ 196,973,147) and contracts subject to redetermination (\$ 3,055,665)	200,028,812	1,065,727	198,963,085	147,614,955
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	3,722,330		3,722,330	3,334,419
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	100,799,187	7,456,778	93,342,409	99,652,702
18.1 Current federal and foreign income tax recoverable and interest thereon	18,835,460	0	18,835,460	19,002,719
18.2 Net deferred tax asset	98,720,398	59,034,552	39,685,846	47,592,228
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	8,847,536	1,584,608	7,262,928	5,577,533
21. Furniture and equipment, including health care delivery assets (\$)	26,159,708	26,159,708	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	15,638,206	213	15,637,993	11,579,157
24. Health care (\$ 63,681,068) and other amounts receivable	130,246,340	33,636,230	96,610,110	85,767,609
25. Aggregate write-ins for other than invested assets	91,541,409	52,647,041	38,894,368	43,794,162
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,576,068,022	181,584,857	2,394,483,165	2,157,080,477
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	2,576,068,022	181,584,857	2,394,483,165	2,157,080,477
DETAILS OF WRITE-INS				
1101. Deposits with National Accounts	3,199,384		3,199,384	3,442,533
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)	3,199,384	0	3,199,384	3,442,533
2501. Supplemental Savings Plan	38,894,368		38,894,368	43,794,162
2502. Other Assets	250,017	250,017	0	0
2503. Other Non-Admitted Assets	52,397,024	52,397,024	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)	91,541,409	52,647,041	38,894,368	43,794,162

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ 2,196,912 reinsurance ceded)	348,471,755	750,173	349,221,928	148,223,161
2. Accrued medical incentive pool and bonus amounts	7,445,646		7,445,646	7,091,660
3. Unpaid claims adjustment expenses.....	13,323,880		13,323,880	9,837,684
4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act	221,949,855		221,949,855	174,008,650
5. Aggregate life policy reserves.....	0		0	0
6. Property/casualty unearned premium reserves.....	0		0	0
7. Aggregate health claim reserves.....	0		0	0
8. Premiums received in advance.....	28,993,319		28,993,319	34,109,386
9. General expenses due or accrued.....	488,604,279		488,604,279	554,135,482
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))	0		0	0
10.2 Net deferred tax liability.....	0		0	0
11. Ceded reinsurance premiums payable.....	5,182,786		5,182,786	4,963,589
12. Amounts withheld or retained for the account of others.....	50,176,226		50,176,226	54,571,282
13. Remittances and items not allocated.....	2,244,818		2,244,818	1,156,971
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current).....	0		0	0
15. Amounts due to parent, subsidiaries and affiliates.....	1,433,617		1,433,617	2,759,387
16. Derivatives.....	0		0	0
17. Payable for securities.....	0		0	250,000
18. Payable for securities lending	0		0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers).....	0		0	0
20. Reinsurance in unauthorized and certified (\$) companies	0		0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0		0	0
22. Liability for amounts held under uninsured plans.....	67,160,648		67,160,648	61,915,337
23. Aggregate write-ins for other liabilities (including \$ current).....	21,954,258	0	21,954,258	22,801,728
24. Total liabilities (Lines 1 to 23).....	1,256,941,087	750,173	1,257,691,260	1,075,824,317
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
29. Surplus notes.....	XXX	XXX		0
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	1,136,791,910	1,081,256,161
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	1,136,791,910	1,081,256,161
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	2,394,483,170	2,157,080,478
DETAILS OF WRITE-INS				
2301. Deferred Gain on Capitalization of joint venture	19,617,685		19,617,685	19,617,685
2302. Miscellaneous	2,336,573		2,336,573	3,184,043
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)	21,954,258	0	21,954,258	22,801,728
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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	7,814,151	7,559,347
2. Net premium income (including \$ non-health premium income)	XXX	2,813,770,608	2,519,996,462
3. Change in unearned premium reserves and reserve for rate credits	XXX	(5,122,920)	4,112,001
4. Fee-for-service (net of \$ medical expenses)	XXX		
5. Risk revenue	XXX		
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	2,808,647,688	2,524,108,463
Hospital and Medical:			
9. Hospital/medical benefits		1,164,286,456	1,222,138,149
10. Other professional services		52,070,193	50,399,140
11. Outside referrals		44,249,855	35,663,935
12. Emergency room and out-of-area		249,563,863	223,915,488
13. Prescription drugs		543,103,326	504,136,926
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		19,915,343	17,820,679
16. Subtotal (Lines 9 to 15)	0	2,073,189,036	2,054,074,317
Less:			
17. Net reinsurance recoveries		(231,773,092)	(75,084,431)
18. Total hospital and medical (Lines 16 minus 17)	0	2,304,962,128	2,129,158,748
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 43,159,953 cost containment expenses		144,147,974	114,473,028
21. General administrative expenses		313,786,109	232,682,377
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	2,762,896,211	2,476,314,153
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	45,751,477	47,794,310
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		28,202,041	17,920,220
26. Net realized capital gains (losses) less capital gains tax of \$ 0		(3,927,064)	1,334,390
27. Net investment gains (losses) (Lines 25 plus 26)	0	24,274,977	19,254,610
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			
29. Aggregate write-ins for other income or expenses	0	3,430,878	4,908,442
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	73,457,332	71,957,362
31. Federal and foreign income taxes incurred	XXX	9,691,017	19,994,134
32. Net income (loss) (Lines 30 minus 31)	XXX	63,766,315	51,963,228
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 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		3,430,878	4,908,442
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	3,430,878	4,908,442

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	1,081,256,162	992,690,505
34. Net income or (loss) from Line 32	63,766,315	51,963,228
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	5,848,626	62,380,244
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	(6,194,301)	(446,494)
39. Change in nonadmitted assets	(8,746,553)	(25,609,429)
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	861,664	278,108
48. Net change in capital and surplus (Lines 34 to 47)	55,535,751	88,565,657
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,136,791,913	1,081,256,162
DETAILS OF WRITE-INS		
4701. Capital Lease Adjustment	861,664	278,108
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)	861,664	278,108

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE US Able Mutual Insurance Company

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	2,807,312,839	2,570,495,549
2. Net investment income	25,981,051	19,077,490
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	2,833,293,890	2,589,573,039
5. Benefit and loss related payments	2,125,094,125	2,066,368,437
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	489,753,356	353,282,305
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	9,339,243	19,748,087
10. Total (Lines 5 through 9)	2,624,186,724	2,439,398,829
11. Net cash from operations (Line 4 minus Line 10)	209,107,166	150,174,210
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	147,457,989	223,217,266
12.2 Stocks	1,359,596	1,468,859
12.3 Mortgage loans	0	0
12.4 Real estate	0	5,000,000
12.5 Other invested assets	869,596	1,575,999
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(811)	(5,157)
12.7 Miscellaneous proceeds	243,149	269,085
12.8 Total investment proceeds (Lines 12.1 to 12.7)	149,929,519	231,526,051
13. Cost of investments acquired (long-term only):		
13.1 Bonds	331,011,925	328,562,088
13.2 Stocks	3,167,842	2,909,238
13.3 Mortgage loans	0	0
13.4 Real estate	5,836,620	10,031,253
13.5 Other invested assets	18,670,071	1,560,150
13.6 Miscellaneous applications	382,469	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	359,068,927	343,062,729
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)	(209,139,408)	(111,536,677)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	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)	8,288,364	13,868,844
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	8,288,364	13,868,844
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	8,256,122	52,506,376
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	218,803,221	166,296,845
19.2 End of year (Line 18 plus Line 19.1)	227,059,343	218,803,221

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

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ANNUAL STATEMENT FOR THE YEAR 2022 OF THE 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	2,813,770,608	1,960,896,197	281,514,177	0	(5,389)	311,717,637	210,552,705		49,095,281	
2. Change in unearned premium reserves and reserve for rate credit	(5,122,920)		82,387			(5,205,307)				
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)	2,808,647,688	1,960,896,197	281,596,564	0	(5,389)	306,512,330	210,552,705	0	49,095,281	0
8. Hospital/medical benefits	1,164,286,456	723,168,339	224,296,565	305,167	0	187,944,798	18,246,805	0	10,324,782	XXX
9. Other professional services	52,070,193	0	93,225	40,739,729	6,195,386	4,995,354	46,499	0	0	XXX
10. Outside referrals	44,249,855	44,029,609	0	0	0	0	0	0	220,246	XXX
11. Emergency room and out-of-area	249,563,863	242,275,736	2,925,927	0	0	0	2,315,733	0	2,046,467	XXX
12. Prescription drugs	543,103,326	432,009,534	2,331	0	0	81,989,310	7,093,625	0	22,008,526	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	19,915,343	19,227,730	0	0	0	697,949	(456,043)	0	445,707	XXX
Subtotal (Lines 8 to 14)	2,073,189,036	1,460,710,948	227,318,048	41,044,896	6,195,386	275,627,411	27,246,619	0	35,045,728	XXX
16. Net reinsurance recoveries	(231,773,092)	(100,118,175)	0	41,043,538	6,195,386	0	(178,893,841)	0	0	XXX
17. Total medical and hospital (Lines 15 minus 16)	2,304,962,128	1,560,829,123	227,318,048	1,358	0	275,627,411	206,140,460	0	35,045,728	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 43,159,953 cost containment expenses	144,147,973	54,017,054	10,064,788	226,400	208,916	13,099,662	3,773,097		62,758,056	
20. General administrative expenses	313,786,110	207,094,889	36,845,684	6,504,826	4,396,487	16,091,454	4,922,393		37,930,377	
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)	2,762,896,211	1,821,941,066	274,228,520	6,732,584	4,605,403	304,818,527	214,835,950	0	135,734,161	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	45,751,477	138,955,131	7,368,044	(6,732,584)	(4,610,792)	1,693,803	(4,283,245)	0	(86,638,880)	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 2022 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) individual	1,129,194,550	98,335,925	0	1,227,530,475
2. Comprehensive (hospital and medical) group	685,115,822	48,249,900		733,365,722
3. Medicare Supplement	281,514,177			281,514,177
4. Dental only	59,934,456		59,934,456	0
5. Vision only	8,369,835		8,375,225	(5,390)
6. Federal Employees Health Benefits Plan	311,717,637			311,717,637
7. Title XVIII - Medicare	44,636,243	165,916,462		210,552,705
8. Title XIX - Medicaid	0			0
9. Credit A&H				0
10. Disability Income				0
11. Long-Term Care				0
12. Other health	49,095,281			49,095,281
13. Health subtotal (Lines 1 through 12)	2,569,578,001	312,502,287	68,309,681	2,813,770,607
14. Life	0			0
15. Property/casualty	0			0
16. Totals (Lines 13 to 15)	2,569,578,001	312,502,287	68,309,681	2,813,770,607

