

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	563,427,528		563,427,528	603,181,207
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	484,313,747		484,313,747	433,460,761
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 (less \$.....0 encumbrances).....	59,359,011		59,359,011	53,489,517
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	6,683,444		6,683,444	6,639,078
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....52,100,546, Schedule E-Part 1), cash equivalents (\$.....114,196,300, Schedule E-Part 2) and short-term investments (\$.....(0), Schedule DA).....	166,296,846		166,296,846	142,109,610
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	196,405,498		196,405,498	199,448,182
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	3,461,618	0	3,461,618	3,401,976
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,479,947,692	0	1,479,947,692	1,441,730,330
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	3,636,150		3,636,150	4,922,882
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 (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....155,096,878) and contracts subject to redetermination (\$.....3,812,532).....	158,909,410	1,665,583	157,243,827	116,644,178
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	3,811,787		3,811,787	3,703,146
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.....	77,098,018	2,488,269	74,609,748	86,670,103
18.1 Current federal and foreign income tax recoverable and interest thereon.....	18,236,898		18,236,898	19,344,639
18.2 Net deferred tax asset.....	106,671,102	51,293,629	55,377,473	46,905,299
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	9,775,383	4,868,352	4,907,031	5,869,081
21. Furniture and equipment, including health care delivery assets (\$.....0).....	21,751,075	21,751,075	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	35,557,635	17,569	35,540,067	12,597,905
24. Health care (\$.....64,707,229) and other amounts receivable.....	134,412,906	25,097,446	109,315,460	73,961,252
25. Aggregate write-ins for other-than-invested assets.....	83,050,959	40,046,951	43,004,009	39,727,722
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,132,859,016	147,228,874	1,985,630,142	1,852,076,538
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	2,132,859,016	147,228,874	1,985,630,142	1,852,076,538

DETAILS OF WRITE-INS

1101. Deposits with National Accounts.....	3,461,618		3,461,618	3,401,976
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	3,461,618	0	3,461,618	3,401,976
2501. Supplemental Savings Plan.....	42,652,494		42,652,494	39,415,416
2502. Other Assets.....	351,514		351,514	312,306
2503. Other Non-Admitted Assets.....	40,046,951	40,046,951	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	83,050,959	40,046,951	43,004,009	39,727,722

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....7,538,355 reinsurance ceded).....	104,339,554	263,527	104,603,081	190,894,561
2. Accrued medical incentive pool and bonus amounts.....	4,791,378		4,791,378	2,689,457
3. Unpaid claims adjustment expenses.....	6,674,257		6,674,257	6,421,153
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	138,642,485		138,642,485	126,031,552
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserves.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	27,681,746		27,681,746	28,795,706
9. General expenses due or accrued.....	576,802,037		576,802,037	440,130,669
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....			0	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....	4,641,009		4,641,009	4,466,147
12. Amounts withheld or retained for the account of others.....	59,703,741		59,703,741	48,238,301
13. Remittances and items not allocated.....	1,470,482		1,470,482	796,066
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	143,905		143,905	143,072
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	45,927,638		45,927,638	62,595,386
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	21,857,879	0	21,857,879	21,808,485
24. Total liabilities (Lines 1 to 23).....	992,676,111	263,527	992,939,638	933,010,554
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	42,870,062
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		
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	992,690,504	876,195,921
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	992,690,504	919,065,983
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	1,985,630,142	1,852,076,538

DETAILS OF WRITE-INS

2301. Deferred Gain on Capitalization of joint venture.....	19,617,685		19,617,685	19,617,685
2302. Miscellaneous.....	2,240,194		2,240,194	2,190,800
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....	21,857,879	0	21,857,879	21,808,485
2501. 2020 ACA Insurer Fee Estimate.....	XXX	XXX		42,870,062
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	42,870,062
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	7,470,965	7,437,192
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	2,436,239,329	2,389,476,420
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	(12,610,091)	5,523,215
4. Fee-for-service (net of \$.....0 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.....	2,423,629,238	2,394,999,635
Hospital and Medical:			
9. Hospital/medical benefits.....		1,055,316,796	1,148,868,460
10. Other professional services.....		43,420,474	47,267,129
11. Outside referrals.....		24,278,767	23,931,174
12. Emergency room and out-of-area.....		199,890,875	216,328,642
13. Prescription drugs.....		468,942,436	464,236,277
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		19,956,419	18,776,311
16. Subtotal (Lines 9 to 15).....	0	1,811,805,768	1,919,407,994
Less:			
17. Net reinsurance recoveries.....		(36,152,139)	(39,739,145)
18. Total hospital and medical (Lines 16 minus 17).....	0	1,847,957,908	1,959,147,139
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....28,273,281 cost containment expenses.....		111,962,879	106,383,276
21. General administrative expenses.....		366,836,181	264,507,096
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....			
23. Total underwriting deductions (Lines 18 through 22).....	0	2,326,756,968	2,330,037,511
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	96,872,270	64,962,124
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		23,370,448	47,782,059
26. Net realized capital gains or (losses) less capital gains tax of \$.....4,873,590.....		22,490,257	(1,736,131)
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	45,860,705	46,045,927
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
29. Aggregate write-ins for other income or expenses.....	0	4,092,973	1,616,807
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.....	146,825,948	112,624,858
31. Federal and foreign income taxes incurred.....	XXX.....	41,194,000	28,079,273
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	105,631,948	84,545,585

DETAILS OF WRITE-INS

0601.	XXX.....		
0602.	XXX.....		
0603.	XXX.....		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX.....	0	0
0701.	XXX.....		
0702.	XXX.....		
0703.	XXX.....		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX.....	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0
2901. Miscellaneous Income/Expense.....		4,097,530	1,624,277
2902. State Tax Expense.....		(4,557)	(7,470)
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	4,092,973	1,616,807

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	919,065,986	830,545,434
34. Net income or (loss) from Line 32.....	105,631,948	84,545,585
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0.....	(41,135,597)	5,948,346
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	6,012,348	9,994,070
39. Change in nonadmitted assets.....	2,883,454	(12,712,258)
40. Change in unauthorized and certified reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....		
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.....	232,366	744,809
48. Net change in capital and surplus (Lines 34 to 47).....	73,624,519	88,520,552
49. Capital and surplus end of reporting period (Line 33 plus 48).....	992,690,505	919,065,986

DETAILS OF WRITE-INS

4701. Capital Lease Adjustment.....	232,366	744,809
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above).....	232,366	744,809

USable Mutual Insurance Company

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	2,395,090,337	2,411,049,838
2. Net investment income.....	26,259,469	51,001,552
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	2,421,349,807	2,462,051,389
5. Benefit and loss related payments.....	1,975,889,297	1,993,320,781
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	343,677,228	352,024,786
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	44,959,849	38,715,586
10. Total (Lines 5 through 9).....	2,364,526,374	2,384,061,153
11. Net cash from operations (Line 4 minus Line 10).....	56,823,432	77,990,236
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	327,904,772	117,709,308
12.2 Stocks.....	46,581,448	18,796,269
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	16,624,509	1,753,965
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		1,895
12.7 Miscellaneous proceeds.....		51,316
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	391,110,729	138,312,754
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	287,984,103	161,816,517
13.2 Stocks.....	111,277,282	86,374,783
13.3 Mortgage loans.....		
13.4 Real estate.....	13,698,406	7,670,094
13.5 Other invested assets.....	(105,951)	1,646,845
13.6 Miscellaneous applications.....	59,642	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	412,913,483	257,508,239
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(21,802,754)	(119,195,485)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(10,833,442)	(13,573,023)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(10,833,442)	(13,573,023)
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).....	24,187,236	(54,778,273)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	142,109,608	196,887,881
19.2 End of year (Line 18 plus Line 19.1).....	166,296,844	142,109,608

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical).....	1,618,483,200	67,291,835		1,685,775,036
2. Medicare Supplement.....	283,821,727			283,821,727
3. Dental only.....	54,018,574		54,122,439	(103,865)
4. Vision only.....	6,694,076		6,799,695	(105,619)
5. Federal Employees Health Benefits Plan.....	305,461,760			305,461,760
6. Title XVIII - Medicare.....	92,108,996	26,285,013		118,394,009
7. Title XIX - Medicaid.....				0
8. Other health.....	43,441,247		444,965	42,996,281
9. Health subtotal (Lines 1 through 8).....	2,404,029,579	93,576,848	61,367,099	2,436,239,329
10. Life.....				0
11. Property/casualty.....				0
12. Totals (Lines 9 to 11).....	2,404,029,579	93,576,848	61,367,099	2,436,239,329

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	1,899,235,101	1,297,390,441	208,131,075	34,206,801	4,399,917	255,601,207	66,348,937		33,156,723	
1.2 Reinsurance assumed.....	74,890,801	53,817,471					21,392,886		(319,556)	
1.3 Reinsurance ceded.....	38,683,113	(2)		34,096,644	4,399,917				186,554	
1.4 Net.....	1,935,442,789	1,351,207,914	208,131,075	110,157	0	255,601,207	87,741,823	0	32,650,613	0
2. Paid medical incentive pools and bonuses.....	17,854,497	15,603,275				1,143,381	889,272		218,569	
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	103,828,651	34,026,033	28,482,957	2,017,253		23,072,089	5,800,008		10,430,311	
3.2 Reinsurance assumed.....	8,312,784	5,087,500					3,225,284			
3.3 Reinsurance ceded.....	7,538,355			2,017,253					5,521,102	
3.4 Net.....	104,603,080	39,113,533	28,482,957	0	0	23,072,089	9,025,292	0	4,909,209	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	4,791,378	4,450,404					337,392		3,582	
6. Net healthcare receivables (a).....	21,041,176	21,507,602	(331,554)			125,822	(285,747)		25,053	
7. Amounts recoverable from reinsurers December 31, current year.....	3,811,787			3,800,106					11,681	
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	190,173,226	115,172,914	30,423,265	1,350,992		24,093,553	9,119,932		10,012,570	
8.2 Reinsurance assumed.....	7,323,012	5,314,111					2,328,457		(319,556)	
8.3 Reinsurance ceded.....	6,601,676	(2)		1,350,992					5,250,686	
8.4 Net.....	190,894,562	120,487,027	30,423,265	0	0	24,093,553	11,448,389	0	4,442,328	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	2,689,457	2,182,266					505,921		1,270	
11. Amounts recoverable from reinsurers December 31, prior year.....	3,703,147			3,689,949					13,198	
12. Incurred benefits:										
12.1 Direct.....	1,791,849,350	1,194,735,958	206,522,321	34,873,062	4,399,917	254,453,921	63,314,760	0	33,549,411	0
12.2 Reinsurance assumed.....	75,880,573	53,590,860	0	0	0	0	22,289,713	0	0	0
12.3 Reinsurance ceded.....	39,728,432	0	0	34,873,062	4,399,917	0	0	0	455,453	0
12.4 Net.....	1,828,001,491	1,248,326,818	206,522,321	0	0	254,453,921	85,604,473	0	33,093,958	0
13. Incurred medical incentive pools and bonuses.....	19,956,418	17,871,413	0	0	0	1,143,381	720,743	0	220,881	0

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	40,494,654	30,127,146	8,532,957			2,948,835	(3,755,445)		2,641,161	
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	40,494,654	30,127,146	8,532,957	0	0	2,948,835	(3,755,445)	0	2,641,161	0
2. Incurred but unreported:										
2.1 Direct.....	63,333,997	3,898,887	19,950,000	2,017,253		20,123,254	9,555,453		7,789,150	
2.2 Reinsurance assumed.....	8,312,784	5,087,500					3,225,284			
2.3 Reinsurance ceded.....	7,538,355			2,017,253					5,521,102	
2.4 Net.....	64,108,426	8,986,387	19,950,000	0	0	20,123,254	12,780,737	0	2,268,048	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	0									
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct.....	103,828,651	34,026,033	28,482,957	2,017,253	0	23,072,089	5,800,008	0	10,430,311	0
4.2 Reinsurance assumed.....	8,312,784	5,087,500	0	0	0	0	3,225,284	0	0	0
4.3 Reinsurance ceded.....	7,538,355	0	0	2,017,253	0	0	0	0	5,521,102	0
4.4 Net.....	104,603,080	39,113,533	28,482,957	0	0	23,072,089	9,025,292	0	4,909,209	0

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 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	89,185,864	1,291,559,968	(9,605,073)	46,701,353	79,580,791	119,136,035
2. Medicare Supplement.....	27,380,966	180,750,109	104,292	28,378,665	27,485,258	30,423,265
3. Dental only.....	1,387,924	32,818,877	14,552	2,002,701	1,402,476	1,350,992
4. Vision only.....	\$-	4,399,917	\$-	\$-	0	0
5. Federal Employees Health Benefits Plan.....	17,442,222	238,158,985	241,465	22,830,624	17,683,687	24,093,552
6. Title XVIII - Medicare.....	9,692,550	56,656,386	56,793	8,968,499	9,749,343	11,448,389
7. Title XIX - Medicaid.....	\$-	\$-	\$-	\$-	0	0
8. Other health.....	706,632	32,450,090	8,308	4,900,901	714,940	4,442,328
9. Health subtotal (Lines 1 to 8).....	145,796,158	1,836,794,332	(9,179,663)	113,782,743	136,616,495	190,894,561
10. Healthcare receivables (a).....	\$-	68,297,520	\$-	\$-	0	0
11. Other non-health.....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts.....	2,837,321	15,017,176	\$-	4,791,378	2,837,321	2,689,457
13. Totals (Lines 9 - 10 + 11 + 12).....	148,633,479	1,783,513,988	(9,179,663)	118,574,121	139,453,816	193,584,018