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Dental Only	6 Vision Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Payments during the year:														
1.1 Direct	1,917,112,716	728,980,782	565,644,535	224,320,503	40,739,729	6,195,386	271,333,053	39,763,515					40,135,213	
1.2 Reinsurance assumed	243,120,292	52,262,047	36,503,623					154,354,622						
1.3 Reinsurance ceded	46,545,845				40,350,459	6,195,386								
1.4 Net	2,113,687,163	781,242,829	602,148,158	224,320,503	389,270	0	271,333,053	194,118,137	0	0	0	0	40,135,213	0
2. Paid medical incentive pools and bonuses	19,561,356	12,972,988	7,082,148				697,949	(1,629,924)					438,195	
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct	283,183,071	133,718,200	77,481,525	33,007,005	2,196,912	0	28,354,411	4,247,287	0	0	0	0	4,177,731	0
3.2 Reinsurance assumed	68,235,769	23,399,362	6,100,842	0	0	0	0	38,735,565	0	0	0	0	0	0
3.3 Reinsurance ceded	2,196,912	0	0	0	2,196,912	0	0	0	0	0	0	0	0	0
3.4 Net	349,221,928	157,117,562	83,582,367	33,007,005	0	0	28,354,411	42,982,852	0	0	0	0	4,177,731	0
4. Claim reserve December 31, current year from Part 2D:	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.1 Direct	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	7,445,648	4,178,997	2,031,616					1,226,724					8,311	
6. Net health care receivables (a)	17,242,910	(1,913,792)	4,254,346	12			194,620	9,750,873					4,956,851	
7. Amounts recoverable from reinsurers December 31, current year	3,722,330				3,722,330									
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct	129,779,181	(3,074,791)	65,076,061	30,009,447	1,891,745	0	24,563,382	6,557,266	0	0	0	0	4,756,071	0
8.2 Reinsurance assumed	20,335,724	10,956,700	7,191,000	0	0	0	0	2,188,024	0	0	0	0	0	0
8.3 Reinsurance ceded	1,891,745			0	1,891,745	0	0	0	0	0	0	0	0	0
8.4 Net	148,223,160	7,881,909	72,267,061	30,009,447	0	0	24,563,382	8,745,290	0	0	0	0	4,756,071	0
9. Claim reserve December 31, prior year from Part 2D:	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.1 Direct	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	7,091,661	4,911,295	2,126,725					52,843					798	
11. Amounts recoverable from reinsurers December 31, prior year	3,334,419				3,334,419									
12. Incurred Benefits:														
12.1 Direct	2,053,273,696	867,687,565	573,795,653	227,318,049	41,044,896	6,195,386	274,929,462	27,702,663	0	0	0	0	34,600,022	0
12.2 Reinsurance assumed	291,020,337	64,704,709	35,413,465	0	0	0	0	190,902,163	0	0	0	0	0	0
12.3 Reinsurance ceded	47,238,923	0	0	0	41,043,537	6,195,386	0	0	0	0	0	0	0	0
12.4 Net	2,297,055,110	932,392,274	609,209,118	227,318,049	1,359	0	274,929,462	218,604,826	0	0	0	0	34,600,022	0
13. Incurred medical incentive pools and bonuses	19,915,343	12,240,690	6,987,039	0	0	0	697,949	(456,043)	0	0	0	0	445,708	0

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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Dental Only	6 Vision Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Reported in Process of Adjustment:														
1.1 Direct	54,833,741	30,173,936	11,713,059	9,377,500			3,075,468	(2,230,129)					2,723,907	
1.2 Reinsurance assumed	24,267,498	6,068,341	2,563,778					15,635,379						
1.3 Reinsurance ceded	0													
1.4 Net	79,101,239	36,242,277	14,276,837	9,377,500	0	0	3,075,468	13,405,250	0	0	0	0	2,723,907	0
2. Incurred but Unreported:														
2.1 Direct	228,344,632	103,544,264	65,768,466	23,625,000	2,196,912		25,278,943	6,477,223					1,453,824	
2.2 Reinsurance assumed	43,916,450	17,331,021	3,537,064					23,048,365						
2.3 Reinsurance ceded	2,196,912				2,196,912									
2.4 Net	270,064,170	120,875,285	69,305,530	23,625,000	0	0	25,278,943	29,525,588	0	0	0	0	1,453,824	0
3. Amounts Withheld from Paid Claims and Capitations:														
3.1 Direct	4,698			4,505				193						
3.2 Reinsurance assumed	51,821							51,821						
3.3 Reinsurance ceded	0													
3.4 Net	56,519	0	0	4,505	0	0	0	52,014	0	0	0	0	0	0
4. TOTALS:														
4.1 Direct	283,183,071	133,718,200	77,481,525	33,007,005	2,196,912	0	28,354,411	4,247,287	0	0	0	0	4,177,731	0
4.2 Reinsurance assumed	68,235,769	23,399,362	6,100,842	0	0	0	0	38,735,565	0	0	0	0	0	0
4.3 Reinsurance ceded	2,196,912	0	0	0	2,196,912	0	0	0	0	0	0	0	0	0
4.4 Net	349,221,928	157,117,562	83,582,367	33,007,005	0	0	28,354,411	42,982,852	0	0	0	0	4,177,731	0

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) individual	97,003,517	751,092,214	(35,982,750)	193,100,312	61,020,767	7,883,542
2. Comprehensive (hospital and medical) group	60,226,447	541,921,711	246,007	83,336,360	60,472,454	70,373,111
3. Medicare Supplement	28,892,453	195,428,049	64,858	32,942,147	28,957,311	30,009,447
4. Dental Only		389,269			0	1,891,745
5. Vision Only					0	0
6. Federal Employees Health Benefits Plan	22,739,783	248,593,271	78,820	28,275,591	22,818,603	24,563,381
7. Title XVIII - Medicare	19,147,824	174,970,312	2,215,264	40,767,588	21,363,088	8,745,863
8. Title XIX - Medicaid					0	0
9. Credit A&H					0	
10. Disability Income					0	
11. Long-Term Care					0	
12. Other health	4,245,923	35,889,290	4,816	4,172,915	4,250,739	4,756,071
13. Health subtotal (Lines 1 to 12)	232,255,947	1,948,284,116	(33,372,985)	382,594,913	198,882,962	148,223,160
14. Health care receivables (a)		96,492,045			0	0
15. Other non-health					0	0
16. Medical incentive pools and bonus amounts	6,708,672	12,852,686	375,721	7,069,925	7,084,393	7,091,660
17. Totals (Lines 13 - 14 + 15 + 16)	238,964,619	1,864,644,757	(32,997,264)	389,664,838	205,967,355	155,314,820

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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	1,605,241	1,603,900	1,603,900	1,603,900	1,603,900
2. 2018	1,308,355	1,448,562	1,450,615	1,450,615	1,450,615
3. 2019	XXX	1,238,491	1,325,624	1,325,524	1,325,524
4. 2020	XXX	XXX	1,291,560	1,476,210	1,477,378
5. 2021	XXX	XXX	XXX	1,332,045	1,488,106
6. 2022	XXX	XXX	XXX	XXX	1,293,014

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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	1,607,102	1,603,900	1,603,900	1,603,900	1,603,900
2. 2018	1,448,921	1,438,761	1,450,615	1,450,615	1,450,615
3. 2019	XXX	1,376,783	1,325,313	1,325,524	1,325,524
4. 2020	XXX	XXX	1,338,261	1,391,959	1,477,378
5. 2021	XXX	XXX	XXX	1,504,058	1,547,294
6. 2022	XXX	XXX	XXX	XXX	1,569,451

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. 2018	1,748,133	1,450,615	51,190	3.5	1,501,805	85.9			1,501,805	85.9
2. 2019	1,667,240	1,325,524	51,389	3.9	1,376,913	82.6			1,376,913	82.6
3. 2020	1,685,982	1,477,378	45,472	3.1	1,522,850	90.3			1,522,850	90.3
4. 2021	1,795,689	1,488,106	48,694	3.3	1,536,800	85.6	(35,361)	(1,311)	1,500,128	83.5
5. 2022	1,671,997	1,293,014	54,017	4.2	1,347,031	80.6	282,272	10,463	1,639,766	98.1

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ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	208,672	208,659	208,659	208,659	208,659
2. 2018	195,683	213,257	213,200	213,200	213,200
3. 2019	XXX	193,269	220,707	220,780	220,780
4. 2020	XXX	XXX	180,750	207,002	206,998
5. 2021	XXX	XXX	XXX	188,271	217,168
6. 2022	XXX	XXX	XXX	XXX	195,428

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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	208,617	208,659	208,659	208,659	208,659
2. 2018	216,053	213,315	213,200	213,200	213,200
3. 2019	XXX	214,093	220,579	220,780	220,780
4. 2020	XXX	XXX	209,129	207,016	206,998
5. 2021	XXX	XXX	XXX	218,236	217,184
6. 2022	XXX	XXX	XXX	XXX	228,370

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. 2018	264,659	213,200	8,909	4.2	222,109	83.9			222,109	83.9
2. 2019	262,534	220,780	7,794	3.5	228,574	87.1			228,574	87.1
3. 2020	283,822	206,998	7,772	3.8	214,770	75.7			214,770	75.7
4. 2021	283,542	217,168	9,950	4.6	227,118	80.1	65	2	227,185	80.1
5. 2022	283,558	195,428	10,065	5.2	205,493	72.5	32,942	1,132	239,567	84.5

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ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Dental Only

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior	34,815	34,815	34,815	34,815	34,815
2.	2018	33,204	34,310	34,310	34,310	34,310
3.	2019	XXX	35,506	36,893	36,893	36,893
4.	2020	XXX	XXX	32,819	34,481	34,481
5.	2021	XXX	XXX	XXX	38,154	38,154
6.	2022	XXX	XXX	XXX	XXX	389

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 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior	34,830	34,815	34,815	34,815	34,815
2.	2018	34,494	34,309	34,310	34,310	34,310
3.	2019	XXX	36,849	36,901	36,893	36,893
4.	2020	XXX	XXX	34,822	34,515	34,481
5.	2021	XXX	XXX	XXX	39,997	38,106
6.	2022	XXX	XXX	XXX	XXX	389

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. 2018	0	34,310		0.0	34,310	0.0			34,310	0.0
2. 2019	0	36,893	347	0.9	37,240	0.0			37,240	0.0
3. 2020	0	34,481	294	0.9	34,775	0.0			34,775	0.0
4. 2021	0	38,154	193	0.5	38,347	0.0			38,347	0.0
5. 2022		389	226	58.1	615	0.0			615	0.0

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ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Vision Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	3,814	3,814	3,814	3,814	3,814
2. 2018	4,213	4,213	4,213	4,213	4,213
3. 2019	XXX	6,777	6,777	6,777	6,777
4. 2020	XXX	XXX	4,400	4,400	4,400
5. 2021	XXX	XXX	XXX	5,595	5,595
6. 2022	XXX	XXX	XXX	XXX	

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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	3,814	3,814	3,814	3,814	3,814
2. 2018	4,213	4,213	4,213	4,213	4,213
3. 2019	XXX	6,777	6,777	6,777	6,777
4. 2020	XXX	XXX	4,400	4,400	4,400
5. 2021	XXX	XXX	XXX	5,595	5,595
6. 2022	XXX	XXX	XXX	XXX	

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. 2018	6,700	4,213		0.0	4,213	62.9			4,213	62.9
2. 2019	8,401	6,777	140	2.1	6,917	82.3			6,917	82.3
3. 2020	0	4,400	193	4.4	4,593	0.0			4,593	0.0
4. 2021	0	5,595	191	3.4	5,786	0.0			5,786	0.0
5. 2022			209	0.0	209	0.0			209	0.0