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS
 (000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	1,936,903	1,936,976	1,936,976	1,936,976	1,936,976
2. 2016.....	1,990,751	2,177,784	2,179,408	2,179,408	2,179,408
3. 2017.....	XXX	2,081,794	2,248,371	2,247,198	2,247,198
4. 2018.....	XXX	XXX	1,885,196	2,075,561	2,077,888
5. 2019.....	XXX	XXX	XXX	1,808,078	1,951,546
6. 2020.....	XXX	XXX	XXX	XXX	1,836,794

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 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	1,936,976	1,936,976	1,936,976	1,936,976	1,936,976
2. 2016.....	2,239,338	2,177,858	2,179,408	2,179,408	2,179,408
3. 2017.....	XXX	2,305,891	2,250,379	2,247,198	2,247,198
4. 2018.....	XXX	XXX	2,083,985	2,065,998	2,077,888
5. 2019.....	XXX	XXX	XXX	2,005,614	1,951,337
6. 2020.....	XXX	XXX	XXX	XXX	1,950,578

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	2,496,570	2,179,408	71,503	3.3	2,250,911	90.2			2,250,911	90.2
2. 2017.....	2,499,962	2,247,198	71,585	3.2	2,318,783	92.8			2,318,783	92.8
3. 2018.....	2,481,726	2,077,888	79,357	3.8	2,157,245	86.9			2,157,245	86.9
4. 2019.....	2,389,562	1,951,546	78,612	4.0	2,030,158	85.0	(9,180)	(1,066)	2,019,912	84.5
5. 2020.....	2,436,656	1,836,794	77,033	4.2	1,913,827	78.5	118,575	7,741	2,040,143	83.7

12.GT

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

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	1,331,641	1,331,554	1,331,554	1,331,554	1,331,554
2. 2016.....	1,413,777	1,548,274	1,549,824	1,549,824	1,549,824
3. 2017.....	XXX	1,490,216	1,605,241	1,603,900	1,603,900
4. 2018.....	XXX	XXX	1,308,355	1,448,562	1,450,615
5. 2019.....	XXX	XXX	XXX	1,238,491	1,325,624
6. 2020.....	XXX	XXX	XXX	XXX	1,291,560

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND 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 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	1,331,554	1,331,554	1,331,554	1,331,554	1,331,554
2. 2016.....	1,598,910	1,548,375	1,549,824	1,549,824	1,549,824
3. 2017.....	XXX	1,651,483	1,607,102	1,603,900	1,603,900
4. 2018.....	XXX	XXX	1,448,921	1,438,761	1,450,615
5. 2019.....	XXX	XXX	XXX	1,376,783	1,325,313
6. 2020.....	XXX	XXX	XXX	XXX	1,338,261

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	1,771,012	1,549,824	44,540	2.9	1,594,364	90.0			1,594,364	90.0
2. 2017.....	1,789,027	1,603,900	45,378	2.8	1,649,278	92.2			1,649,278	92.2
3. 2018.....	1,748,133	1,450,615	51,190	3.5	1,501,805	85.9			1,501,805	85.9
4. 2019.....	1,667,240	1,325,624	51,389	3.9	1,377,013	82.6	(9,605)	(1,080)	1,366,328	82.0
5. 2020.....	1,685,982	1,291,560	45,472	3.5	1,337,032	79.3	51,152	5,751	1,393,935	82.7

12.HM

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

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	191,943	191,957	191,957	191,957	191,957
2. 2016.....	181,611	200,791	200,660	200,660	200,660
3. 2017.....	XXX	191,173	208,672	208,659	208,659
4. 2018.....	XXX	XXX	195,683	213,257	213,200
5. 2019.....	XXX	XXX	XXX	193,269	220,707
6. 2020.....	XXX	XXX	XXX	XXX	180,750

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

12.MS

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 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	191,957	191,957	191,957	191,957	191,957
2. 2016.....	202,376	200,772	200,660	200,660	200,660
3. 2017.....	XXX	211,439	208,617	208,659	208,659
4. 2018.....	XXX	XXX	216,053	213,315	213,200
5. 2019.....	XXX	XXX	XXX	214,093	220,579
6. 2020.....	XXX	XXX	XXX	XXX	209,129

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	247,867	200,660	7,779	3.9	208,439	84.1			208,439	84.1
2. 2017.....	257,379	208,659	7,108	3.4	215,767	83.8			215,767	83.8
3. 2018.....	264,659	213,200	8,909	4.2	222,109	83.9			222,109	83.9
4. 2019.....	262,534	220,707	7,794	3.5	228,501	87.0	104	3	228,608	87.1
5. 2020.....	283,822	180,750	7,772	4.3	188,522	66.4	28,379	735	217,636	76.7

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

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	31,769	31,784	31,784	31,784	31,784
2. 2016.....	31,221	32,790	32,805	32,805	32,805
3. 2017.....	XXX	33,510	34,815	34,815	34,815
4. 2018.....	XXX	XXX	33,204	34,310	34,310
5. 2019.....	XXX	XXX	XXX	35,506	36,893
6. 2020.....	XXX	XXX	XXX	XXX	32,819

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

12.D0

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 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	31,784	31,784	31,784	31,784	31,784
2. 2016.....	33,343	32,801	32,805	32,805	32,805
3. 2017.....	XXX	35,044	34,830	34,815	34,815
4. 2018.....	XXX	XXX	34,494	34,309	34,310
5. 2019.....	XXX	XXX	XXX	36,849	36,901
6. 2020.....	XXX	XXX	XXX	XXX	34,822

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....		32,805		0.0	32,805	0.0			32,805	0.0
2. 2017.....		34,815		0.0	34,815	0.0			34,815	0.0
3. 2018.....		34,310		0.0	34,310	0.0			34,310	0.0
4. 2019.....		36,893	.347	0.9	37,240	0.0	15		37,255	0.0
5. 2020.....		32,819	.294	0.9	33,113	0.0	2,003		35,116	0.0

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

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	2,161	2,161	2,161	2,161	2,161
2. 2016.....	2,463	2,463	2,463	2,463	2,463
3. 2017.....	XXX	3,814	3,814	3,814	3,814
4. 2018.....	XXX	XXX	4,213	4,213	4,213
5. 2019.....	XXX	XXX	XXX	6,777	6,777
6. 2020.....	XXX	XXX	XXX	XXX	4,400

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 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	2,161	2,161	2,161	2,161	2,161
2. 2016.....	2,503	2,463	2,463	2,463	2,463
3. 2017.....	XXX	3,860	3,814	3,814	3,814
4. 2018.....	XXX	XXX	4,213	4,213	4,213
5. 2019.....	XXX	XXX	XXX	6,777	6,777
6. 2020.....	XXX	XXX	XXX	XXX	4,400

12.VO

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	3,563	2,463		0.0	2,463	69.1			2,463	69.1
2. 2017.....	5,708	3,814		0.0	3,814	66.8			3,814	66.8
3. 2018.....	6,700	4,213		0.0	4,213	62.9			4,213	62.9
4. 2019.....	8,401	6,777	140	2.1	6,917	82.3			6,917	82.3
5. 2020.....		4,400	193	4.4	4,593	0.0			4,593	0.0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED 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 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	221,246	221,301	221,301	221,301	221,301
2. 2016.....	215,198	230,677	230,679	230,679	230,679
3. 2017.....	XXX	219,381	235,519	235,537	235,537
4. 2018.....	XXX	XXX	217,593	236,519	236,607
5. 2019.....	XXX	XXX	XXX	234,853	252,207
6. 2020.....	XXX	XXX	XXX	XXX	238,159

SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

12.FE

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 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	221,301	221,301	221,301	221,301	221,301
2. 2016.....	235,118	230,776	230,679	230,679	230,679
3. 2017.....	XXX	236,267	235,514	235,537	235,537
4. 2018.....	XXX	XXX	234,982	236,607	236,607
5. 2019.....	XXX	XXX	XXX	255,654	252,256
6. 2020.....	XXX	XXX	XXX	XXX	260,990

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	275,089	230,679	8,988	3.9	239,667	87.1			239,667	87.1
2. 2017.....	256,173	235,537	9,422	4.0	244,959	95.6			244,959	95.6
3. 2018.....	266,136	236,607	9,836	4.2	246,443	92.6			246,443	92.6
4. 2019.....	287,745	252,207	10,579	4.2	262,786	91.3	241	.8	263,035	91.4
5. 2020.....	305,462	238,159	10,925	4.6	249,084	81.5	22,831	.739	272,654	89.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	126,919	126,993	126,993	126,993	126,993
2. 2016.....	114,797	131,015	131,198	131,198	131,198
3. 2017.....	XXX	111,279	127,474	127,598	127,598
4. 2018.....	XXX	XXX	96,992	109,482	109,734
5. 2019.....	XXX	XXX	XXX	77,546	86,986
6. 2020.....	XXX	XXX	XXX	XXX	56,656

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

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 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	126,993	126,993	126,993	126,993	126,993
2. 2016.....	131,148	131,046	131,198	131,198	131,198
3. 2017.....	XXX	128,103	127,657	127,598	127,598
4. 2018.....	XXX	XXX	109,970	109,588	109,734
5. 2019.....	XXX	XXX	XXX	88,177	87,162
6. 2020.....	XXX	XXX	XXX	XXX	65,625

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	154,146	131,198	7,115	5.4	138,313	89.7			138,313	89.7
2. 2017.....	148,744	127,598	6,272	4.9	133,870	90.0			133,870	90.0
3. 2018.....	161,254	109,734	6,582	6.0	116,316	72.1			116,316	72.1
4. 2019.....	128,398	86,986	5,776	6.6	92,762	72.2	57	3	92,822	72.3
5. 2020.....	118,394	56,656	11,533	20.4	68,189	57.6	9,306	432	77,927	65.8

12.XV

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

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	NONE				
2. 2016.....					
3. 2017.....		.XXX			
4. 2018.....		.XXX	.XXX		
5. 2019.....		.XXX	.XXX	.XXX	
6. 2020.....		.XXX	.XXX	.XXX	.XXX

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

12.XI

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 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	NONE				
2. 2016.....					
3. 2017.....		.XXX			
4. 2018.....		.XXX	.XXX		
5. 2019.....		.XXX	.XXX	.XXX	
6. 2020.....		.XXX	.XXX	.XXX	.XXX

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....		.0		NONE	.0	.0.0			.0	.0.0
2. 2017.....		.0			.0	.0.0			.0	.0.0
3. 2018.....		.0			.0	.0	.0.0		.0	.0.0
4. 2019.....		.0			.0	.0	.0.0		.0	.0.0
5. 2020.....		.0			.0	.0	.0.0		.0	.0.0

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

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	31,224	31,226	31,226	31,226	31,226
2. 2016.....	31,684	31,774	31,779	31,779	31,779
3. 2017.....	XXX	32,420	32,836	32,875	32,875
4. 2018.....	XXX	XXX	29,156	29,218	29,209
5. 2019.....	XXX	XXX	XXX	21,636	22,352
6. 2020.....	XXX	XXX	XXX	XXX	32,450

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 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	31,226	31,226	31,226	31,226	31,226
2. 2016.....	35,940	31,624	31,779	31,779	31,779
3. 2017.....	XXX	39,695	32,845	32,875	32,875
4. 2018.....	XXX	XXX	35,352	29,205	29,209
5. 2019.....	XXX	XXX	XXX	27,281	22,349
6. 2020.....	XXX	XXX	XXX	XXX	37,351

12.0T

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	44,893	31,779	3,081	9.7	34,860	77.7			34,860	77.7
2. 2017.....	42,931	32,875	3,405	10.4	36,280	84.5			36,280	84.5
3. 2018.....	34,844	29,209	2,840	9.7	32,049	92.0			32,049	92.0
4. 2019.....	35,244	22,352	2,587	11.6	24,939	70.8	8		24,947	70.8
5. 2020.....	42,996	32,450	844	2.6	33,294	77.4	4,904	84	38,282	89.0

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	700,369	5,424	694,945						
2. Additional policy reserves (a).....	0								
3. Reserve for future contingent benefits.....	0								
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income).....	137,942,116					137,942,116			
5. Aggregate write-ins for other policy reserves.....	0	0	0	0	0	0	0	0	0
6. Totals (gross).....	138,642,485	5,424	694,945	0	0	137,942,116	0	0	0
7. Reinsurance ceded.....	0								
8. Totals (net) (Page 3, Line 4).....	138,642,485	5,424	694,945	0	0	137,942,116	0	0	0
9. Present value of amounts not yet due on claims.....	0								
10. Reserve for future contingent benefits.....	0								
11. Aggregate write-ins for other claim reserves.....	0	0	0	0	0	0	0	0	0
12. Totals (gross).....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded.....	0								
14. Totals (net) (Page 3, Line 7).....	0	0	0	0	0	0	0	0	0

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DETAILS OF WRITE-INS

0501.	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0	0	0	0	0	0

(a) Includes \$.....0 premium deficiency reserve.