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ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	235,519	235,537	235,537	235,537	235,537
2. 2018	217,593	236,519	236,607	236,607	236,607
3. 2019	XXX	234,853	252,207	252,237	252,237
4. 2020	XXX	XXX	238,159	257,408	257,444
5. 2021	XXX	XXX	XXX	262,578	285,282
6. 2022	XXX	XXX	XXX	XXX	248,593

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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	235,514	235,537	235,537	235,537	235,537
2. 2018	234,982	236,607	236,607	236,607	236,607
3. 2019	XXX	255,654	252,256	252,237	252,237
4. 2020	XXX	XXX	260,990	257,388	257,444
5. 2021	XXX	XXX	XXX	286,949	285,204
6. 2022	XXX	XXX	XXX	XXX	276,869

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. 2018	266,136	236,607	9,836	4.2	246,443	92.6			246,443	92.6
2. 2019	287,745	252,237	10,579	4.2	262,816	91.3			262,816	91.3
3. 2020	305,462	257,444	10,925	4.2	268,369	87.9			268,369	87.9
4. 2021	309,200	285,282	11,689	4.1	296,971	96.0	79	3	297,053	96.1
5. 2022	313,290	248,593	13,100	5.3	261,693	83.5	28,276	1,191	291,160	92.9

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	127,474	127,598	127,598	127,598	127,598
2. 2018	96,992	109,482	109,734	109,734	109,734
3. 2019	XXX	77,546	86,986	87,577	87,577
4. 2020	XXX	XXX	56,656	69,337	69,314
5. 2021	XXX	XXX	XXX	40,338	59,509
6. 2022	XXX	XXX	XXX	XXX	174,970

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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	127,657	127,598	127,598	127,598	127,598
2. 2018	109,970	109,588	109,734	109,734	109,734
3. 2019	XXX	88,177	87,162	87,577	87,577
4. 2020	XXX	XXX	65,625	69,871	69,314
5. 2021	XXX	XXX	XXX	49,083	49,693
6. 2022	XXX	XXX	XXX	XXX	215,738

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. 2018	161,254	109,734	6,582	6.0	116,316	72.1			116,316	72.1
2. 2019	128,398	87,577	5,776	6.6	93,353	72.7			93,353	72.7
3. 2020	118,394	69,314	11,533	16.6	80,847	68.3			80,847	68.3
4. 2021	82,457	59,509	8,020	13.5	67,529	81.9	2,215	89	69,833	84.7
5. 2022	64,059	174,970	3,773	2.2	178,743	279.0	41,994	1,685	222,422	347.2

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior	32,836	32,875	32,875	32,875	32,875
2.	2018	29,156	29,218	29,209	29,209	29,209
3.	2019	XXX	21,636	22,352	22,354	22,354
4.	2020	XXX	XXX	32,450	34,037	34,019
5.	2021	XXX	XXX	XXX	33,309	37,573
6.	2022	XXX	XXX	XXX	XXX	35,889

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 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior	32,845	32,875	32,875	32,875	32,875
2.	2018	35,352	29,205	29,209	29,209	29,209
3.	2019	XXX	27,281	22,349	22,354	22,354
4.	2020	XXX	XXX	37,351	34,053	34,019
5.	2021	XXX	XXX	XXX	38,043	37,538
6.	2022	XXX	XXX	XXX	XXX	40,062

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. 2018	34,844		2,840	0.0	2,840	8.2			2,840	8.2
2. 2019	35,244		2,587	0.0	2,587	7.3			2,587	7.3
3. 2020	42,996		844	0.0	844	2.0			844	2.0
4. 2021	49,022		1,580	0.0	1,580	3.2	5		1,585	3.2
5. 2022	49,022		2,573	0.0	2,573	5.2	4,181	70	6,824	13.9

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ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior	2,248,371	2,247,198	2,247,198	2,247,198	2,247,198
2.	2018	1,885,196	2,075,561	2,077,888	2,077,888	2,077,888
3.	2019	XXX	1,808,078	1,951,546	1,952,142	1,952,142
4.	2020	XXX	XXX	1,836,794	2,082,875	2,084,034
5.	2021	XXX	XXX	XXX	1,900,290	2,131,387
6.	2022	XXX	XXX	XXX	XXX	1,948,283

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 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior	2,250,379	2,247,198	2,247,198	2,247,198	2,247,198
2.	2018	2,083,985	2,065,998	2,077,888	2,077,888	2,077,888
3.	2019	XXX	2,005,614	1,951,337	1,952,142	1,952,142
4.	2020	XXX	XXX	1,950,578	1,999,202	2,084,034
5.	2021	XXX	XXX	XXX	2,141,961	2,180,614
6.	2022	XXX	XXX	XXX	XXX	2,330,879

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. 2018	2,481,726	2,048,679	79,357	3.9	2,128,036	85.7	0	0	2,128,036	85.7
2. 2019	2,389,562	1,929,788	78,612	4.1	2,008,400	84.0	0	0	2,008,400	84.0
3. 2020	2,436,656	2,050,015	77,033	3.8	2,127,048	87.3	0	0	2,127,048	87.3
4. 2021	2,519,910	2,093,814	80,317	3.8	2,174,131	86.3	(32,997)	(1,217)	2,139,917	84.9
5. 2022	2,381,926	1,912,394	83,963	4.4	1,996,357	83.8	389,665	14,541	2,400,563	100.8

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UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Dental Only	6 Vision Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
1. Unearned premium reserves	596,622			596,622									
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) ..	221,353,231	82,179,866					139,056,782		116,583				
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Totals (gross)	221,949,853	82,179,866	0	596,622	0	0	139,056,782	0	116,583	0	0	0	0
7. Reinsurance ceded	0												
8. Totals (Net)(Page 3, Line 4)	221,949,853	82,179,866	0	596,622	0	0	139,056,782	0	116,583	0	0	0	0
9. Present value of amounts not yet due on claims	0												
10. Reserve for future contingent benefits	0												
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0												
14. Totals (Net)(Page 3, Line 7)	0	0	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS													
0501.													
0502.													
0503.													
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0	0
1101.													
1102.													
1103.													
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$8,014,566 for occupancy of own building)	769,855	260,873	11,140,498	8,014,566	20,185,792
2. Salary, wages and other benefits	81,874,677	38,479,702	199,477,857		319,832,236
3. Commissions (less \$ ceded plus \$ assumed)			42,909,554		42,909,554
4. Legal fees and expenses	6,654	(1,415)	706,104		711,343
5. Certifications and accreditation fees	246,818				246,818
6. Auditing, actuarial and other consulting services	8,688,351		16,563,514		25,251,865
7. Traveling expenses	357,584	21,072	1,771,373		2,150,029
8. Marketing and advertising	145,947	0	3,475,910		3,621,857
9. Postage, express and telephone	863,264	2,219,287	11,331,190		14,413,741
10. Printing and office supplies	216,947	1,297,600	6,505,868		8,020,415
11. Occupancy, depreciation and amortization	339,149	21,577	7,156,298		7,517,024
12. Equipment	105,812	7,127	2,325,975		2,438,914
13. Cost or depreciation of EDP equipment and software	15,408,251	3,438,753	57,541,694		76,388,698
14. Outsourced services including EDP, claims, and other services	31,153,898	(2,594,719)	20,495,469	1,355,627	50,410,275
15. Boards, bureaus and association fees	174,185	5,407	4,289,453		4,469,045
16. Insurance, except on real estate	496,846	332,882	3,959,186		4,788,914
17. Collection and bank service charges			3,685,079		3,685,079
18. Group service and administration fees	(3,169,813)	46,884,522	4,809,713		48,524,422
19. Reimbursements by uninsured plans	(119,284,619)	(2,482,965)	(215,706,413)		(337,473,997)
20. Reimbursements from fiscal intermediaries		1,207,516	350,573		1,558,089
21. Real estate expenses	250,483	39,574	5,909,920	472,490	6,672,467
22. Real estate taxes	24,959	1,588	487,451	20,688	534,686
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes		17,006	495,945		512,951
23.2 State premium taxes			39,186,684		39,186,684
23.3 Regulatory authority licenses and fees	11,145		1,478,470		1,489,615
23.4 Payroll taxes	4,276,464	1,998,978	9,957,619		16,233,061
23.5 Other (excluding federal income and real estate taxes)	7,716	3,030	273,648		284,394
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	20,195,380	9,830,626	73,207,477	0	103,233,483
26. Total expenses incurred (Lines 1 to 25)	43,159,953	100,988,021	313,786,109	9,863,371	(a) 467,797,454
27. Less expenses unpaid December 31, current year		13,323,880	488,604,279		501,928,159
28. Add expenses unpaid December 31, prior year		9,837,684	554,135,482		563,973,166
29. Amounts receivable relating to uninsured plans, prior year			8,360,906		8,360,906
30. Amounts receivable relating to uninsured plans, current year			7,364,525		7,364,525
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	43,159,953	97,501,825	378,320,931	9,863,371	528,846,080
DETAILS OF WRITE-INS					
2501. Administrative Expenses Assumed	22,392,758	8,441,956	57,812,375		88,647,089
2502. Administrative Expenses Ceded	(58,487)	(14,323)	(5,600,416)		(5,673,226)
2503. User Exchange Fee	0	0	6,965,556		6,965,556
2598. Summary of remaining write-ins for Line 25 from overflow page	(2,138,891)	1,402,993	14,029,962	0	13,294,064
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	20,195,380	9,830,626	73,207,477	0	103,233,483

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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 2,955,849	3,602,161
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 16,430,055	17,691,744
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	1,740,414	1,740,414
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 8,772,697	8,772,697
5. Contract Loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 2,241,932	2,705,854
7. Derivative instruments	(f) 0	0
8. Other invested assets	3,526,054	3,552,542
9. Aggregate write-ins for investment income		
10. Total gross investment income	35,667,001	38,065,412
11. Investment expenses		(g) 9,863,371
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		9,863,371
17. Net investment income (Line 10 minus Line 16)		28,202,041
DETAILS OF WRITE-INS		
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 \$ 1,490,054 accrual of discount less \$ 1,712,779 amortization of premium and less \$ 644,664 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 \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 744,315 accrual of discount less \$ 7,819 amortization of premium and less \$ 10,346 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 8,489,816 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(2,686,798)	0	(2,686,798)	0	0
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	(1,322,436)	0	(1,322,436)	(296,096)	0
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	1,359,596	0	1,359,596	(4,434,356)	0
2.21 Common stocks of affiliates	0	0	0	(1,126,347)	0
3. Mortgage loans					
4. Real estate			0	0	
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	(811)	0	(811)	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	(1,276,615)	0	(1,276,615)	(12,729,200)	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	24,434,625	0
10. Total capital gains (losses)	(3,927,064)	0	(3,927,064)	5,848,626	0
DETAILS OF WRITE-INS					
0901. OPEB			0	26,313,320	
0902. SSP & Other			0	(1,878,695)	
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	24,434,625	0

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0		0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks	0		0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0		0
4.2 Properties held for the production of income.....	0		0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)	0		0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due ..			0
15.3 Accrued retrospective premiums and contracts subject to redetermination	1,065,727	2,911,753	1,846,026
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	7,456,778	7,244,050	(212,728)
18.1 Current federal and foreign income tax recoverable and interest thereon	0		0
18.2 Net deferred tax asset	59,034,552	57,506,987	(1,527,565)
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	1,584,608	3,367,206	1,782,598
21. Furniture and equipment, including health care delivery assets	26,159,708	16,863,081	(9,296,627)
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates	213	398,336	398,123
24. Health care and other amounts receivable	33,636,230	32,252,716	(1,383,514)
25. Aggregate write-ins for other than invested assets	52,647,041	52,294,175	(352,866)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	181,584,857	172,838,303	(8,746,553)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	181,584,857	172,838,303	(8,746,553)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Other Assets	52,647,041	52,294,175	(352,866)
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)	52,647,041	52,294,175	(352,866)

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	411,325	424,126	423,808	427,879	430,598	5,110,937
4. Point of Service						
5. Indemnity Only	224,100	224,708	225,213	225,814	224,554	2,703,214
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	635,425	648,834	649,021	653,693	655,152	7,814,151
DETAILS OF WRITE-INS						
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 #	2022	2021
NET INCOME					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 63,766,315	\$ 51,963,228
(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	\$ 63,766,315	\$ 51,963,228
SURPLUS					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 1,136,791,910	\$ 1,081,256,161
(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	\$ 1,136,791,910	\$ 1,081,256,161

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 a 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.
- (10) **Anticipated Investment Income Used in Premium Deficiency Calculation**
The Company includes anticipated investment income as a factor in the premium deficiency calculation.

NOTES TO FINANCIAL STATEMENTS

(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 receivables are estimated based upon the following methods:
 Prior quarter's invoiced amounts
 Estimates provided by the Pharmacy Benefit Manager
 Estimates using a percentage of year-to-date estimates from the Pharmacy Benefit Manager to year-to-date allowed claims

D. Going Concern

Management has evaluated the Company's ability to continue as a going concern as of December 31, 2022. 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

For the current year's financial statements, the Company has adjusted its reporting of affiliate reinsurance receivables and payables. Prior to 2022, affiliate reinsurance receivables and payables were reported as either a net receivable from parent, subsidiaries, and affiliates on the asset page or as a net payable to parent, subsidiaries, and affiliates on the liabilities page. Going forward, in accordance with SSAP 61, affiliate reinsurance receivables and payables will be reported in their separate classifications on the balance sheet. The 2021 amounts have not been restated as there was no impact to net income or surplus. The balances below represent one month of transactions related to the affiliate reinsurance receivables and payables as of December 31, 2021.

Assets, Line 15.3 Uncollected Premium Understated	\$ 12,844,239
Liabilities, Line 1 Claims Unpaid Understated	\$ (10,560,761)
Liabilities, Line 9 General Expenses Due & Accrued Understated	<u>\$ (5,753,465)</u>
Net PSA Receivable Understated (Assets, Line 23)	<u>\$ (3,469,987)</u>

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
Total	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
Total	\$ -	\$ -	\$ -	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		
a. Current Year							
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. Prior Year							
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		
a. Current Year							
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. Prior Year							
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		
a. Current Year							
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. Prior Year							
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 (a+b-c-d)	\$ -	\$ -

(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.

- (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
- (2) General Information Regarding Commitment Under the Agreement
- (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

	1 Amortized Cost Basis Before Other-than- Temporary Impairment	2 Other-than- Temporary Impairment Recognized in Loss	3 Fair Value 1 - 2
(2) OTTI recognized 1st Quarter			
a. Intent to sell			\$ -
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			\$ -
c. Total 1st Quarter (a+b)	\$ -	\$ -	\$ -
OTTI recognized 2nd Quarter			
d. Intent to sell			\$ -
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			\$ -
f. Total 2nd Quarter (d+e)	\$ -	\$ -	\$ -
OTTI recognized 3rd Quarter			
g. Intent to sell			\$ -
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			\$ -
i. Total 3rd Quarter (g+h)	\$ -	\$ -	\$ -
OTTI recognized 4th Quarter			
j. Intent to sell			\$ -
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			\$ -
l. Total 4th Quarter (j+k)	\$ -	\$ -	\$ -
m. Annual Aggregate Total (c+f+i+l)		\$ -	

(3) Recognized OTTI Securities
Not Applicable - No OTTI recognized during 2022 or 2021

1	2	3	4	5	6	7
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than- Temporary Impairment	Amortized Cost After Other-Than- Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
Total	XXX	XXX	\$ -	XXX	XXX	XXX

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a) The aggregate amount of unrealized losses:	
1. Less than 12 Months	\$ 16,775,647
2. 12 Months or Longer	\$ 19,995,642
b) The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 Months	\$ 178,646,379
2. 12 Months or Longer	\$ 99,712,039

(5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary
Several factors are considered when evaluating holdings for other than temporary impairment. These factors include but are not limited to external credit ratings, length of time of impairment, net present value of future cash flows and percentage of unrealized loss. Each individual holding is evaluated on its own merits. Based on analysis of the fixed income securities that are represented in 4a. and 4b. using the factors identified above it is the Investor's determination that these impairments are temporary. The Investor maintains a watch list of holdings to evaluate for other than temporary impairments and will continue to evaluate underperforming holdings as required on a routine basis.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions
Not Applicable -The Company has no dollar repurchase agreements or security lending transactions at this time.

- (1) Policy for Requiring Collateral or Other Security
- (2) Disclose the Carrying Amount and Classification of Both Assets and Liabilities

NOTES TO FINANCIAL STATEMENTS

- (3) Collateral Received
 a. Aggregate Amount Collateral Received

	<u>Fair Value</u>
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 (a+b+c+d+e)	\$ -
(g) Securities Received	
(h) Total Collateral Received (f+g)	\$ -
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 (a+b+c+d+e)	\$ -
(g) Securities Received	
(h) Total Collateral Received (f+g)	\$ -
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	

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

- (5) Collateral Reinvestment
 Not Applicable
 a. Aggregate Amount Collateral Reinvested

	<u>Amortized Cost</u>	<u>Fair Value</u>
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 (Sum of a through j)	\$ -	\$ -
(l) Securities Received		
(m) Total Collateral Reinvested (k+l)	\$ -	\$ -
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 (Sum of a through j)	\$ -	\$ -
(l) Securities Received		
(m) Total Collateral Reinvested (k+l)	\$ -	\$ -

- 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

- (7) Collateral for securities lending transactions that extend beyond one year from the reporting date.

Description of Collateral	Amount
Total Collateral Extending beyond one year of the reporting date	\$ -

- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing
 Not Applicable -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

NOTES TO FINANCIAL STATEMENTS

(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
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -

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

NOTES TO FINANCIAL STATEMENTS

(7) Collateral Received – Secured Borrowing

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

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

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

ENDING BALANCE

- 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)

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

ENDING BALANCE

- 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)

5 NAIC 4	6 NAIC 5	7 NAIC 6	8 DOES NOT QUALIFY AS ADMITTED
\$ -	\$ -	\$ -	\$ -

(9) Allocation of Aggregate Collateral by Remaining Contractual Maturity

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

FAIR VALUE

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

- 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

AMORTIZED COST	FAIR VALUE

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

- a. Maximum Amount
 - 1. Cash (Collateral – All)
 - 2. Securities Collateral (FV)
- b. Ending Balance
 - 1. Cash (Collateral – All)
 - 2. Securities Collateral (FV)

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

NOTES TO FINANCIAL STATEMENTS

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Not Applicable -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

- 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) Fair Value of Securities Acquired Under Repo – Secured Borrowing

- a. Maximum Amount
- b. Ending Balance

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

(6) Securities Acquired Under Repo – Secured Borrowing 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 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 Assets - FV (Sum of a through h)

5 NAIC 4	6 NAIC 5	7 NAIC 6	8 DOES NOT QUALIFY AS ADMITTED
\$ -	\$ -	\$ -	\$ -

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
Not Applicable -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

(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
Not Applicable -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
- (2) Amount of LIHTC and Other Tax Benefits Recognized
- (3) Balance of Investment Recognized
- (4) Regulatory Reviews
- (5) LIHTC investments which Exceed 10% of Total Admitted Assets
- (6) Recognized Impairment
- (7) Amount and Nature of Write-Downs or Reclassifications

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	\$ 870,700	\$ 794,700	\$ 76,000		\$ 870,700	0.034%	0.036%
j. On deposit with states	\$ 147,495	\$ 149,745	\$ (2,250)		\$ 147,495	0.006%	0.006%
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	\$ 50,000	\$ 106,500	\$ (56,500)		\$ 50,000	0.002%	0.002%
o. Total Restricted Assets (Sum of a through n)	\$ 1,068,195	\$ 1,050,945	\$ 17,250	\$ -	\$ 1,068,195	0.041%	0.045%

(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
Total (a)	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%

(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	\$ 50,000	\$ 106,500	\$ (56,500)	\$ 50,000	0.002%	0.002%
Total (a)	\$ 50,000	\$ 106,500	\$ (56,500)	\$ 50,000	0.002%	0.002%

(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%
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	\$ -	\$ -	0.000%	0.000%

* 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:

	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 (a+b+c+d+e+f)	\$ -	\$ -	\$ -

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

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

3. Any Events of Default or Working Capital Finance Investments

NOTES TO FINANCIAL STATEMENTS

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

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

	General Account
1. Number of CUSIPs	2
2. Aggregate Amount of Investment Income	\$ 53,397

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

Not Applicable -The Company does not participate in a cash pool.

	Asset Type	Percent Share
(1) Cash		
(2) Cash Equivalents		
(3) Short-Term Investments		
(4) Total		

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.

NOTES TO FINANCIAL STATEMENTS

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 2022 and 2021.

NOTE 8 Derivative Instruments

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

A. Derivatives under SSAP No. 86—Derivatives

Not Applicable

- (1) Market Risk, Credit Risk and Cash Requirements
- (2) Objectives for Derivative Use
- (3) Accounting Policies for Recognition and Measurement
- (4) Identification of Whether Derivative Contracts with Financing Premiums
- (5) Net Gain or Loss Recognized
- (6) Net Gain or Loss Recognized from Derivatives that no Longer Qualify for Hedge Accounting
- (7) For derivatives accounted for as cash flow hedges of a forecasted transaction, disclose:
- (8) Total Premium Costs for Contracts
 - a.