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 (\$.....9,436,042 for occupancy of own building).....	169,310	1,057,714	6,982,076	9,436,042	17,645,142
2. Salaries, wages and other benefits.....	75,999,670	37,563,284	184,932,183		298,495,137
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....			37,116,540		37,116,540
4. Legal fees and expenses.....	39,469	12,200	2,441,682		2,493,351
5. Certifications and accreditation fees.....	6,315				6,315
6. Auditing, actuarial and other consulting services.....	1,470,544	49,983	15,240,602		16,761,129
7. Traveling expenses.....	202,113	12,739	797,205		1,012,057
8. Marketing and advertising.....	3,320,364		4,643,641		7,964,005
9. Postage, express and telephone.....	745,427	4,230,420	7,372,756		12,348,603
10. Printing and office supplies.....	235,724	90,495	4,679,405		5,005,624
11. Occupancy, depreciation and amortization.....	1,029,040	238,670	5,239,241		6,506,951
12. Equipment.....	142,199	54,018	4,150,465		4,346,682
13. Cost or depreciation of EDP equipment and software.....	9,219,563	2,110,653	48,683,542		60,013,758
14. Outsourced services including EDP, claims, and other services.....	31,748,178	(8,932,549)	28,419,287	1,259,759	52,494,675
15. Boards, bureaus and association fees.....	362,071	2,343	4,594,289		4,958,703
16. Insurance, except on real estate.....	453,138	301,748	2,739,692		3,494,578
17. Collection and bank service charges.....			3,163,940		3,163,940
18. Group service and administration fees.....	(4,800,842)	42,496,438	5,257,150		42,952,746
19. Reimbursements by uninsured plans.....	(108,712,539)	(1,730,919)	(200,703,912)		(311,147,370)
20. Reimbursements from fiscal intermediaries.....		988,516			988,516
21. Real estate expenses.....	588,812	257,718	4,446,838	811,775	6,105,143
22. Real estate taxes.....	108,797	26,725	652,509	20,910	808,941
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....		8,935	587,154		596,089
23.2 State premium taxes.....			30,451,593		30,451,593
23.3 Regulatory authority licenses and fees.....	8,678	203	42,147,485		42,156,366
23.4 Payroll taxes.....	4,063,623	2,072,117	8,659,943		14,795,683
23.5 Other (excluding federal income and real estate taxes).....	17,046	6,259	368,424		391,729
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	11,856,582	2,771,889	113,772,451	0	128,400,922
26. Total expenses incurred (Lines 1 to 25).....	28,273,282	83,689,599	366,836,181	11,528,486	(a).....490,327,548
27. Less expenses unpaid December 31, current year.....		6,674,257	576,802,037		583,476,294
28. Add expenses unpaid December 31, prior year.....		6,421,153	440,130,669		446,551,822
29. Amounts receivable relating to uninsured plans, prior year.....			8,378,546		8,378,546
30. Amounts receivable relating to uninsured plans, current year.....			8,217,104		8,217,104
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	28,273,282	83,436,495	230,003,371	11,528,486	353,241,634

DETAILS OF WRITE-INS

2501. Administrative Expenses Assumed.....	10,707,374	32,733	30,908,252		41,648,359
2502. Administrative Expenses Ceded.....	(40,072)	2,509,656	(6,085,453)		(3,615,869)
2503. HMOP ASA Agreement.....			(2,828,154)		(2,828,154)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	1,189,280	229,500	91,777,806	0	93,196,586
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above).....	11,856,582	2,771,889	113,772,451	0	128,400,922

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds.....	(a).....1,808,752	.....1,701,058
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....15,587,699	.....14,806,192
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....1,306,768	.....1,252,325
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....10,083,174
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....877,625	.....534,537
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....1,783,441	.....6,521,649
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....21,364,285	.....34,898,934
11. Investment expenses.....	.....	(g).....11,528,486
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....11,528,486
17. Net investment income (Line 10 minus Line 16).....	.....	.....23,370,448

DETAILS OF WRITE-INS

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....701,212 accrual of discount less \$.....2,303,501 amortization of premium and less \$.....304,531 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 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 \$..... depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds.....	.....3,600,476	.....	.....3,600,476	.....(2,080,406)	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....330,543	.....	.....330,543	.....(77,828)	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....20,330,498	.....	.....20,330,498	.....(16,300,153)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....(17,873,192)	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....3,102,331	.....	.....3,102,331	.....10,585,445	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....(15,389,463)	.....0
10. Total capital gains (losses).....	.....27,363,847	.....0	.....27,363,847	.....(41,135,597)	.....0

DETAILS OF WRITE-INS

0901. OPEB.....	.....	.....	.....0	.....(16,469,920)	.....
0902. SSP and Other.....	.....	.....	.....0	.....1,080,457	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....(15,389,463)	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
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.....	1,665,583	2,580,156	914,572
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.....	2,488,269	625,839	(1,862,430)
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	51,293,629	50,747,463	(546,166)
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....	4,868,352	9,899,083	5,030,731
21. Furniture and equipment, including health care delivery assets.....	21,751,075	29,302,060	7,550,985
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....	17,569	2,279,237	2,261,669
24. Health care and other amounts receivable.....	25,097,446	16,818,464	(8,278,982)
25. Aggregate write-ins for other-than-invested assets.....	40,046,951	37,860,025	(2,186,925)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	147,228,874	150,112,327	2,883,454
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	147,228,874	150,112,327	2,883,454

DETAILS OF WRITE-INS

1101.....			0
1102.....			0
1103.....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Other Assets.....	40,046,951	37,860,025	(2,186,925)
2502.....			0
2503.....			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	40,046,951	37,860,025	(2,186,925)

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.....	388,484	383,094	385,553	388,728	391,908	4,648,024
4. Point of service.....						
5. Indemnity only.....	229,196	232,108	233,797	237,126	238,395	2,822,941
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	617,680	615,202	619,350	625,854	630,303	7,470,965

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 through 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 #	2020	2019
NET INCOME					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 105,631,948	\$ 84,545,585
(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	\$ 105,631,948	\$ 84,545,585
SURPLUS					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 992,690,504	\$ 919,065,983
(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	\$ 992,690,504	\$ 919,065,983

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

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 and Amortization Schedule**
Bonds not backed by other loans and 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 does not have 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 derivatives.
- (10) **Anticipated Investment Income Used in Premium Deficiency Calculation**
The Company does include anticipated investment income as a factor in the premium deficiency calculation.
- (11) **Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses**
When setting reserves, the Company employs the 5 methods that are described below. Based on the estimates of these methods and also retrospective considerations, the company sets a best estimate and then an explicit margin is added to ensure that the estimate is sufficient. The average of the methods, as well as the spread of the estimates, is also considered when setting the respective liabilities. Aggregate liabilities are tested against other aggregate estimation methods to check for reasonableness, and any additional margin or adjustments are made

NOTES TO FINANCIAL STATEMENTS

- 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 incurral 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
No change in the capitalization policy this year
- (13) Method Used to Estimate Pharmaceutical Rebate Receivables
Pharmacy rebate receivable estimates are based upon the prior quarter's invoiced amounts
- D. Going Concern

For the period ending December 31, 2020 management has evaluated the Company's ability to continue as a going concern. Management has concluded that there is not substantial doubt that the Company can continue as a going concern, therefore, there are no policies in place to alleviate such situations.

Note 2 – Accounting Changes and Corrections of Errors

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

Note 3 – Business Combinations and Goodwill

- A. Statutory Purchase Method

Not Applicable

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

1	2	3	4	5	6	7
Purchased Entity	Acquisition Date	Cost of Acquired Entity	Original Amount of Admitted Goodwill	Admitted Goodwill as of the Reporting Date	Amount of Goodwill Amortized During the Reporting Period	Admitted Goodwill as a % of SCA BACV, Gross of Admitted Goodwill
		\$	\$	\$	\$	%

- B. Statutory Merger

Not Applicable

- C. Assumption Reinsurance

Not Applicable

- D. Impairment Loss

Not Applicable

Note 4 – Discontinued Operations

- 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

NOTES TO FINANCIAL STATEMENTS

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

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

(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

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							

NOTES TO FINANCIAL STATEMENTS

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
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:

	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	\$	\$	\$	\$	\$	\$	\$

(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	\$	\$	\$	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
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 Balances:

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

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

	Current Year
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

	Current Year	Prior Year
(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 owing receivables whose terms have been modified in troubled debt restructurings	\$	\$

(4) Creditor's Income Recognition Policy for Interest Income on Impaired Loans
Not Applicable

C. Reverse Mortgages

(1) Description of Accounting Policies and Methods
Not Applicable(2) General Information Regarding Commitment Under the Agreement
Not Applicable

(3) At December 31, the actuarial reserve of \$0 reduced the asset value of the group of reverse mortgages.

(4) The Company recorded an unrealized loss \$0 as a result of the re-estimates of the cash flows.

D. Loan-Backed Securities

(1) Description 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.

(2) Other-Than-Temporary Impairments
Not Applicable

	1 Amortized Cost Basis Before Other-than-Temporary Impairment	2 Other-than-Temporary Impairment Recognized in Loss	3 Fair Value 1 - 2

NOTES TO FINANCIAL STATEMENTS

OTTI Recognized 1 st 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 1 st Quarter	\$	\$	\$
OTTI Recognized 2 nd 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 2 nd Quarter	\$	\$	\$
OTTI Recognized 3 rd 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 3 rd Quarter	\$	\$	\$
OTTI Recognized 4 th 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 4 th Quarter	\$	\$	\$
m. Annual aggregate total		XXX	XXX

(3) Recognized OTTI Securities
Not Applicable

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			\$			

(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	\$	401,162
	2. 12 Months or Longer	\$	
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$	18,362,458
	2. 12 Months or Longer	\$	

(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 Investors determination that these impairments are temporary. The Investor maintains a watch list of holdings to evaluate for other than temporary impairment and will continue to evaluate underperforming holdings as required on a routine basis.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

- (1) Policy for Requiring Collateral or Other Security
Not Applicable
- (2) Disclose the Carrying Amount and Classification of Both Assets and Liabilities
Not Applicable
- (3) Collateral Received
Not Applicable

a. Aggregate Amount Collateral Received	Fair Value
1. Securities Lending	
(a) Open	\$
(b) 30 Days or Less	
(c) 31 to 60 Days	

NOTES TO FINANCIAL STATEMENTS

a. Aggregate Amount Collateral Received	Fair Value
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Sub-Total	
(g) Securities Received	
(h) Total Collateral Received	\$
2. Dollar Repurchase Agreement	
(a) Open	\$
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Sub-Total	
(g) Securities Received	
(h) Total Collateral Received	\$

b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged	\$
--	----

c. Information about Sources and Uses of Collateral
Not Applicable

(4) Aggregate Value of the Reinvested Collateral
Not Applicable

(5) Collateral Reinvestment
Not Applicable

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

b. Explanation of Additional Sources of Liquidity for Maturity Date Mismatches
Not Applicable

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

(7) Collateral for Securities Lending Transactions that Extend Beyond One Year from the Reporting Date.
Not Applicable

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

NOTES TO FINANCIAL STATEMENTS

Repurchase Transaction – Cash Taker – Overview of Secured Borrowing Transactions

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

Not Applicable

- (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) and Residual Maturity

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Open – No Maturity	\$	\$	\$	\$
2. Overnight	\$	\$	\$	\$
3. 2 Days to 1 Week	\$	\$	\$	\$
4. >1 Week to 1 Month	\$	\$	\$	\$
5. >1 Month to 3 Months	\$	\$	\$	\$
6. >3 Months to 1 Year	\$	\$	\$	\$
7. > 1 Year	\$	\$	\$	\$
b. Ending Balance				
1. Open – No Maturity	\$	\$	\$	\$
2. Overnight	\$	\$	\$	\$
3. 2 Days to 1 Week	\$	\$	\$	\$
4. >1 Week to 1 Month	\$	\$	\$	\$
5. >1 Month to 3 Months	\$	\$	\$	\$
6. >3 Months to 1 Year	\$	\$	\$	\$
7. > 1 Year	\$	\$	\$	\$

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

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

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. BACV	XXX	XXX	XXX	\$
2. Nonadmitted – Subset of BACV	XXX	XXX	XXX	\$
3. Fair Value	\$	\$	\$	\$
b. Ending Balance				
1. BACV	XXX	XXX	XXX	\$
2. Nonadmitted – Subset of BACV	XXX	XXX	XXX	\$
3. Fair Value	\$	\$	\$	\$

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

Ending Balance	1 None	2 NAIC 1	3 NAIC 2	4 NAIC 3
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	\$	\$	\$	\$

Ending Balance	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Nonadmitted
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				

NOTES TO FINANCIAL STATEMENTS

Ending Balance	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Nonadmitted
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	\$	\$	\$	\$

$$p = a + c + e + g + h + j + l + n \quad q = b + d + f + g + i + k + m + o$$

(7) Collateral Received – Secured Borrowing

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash	\$	\$	\$	\$
2. Securities (FV)	\$	\$	\$	\$
b. Ending Balance				
1. Cash	\$	\$	\$	\$
2. Securities (FV)	\$	\$	\$	\$