	Fiscal Year	Derivative Premium Payments Due
1. 2023		
2. 2024		
3. 2025		
4. 2026		
5. Thereafter		
6. Total Future Settled Premiums (Sum of 1 through 5)		\$ -

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

NOTES TO FINANCIAL STATEMENTS

(2) Recognition of gains/losses and deferred assets and liabilities

a. Scheduled Amortization

Amortization Year	Deferred Assets	Deferred Liabilities
1. 2023		
2. 2024		
3. 2025		
4. 2026		
5. 2027		
6. 2028		
7. 2029		
8. 2030		
9. 2031		
10. 2032		
11. Total (Sum of 1 through 10)	\$ -	\$ -

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)]	\$	-

(3) Hedging Strategies Identified as No Longer Highly Effective

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

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. 2023				
2. 2024				
3. 2025				
4. 2026				
5. 2027				

6. Total Adjusted Amortization

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

NOTES TO FINANCIAL STATEMENTS

- (4) Hedging Strategies Terminated
a. Company input

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. 2023				
2. 2024				
3. 2025				
4. 2026				
5. 2027				

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			12/31/2021			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	\$ 118,420,973	\$ 1,825,896	\$ 120,246,869	\$ 131,179,540	\$ 36,948	\$ 131,216,488	\$ (12,758,567)	\$ 1,788,948	\$ (10,969,619)
(b) Statutory Valuation Allowance Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 118,420,973	\$ 1,825,896	\$ 120,246,869	\$ 131,179,540	\$ 36,948	\$ 131,216,488	\$ (12,758,567)	\$ 1,788,948	\$ (10,969,619)
(d) Deferred Tax Assets Nonadmitted	\$ 59,034,552	\$ -	\$ 59,034,552	\$ 57,506,987	\$ -	\$ 57,506,987	\$ 1,527,565	\$ -	\$ 1,527,565
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 59,386,421	\$ 1,825,896	\$ 61,212,317	\$ 73,672,553	\$ 36,948	\$ 73,709,501	\$ (14,286,132)	\$ 1,788,948	\$ (12,497,184)
(f) Deferred Tax Liabilities	\$ 5,410,984	\$ 16,115,488	\$ 21,526,472	\$ 6,202,254	\$ 19,915,019	\$ 26,117,273	\$ (791,270)	\$ (3,799,531)	\$ (4,590,801)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 53,975,437	\$ (14,289,592)	\$ 39,685,845	\$ 67,470,299	\$ (19,878,071)	\$ 47,592,228	\$ (13,494,862)	\$ 5,588,479	\$ (7,906,383)

2. Admission Calculation Components SSAP No. 101

	As of End of Current Period			12/31/2021			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	\$ 28,396,386	\$ -	\$ 28,396,386	\$ 47,572,935	\$ -	\$ 47,572,935	\$ (19,176,549)	\$ -	\$ (19,176,549)
(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)	\$ 11,289,460	\$ -	\$ 11,289,460	\$ 19,293	\$ -	\$ 19,293	\$ 11,270,167	\$ -	\$ 11,270,167
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ 11,289,460	\$ -	\$ 11,289,460	\$ 19,293	\$ -	\$ 19,293	\$ 11,270,167	\$ -	\$ 11,270,167
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	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.	\$ 19,700,576	\$ 1,825,896	\$ 21,526,472	\$ 26,080,325	\$ 36,948	\$ 26,117,273	\$ (6,379,749)	\$ 1,788,948	\$ (4,590,801)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 59,386,422	\$ 1,825,896	\$ 61,212,318	\$ 73,672,553	\$ 36,948	\$ 73,709,501	\$ (14,286,131)	\$ 1,788,948	\$ (12,497,183)

3. Other Admissibility Criteria

	2022	2021
a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	720.300%	718.883%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 1,089,843,136	\$ 1,081,256,161

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax Planning Strategies

	As of End of Current Period		12/31/2021		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	(Col. 1 - 3) Ordinary	(Col. 2 - 4) Capital
Impact of Tax Planning Strategies:						
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.						
1. Adjusted Gross DTAs amount from Note 9A1 (c)	\$ 118,420,973	\$ 1,825,896	\$ 131,179,540	\$ 36,948	\$ (12,758,567)	\$ 1,788,948
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)	\$ 59,386,421	\$ 1,825,896	\$ 73,672,553	\$ 36,948	\$ (14,286,132)	\$ 1,788,948
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.

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

	(1) As of End of Current Period	(2) 12/31/2021	(3) (Col. 1 - 2) Change
1. Current Income Tax			
(a) Federal	\$ 8,085,236	\$ 20,303,754	\$ (12,218,518)
(b) Foreign	\$ -	\$ -	\$ -
(c) Subtotal (1a+1b)	\$ 8,085,236	\$ 20,303,754	\$ (12,218,518)
(d) Federal income tax on net capital gains	\$ -	\$ 113,526	\$ (113,526)
(e) Utilization of capital loss carry-forwards	\$ -	\$ -	\$ -
(f) Other	\$ 1,605,782	\$ (309,619)	\$ 1,915,401
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	\$ 9,691,018	\$ 20,107,661	\$ (10,416,643)
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 1,724,972	\$ 1,320,627	\$ 404,345
(2) Unearned premium reserve	\$ -	\$ -	\$ -
(3) Policyholder reserves	\$ -	\$ -	\$ -
(4) Investments	\$ -	\$ -	\$ -
(5) Deferred acquisition costs	\$ 6,745,591	\$ 78,119	\$ 6,667,472
(6) Policyholder dividends accrual	\$ -	\$ -	\$ -
(7) Fixed assets	\$ -	\$ -	\$ -
(8) Compensation and benefits accrual	\$ 41,324,795	\$ 47,597,626	\$ (6,272,831)
(9) Pension accrual	\$ -	\$ -	\$ -
(10) Receivables - nonadmitted	\$ 22,677,666	\$ 21,082,480	\$ 1,595,186
(11) Net operating loss carry-forward	\$ -	\$ -	\$ -
(12) Tax credit carry-forward	\$ -	\$ -	\$ -
(13) Other	\$ 45,947,949	\$ 61,100,688	\$ (15,152,739)
(99) Subtotal (sum of 2a1 through 2a13)	\$ 118,420,973	\$ 131,179,540	\$ (12,758,567)
(b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(c) Nonadmitted	\$ 59,034,552	\$ 57,506,987	\$ 1,527,565
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 59,386,421	\$ 73,672,553	\$ (14,286,132)
(e) Capital:			
(1) Investments	\$ 1,825,896	\$ 36,948	\$ 1,788,948
(2) Net capital loss carry-forward	\$ -	\$ -	\$ -
(3) Real estate	\$ -	\$ -	\$ -
(4) Other	\$ -	\$ -	\$ -
(99) Subtotal (2e1+2e2+2e3+2e4)	\$ 1,825,896	\$ 36,948	\$ 1,788,948
(f) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(g) Nonadmitted	\$ -	\$ -	\$ -
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 1,825,896	\$ 36,948	\$ 1,788,948
(i) Admitted deferred tax assets (2d + 2h)	\$ 61,212,317	\$ 73,709,501	\$ (12,497,184)
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ 474,882	\$ 330,744	\$ 144,138
(2) Fixed assets	\$ 3,257,289	\$ 2,878,378	\$ 378,911
(3) Deferred and uncollected premium	\$ -	\$ -	\$ -
(4) Policyholder reserves	\$ -	\$ -	\$ -
(5) Other	\$ 1,678,812	\$ 2,993,132	\$ (1,314,320)
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	\$ 5,410,983	\$ 6,202,254	\$ (791,271)
(b) Capital:			
(1) Investments	\$ 16,115,488	\$ 19,915,019	\$ (3,799,531)
(2) Real estate	\$ -	\$ -	\$ -
(3) Other	\$ -	\$ -	\$ -
(99) Subtotal (3b1+3b2+3b3)	\$ 16,115,488	\$ 19,915,019	\$ (3,799,531)
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 21,526,471	\$ 26,117,273	\$ (4,590,802)
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 39,685,846	\$ 47,592,228	\$ (7,906,382)

NOTES TO FINANCIAL STATEMENTS

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

	Amount 12/31/2022	Effective Tax Rate Percentage
Permanent Differences:		
1. Provision computed at statutory rate	\$ 15,426,039	21.0
2. Change in nonadmitted assets	\$ -	0.0
3. Proration of tax exempt investment income	\$ 204,839	0.3
4. Tax exempt income deduction	\$ (247,905)	-0.3
5. Dividends received deduction	\$ (571,452)	-0.8
6. Disallowed travel and entertainment	\$ 69,468	0.1
7. Other permanent differences	\$ 433,477	0.6
Temporary Differences:		
8. Total ordinary DTAs	\$ -	0.0
9. Total ordinary DTLs	\$ -	0.0
10. Total capital DTAs	\$ -	0.0
11. Total capital DTLs	\$ -	0.0
Other:		
12. Statutory valuation allowance adjustment	\$ -	0.0
13. Accrual adjustment - prior year	\$ (181,406)	-0.2
14. Other	\$ 752,262	1.0
15. Totals	\$ 15,885,321	21.6
16. Federal and foreign income taxes incurred	\$ 9,691,018	13.2
17. Realized capital gain (losses) tax	\$ -	0.0
18. Change in net deferred income taxes	\$ 6,194,303	8.4
19. Total statutory income taxes	\$ 15,885,321	21.6

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			

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
2022	\$ 8,085,236
2021	\$ 22,023,062

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

F. Consolidated Federal Income Tax Return

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

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

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

The method of 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)(i) 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

1. 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)	\$ -

2. On 8/16/2022 the US government passed the Inflation Reduction Act that includes a new corporate alternative minimum tax (CAMT) of 15% on the adjusted financial statement income (AFSI) of corporations with average AFSI exceeding \$1.0 billion over a three-year period. The CAMT is effective beginning after 12/31/2022. The consolidated group, of which the Company is a member, has determined it is an applicable corporation for the purposes of determining if CAMT exceeds the regular federal income tax payable. The consolidated group has determined that it does not expect to be subject to the Corporate AMT in 2023.

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, 2022, USABLE Corporation owns 100% of Pinnacle Insurance Associates, 100% of USABLE Partners, LLC, 10% of New Directions Behavioral Health Holding Company, LLC, 100% USABLE HMO, Inc. and 100% USABLE PPO Insurance Company.

B. Transactions

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

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, 2022, the Company reported the following admitted amounts due from Affiliates:

HMO Partners, Inc.	\$11,244,577
USABLE Corporation	137,961
USABLE PPO Insurance Company	1,624,315
USABLE HMO Inc.	2,555,626
USABLE Partners, LLC	15,745
Blue & You Foundation	6,058
Group Service Underwriters, Inc.	43,155
USABLE Life	8,323
	<u>\$15,635,759</u>

At December 31, 2022, the Company reported the following amounts due to Affiliates:

HMO Partners, Inc.	\$949,196
USABLE Corporation	484,421
	<u>\$1,433,617</u>

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

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

F. Guarantees or Undertakings

Not Applicable - The Company has no guarantees or undertakings.

G. Nature of the Control Relationship

Not Applicable

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

Not Applicable - The Company had no amount deducted.

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

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

The Company's interest in USABLE Corporation is privately held and not traded on the New York Stock Exchange. The Company's statement value of USABLE Corporation assets and liabilities as of 12/31/2022 were \$403,523,723 and \$14,494,352, respectively. The Company's share of net income of USABLE Corporation was \$3,380,206 for the year-ended 12/31/2022.

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%	\$ 391,188,532	\$ 391,188,532	\$ -
Total SSAP No. 97 8b(iii) Entities	XXX	\$ 391,188,532	\$ 391,188,532	\$ -
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	\$ 391,188,532	\$ 391,188,532	\$ -
f. Aggregate Total (a+ e)	XXX	\$ 391,188,532	\$ 391,188,532	\$ -

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

NOTE 11 Debt

A. Debt Including Capital Notes

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

NOTES TO FINANCIAL STATEMENTS

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 \$ 90,000,000. The Company calculated this amount in accordance with current and potential acquisitions of FHLB capital stock.

(2) FHLB Capital Stock

a. Aggregate Totals

	Total
1. Current Year	
(a) Membership Stock - Class A	
(b) Membership Stock - Class B	\$ 862,900
(c) Activity Stock	
(d) Excess Stock	\$ 7,800
(e) Aggregate Total (a+b+c+d)	\$ 870,700
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	
2. Prior Year-end	
(a) Membership Stock - Class A	
(b) Membership Stock - Class B	\$ 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	\$ 90,000,000

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

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

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

	1	2	Eligible for Redemption			
			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	\$ 862,900	\$ 862,900				

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

There was no collateral pledged in 2021 and no collateral has been pledged to date in 2022.

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			

(4) Borrowing from FHLB

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

a. Amount as of Reporting Date

	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)

	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	
	2022	2021	2022	2021
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	
	2022	2021	2022	2021
1. Benefit obligation at beginning of year	\$ 164,729,000	\$ 174,272,000	\$ -	\$ -
2. Service cost	\$ 384,000	\$ 563,000		
3. Interest cost	\$ 4,506,000	\$ 4,173,000		
4. Contribution by plan participants	\$ -	\$ -		
5. Actuarial gain (loss)	\$ (31,639,000)	\$ (7,755,000)		
6. Foreign currency exchange rate changes	\$ -	\$ -		
7. Benefits paid	\$ (6,458,000)	\$ (6,524,000)		
8. Plan amendments	\$ -	\$ -		
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$ -	\$ -		
10. Benefit obligation at end of year	\$ 131,522,000	\$ 164,729,000	\$ -	\$ -

c. Special or Contractual Benefits Per SSAP No. 11

	Overfunded		Underfunded	
	2022	2021	2022	2021
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	\$ -	\$ -	\$ -	\$ -

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2022	2021	2022	2021	2022	2021
(2) Change in plan assets						
a. Fair value of plan assets at beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Actual return on plan assets						
c. Foreign currency exchange rate changes						
d. Reporting entity contribution						
e. Plan participants' contributions						
f. Benefits paid						
g. Business combinations, divestitures and settlements						
h. Fair value of plan assets at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(3) Funded status

	Pension Benefits		Postretirement Benefits	
	2022	2021	2022	2021
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				

NOTES TO FINANCIAL STATEMENTS

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2022	2021	2022	2021	2022	2021
(4) Components of net periodic benefit cost						
a. Service cost			\$ 384,000	\$ 563,000		
b. Interest cost			\$ 4,506,000	\$ 4,173,000		
c. Expected return on plan assets			\$ -	\$ -		
d. Transition asset or obligation			\$ -	\$ -		
e. Gains and losses			\$ 1,669,000	\$ 3,545,000		
f. Prior service cost or credit			\$ -	\$ (944,000)		
g. Gain or loss recognized due to a settlement or curtailment			\$ -	\$ -		
h. Total net periodic benefit cost	\$ -	\$ -	\$ 6,559,000	\$ 7,337,000	\$ -	\$ -
(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost						
			Pension Benefits		Postretirement Benefits	
			2022	2021	2022	2021
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						
			Pension Benefits		Postretirement Benefits	
			2022	2021	2022	2021
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:						
			2022	2021		
a. Weighted average discount rate			5.220%	2.790%		
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:						
			2022	2021		
e. Weighted average discount rate			5.220%	2.790%		
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 2022 and 2021.						
(10) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:						
					Amount	
a. 2023					\$ 7,001,000	
b. 2024					\$ 7,423,000	
c. 2025					\$ 7,799,000	
d. 2026					\$ 8,139,000	
e. 2027					\$ 8,472,000	
f. 2028 through 20xx					\$ 45,824,000	
(11) Estimate of Contributions Expected to be Paid to the Plan						
The estimate of contributions expected to be paid to the plan is \$6,458,000 and \$6,524,000 for 2022 and 2021, respectively.						
(12) Amounts and Types of Securities Included in Plan Assets						
Not Applicable						
(13) Alternative Method Used to Amortize Prior Service Amounts or Net Gains and Losses						
Not Applicable						
(14) Substantive Comment Used to Account for Benefit Obligation						
Not Applicable						
(15) Cost of Providing Special or Contractual Termination Benefits Recognized						
Not Applicable						
(16) Reasons for Significant Gains/Losses Related to Changes in Defined Benefit Obligation and any Other Significant Change in the Benefit Obligations or Plan Assets Not Otherwise Apparent						
Not Applicable						
(17) Accumulated Postretirement and Pension Benefit Obligation and Fair Value of Plan Assets for Defined Postretirement and Pension Benefit Plans						
Not Applicable						
(18) Full Transition Surplus Impact of SSAP 102						
Not Applicable						

NOTES TO FINANCIAL STATEMENTS

- 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

- 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. For 2022, a range of 6% was used to calculate the Company's contribution of \$14,934,201.

- 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, 2022, 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.
- H. Amount of Stock Held for Special Purposes
Not Applicable - As of December 31, 2022 and 2021, 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, 2022 or December 31, 2021.
- J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$ (53,175,872)

NOTES TO FINANCIAL STATEMENTS

K. The Company issued the following surplus debentures or similar obligations:

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

* Total should agree with Page 3, Line 29.

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

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

1 Item Number	20 Principal Amount of Assets Received Upon Issuance	21 Book/Adjusted Carry Value of Assets	22 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:

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 December 31, 2022 or December 31, 2021.

(1) Total contingent liabilities:

NOTES TO FINANCIAL STATEMENTS

(2) Detail of other contingent commitments

(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
Total	\$ -	XXX	\$ -	XXX

(3) Guarantee Obligations

	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 (1+2+3+4+5) (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 \$ -

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

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

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 final approval of a "Subscriber" class settlement in the case, but several class members who opted out of the settlement have appealed that approval to the 11th U.S. Circuit Court of Appeals, which remains pending for decision. The Company has reserved for its share of the "Subscriber" settlement if final approval ultimately is achieved.

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 2022 and 2021 was approximately \$8,020,078 and \$9,226,846.

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) a. At December 31, 2022, the minimum aggregate rental commitments are as follows:

	Operating Leases
1. 2023	\$ 7,366,455
2. 2024	\$ 6,305,673
3. 2025	\$ 3,020,176
4. 2026	\$ 1,669,227
5. 2027	\$ 145,200
6. Thereafter	\$ 193,600
7. Total (sum of 1 through 6)	\$ 18,700,331

(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:

		Operating Leases
1. 2023		
2. 2024		
3. 2025		
4. 2026		
5. 2027		
6. Thereafter		
7. Total (sum of 1 through 6)	\$	-

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, 2021 were as shown below:

	2022		2021
1. Income from leveraged leases before income tax including investment tax credit			
2. Less current income tax			
3. Net income from leverage leases (1 - 2)	\$	-	\$ -

c. The components of the investment in leveraged leases as of the end of current period and December 31, 2021 were as shown below:

	2022		2021
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.

	ASSETS		LIABILITIES	
	2022	2021	2022	2021
a. Swaps				
b. Futures				
c. Options				
d. Total (a+b+c)	\$	-	\$	-

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

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

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

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

A. Transfers of Receivables Reported as Sales

Not Applicable - The Company had no transfers of receivables reported as sales.

B. Transfer and Servicing of Financial Assets

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

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

NOTES TO FINANCIAL STATEMENTS

C. Wash Sales

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

(1) Description of the Objectives Regarding These Transactions

(2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2022 and reacquired within 30 days of the sale date are:

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 2022:

	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	\$ (2,265,129)		\$ (2,265,129)
b. Total net other income or expenses (including interest paid to or received from plans)			\$ -
c. Net gain or (loss) from operations (a+b)	\$ (2,265,129)	\$ -	\$ (2,265,129)
d. Total claim payment volume	\$ 306,165,178		\$ 306,165,178

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 2022:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 4,262,683,666		\$ 4,262,683,666
b. Gross administrative fees accrued	\$ 308,264,201		\$ 308,264,201
c. Other income or expenses (including interest paid to or received from plans)	\$ (3,374,242)		\$ (3,374,242)
d. Gross expenses incurred (claims and administrative) (a+b+c)	\$ 4,567,573,625	\$ -	\$ 4,567,573,625
e. Total net gain or loss from operations	\$ (3,034,850)		\$ (3,034,850)

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

(2) Receivables from payors with account balances the greater of 10% of amounts receivable relating to uninsured accident and health plans or \$10,000

(3) Recorded allowances and reserves for adjustment of recorded revenues

(4) Adjustments to revenue resulting from audit of receivables related to revenues recorded in the prior period

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

Not Applicable - 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
Total	XXX	XXX	XXX	XXX	\$ -

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

NOTES TO FINANCIAL STATEMENTS

NOTE 20 Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Other Invested Assets			\$ 103,772,197	\$ 126,708,952	\$ 230,481,149
Money Market Fund		\$ 111,386,131			\$ 111,386,131
Bonds		\$ 2,463,711			\$ 2,463,711
Common Stock	\$ 870,700	\$ 4,607,016			\$ 5,477,716
Mutual Fund		\$ 80,617,202			\$ 80,617,202
Parent, Subsidiaries, and Affiliates			\$ 420,784,556		\$ 420,784,556
Total assets at fair value/NAV	\$ 870,700	\$ 199,074,060	\$ 524,556,753	\$ 126,708,952	\$ 851,210,465

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
b. Liabilities at fair value					
Supplemental Savings Plan	\$ 38,894,368				\$ 38,894,368
Total liabilities at fair value	\$ 38,894,368	\$ -	\$ -	\$ -	\$ 38,894,368

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

Description	Beginning Balance at 01/01/2022	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 12/31/2022
a. Assets and Affiliates	\$ 421,910,903				\$ (1,547,670)					\$ 420,363,233
Assets	\$ 105,961,659				\$ (2,189,462)					\$ 103,772,197
Total Assets	\$ 527,872,562	\$ -	\$ -	\$ -	\$ (3,737,132)	\$ -	\$ -	\$ -	\$ -	\$ 524,135,430

Description	Beginning Balance at 01/01/2022	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 12/31/2022
b. Liabilities										
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

As of December 31, 2022, the reported fair value of the reporting entity's investments in Level 2 includes both money market mutual funds and equity mutual funds with a value of \$199,074,060. Fair value measurements for these securities are provided by the fund and indicate the closing net asset value at December 31, 2022. The industrial and miscellaneous bond investments in Level 2 with a value of \$2,463,711. The pricing assumptions and valuation of these bonds is provided by Clearwater Analytics. All fair value measurements are provided in US Dollars. There has been no change in these valuation techniques.

As of December 31, 2022, 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 \$103,772,197 and investment in PSA with a value of \$420,784,556. Fair value measurements for the investment in Life & Specialty Ventures is based upon Life and Specialty Ventures, LLC GAAP equity adjusted for statutory differences which essentially equates to the statutory equity balance in USABLE Life and LifeMap Assurance Company plus the Company's remaining ownership percentage of the remaining Life and Specialty Ventures GAAP Equity fair value at December 31, 2022. Fair value measurements for the PSA investments, HMO Partners, Inc. and USABLE Corporation are based upon GAAP Equity as adjusted for statutory differences for HMO Partners, Inc. and for USABLE Corporation, USABLE HMO, Inc. and USABLE PPO Insurance Company statutory differences. All fair value measurements are provided in US Dollars. There has been no change in this valuation technique.