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

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

Ending Balance	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Does Not Qualify as Admitted
a. Cash	\$	\$	\$	\$
b. Bonds- FV				
c. LB & SS- FV				
d. Preferred Stock- FV				
e. Common Stock				
f. Mortgage Loans- FV				
g. Real Estate- FV				
h. Derivatives- FV				
i. Other Invested Assets- FV				
j. Total Collateral Assets – FV (Sum of a through i)	\$	\$	\$	\$

(9) Allocation of Aggregate Collateral by Remaining Contractual Maturity

	Fair Value
a. Overnight and Continuous	\$
b. 30 Days or Less	\$
c. 31 to 90 Days	\$
d. >90 Days	\$

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

	Amortized Cost	Fair Value
a. 30 Days or Less	\$	\$
b. 31 to 60 Days	\$	\$
c. 61 to 90 Days	\$	\$
d. 91 to 120 Days	\$	\$
e. 121 to 180 Days	\$	\$
f. 181 to 365 Days	\$	\$
g. 1 to 2 Years	\$	\$
h. 2 to 3 Years	\$	\$
i. >3 Years	\$	\$

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

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash (Collateral – All)	\$	\$	\$	\$
2. Securities Collateral (FV)	\$	\$	\$	\$
b. Ending Balance				
1. Cash (Collateral – All)	\$	\$	\$	\$
2. Securities Collateral (FV)	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
 Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

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

Not Applicable

- (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) and Residual Maturity

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Open – No Maturity	\$	\$	\$	\$
2. Overnight	\$	\$	\$	\$
3. 2 Days to 1 Week	\$	\$	\$	\$
4. >1 Week to 1 Month	\$	\$	\$	\$
5. >1 Month to 3 Months	\$	\$	\$	\$
6. >3 Months to 1 Year	\$	\$	\$	\$
7. > 1 Year	\$	\$	\$	\$
b. Ending Balance				
1. Open – No Maturity	\$	\$	\$	\$
2. Overnight	\$	\$	\$	\$
3. 2 Days to 1 Week	\$	\$	\$	\$
4. >1 Week to 1 Month	\$	\$	\$	\$
5. >1 Month to 3 Months	\$	\$	\$	\$
6. >3 Months to 1 Year	\$	\$	\$	\$
7. > 1 Year	\$	\$	\$	\$

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

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

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount	\$	\$	\$	\$
b. Ending Balance	\$	\$	\$	\$

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

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

Ending Balance	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Does Not Qualify as Admitted
a. Bonds- FV	\$	\$	\$	\$
b. LB & SS- FV				
c. Preferred Stock- FV				
d. Common Stock				
e. Mortgage Loans- FV				
f. Real Estate- FV				
g. Derivatives- FV				
h. Other Invested Assets- FV				
i. Total Assets- FV (Sum of a through h)	\$	\$	\$	\$

- (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				

NOTES TO FINANCIAL STATEMENTS

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
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
Repurchase Transaction – Cash Taker – Overview of Sale Transactions(1) Company Policy or Strategies for Engaging in Repo Programs
Not Applicable

Not Applicable

(2) Type of Repo Trades Used

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Bilateral (YES/NO)				
b. Tri-Party (YES/NO)				

(3) Original (Flow) & Residual Maturity

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Open – No Maturity	\$	\$	\$	\$
2. Overnight	\$	\$	\$	\$
3. 2 Days to 1 Week	\$	\$	\$	\$
4. >1 Week to 1 Month	\$	\$	\$	\$
5. >1 Month to 3 Months	\$	\$	\$	\$
6. >3 Months to 1 Year	\$	\$	\$	\$
7. > 1 Year	\$	\$	\$	\$
b. Ending Balance				
1. Open – No Maturity	\$	\$	\$	\$
2. Overnight	\$	\$	\$	\$
3. 2 Days to 1 Week	\$	\$	\$	\$
4. >1 Week to 1 Month	\$	\$	\$	\$
5. >1 Month to 3 Months	\$	\$	\$	\$
6. >3 Months to 1 Year	\$	\$	\$	\$
7. > 1 Year	\$	\$	\$	\$

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

(5) Securities "Sold" Under Repo – Sale

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. BACV	XXX	XXX	XXX	\$
2. Nonadmitted – Subset of BACV	XXX	XXX	XXX	\$
3. Fair Value	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
b. Ending Balance				
1. BACV	XXX	XXX	XXX	\$
2. Nonadmitted – Subset of BACV	XXX	XXX	XXX	\$
3. Fair Value	\$	\$	\$	\$

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

Ending Balance	1 None	2 NAIC 1	3 NAIC 2	4 NAIC 3
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	\$	\$	\$	\$

Ending Balance	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Nonadmitted
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	\$	\$	\$	\$

p = a + c + e + g + h + j + l + n q = b + d + f + g + i + k + m + o

(7) Proceeds Received – Sale

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash	\$	\$	\$	\$
2. Securities (FV)	\$	\$	\$	\$
3. Nonadmitted	\$	\$	\$	\$
b. Ending Balance				
1. Cash	\$	\$	\$	\$
2. Securities (FV)	\$	\$	\$	\$
3. Nonadmitted	\$	\$	\$	\$

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

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

Ending Balance	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Nonadmitted
a. Bonds-FV	\$	\$	\$	\$
b. LB & SS-FV				
c. Preferred Stock-FV				
d. Common Stock				

NOTES TO FINANCIAL STATEMENTS

Ending Balance	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Nonadmitted
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)	\$	\$	\$	\$

(9) Recognized Forward Resale Commitment

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount	\$	\$	\$	\$
b. Ending Balance	\$	\$	\$	\$

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Provider – Overview of Sale Transactions(1) Company Policy or Strategies for Engaging in Repo Programs
Not Applicable

Not Applicable

(2) Type of Repo Trades Used

	1 First Quarter	2 Second Quarter	3 Third Quarter	4 Fourth Quarter
a. Bilateral (YES/NO)				
b. Tri-Party (YES/NO)				

(3) Original (Flow) & Residual Maturity

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Open – No Maturity	\$	\$	\$	\$
2. Overnight	\$	\$	\$	\$
3. 2 Days to 1 Week	\$	\$	\$	\$
4. >1 Week to 1 Month	\$	\$	\$	\$
5. >1 Month to 3 Months	\$	\$	\$	\$
6. >3 Months to 1 Year	\$	\$	\$	\$
7. > 1 Year	\$	\$	\$	\$
b. Ending Balance				
1. Open – No Maturity	\$	\$	\$	\$
2. Overnight	\$	\$	\$	\$
3. 2 Days to 1 Week	\$	\$	\$	\$
4. >1 Week to 1 Month	\$	\$	\$	\$
5. >1 Month to 3 Months	\$	\$	\$	\$
6. >3 Months to 1 Year	\$	\$	\$	\$
7. > 1 Year	\$	\$	\$	\$

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

(5) Securities Acquired Under Repo – Sale

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. BACV	XXX	XXX	XXX	\$
2. Nonadmitted – Subset of BACV	XXX	XXX	XXX	\$
3. Fair Value	\$	\$	\$	\$
b. Ending Balance				
1. BACV	XXX	XXX	XXX	\$
2. Nonadmitted – Subset of BACV	XXX	XXX	XXX	\$
3. Fair Value	\$	\$	\$	\$

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

Ending Balance	1 None	2 NAIC 1	3 NAIC 2	4 NAIC 3
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				

NOTES TO FINANCIAL STATEMENTS

Ending Balance	1 None	2 NAIC 1	3 NAIC 2	4 NAIC 3
m. Derivatives-FV				
n. Other Invested Assets-BACV				
o. Other Invested Assets-FV				
p. Total Assets-BACV	\$	\$	\$	\$
q. Total Assets-FV	\$	\$	\$	\$

Ending Balance	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Nonadmitted
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	\$	\$	\$	\$

$$p = a + c + e + g + h + j + l + n \quad q = b + d + f + g + i + k + m + o$$

(7) Proceeds Provided – Sale

	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	XXX	XXX	XXX	XXX
b. Ending Balance				
1. Cash	\$	\$	\$	\$
2. Securities (FV)	\$	\$	\$	\$
3. Securities (BACV)	\$	\$	\$	\$
4. Nonadmitted Subset	\$	\$	\$	\$

(8) Recognized Forward Resale Commitment

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount	\$	\$	\$	\$
b. Ending Balance	\$	\$	\$	\$

J. Real Estate

- (1) Recognized Impairment Loss
Not Applicable
- (2) Sold or Classified Real Estate Investments as Held for Sale
Not Applicable
- (3) Changes to a Plan of Sale for an Investment in Real Estate
Not Applicable
- (4) Retail Land Sales Operations
Not Applicable
- (5) Real Estate Investments with Participating Mortgage Loan Features
Not Applicable

K. Low-Income Housing Tax Credits (LIHTC)

- (1) Number of Remaining Years of Unexpired Tax Credits and Holding Period for LIHTC Investments
Not Applicable
- (2) Amount of LIHTC and Other Tax Benefits Recognized
Not Applicable
- (3) Balance of Investment Recognized
Not Applicable
- (4) Regulatory Reviews
Not Applicable

NOTES TO FINANCIAL STATEMENTS

- (5) LIHTC investments which Exceed 10% of Total Admitted Assets
Not Applicable
- (6) Recognized Impairment
Not Applicable
- (7) Amount and Nature of Write-Downs or Reclassifications
Not Applicable

L. Restricted Assets

- (1) Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Additional Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending arrangements						%	%
c. Subject to repurchase agreements						%	%
d. Subject to reverse repurchase agreements						%	%
e. Subject to dollar repurchase agreements						%	%
f. Subject to dollar reverse repurchase agreements						%	%
g. Placed under option contracts						%	%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock						%	%
i. FHLB capital stock	744,100	703,700	40,400		744,100	%	%
j. On deposit with states	152,325	149,036	3,289		152,325	%	%
k. On deposit with other regulatory bodies						%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)						%	%
m. Pledged as collateral not captured in other categories						%	%
n. Other restricted assets	106,500	106,500			106,500	%	%
o. Total Restricted Assets	\$ 1,002,925	\$ 959,236	\$ 43,689	\$	\$ 1,002,925	%	0.1%

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

(b) Column 5 divided by Asset Page, Column 1, 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)

Not Applicable

	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Gross (Admitted & Nonadmitted) Restricted to Total Assets	6 Admitted Restricted to Total Admitted Assets
	\$	\$	\$	\$	%	%
Total (a)	\$	\$	\$	\$	%	%

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

- (3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Gross (Admitted & Nonadmitted) Restricted to Total Assets	6 Admitted Restricted to Total Admitted Assets
High Deductible Workers' Comp - Money Market Fund	\$ 106,500	\$ 106,500	\$	\$ 106,500	%	%
Total (a)	\$ 106,500	\$ 106,500	\$	\$ 106,500	%	%

(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.

NOTES TO FINANCIAL STATEMENTS

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Not Applicable

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	\$	\$	%	%
b. Schedule D, Part 1			%	%
c. Schedule D, Part 2, Sec. 1			%	%
d. Schedule D, Part 2, Sec. 2			%	%
e. Schedule B			%	%
f. Schedule A			%	%
g. Schedule BA, Part 1			%	%
h. Schedule DL, Part 1			%	%
i. Other			%	%
j. Total Collateral Assets (a+b+c+d+e+f+g+i)	\$	\$	%	%

* 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	\$	%

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

M. Working Capital Finance Investments

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

Not Applicable

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

(2) Aggregate Maturity Distribution on the Underlying Working Capital Finance Programs

Not Applicable

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

T05L029901;99;NINVEST:WORKCAP;D

(3) Any Events of Default or Working Capital Finance Investments

N. Offsetting and Netting of Assets and Liabilities

Not Applicable

	Gross Amount Recognized	Amount Offset*	Net Amount Presented on Financial Statements
(1) Assets	\$	\$	\$
(2) Liabilities	\$	\$	\$

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

NOTES TO FINANCIAL STATEMENTS

O. 5GI Securities

Not Applicable

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)			\$	\$	\$	\$

AC – Amortized Cost

FV – Fair Value

P. Short Sales

Not Applicable

(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

(1) Number of CUSIPs	4
(2) Aggregate Amount of Investment Income	\$ 146,714

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

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

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies

The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

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-.