(5) Fair Value Disclosures

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

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements
Not Applicable

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

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Other Invested Assets	\$ 230,479,266	\$ 230,479,266			\$ 103,772,197	\$ 126,708,952	
Industrial and Misc	\$ 2,463,711	\$ 2,463,711		\$ 2,463,711			
Money Market Fund	\$ 111,386,131	\$ 111,386,131		\$ 111,386,131			
Common Stock	\$ 506,879,474	\$ 506,879,474	\$ 870,700	\$ 85,224,218	\$ 420,784,556		

D. Not Practicable to Estimate Fair Value

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

NOTES TO FINANCIAL STATEMENTS

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 178 individual holdings as of 12/31/2022 with the top 10% of all holdings representing 15.2% 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 245 at the end of the 4th quarter 2022, with 9.03% 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 12/31/22, there are \$0.84 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, 2022.

B. Troubled Debt Restructuring: Debtors

The Company had no troubled debt restructuring as of December 31, 2022.

C. Other Disclosures

The Company does not have any other disclosure items.

D. Business Interruption Insurance Recoveries

Not Applicable - The Company has no business interruption insurance recoveries.

E. State Transferable and Non-transferable Tax Credits

Not Applicable - 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

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

NOTES TO FINANCIAL STATEMENTS

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 \$265,519 at December 31, 2022. The book adjusted carrying value of this holding in the ABCBS core fixed income portfolio is \$268,064 which equates to 0.03169% 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 (a+b+c)	\$ -	\$ -	\$ -	\$ -	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	\$ 262,781	\$ 268,064	\$ 263,209	
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investment in SCAs *				
f. Other assets				
g. Total (a+b+c+d+e+f)	\$ 262,781	\$ 268,064	\$ 263,209	\$ -

* 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 (Sum of a through c)	\$ -	\$ -	\$ -	\$ -

G. Retained Assets

Not Applicable - The Company has no retained assets.

(1) Description of How Accounts are Structured and Reporting

Not Applicable

(2) Retained Assets In Force

	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 (a+b+c+d+e+f)	0	\$ -	0	\$ -

NOTES TO FINANCIAL STATEMENTS

(3) Segregation Between Individual and Group Contracts

	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, 2023. Subsequent events have been considered through February 27, 2023.

Type II – Nonrecognized Subsequent Events:

Not Applicable - No material "Type II" nonrecognized subsequent events were noted for the statutory statements issued on March 1, 2023. Subsequent events have been considered through February 27, 2023.

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.

NOTES TO FINANCIAL STATEMENTS

Section 2 – Ceded Reinsurance Report – Part A

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

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

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

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

Section 3 – Ceded Reinsurance Report – Part B

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

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

B. Uncollectible Reinsurance

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

(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.

Not Applicable - 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
 Not Applicable - The Company did not utilize a certified reinsurer during 2022.

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

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

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
 Not Applicable - 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.
- (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.
- (3) Disclose if any reinsurance contracts contain features which result in delays in payment in form or in fact.
- (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 contracts and the reinsurance contracts.
- (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.
- (6) If affirmative disclosure is required for Paragraph 23H(5) above, explain why the contract(s) is treated differently under GAAP and SAP.

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, 2022 that are subject to retrospective rating features was \$2,808,647,688 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
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ -	\$ -	\$ -	\$ -	\$ -
(2) Medical loss ratio rebates paid	\$ -	\$ -	\$ -	\$ -	\$ -
(3) Medical loss ratio rebates unpaid	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ -
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Medical loss ratio rebates paid	\$ -	\$ -	\$ -	\$ -	\$ -
(9) Medical loss ratio rebates unpaid	\$ -	\$ -	\$ -	\$ -	\$ -
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ -

E. Risk Sharing Provisions of the Affordable Care Act

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

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

a. Permanent ACA Risk Adjustment Program

Assets

1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments) \$ 1,813,616

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) \$ 97,662,347

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment \$ (119,328,588)

5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) \$ 648,980

b. Transitional ACA Reinsurance Program

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

c. Temporary ACA Risk Corridors Program

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
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high risk pool payments)			\$ 2,610,060		\$ (2,610,060)	\$ -	\$ 2,610,060		A	\$ -	\$ -
2. Premium adjustments (payable) (including high risk pool premium)		\$ 43,952,450		\$ 69,412,368	\$ -	\$ (25,459,918)		\$ 25,459,918	B	\$ -	\$ -
3. Subtotal ACA Permanent Risk Adjustment Program	\$ -	\$ 43,952,450	\$ 2,610,060	\$ 69,412,368	\$ (2,610,060)	\$ (25,459,918)	\$ 2,610,060	\$ 25,459,918		\$ -	\$ -
b. Transitional ACA Reinsurance Program											
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium					\$ -	\$ -			I	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			J	\$ -	\$ -
3. Subtotal ACA Risk Corridors Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
d. Total for ACA Risk Sharing Provisions	\$ -	\$ 43,952,450	\$ 2,610,060	\$ 69,412,368	\$ (2,610,060)	\$ (25,459,918)	\$ 2,610,060	\$ 25,459,918		\$ -	\$ -

Explanations of Adjustments

- A. Adjustment to receivable
- B. Adjustment to 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

NOTES TO FINANCIAL STATEMENTS

NOTE 25 Change in Incurred Claims and Claim Adjustment Expenses
A. Change in Incurred Losses and Loss Adjustment Expenses

The Company has agreed to reinsure 100% of the UHMO and UPPO business pursuant to affiliated reinsurance agreements that were submitted to and reviewed by the Arkansas Insurance Department. Information in this note has been adjusted to reflect implementation of this reinsurance agreement.

Reserves as of December 31, 2021 were \$148,223,160; however, the December 31, 2021 reserves in this note include reserves assumed from indirect subsidiaries USABLE HMO, Inc. (UHMO) and USABLE PPO Insurance Company (UPPO) as of January 1, 2022 totaling \$12,008,322. As of December 31, 2022, \$232,255,947 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now (\$33,372,985) as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a (\$38,651,482) prior-year development since December 31, 2021 to December 31, 2022. The change is generally the result of ongoing analysis of recent loss development trends and cost sharing reductions. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

12/31/2021 Reserves	160,231,481
2021 Claims paid in 2022	<u>232,255,947</u>
Adjusted Net Reserves	(72,024,466)
Less -	
2021 Remaining Reserves	<u>(33,372,985)</u>
Development	<u>(38,651,482)</u>

B. Information about Significant Changes in Methodologies and Assumptions

There has been no significant changes in methodologies and assumptions.

NOTE 26 Intercompany Pooling Arrangements

Not Applicable - The Company has no intercompany pooling arrangements.

- A. Identification of the Lead Entity and all Affiliated Entities Participating in the Intercompany Pool
- B. Description of Lines and Types of Business Subject to the Pooling Agreement
- C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement
- D. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers
- E. Explanation of Discrepancies Between Entries of Pooled Business
- F. Description of Intercompany Sharing
- G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

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
12/31/2022	\$ 59,641,809		\$ 2,195,821	\$ -	\$ -
09/30/2022	\$ 57,109,205	\$ 58,955,092	\$ 47,963,778	\$ -	\$ -
06/30/2022	\$ 55,225,011	\$ 56,422,488	\$ 45,975,779	\$ 8,461,901	\$ -
03/31/2022	\$ 51,741,592	\$ 55,225,011	\$ 44,014,297	\$ 7,027,450	\$ 532,620
12/31/2021	\$ 48,466,123	\$ 51,741,592	\$ 39,997,472	\$ 6,904,339	\$ 1,358,820
09/30/2021	\$ 47,361,772	\$ 48,466,123	\$ 30,256,745	\$ 15,570,970	\$ 1,865,712
06/30/2021	\$ 43,376,882	\$ 47,422,489	\$ 30,532,239	\$ 12,786,799	\$ 2,675,728
03/31/2021	\$ 41,818,301	\$ 43,376,882	\$ 28,523,364	\$ 7,761,560	\$ 5,028,620
12/31/2020	\$ 39,742,719	\$ 41,821,600	\$ 28,205,838	\$ 5,851,418	\$ 6,932,784
09/30/2020	\$ 38,605,246	\$ 39,811,331	\$ 27,069,017	\$ 5,800,027	\$ 5,950,978
06/30/2020	\$ 37,147,587	\$ 38,647,128	\$ 26,186,709	\$ 5,572,602	\$ 5,530,099
03/31/2020	\$ 35,775,467	\$ 37,152,416	\$ 25,692,025	\$ 5,653,115	\$ 5,768,640

NOTES TO FINANCIAL STATEMENTS

B. Risk-Sharing Receivables

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2022	2022	\$ -	\$ 434,198	\$ -	\$ 434,198	\$ -	\$ -	\$ -	\$ -
	2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTE 29 Participating Policies

Not Applicable - The Company does not have participating contracts.

NOTE 30 Premium Deficiency Reserves

- 1. Liability carried for premium deficiency reserves \$ -
- 2. Date of the most recent evaluation of this liability 12/31/2022
- 3. Was anticipated investment income utilized in the calculation? Yes [X] No []

NOTE 31 Anticipated Salvage and Subrogation

The Company took into account estimated anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses and reduced such liability by \$ 335,862 as of December 31, 2022 and \$140,649 as of December 31, 2021.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? Arkansas
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2020
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2020
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/13/2022
- 3.4 By what department or departments?
Arkansas Insurance Department
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

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

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If the response to 8.1 is yes, please identify the name of the DIHC.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and 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 depository institution holding company? Yes [] No [X]
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? Yes [] No [] N/A [X]
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
FORVIS, 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).
.....

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers.....\$0
 - 20.12 To stockholders not officers.....\$0
 - 20.13 Trustees, supreme or grand (Fraternal Only)\$0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers.....\$0
 - 20.22 To stockholders not officers.....\$0
 - 20.23 Trustees, supreme or grand (Fraternal Only)\$0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others.....\$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 \$ 53,238,369
 - 22.22 Amount paid as expenses\$0
 - 22.23 Other amounts paid\$0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$0
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? Yes [] No [X]
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

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

INVESTMENT

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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

GENERAL INTERROGATORIES

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

- 26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). Yes [X] No []
- 26.2 If yes, state the amount thereof at December 31 of the current year:
- 26.21 Subject to repurchase agreements \$0
- 26.22 Subject to reverse repurchase agreements \$0
- 26.23 Subject to dollar repurchase agreements \$0
- 26.24 Subject to reverse dollar repurchase agreements \$0
- 26.25 Placed under option agreements \$0
- 26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$0
- 26.27 FHLB Capital Stock \$870,700
- 26.28 On deposit with states \$147,495
- 26.29 On deposit with other regulatory bodies \$0
- 26.30 Pledged as collateral - excluding collateral pledged to an FHLB \$0
- 26.31 Pledged as collateral to FHLB - including assets backing funding agreements \$0
- 26.32 Other \$50,000

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. \$0
29. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?..... Yes [X] No []

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

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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company
GENERAL INTERROGATORIES

29.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

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

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

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

29.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. 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	ANDKRHQKPRRG4Q2KLR05	SEC, CFTC, NFA	NO.....
108526	Martingale Asset Management, LP	549300GXM5ZGZJXZ1Y74	SEC	NO.....
104559	Pacific Investment Management Company LLC	549300KGPYQZXMYYN38	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)	80,617,202
30.2999 - Total		80,617,202

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)	ConcocoPhillips	2,434,640	12/31/2022 ..
JP Morgan Equity Income Fund -R6(01EJX)	Exxon Mobil Corporation	2,362,084	12/31/2022 ..
JP Morgan Equity Income Fund -R6(01EJX)	Bristol Myers Squibb Company	2,200,850	12/31/2022 ..
JP Morgan Equity Income Fund -R6(01EJX)	UnitedHealth Group Inc.	2,120,232	12/31/2022 ..
JP Morgan Equity Income Fund -R6(01EJX)	Raytheon Technologies Corporation	1,902,566	12/31/2022 ..