Note 8 – Derivative Instruments

NOTES TO FINANCIAL STATEMENTS

Not Applicable

A. Derivatives Under SSAP No. 86 – Derivatives

- (1) Market Risk, Credit Risk and Cash Requirements
Not Applicable
- (2) Objectives for Derivative Use
Not Applicable
- (3) Accounting Policies for Recognition and Measurement
Not Applicable
- (4) Identification of Whether Derivative Contracts with Financing Premiums
Not Applicable
- (5) Net Gain or Loss Recognized
Not Applicable
- (6) Net Gain or Loss Recognized from Derivatives that no Longer Qualify for Hedge Accounting
Not Applicable
- (7) Derivatives Accounted for as Cash Flow Hedges
 - (a) Not Applicable
 - (b) Not Applicable
- (8) Total Premium Costs for Contracts

a. Scheduled Amortization Fiscal Year	Derivative Premium Payments Due
1. 2020	\$
2. 2021	
3. 2022	
4. 2023	
5. Thereafter	
6. Total Future Settled Premiums	\$

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

B. Derivatives under SSAP No. 108 – Derivatives Hedging Variable Annuity Guarantees

- (1) Discussion of Hedged Item/Hedging Instruments and Hedging Strategy
Not Applicable
- (2) Recognition of Gains/Losses and Deferred Assets and Liabilities

a. Scheduled Amortization

Amortization Year	Deferred Assets	Deferred Liabilities
1. 2020	\$	\$
2. 2021		
3. 2022		
4. 2023		
5. 2024		
6. 2025		
7. 2026		
8. 2027		
9. 2028		
10. 2029		
11. Total	\$	\$

b. Total Deferred Balance

(Should agree to column 19 of Schedule DB, Part E)	\$
--	----

c. Reconciliation of Amortization

1. Prior year total deferred balance	\$
--------------------------------------	----

NOTES TO FINANCIAL STATEMENTS

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 $[1-(\text{sum of 2 through 4})]$	\$

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 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

Not Applicable

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
0		0	\$	\$

c. Amortization

Amortization Year	Recognized Deferred Assets	Recognized Deferred Liabilities	Accelerated Amortization	Original Amortization
1. 2020	\$	\$	\$	\$
2. 2021	\$	\$	\$	\$
3. 2022	\$	\$	\$	\$
4. 2023	\$	\$	\$	\$
5. 2024	\$	\$	\$	\$
6. Total Adjusted Amortization				\$

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

Not Applicable

(4) Hedging Strategies Terminated

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

Not Applicable

b. Details of Hedging Strategies Terminated

Unique Identifier	Date Domiciliary State Notified	Amortization (# of Years) 5 or Less	Recognized Deferred Assets	Recognized Deferred Liabilities
0		\$	\$	\$

c. Amortization

Amortization Year	Recognized Deferred Assets	Recognized Deferred Liabilities	Accelerated Amortization	Original Amortization
1. 2020	\$	\$	\$	\$
2. 2021	\$	\$	\$	\$
3. 2022	\$	\$	\$	\$
4. 2023	\$	\$	\$	\$
5. 2024	\$	\$	\$	\$
6. Total Adjusted Amortization				\$

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

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 9 – Income Taxes****A. Deferred Tax Assets/(Liabilities)****1. Components of Net Deferred Tax Asset/(Liability)**

	2020			2019			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	\$120,039,940	\$ 810,953	\$120,850,893	\$110,819,072	\$ 982,303	\$111,801,375	\$ 9,220,868	\$ (171,350)	\$ 9,049,518
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$120,039,940	\$ 810,953	\$120,850,893	\$110,819,072	\$ 982,303	\$111,801,375	\$ 9,220,868	\$ (171,350)	\$ 9,049,518
d. Deferred tax assets nonadmitted	51,293,629		51,293,629	50,747,463		50,747,463	546,166		546,166
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 68,746,311	\$ 810,953	\$ 69,557,264	\$ 60,071,609	\$ 982,303	\$ 61,053,912	\$ 8,674,702	\$ (171,350)	\$ 8,503,352
f. Deferred tax liabilities	1,002,649	13,177,142	14,179,791	1,450,134	12,698,479	14,148,613	(447,485)	478,663	31,178
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 67,743,662	\$(12,366,189)	\$ 55,377,473	\$ 58,621,475	\$(11,716,176)	\$ 46,905,299	\$ 9,122,187	\$ (650,013)	\$ 8,472,174

2. Admission Calculation Components SSAP No. 101

	2020			2019			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. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 55,377,472	\$	\$ 55,377,472	\$ 46,905,300	\$	\$ 46,905,300	\$ 8,472,172	\$	\$ 8,472,172
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)									
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date									
2. Adjusted gross deferred tax assets allowed per limitation threshold									
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	13,368,838	810,953	14,179,791	13,166,310	982,303	14,148,613	202,528	(171,350)	31,178
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 68,746,310	\$ 810,953	\$ 69,557,263	\$ 60,071,610	\$ 982,303	\$ 61,053,913	\$ 8,674,700	\$ (171,350)	\$ 8,503,350

3. Other Admissibility Criteria

	2020	2019
a. Ratio percentage used to determine recovery period and threshold limitation amount		696.7%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$	\$ 823,421,541

4. 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.

NOTES TO FINANCIAL STATEMENTS

	2020		2019		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 120,039,940	\$ 810,953	\$ 110,819,072	\$ 982,303	\$ 9,220,868	\$ (171,350)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 68,746,311	\$ 810,953	\$ 60,071,609	\$ 982,303	\$ 8,674,702	\$ (171,350)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

(b) Does the company's tax planning strategies include the use of reinsurance? NO

B. Deferred Tax Liabilities Not Recognized

- The types of temporary differences for which a DTL has not been recognized and the types of events that would cause those temporary differences to become taxable are:
Not Applicable
- The cumulative amount of each type of temporary difference is:
Not Applicable
- The amount of the unrecognized DTL for temporary differences related to investments in foreign subsidiaries and foreign corporate joint ventures that are essentially permanent in duration, if determination of that liability is practicable, or a statement that determination is not practicable are:
Not Applicable
- The amount of the DTL for temporary differences other than those in item (3) above that is not recognized is:
Not Applicable

C. Current and Deferred Income Taxes**1. Current Income Tax**

	1 2020	2 2019	3 (Col 1-2) Change
a. Federal	\$ 44,824,578	\$ 31,120,058	\$ 13,704,520
b. Foreign	\$	\$	\$
c. Subtotal	\$ 44,824,578	\$ 31,120,058	\$ 13,704,520
d. Federal income tax on net capital gains	\$ 4,873,590	\$ (561,815)	\$ 5,435,405
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$ (3,630,578)	\$ (3,040,785)	\$ (589,793)
g. Federal and Foreign income taxes incurred	\$ 46,067,590	\$ 27,517,458	\$ 18,550,132

2. Deferred Tax Assets

	1 2020	2 2019	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 677,638	\$ 767,788	\$ (90,150)
2. Unearned premium reserve			
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs	169,099	288,862	(119,763)
6. Policyholder dividends accrual			
7. Fixed assets	(1,461,411)	4,950,836	(6,412,247)
8. Compensation and benefits accrual	49,917,683	44,395,406	5,522,277
9. Pension accrual			
10. Receivables - nonadmitted	16,158,895	15,849,008	309,887
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (items <=5% and >5% of total ordinary tax assets)	54,578,036	44,567,172	10,010,864
Other (items listed individually >5% of total ordinary tax assets)			
99. Subtotal	\$ 120,039,940	\$ 110,819,072	\$ 9,220,868

NOTES TO FINANCIAL STATEMENTS

b. Statutory valuation allowance adjustment			
c. Nonadmitted	51,293,629	50,747,463	546,166
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 68,746,311	\$ 60,071,609	\$ 8,674,702
e. Capital:			
1. Investments	\$ 810,953	\$ 982,303	\$ (171,350)
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <=5% and >5% of total capital tax assets)			
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	\$ 810,953	\$ 982,303	\$ (171,350)
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	810,953	982,303	(171,350)
i. Admitted deferred tax assets (2d+2h)	\$ 69,557,264	\$ 61,053,912	\$ 8,503,352

3. Deferred Tax Liabilities

	1 2020	2 2019	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	\$ 195,014	\$ 157,568	\$ 37,446
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)	807,635	1,292,566	(484,931)
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	\$ 1,002,649	\$ 1,450,134	\$ (447,485)
b. Capital:			
1. Investments	\$ 13,177,142	\$ 12,698,479	\$ 478,663
2. Real estate			
3. Other (Items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	\$ 13,177,142	\$ 12,698,479	\$ 478,663
c. Deferred tax liabilities (3a99+3b99)	\$ 14,179,791	\$ 14,148,613	\$ 31,178
4. Net Deferred Tax Assets/Liabilities (2i - 3c)	\$ 55,377,473	\$ 46,905,299	\$ 8,472,174

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

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	\$ 31,856,903	21.0%
Change in nonadmitted assets		%
Proration of tax exempt investment income	104,834	0.1%
Tax exempt income deduction	(282,710)	(0.2)%
Dividends received deduction	(136,627)	(0.1)%
Disallowed travel and entertainment	50,914	%
Other permanent differences	9,789,787	6.5%
Temporary Differences:		
Total ordinary DTAs		%
Total ordinary DTLs		%
Total capital DTAs		%
Total capital DTLs		%
Other:		
Statutory valuation allowance adjustment		%
Accrual adjustment – prior year	20,998	%
Other	(1,348,858)	(0.9)%
Totals	\$ 40,055,241	26.4%
Federal and foreign income taxes incurred	41,194,000	27.2%
Realized capital gains (losses) tax	4,873,590	3.2%
Change in net deferred income taxes	(6,012,349)	(4.0)%
Total statutory income taxes	\$ 40,055,241	26.4%

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 (Operating Loss or Tax Credit Carry Forward)	Amounts	Origination Dates	Expiration Dates
none	\$		

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

NOTES TO FINANCIAL STATEMENTS

Year	Amounts
2020	\$49,698,168
2019	\$29,225,140

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code
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 Undersriters Inc., USAbLe Partners LLC
2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:
The method of allocation among companies is subject to a written agreement, approved by the required authorized officers. The method of allocation chosen is in accordance with IRS Regulation 1.1502-33(d)(2)(l) whereby profitable companies pay tax according to their income or losses. Intercompany tax balances are paid quarterly based on estimates and settled annual upon completion of the consolidated tax return.

G. Federal or Foreign Federal Income Tax Loss Contingencies:

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

H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA

- 1a Has the entity fully remitted the RTT? NO
1b If yes, list the amount of the RTT paid.
If no, list the future installments to satisfy the RTT:

1	Installment 1	\$
2	Installment 2	
3	Installment 3	
4	Installment 4	
5	Installment 5	
6	Installment 6	
7	Installment 7	
8	Installment 8	
9	Total	\$

I. Alternative Minimum Tax Credit

Was the AMT Credit recognized as a current year recoverable or Deferred Tax Asset (DTA)? DTA
Gross AMT Credit Recognized as:

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

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of the Relationship Involved

USAbLe Mutual Insurance Company, d.b.a Arkansas Blue Cross Blue Shield, owns 100% of USAbLe Corporation, 20% of Partnership for a Healthy Arkansas, LLC, and 50% of HMO Partners, Inc. The Company owns 43.07% of LSV, LLC. LSV, LLC owns 100% of USAbLe Life. As of December 31, 2020, USAbLe Corporation owns 100% of Pinnacle Insurance Agency, 100% of USAbLe Partners, LLC, 50% of Medsite Health Mgmt, LLC, 10% of New Directions Behavioral Health Holding Company, LLC, 100% USAbLe HMO, and 100% USAbLe PPO.

B. Transactions

Not Applicable

C. Transactions with Related Parties 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)
0							\$

(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)
0			\$	\$	
Total			\$	\$	

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

NOTES TO FINANCIAL STATEMENTS

a. Description of Transaction

Ref #	Name of Related Party	Overview Description	Have Terms Changed from Preceding Period? (Yes/No)
0			

b. Assets Received

Ref #	Name of Related Party	Description of Assets Received	Statement Value of Asset Received
0			\$
Total			\$

c. Assets Transferred

Ref #	Name of Related Party	Description of Assets Transferred	Statement Value of Assets Transferred
0			\$
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
0		\$	\$	\$	\$	\$

D. Amounts Due From or To Related Parties

At December 31, 2020, the Company reported the following admitted amounts due from Affiliates:

HMO Partners, Inc.	\$11,834,138
USAbLe Corporation	889,906
Blue & You Foundation	60,853
USAbLe Partners, LLC	139,827
USAbLe Life	5,764
Medsite Health Management, LLC	2,049
LSV	4,738,208
USAbLe PPO	9,075,611
USAbLe HMO	<u>8,793,711</u>
Total	\$35,540,067

At December 31, 2020, the Company reported the following amounts due to Affiliates:

USAbLe Corporation	\$ 143,318
USAbLe Life	<u>586</u>
Total	\$ 143,904

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

Not Applicable

F. Guarantees or Undertakings

Note Applicable

G. Nature of the Control Relationship

Note Applicable

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

Not Applicable

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

Not Applicable

J. Investments in Impaired SCAs

Not Applicable

K. Investment in Foreign Insurance Subsidiary

Not Applicable

L. Investment in Downstream Noninsurance Holding Company

Not Applicable

M. All SCA Investments

NOTES TO FINANCIAL STATEMENTS

Not Applicable

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8b(i) 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				
	%	\$	\$	\$
Total SSAP No. 97 8b(iii) Entities	XXX	\$	\$	\$
d. SSAP No. 97 8b(iv) Entities				
	%	\$	\$	\$
Total SSAP No. 97 8b(iv) Entities	XXX	\$	\$	\$
e. Total SSAP No. 97 8b Entities (except 8b(i) entities) (b + c + d)	XXX	\$	\$	\$
f. Aggregate Total (a + e)	XXX	\$	\$	\$

(2) NAIC Filing Response Information

SCA Entity (Should be the same entities as shown in M(1) above)	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method Resubmission Required Y/N	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 8b(i) 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

Not Applicable

N. Investment in Insurance SCAs

Not Applicable

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

Not Applicable

(2) Monetary Effect on Net Income and Surplus

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

Not Applicable

O. SCA or SSAP 48 Entity Loss Tracking

Not Applicable

SCA 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 / Commitment for Financial Support (Yes/No)	Reported Value
	\$	\$	\$		\$

NOTES TO FINANCIAL STATEMENTS

Not Applicable

Note 11 – Debt

A. Debt Including Capital Notes
Not Applicable

B. FHLB (Federal Home Loan Bank) Agreements

(1) Nature of the Agreement

The Company is a member of the Federal Home Loan Bank (FHLB) of Dallas. Through its membership, the Company has the ability to conduct business activity (borrowings) with the FHLB. It is part of the Company’s strategy to utilize these funds as operational liquidity. (For example backup liquidity, to increase profitability and/or tactical funding and/or to improve spread lending liquidity.) The Company has determined the actual/estimated maximum borrowing capacity as \$ 70,000,000. The Company calculated this amount in accordance with current and potential acquisitions of FHLB capital stock.