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

GENERAL INTERROGATORIES

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds	885,793,650	809,229,341	(76,564,309)
31.2 Preferred stocks	0		0
31.3 Totals	885,793,650	809,229,341	(76,564,309)

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 []

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

GENERAL INTERROGATORIES

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

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

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

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

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

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

OTHER

40.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 3,653,716

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

1	2
Name	Amount Paid
BlueCross BlueShield Association	2,825,589

41.1 Amount of payments for legal expenses, if any? \$ 732,225

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

1	2
Name	Amount Paid
Foley & Lardner LLP	230,692

42.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 555,614

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

1	2
Name	Amount Paid
BlueCross BlueShield Association	105,550

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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. \$ 281,596,562

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. \$ 223,549,178

1.6 Individual policies: Most current three years:

1.61 Total premium earned \$ 30,206,270

1.62 Total incurred claims \$ 24,433,823

1.63 Number of covered lives 19,910

All years prior to most current three years:

1.64 Total premium earned \$ 251,390,292

1.65 Total incurred claims \$ 199,115,355

1.66 Number of covered lives 96,480

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	2,813,770,608	2,519,996,462
2.2 Premium Denominator	2,813,770,608	2,519,996,462
2.3 Premium Ratio (2.1/2.2)	1.000	1.000
2.4 Reserve Numerator	566,877,467	329,323,471
2.5 Reserve Denominator	578,617,429	329,323,471
2.6 Reserve Ratio (2.4/2.5)	0.980	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 21,426

8.2 Number of providers at end of reporting year 22,544

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

9.2 If yes, direct premium earned:

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

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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company
GENERAL INTERROGATORIES

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

10.2 If yes: 10.21 Maximum amount payable bonuses.....\$ 6,383,798
10.22 Amount actually paid for year bonuses.....\$ 21,341,888
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. Arkansas
11.4 If yes, show the amount required. \$ 750,000
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]
11.6 If the amount is calculated, show the calculation
.....

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

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

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

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

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

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

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

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

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

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):
15.1 Direct Premium Written \$ 0
15.2 Total Incurred Claims \$ 0
15.3 Number of Covered Lives 0

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company

FIVE-YEAR HISTORICAL DATA

	1 2022	2 2021	3 2020	4 2019	5 2018
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	2,394,483,165	2,157,080,477	1,985,630,142	1,852,076,538	1,747,304,961
2. Total liabilities (Page 3, Line 24)	1,257,691,260	1,075,824,317	992,939,638	933,010,554	916,759,531
3. Statutory minimum capital and surplus requirement	750,000	750,000	750,000	750,000	750,000
4. Total capital and surplus (Page 3, Line 33)	1,136,791,910	1,081,256,161	992,690,504	919,065,983	830,545,432
Income Statement (Page 4)					
5. Total revenues (Line 8)	2,808,647,688	2,524,108,463	2,423,629,238	2,394,999,635	2,480,226,100
6. Total medical and hospital expenses (Line 18)	2,304,962,128	2,129,158,748	1,847,957,908	1,959,147,139	2,009,095,022
7. Claims adjustment expenses (Line 20)	144,147,974	114,473,028	111,962,879	106,383,276	97,996,875
8. Total administrative expenses (Line 21)	313,786,109	232,682,377	366,836,181	264,507,096	388,768,746
9. Net underwriting gain (loss) (Line 24)	45,751,477	47,794,310	96,872,270	64,962,124	(13,472,612)
10. Net investment gain (loss) (Line 27)	24,274,977	19,254,610	45,860,705	46,045,927	36,447,109
11. Total other income (Lines 28 plus 29)	3,430,878	4,908,442	4,092,973	1,616,807	2,646,386
12. Net income or (loss) (Line 32)	63,766,315	51,963,228	105,631,948	84,545,585	(21,330,429)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	209,107,166	150,174,210	56,823,432	77,990,236	138,467,700
Risk-Based Capital Analysis					
14. Total adjusted capital	1,136,791,910	1,081,256,161	992,690,504	919,065,983	830,545,432
15. Authorized control level risk-based capital	152,312,683	143,787,506	130,914,271	125,188,323	104,849,670
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	655,152	635,425	630,303	617,680	618,679
17. Total members months (Column 6, Line 7)	7,814,151	7,559,347	7,470,965	7,437,192	7,739,589
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	82.1	84.4	76.2	81.8	81.0
20. Cost containment expenses	1.5	1.0	1.2	0.8	0.5
21. Other claims adjustment expenses	3.6	3.5	3.5	3.6	3.5
22. Total underwriting deductions (Line 23)	98.4	98.1	96.0	97.3	100.5
23. Total underwriting gain (loss) (Line 24)	1.6	1.9	4.0	2.7	(0.5)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5)	205,967,355	157,550,550	139,453,816	188,981,040	173,881,265
25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)]	155,314,820	109,394,458	193,584,018	206,900,568	229,441,942
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)			0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)			0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	420,784,556	421,910,903	413,623,749	381,496,941	169,735,848
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					
31. All other affiliated	103,772,197	105,961,659	90,993,226	81,303,178	99,708,187
32. Total of above Lines 26 to 31	524,556,753	527,872,562	504,616,975	462,800,119	269,444,035
33. Total investment in parent included in Lines 26 to 31 above.					

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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE USABLE Mutual Insurance Company
SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, etc.	1 Active Status (a)	Direct Business Only									
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums & Other Considerations	8 Property/Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit-Type Contracts	
1. Alabama	AL	N								0	
2. Alaska	AK	N								0	
3. Arizona	AZ	N								0	
4. Arkansas	AR	L	2,213,224,121	44,636,243			311,717,637			2,569,578,001	
5. California	CA	N								0	
6. Colorado	CO	N								0	
7. Connecticut	CT	N								0	
8. Delaware	DE	N								0	
9. District of Columbia	DC	N								0	
10. Florida	FL	L								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								0	
45. Utah	UT	N								0	
46. Vermont	VT	N								0	
47. Virginia	VA	N								0	
48. Washington	WA	N								0	
49. West Virginia	WV	N								0	
50. Wisconsin	WI	N								0	
51. Wyoming	WY	N								0	
52. American Samoa	AS	N								0	
53. Guam	GU	N								0	
54. Puerto Rico	PR	N								0	
55. U.S. Virgin Islands	VI	N								0	
56. Northern Mariana Islands	MP	N								0	
57. Canada	CAN	N								0	
58. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0	0	0
59. Subtotal	XXX	2,213,224,121	44,636,243	0	0	311,717,637	0	0	2,569,578,001	0	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX								0		
61. Totals (Direct Business)	XXX	2,213,224,121	44,636,243	0	0	311,717,637	0	0	2,569,578,001	0	0
DETAILS OF WRITE-INS											
58001.	XXX										
58002.	XXX										
58003.	XXX										
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0	0

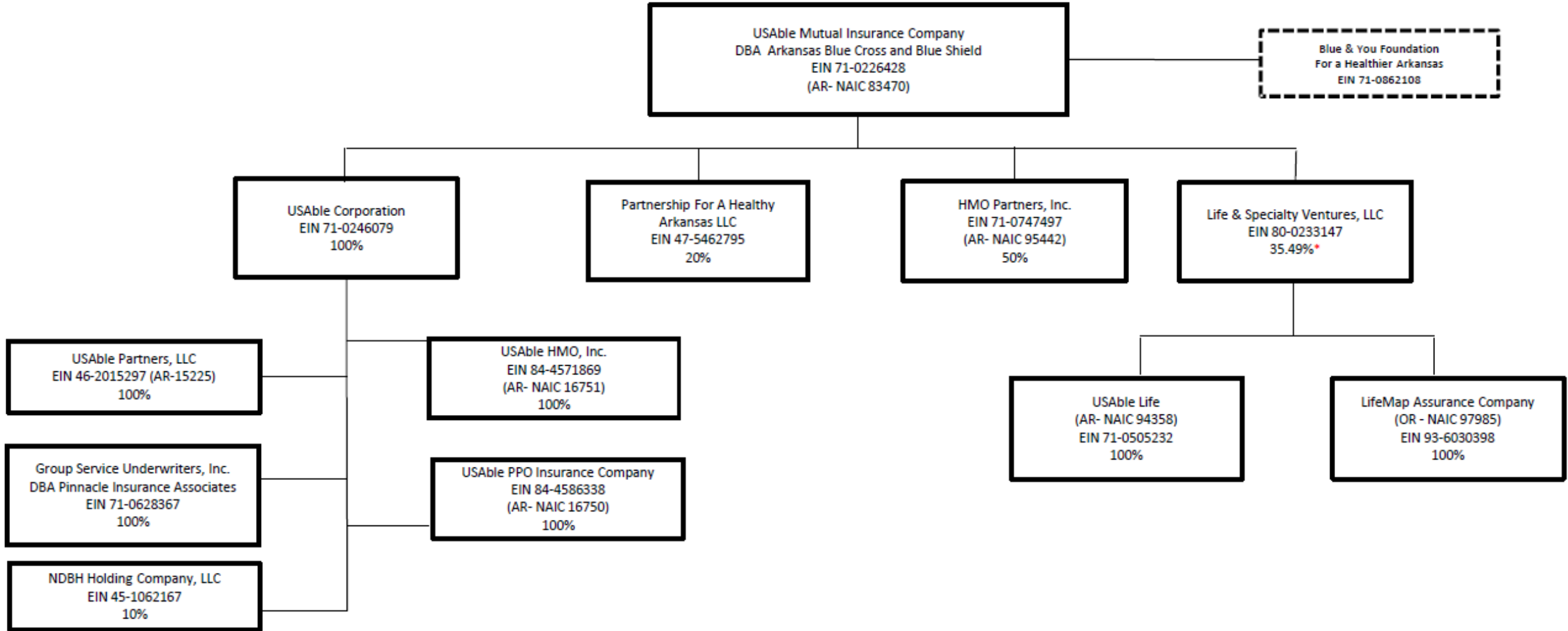
(a) Active Status Counts:

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

(b) Explanation of basis of allocation by states, premiums by state, etc.
 Each state's premium is recorded based on system data at the group/individual level.

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

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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	12,377		1,577,181		1,589,558
2505. Miscellaneous	(2,151,268)	1,402,993	12,452,781		11,704,506
2597. Summary of remaining write-ins for Line 25 from overflow page	(2,138,891)	1,402,993	14,029,962	0	13,294,064