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year

	Total
(a) Membership Stock – Class A	\$
(b) Membership Stock – Class B	744,100
(c) Activity Stock	
(d) Excess Stock	
(e) Aggregate Total (a+b+c+d)	\$ 744,100
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 70,000,000

2. Prior Year-End

	Total
(a) Membership Stock – Class A	\$
(b) Membership Stock – Class B	703,700
(c) Activity Stock	
(d) Excess Stock	
(e) Aggregate Total (a+b+c+d)	\$ 703,700
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 95,000,000

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
Membership Stock	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
1. Class A	\$	\$	\$	\$	\$	\$
2. Class B	\$ 744,100	\$ 744,100	\$	\$	\$	\$

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

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

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date (Current Year0)

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
Current Year Total Collateral Pledged	\$	\$	\$
Prior Year 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)

b. Maximum Amount Pledged During Year

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

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

	1 Total	2 Funding Agreements Reserves Established
(a) Debt	\$	XXX
(b) Funding Agreements		\$

NOTES TO FINANCIAL STATEMENTS

	1 Total	2 Funding Agreements Reserves Established
(c) Other		XXX
(d) Aggregate Total (a+b+c)	\$	\$

2. Prior Year

	1 Total	2 Funding Agreements Reserves Established
(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 should be equal to or greater than 11B(4)a1(d)

c. FHLB – Prepayment Obligations

	Does the Company have Prepayment Obligations under the Following Arrangements (YES/NO)
1. Debt	
2. Funding Agreements	
3. Other	

Not Applicable

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

A. Defined Benefit Plan

(1) Change in Benefit Obligation

	Overfunded		Underfunded	
	2020	2019	2020	2019
a. Pension Benefits				
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	2019	Underfunded	2019
1. Benefit obligation at beginning of year	\$ 155,007,000	\$ 139,522,000	\$	\$
2. Service cost	567,000	646,000		
3. Interest cost	4,887,000	5,774,000		
4. Contribution by plan participants				
5. Actuarial gain (loss)	19,403,000	14,531,000		
6. Foreign currency exchange rate changes				
7. Benefits paid	5,592,000	5,466,000		
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$ 174,272,000	\$ 155,007,000	\$	\$
c. Special or Contractual Benefits per SSAP No. 11				
	Overfunded	2019	Underfunded	2019
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				

NOTES TO FINANCIAL STATEMENTS

	Overfunded		Underfunded	
	2020	2019	2020	2019
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$	\$	\$	\$

- (2) Change in Plan Assets
Not Applicable

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2020	2019	2020	2019	2020	2019
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
Not Applicable

	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
a. Components				
1. Prepaid benefit costs	\$	\$	\$	\$
2. Overfunded plans assets	\$	\$	\$	\$
3. Accrued benefit costs	\$	\$	\$	\$
4. Liability for pension benefits	\$	\$	\$	\$
b. Assets and liabilities recognized				
1. Assets (nonadmitted)	\$	\$	\$	\$
2. Liabilities recognized	\$	\$	\$	\$
c. Unrecognized liabilities	\$	\$	\$	\$

- (4) Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2020	2019	2020	2019	2020	2019
a. Service cost	\$	\$	\$ 567,000	\$ 646,000	\$	\$
b. Interest cost			4,887,000	5,774,000		
c. Expected return on plan assets						
d. Transition asset or obligation						
e. Gains and losses			368,000			
f. Prior service cost or credit			(1,813,000)	(1,834,000)		
g. Gain or loss recognized due to a settlement curtailment						
h. Total net periodic benefit cost	\$	\$	\$ 4,009,000	\$ 4,586,000	\$	\$

- (5) Amounts in Unassigned Funds (Surplus) Recognized as Components of Net Periodic Benefit Cost
Not Applicable

	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
a. Items not yet recognized as a component of net periodic cost – prior year	\$	\$	\$	\$
b. Net transition asset or obligation recognized				

NOTES TO FINANCIAL STATEMENTS

	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
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 period	\$	\$	\$	\$

- (6) Amounts in Unassigned Funds (Surplus) That Have Not Yet Been Recognized as Components of Net Periodic Benefit Cost
Not Applicable

	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
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 December 31

	2020	2019
a. Weighted-average discount rate	2.4%	3.2%
b. Expected long-term rate of return on plan assets	%	%
c. Rate of compensation increase	3.5%	3.5%
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 December 31		
e. Weighted-average discount rate	2.4%	3.2%
f. Rate of compensation increase	3.5%	3.5%
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)
0
- (10) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the year indicated:

Year(s)	Amount
a. 2021	\$ 6,524,000
b. 2022	\$ 6,710,000
c. 2023	\$ 7,114,000
d. 2024	\$ 7,398,000
e. 2025	\$ 7,640,000
f. 2026 through 20__	\$ 41,156,000

- (11) Estimate of Contributions Expected to be Paid to the Plan
Not Applicable
- (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

NOTES TO FINANCIAL STATEMENTS

(18) Full Transition Surplus Impact of SSAP 102
Not Applicable

B. Investment Policies and Strategies

Not Applicable - Unfunded Plans

C. Fair Value of Plan Assets

Not Applicable - Unfunded Plans

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

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

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

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

Not Applicable - Unfunded Plan

E. Defined Contribution Plans

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 2020, 6% has been used to calculate the Company's contribution of \$13,823,887.

F. Multiemployer Plans

The Company does not participate in multi-employer plans.

G. Consolidated/Holding Company Plans

Not Applicable

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, Shareholder's Dividend Restrictions and Quasi-Reorganizations

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

As of December 31, 2020, 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

F. Restrictions Placed on Unassigned Funds (Surplus)

NOTES TO FINANCIAL STATEMENTS

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

I. Reasons for Changes in Balance of Special Surplus Funds from Prior Period

At the end of 2019 the Company had \$42,870,062 in special surplus funds to estimate the impact of the ACA insurer fee. Due to the elimination of this fee, the special surplus is no longer needed.

J. The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$103,532,884.

K. The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations

The Company has no Surplus Notes as of December 31, 2020.

1	2	3	4	5	6	7	8
Item Number	Date Issued	Interest Rate	Original Issue Amount of Note	Is Surplus Note Holder a Related Party? (Y/N)	Carrying Value of Note Prior Year	Carrying Value of Note Current Year	Unapproved Interest And/Or Principal
0			\$		\$	\$	\$
XXX	XXX	XXX	\$	XXX	\$	\$	\$

1	9	10	11	12	13	14
Item Number	Current Year Interest Expense Recognized	Life-to-Date Interest Expense Recognized	Current Year Interest Offset Percentage (Not Including Amounts Paid to a 3rd Party Liquidity Provider)	Current Year Principal Paid	Life-to-Date Principal Paid	Date of Maturity
0	\$	\$		\$	\$	
XXX	\$	\$	XXX	\$	\$	XXX

1	15	16	17	18	19
Item Number	Are Surplus Note Payments Contractually Linked? (Y/N)	Surplus Note Payments Subject to Administrative Offsetting Provisions? (Y/N)	Were Surplus Note Proceeds Used to Purchase an Asset Directly from the Holder of the Surplus Note? (Y/N)	Is Asset Insurer a Related Party (Y/N)	Type of Assets Received Upon Issuance
0					
XXX	XXX	XXX	XXX	XXX	XXX

1	20	21	22
Item Number	Principal Amount of Assets Received Upon Issuance	Book/Adjusted Carrying Value of Assets	Is Liquidity Source a Related Part to the Surplus Note Issuer? (Y/N)
0	\$	\$	
XXX	\$	\$	XXX

L. The impact of any restatement due to prior quasi-reorganizations is as follows

The Company was not involved in a quasi-reorganization.

Description (Year)	Change in 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

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

- Total SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88, and SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Company contingent liabilities: \$.
- Detail of other contingent commitments
None

NOTES TO FINANCIAL STATEMENTS

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
None

a. Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of column 4 for (2) above.)	\$
b. Current liability recognized in F/S.	
1. Noncontingent liabilities	\$
2. Contingent liabilities	\$
c. Ultimate financial statement impact if action under the guarantee is required.	
1. Investments in SCA	\$
2. Joint Venture	
3. Dividends to stockholders (capital contribution)	
4. Expense	
5. Other	
6. Total (should equal (3)a)	\$

B. Assessments

(1) Assessments Where Amount is Known or Unknown
None

(2) Assessments
None

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
None

a. Discount Rate Applied

%

b. The undiscounted and discounted amount of the guaranty fund assessments and related assets by insolvency:

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

c. Number of jurisdictions, ranges of years used to discount and weighted average number of years of the discounting time period for payables and recoverables by insolvency:

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

C. Gain Contingencies

None

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

None

NOTES TO FINANCIAL STATEMENTS

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

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$

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:

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims

Indicate whether claim count information is disclosed per claim or per claimant:

(f) Per Claim [] (g) 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.

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 2024. Rental expense for 2020, and 2019 was approximately \$7,805,832 and \$7,719,855.

b. Basis on Which Contingent Rental Payments are Determined

Not Applicable

c. Existence and Terms of Renewal or Purchase Options and Escalation Clauses

Not Applicable

d. Restrictions Imposed by Lease Agreements

Not Applicable

e. Identification of Lease Agreements that have been Terminated Early

Not Applicable

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

a. At December 31, 2020 the minimum aggregate rental commitments are as follows:

Year Ending December 31	Operating Leases
1. 2021	\$ 5,204,209
2. 2022	\$ 1,016,548
3. 2023	\$ 457,509
4. 2024	\$ 246,681
5. 2025	\$
6. Total	\$ 6,924,947

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

Not Applicable

(3) For Sale-Leaseback Transactions

a. Terms of the Sale-Leaseback Transactions

Not Applicable

b. Obligation of Future Minimum Lease Payments and Total of Minimum Sublease Rentals

Not Applicable

B. Lessor Leases

(1) Operating Leases:

NOTES TO FINANCIAL STATEMENTS

- 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 December 31 are as follows:
Not Applicable

Year Ending December 31	Operating Leases
1. 2021	\$
2. 2022	\$
3. 2023	\$
4. 2024	\$
5. 2025	\$
6. Total	\$

- d. Total Contingent Rentals
Not Applicable

(2) Leveraged Leases:

- a. Terms Including Pretax Income from Leveraged Leases
Not Applicable
- b. Pretax Income, Tax Effect and Investment Tax Credit
Not Applicable

	2020	2019
1. Income from leveraged leases before income tax including investment tax credit	\$	\$
2. Less current income tax	\$	\$
3. Net income from leveraged leases	\$	\$

- c. The components of the investment in leveraged leases at December 31, 2020 and 2019 were as shown below:

	2020	2019
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

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

Not Applicable

	Assets		Liabilities	
	2020	2019	2020	2019
a. Swaps	\$	\$	\$	\$
b. Futures				
c. Options				
d. Total	\$	\$	\$	\$

- 2. Nature and Terms of Off-Balance Sheet Risk

Not Applicable

- 3. Amount of Loss if any Party to the Financial Instrument Failed

Not Applicable

- 4. Collateral or Other Security Required to Support Financial Instrument

Not Applicable

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales

- (1) Proceeds to the Transferor

NOTES TO FINANCIAL STATEMENTS

Not Applicable

- (2) Gain or Loss Record on Sale
Not Applicable

B. Transfer and Servicing of Financial Assets

- (1) Description of any Loaned Securities
Not Applicable

- (2) Servicing Assets and Servicing Liabilities
Not Applicable

- (3) When Servicing Assets and Liabilities are Measured at Fair Value
Not Applicable

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

(b)
Not Applicable

- (5) Disclosure Requirements for Transfers of Assets Accounted for as Secured Borrowing
Not Applicable

- (6) Transfer of Receivables with Recourse
Not Applicable

- (7) Securities Underlying Repurchase and Reverse Repurchase Agreements, Dollar Repurchase and Dollar Reverse Repurchase Agreements
Not Applicable

C. Wash Sales

Not Applicable

- (1) Description of the Objectives Regarding These Transactions
Not Applicable

- (2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2020 and reacquired within 30 days of the sale date are:
Not Applicable

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

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**A. ASO Plans**

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2020:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ (3,066,267)	\$	\$ (3,066,267)
b. Total net other income or expenses (including interest paid to or received from plans)			
c. Net gain or (loss) from operations	(3,066,267)		(3,066,267)
d. Total claim payment volume	\$ 280,817,829	\$	\$ 280,817,829

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 2020:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 3,587,162,923	\$	\$ 3,587,162,923
b. Gross administrative fees accrued	283,931,436		283,931,436
c. Other income or expenses (including interest paid to or received from plans)	(161,024)		(161,024)

NOTES TO FINANCIAL STATEMENTS

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
d. Gross expenses incurred (claims and administrative)	3,863,239,451		3,863,239,451
e. Total net gain or loss from operations	\$ 7,693,884	\$	\$ 7,693,884

C. 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

The Company does not currently have direct premium writtern/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	Types of Authority Granted	Total Direct Premiums Written/ Produced By
					\$
Total	XXX	XXX	XXX	XXX	\$

Note 20 – Fair Value Measurements

A. Fair Value Measurements

- (1) Fair Value Measurements at Reporting Date

Description for Each Type of Asset or Liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
Assets at Fair Value					
Other Invested Assets	\$	\$	\$ 90,993,226	\$ 105,412,272	\$ 196,405,498
Money Market Fund	\$	\$ 34,198,272	\$	\$	\$ 34,198,272
Bonds	\$	\$	\$	\$	\$
Industrial and Misc	\$	\$	\$	\$	\$
Common Stock	\$	\$	\$	\$	\$
Industrial and Misc	\$ 5,351,116	\$ 1,649,637	\$	\$	\$ 7,000,753
Mutual Fund	\$	\$ 65,338,882	\$	\$	\$ 65,338,882
Parent, Subsidiaries and Affiliates	\$	\$	\$ 413,623,749	\$	\$ 413,623,749
Total	\$ 5,351,116	\$ 101,186,791	\$ 504,616,975	\$ 105,412,272	\$ 716,567,154
Liabilities at Fair Value					
Supplemental Savings Plan	\$ 42,710,851	\$	\$	\$	\$ 42,710,851
Total	\$ 42,710,851	\$	\$	\$	\$ 42,710,851

- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Beginning Balance at 1/1/2020	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	Settle- ments	Ending Balance at 12/31/2020
a. Assets										
Parent, Subsidiaries and Affiliates	\$381,496,941	\$	\$	\$	\$ (17,873,192)	\$ 50,000,000	\$	\$	\$	\$413,623,749
Other Invested Assets	\$ 81,303,178	\$	\$	\$	\$ 9,690,048	\$	\$	\$	\$	\$ 90,993,226
Total	\$462,800,119	\$	\$	\$	\$ (8,183,144)	\$ 50,000,000	\$	\$	\$	\$504,616,975
b. Liabilities										
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

- (3) Policies when Transfers Between Levels are Recognized
Not Applicable
- (4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

NOTES TO FINANCIAL STATEMENTS

Fair Value pricing obtained, where applicable from market prices provided by 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. There has been no change in this valuation technique.

- (5) Fair Value Disclosures
Not Applicable

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

Not Applicable

C. Fair Value Level

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	\$ 196,405,498	\$ 196,405,498	\$	\$	\$ 90,993,226	\$ 105,412,272	\$
Bonds	\$	\$	\$	\$	\$	\$	\$
Money Market Fund	\$ 34,198,272	\$ 34,198,272	\$	\$ 34,198,272	\$	\$	\$
Common Stock	\$ 485,963,384	\$ 485,963,384	\$ 5,351,116	\$ 66,988,519	\$ 413,623,479	\$	\$

D. Not Practicable to Estimate Fair Value

Not Applicable

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

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 186 individual holdings as of 12/31/2020 with the top 10% of all holdings representing 13.7% of all fund holdings. Overall, the risk target of this portfolio is to perform with 70%-80% of the overall market volatility of the Russell 1000 Index.

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

Barings U.S. Loan Fund Series – Tranche A

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

The average number of loans in the portfolio is 194 at the end of the 4th quarter 2020, with 12.2% in the top ten holdings. The portfolio is diversified across eleven sectors, with three 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 2.9%.

The fund has daily liquidity but a 30 calendar day prior to withdraw notice is necessary. As of 12/31/20, there are \$0.9 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

For the period ending in December 31, 2020 the Company has reported \$6,638,394 premium credit relating to COVID-19.

B. Troubled Debt Restructuring Debtors

NOTES TO FINANCIAL STATEMENTS

The Company had no troubled debt restructuring as of December 31, 2020.

C. Other Disclosures

The Company did not have any other disclosure items.

D. Business Interruption Insurance Recoveries

The Company has no business interruption insurance recoveries.

E. State Transferable and Non-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

The Company has no state transferable tax credits.

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

Not Applicable

- (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

	Total Admitted	Total Nonadmitted
a. Transferable	\$	\$
b. Non-Transferable	\$	\$

F. Subprime Mortgage Related Risk Exposure

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

ABCBS's core fixed income holdings include one position that has exposure to sub-prime mortgage loans. This New Century Home Equity Loan Equity Trust Series 2005-C bond was purchased as \$1,750,000 of original par value and has current par value of \$1,285,524.89 at 12/31/2020. The book adjusted carrying value of this holding in the ABCBS core fixed income portfolio is \$1,278,524.85 which equates to 0.24% 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 restructured terms					%
d. Total	\$	\$	\$	\$	XXX

- (3) Direct Exposure Through Other Investments

The Company has no material direct exposure through other investments.

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	\$	\$	\$	\$
b. Commercial mortgage-backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*				
f. Other assets				
g. Total	\$	\$	\$	\$

* These investments comprise % of the company's 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	Losses Incurred in the	Case Reserves at end of	IBNR Reserves at End of

NOTES TO FINANCIAL STATEMENTS

	Current Year	Current Year	Current Period	Current Period
a. Mortgage guaranty coverage	\$	\$	\$	\$
b. Financial guaranty coverage				
c. Other lines (specify):				
d. Total	\$	\$	\$	\$

G. Retained Assets

(1) Description of How Accounts are Structured and Reporting
The Company has no retained assets.

(2) Retained Assets In Force
Not Applicable

	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. 49 to 60 months				
f. Over 60 months				
g. Total		\$		\$

(3) Segregation Between Individual and Group Contracts
Not Applicable

	Individual		Group	
	Number	Balance/Amount	Number	Balance/Amount
a. Number/balance of retained asset account at the beginning of the year		\$		\$
b. Number/amount of retained asset accounts issued/added during the year				
c. Investment earnings credited to retained asset accounts during the year	N/A		N/A	
d. Fees and other charges assessed to retained asset accounts during the year	N/A		N/A	
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 $g=a+b+c-d-e-f$		\$		\$

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

	Amount	Percent
(1) Amount of Admitted Balance that Could Be Realized from an Investment Vehicle	\$	

NOTES TO FINANCIAL STATEMENTS

(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

Subsequent events have been considered through for these statutory financial statements which are to be issued on .

A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?		Yes []	No [X]
		2020	2019	
B.	ACA fee assessment payable for the upcoming year	\$	\$ 42,870,062	
C.	ACA fee assessment paid	\$ 40,687,718	\$	
D.	Premium written subject to ACA 9010 assessment	\$	\$ 2,079,793,001	
E.	Total adjusted capital before surplus adjustment (Five-Year Historical Line 14)	\$ 992,690,504		
F.	Total adjusted capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 992,690,504		
G.	Authorized control level (Five-Year Historical Line 15)	\$ 130,914,271		
H.	Would reporting the ACA assessment as of December 31, 2020 have triggered an RBC action level (YES/NO)?		Yes []	No [X]

Note 23 – Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

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

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes [] No [X]
a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$
b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes [] No [X]
If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$-0-
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? Yes [] No [X]
If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$

B. Uncollectible Reinsurance

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

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

a. Losses incurred	\$
b. Loss adjustment expenses incurred	\$
c. Premiums earned	\$
d. Other	\$

NOTES TO FINANCIAL STATEMENTS

Entity	Amount
	\$

C. Commutation of Ceded Reinsurance

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	\$
Entity	Amount
	\$

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

- (1) Reporting Entity Ceding to Certified Reinsurer Whose Rating was Downgraded or Status Subject to Revocation
There were no certified reinsurer rating downgraded or status subject to revocation during the year.

a. Certified Reinsurers Downgraded or Status Subject to Revocation

Name of Certified Reinsurer	Relationship to Reporting Entity	Date of Action	Jurisdiction of Action	Collateral Percentage Requirement Before	Collateral Percentage Requirement After	Net Obligation Subject to Collateral	Collateral Required (But Not Received)
				%	%	\$	\$

- b. Impact to the Reporting Entity as a Result of the Assuming Entity's Downgraded or Revocation of Certified Reinsurer Status
Not Applicable

- (2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation
There were no certified reinsurer rating downgraded or status subject to revocation.

a. Certified Reinsurer Rating is Downgraded or Status Subject to Revocation

Date of Action	Jurisdiction of Action	Collateral Percentage Requirement Before	Collateral Percentage Requirement After	Net Obligation Subject to Collateral	Collateral Required (But Not Received)
		%	%	\$	\$

- b. Impact to the Reporting Entity as a Result of the Certified Reinsurer Rating Downgraded or Revocation of Certified Reinsurer Status
Not Applicable

E. Reinsurance Credits

- (1) Disclose any reinsurance contracts subject to A-791 that includes a provision, which limits the reinsurer's assumption of significant risks identified as in A-791.
Not Applicable
- (2) Disclose any reinsurance contracts not subject to A-791, for which reinsurance accounting was applied and includes a provision that limits the reinsurer's assumptions of risk.
Not Applicable
- (3) Disclose if any reinsurance contracts contain features which result in delays in payment in form or in fact.
Not Applicable
- (4) Disclose if the reporting entity has reflect reinsurance accounting credit for any contracts not subject to A-791 and not yearly renewal term, which meet the risk transfer requirements of SSAP No. 61R and identify the type of contacts and the reinsurance contracts.
Not Applicable
- (5) Disclose if the reporting entity ceded any risk which is not subject to A-791 and not yearly renewable term reinsurance, under any reinsurance contract during the period covered by the financial statement.
Not Applicable
- (6) If affirmative disclosure is required for Paragraph 23H(5) above, explain why the contract(s) is treated differently under GAAP and SAP.
Not Applicable

NOTES TO FINANCIAL STATEMENTS

- A. Method Used to Estimate Accrued Retrospective Premium Adjustments
- B. Retrospective Premiums Recorded Through Written Premium or Adjustment to Earned Premium
- C. Amount and Percentage of Net Premiums Written Subject to Retrospective Rating Features
- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$	\$	\$	\$	\$
(2) Medical loss ratio rebates paid	\$	\$	\$	\$ 1,840,421	\$ 1,840,421
(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 [X] No []

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year:

a. Permanent ACA Risk Adjustment Program	AMOUNT
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment (including high-risk pool payments)	\$
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$
3. Premium adjustments payable due to ACA Risk Adjustment (including high-risk pool premium)	\$ 10,068,253
Operations (Revenue & Expenses)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ 1,384,200
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	\$ 331,657

b. Transitional ACA Reinsurance Program	AMOUNT
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 & Expenses)	
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	AMOUNT
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 & Expenses)	
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 Dec. 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high-risk pool payments)	\$	\$	\$	\$	\$	\$	\$ 1,043,995	\$	A	\$ 1,043,995	\$
2. Premium adjustments payable (including high-risk pool premium)		19,573,133		11,933,653		7,639,480		(7,639,480)	B		
3. Subtotal ACA Permanent Risk Adjustment Program	\$	\$ 19,573,133	\$	\$ 11,933,653	\$	\$ 7,639,480	\$ 1,043,995	\$ (7,639,480)		\$ 1,043,995	\$
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	\$	\$ 19,573,133	\$	\$ 11,933,653	\$	\$ 7,639,480	\$ 1,043,995	\$ (7,639,480)		\$ 1,043,995	\$

Explanations of Adjustments

- A. Adj for 2019 Receivable
- B. Adj for 2019 Payable
- C.
- D.
- E.
- F.
- G.
- H.
- I.
- J.

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

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before Dec. 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
a. 2014										

NOTES TO FINANCIAL STATEMENTS

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before Dec. 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec. 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	Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	A	\$	\$
2. Reserve for rate credits for policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	B	\$	\$
b. 2015											
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	C	\$	\$
2. Reserve for rate credits for 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	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$

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

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

(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	5 Net Admitted Asset (4-5)
a. 2014	\$	\$	\$	\$	\$	\$
b. 2015	15,919,592		15,919,592			
c. 2016	19,022,136		19,022,136			
d. Total (a+b+c)	\$ 34,941,728	\$	\$ 34,941,728	\$	\$	\$

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

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

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

A. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2019 were \$190,894,561. As of December 31, 2020, \$145,796,159 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$9,179,662 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$54,278,065 favorable prior-year development since December 31, 2019 to December 31, 2020. The increase is generally the result of ongoing analysis of recent loss development trends and cost sharing reductions. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

12/31/2019 Reserves	\$ 190,894,561
2019 Claims paid in 2020	<u>145,796,159</u>
Adjusted Net Reserves	\$ 45,098,402
-Less-	
2019 Remaining Reserves @ 12/31/2020	<u>(9,179,662)</u>
Favorable Development	\$ <u>54,278,065</u>

B. Information about Significant Changes in Methodologies and Assumptions

No significant changes.

Note 26 – Intercompany Pooling Arrangements

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

NOTES TO FINANCIAL STATEMENTS

NAIC
Company Pooling
Code Percentage
 %

- Lead Entity and all Affiliated Entities
Not Applicable
- B. Description of Lines and Types of Business Subject to the Pooling Agreement
Not Applicable
- C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement
Not Applicable
- D. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers
Not Applicable
- E. Explanation of Discrepancies Between Entries of Pooled Business
Not Applicable
- F. Description of Intercompany Sharing
Not Applicable
- G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool
Not Applicable

Note 27 – Structured Settlements

Not Applicable

Note 28 – Health Care Receivables

- A. Pharmaceutical Rebate Receivables

Quarter	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
12/31/2020	\$ 39,742,719	\$ -	\$ -	\$ -	\$ -
09/30/2020	\$ 38,605,246	\$ 39,496,168	\$ 27,069,017	\$ -	\$ -
06/30/2020	\$ 37,147,587	\$ 38,358,695	\$ 26,186,709	\$ 5,290,693	\$ -
03/31/2020	\$ 35,775,467	\$ 37,147,587	\$ 25,692,025	\$ 5,653,115	\$ 3,996,300
	\$	\$	\$	\$	\$
12/31/2019	\$ 27,840,184	\$ 28,016,438	\$ 23,125,695	\$ 4,100,277	\$ 4,245,749
09/30/2019	\$ 27,033,615	\$ 28,127,038	\$ 18,983,366	\$ 13,082,438	\$ (129,408)
06/30/2019	\$ 25,436,341	\$ 27,033,615	\$ 18,223,631	\$ 4,597,195	\$ 4,172,976
03/31/2019	\$ 24,759,711	\$ 25,436,341	\$ 18,723,252	\$ 5,963,125	\$ 375,646
	\$	\$	\$	\$	\$
12/31/2018	\$ 24,145,772	\$ 24,759,710	\$ 21,501,780	\$ 5,924,755	\$ (8,108)
09/30/2018	\$ 23,688,825	\$ 24,153,425	\$ 19,604,114	\$ 5,591,235	\$ 261,255
06/30/2018	\$ 21,932,356	\$ 23,716,097	\$ 19,008,226	\$ 5,878,824	\$ (9,179)
03/31/2018	\$ 21,683,286	\$ 22,150,817	\$ 18,650,405	\$ 5,786,492	\$ 22,120

- B. Risk-Sharing Receivables

The Company has no risk sharing receivables as of December 31, 2020.

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received All Other
0	0	\$	\$	\$	\$	\$	\$	\$	\$

Note 29 – Participating Policies

The Company has no participating contracts.

Note 30 – Premium Deficiency Reserves

NOTES TO FINANCIAL STATEMENTS

- | | | |
|----|--|--------------------------|
| 1. | Liability carried for premium deficiency reserve: | <u>\$0</u> |
| 2. | Date of most recent evaluation of this liability: | <u>December 31, 2020</u> |
| 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 \$126,231.

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 No
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 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 No N/A
- 1.3 State regulating? ARKANSAS
- 1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes No
- 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
- 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. 12/31/2015
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2015
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 04/28/2017
- 3.4 By what department or departments?
Arkansas Insurance Department
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 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
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
 If the answer is YES, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of 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
- 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
- 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 |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes No
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1
Affiliate Name | 2
Location (City, State) | 3
FRB | 4
OCC | 5
FDIC | 6
SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| | | | | | |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BKD, LLP Little Rock, Arkansas
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes No
- 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 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
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 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).
- 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 subordinator 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 reporting 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 \$ (11,817,980)
- 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 []

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

24.01 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 24.03)? Yes No

24.02 If no, give full and complete information, relating thereto:

24.03 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).

24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$ 0

24.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$ 0

24.06 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

24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A

24.08 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

24.09 For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:

24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0

24.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0

24.093 Total payable for securities lending reported on the liability page: \$ 0

25.1 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 current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes No

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements \$ 0

25.22 Subject to reverse repurchase agreements \$ 0

25.23 Subject to dollar repurchase agreements \$ 0

25.24 Subject to reverse dollar repurchase agreements \$ 0

25.25 Placed under option agreements \$ 0

25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0

25.27 FHLB Capital Stock \$ 0

25.28 On deposit with states \$ 152,325

25.29 On deposit with other regulatory bodies \$ 0

25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 0

25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ 0

25.32 Other \$ 106,500

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
If no, attach a description with this statement.

Lines 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a results of interest rate sensitivity? Yes No

26.4 If the response to 26.3 is yes, does the reporting entity utilize:

26.41 Special accounting provision of SSAP No. 108 Yes No

26.42 Permitted accounting practice Yes No

26.43 Other accounting guidance Yes No

26.5 By responding yes to 26.41 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 Guidance 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 the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

27.1 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

27.2 If yes, state the amount thereof at December 31 of the current year: \$ 0

28. 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 No

28.01 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

28.02 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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

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

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

28.05 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
Wells Capital Management Inc.	U
Scott B. Winter	I
Martingale Asset Management, LP	U
Barings, LLC	U
Pacific Investment Management Company LLC	U
JP Morgan	U

28.0597 For those firms/individuals listed in the table for Question 28.05, 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 []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes [X] No []

28.06 For those firms or individuals listed in the table for 28.05 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
104973	Wells Capital Management Inc.	54300B3H2IOO2L85I90	SEC	NO
106006	Barings, LLC	ANDKRHQKPRRG4Q2KLR05	SEC, CFTC, NFA	NO
108526	Martingale Asset Management, LP	549300GXM5ZGZJXZ1Y74	SEC	NO
104559	Pacific Investment Management Company LLC	549300KGPYQZXGMYYN38	SEC	NO
79	JP Morgan	K6Q0W1PS1L104IQL9C32	SEC	NO

29.1 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 [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		\$
29.2999 TOTAL		\$

29.3 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
		\$	

30. 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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 643,425,556	\$ 672,924,885	\$ 29,499,329
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 643,425,556	\$ 672,924,885	\$ 29,499,329

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

Fair value pricing obtained, where applicable from market prices provided by 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.

31.1 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 []

31.2 If the answer to 31.1 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 []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

32.2 If no, list exceptions:

33. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designation 5GI security:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 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]

34. 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 an 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]

35. 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]

36. 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 36.a-36.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 []

OTHER

37.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 4,388,994

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

1 Name	2 Amount Paid
BlueCross BlueShield Association	\$ 3,594,814

38.1 Amount of payments for legal expenses, if any? \$ 2,624,868

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

1 Name	2 Amount Paid
Quinn Emmanuel Urquhart & Sullivan, LLP	\$ 1,747,087

39.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 575,264

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

1 Name	2 Amount Paid
BlueCross BlueShield Association	\$ 201,428

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?			Yes [X]	No []
1.2	If yes, indicate premium earned on U.S. business only.		\$	279,910,733	
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?		\$	0	
1.31	Reason for excluding:				
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.		\$	0	
1.5	Indicate total incurred claims on all Medicare Supplement insurance.		\$	203,786,430	
1.6	Individual policies:				
	Most current three years:				
1.61	Total premium earned		\$	37,056,162	
1.62	Total incurred claims		\$	28,457,775	
1.63	Number of covered lives			24,390	
	All years prior to most current three years:				
1.64	Total premium earned		\$	242,854,571	
1.65	Total incurred claims		\$	175,328,655	
1.66	Number of covered lives			100,170	
1.7	Group policies:				
	Most current three years:				
1.71	Total premium earned		\$	0	
1.72	Total incurred claims		\$	0	
1.73	Number of covered lives			0	
	All years prior to most current three years:				
1.74	Total premium earned		\$	0	
1.75	Total incurred claims		\$	0	
1.76	Number of covered lives			0	
2.	Health Test:				
		1	2		
		Current Year	Prior Year		
2.1	Premium Numerator	\$ 2,436,239,329	\$ 2,389,476,420		
2.2	Premium Denominator	\$ 2,436,239,329	\$ 2,389,476,420		
2.3	Premium Ratio (2.1/2.2)	100.0%	100.0%		
2.4	Reserve Numerator	\$ 248,036,942	\$ 319,615,570		
2.5	Reserve Denominator	\$ 248,036,945	\$ 319,615,570		
2.6	Reserve Ratio (2.4/2.5)	100.0%	100.0%		
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: <u>Sufficient Capital and Surplus, over 50 year history of managing business without a stop loss reinsurance policy.</u>				
5.3	Maximum retained risk (see instructions)				
5.31	Comprehensive Medical		\$	0	
5.32	Medical Only		\$	0	
5.33	Medicare Supplement		\$	0	
5.34	Dental and Vision		\$	0	
5.35	Other Limited Benefit Plan		\$	0	
5.36	Other		\$	0	
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:				

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

- 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 18,930
- 8.2 Number of providers at end of reporting year 20,051
- 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 with rate guarantees between 15-36 months \$ 0
- 9.22 Business with rate guarantees over 36 months \$ 0
- 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 4,791,378
- 10.22 Amount actually paid for year bonuses 17,854,497
- 10.23 Maximum amount payable withholds 0
- 10.24 Amount actually paid for year withholds 0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No [X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No [X]
- 11.14 A Mixed Model (combination of above)? Yes [] No [X]
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No []
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.
Arkansas
- 11.4 If yes, show the amount required. \$ 750,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]
- 11.6 If the amount is calculated, show the calculation
12. List service areas in which reporting entity is licensed to operate:
- | 1
Name of Service Area |
|---------------------------|
| State of Arkansas |
| State of Texas |
- 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. \$ 0
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0
- 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 |
| | 0 | | \$ | \$ | \$ | \$ |
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 guarantee) |
| Universal Life (with or without secondary guarantee) |
| Variable Universal Life (with or without secondary guarantee) |
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 []

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

FIVE-YEAR HISTORICAL DATA

	1 2020	2 2019	3 2018	4 2017	5 2016
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	1,985,630,142	1,852,076,538	1,747,304,961	1,664,542,460	1,623,697,386
2. Total liabilities (Page 3, Line 24).....	992,939,638	933,010,554	916,759,531	798,205,915	780,915,031
3. Statutory minimum capital and surplus requirement.....	750,000	750,000	750,000	500,000	500,000
4. Total capital and surplus (Page 3, Line 33).....	992,690,504	919,065,983	830,545,432	866,336,545	842,782,350
Income Statement (Page 4)					
5. Total revenues (Line 8).....	2,423,629,238	2,394,999,635	2,480,226,100	2,523,712,982	2,466,711,993
6. Total medical and hospital expenses (Line 18).....	1,847,957,908	1,959,147,139	2,009,095,022	2,216,931,381	2,172,445,035
7. Claims adjustment expenses (Line 20).....	111,962,879	106,383,276	97,996,875	91,513,500	89,593,220
8. Total administrative expenses (Line 21).....	366,836,181	264,507,096	388,768,746	208,983,349	243,499,179
9. Net underwriting gain (loss) (Line 24).....	96,872,270	64,962,124	(13,472,612)	7,145,304	(29,623,227)
10. Net investment gain (loss) (Line 27).....	45,860,705	46,045,927	36,447,109	24,162,696	17,488,063
11. Total other income (Lines 28 plus 29).....	4,092,973	1,616,807	2,646,386	1,308,130	2,144,219
12. Net income or (loss) (Line 32).....	105,631,948	84,545,585	(21,330,429)	30,666,365	(6,385,813)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	56,823,432	77,990,236	138,467,700	(6,398,134)	14,314,223
Risk-Based Capital Analysis					
14. Total adjusted capital.....	992,690,504	919,065,983	830,545,432	866,336,545	842,782,350
15. Authorized control level risk-based capital.....	130,914,271	125,188,323	104,849,670	103,665,567	97,623,185
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	630,303	617,680	618,679	665,312	667,690
17. Total member months (Column 6, Line 7).....	7,470,965	7,437,192	7,739,589	8,147,024	7,992,408
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 (Line 18 plus Line 19).....	76.2	81.8	81.0	87.8	88.1
20. Cost containment expenses.....	1.2	0.8	0.5	0.3	0.1
21. Other claims adjustment expenses.....	3.5	3.6	3.5	3.3	3.6
22. Total underwriting deductions (Line 23).....	96.0	97.3	100.5	99.7	101.2
23. Total underwriting gain (loss) (Line 24).....	4.0	2.7	(0.5)	0.3	(1.2)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5).....	139,453,816	188,981,040	173,881,265	190,239,124	165,424,003
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)].....	193,584,018	206,900,568	229,441,942	252,867,092	215,906,819
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....	413,623,749	381,496,941	169,735,848	167,411,928	158,297,966
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....	90,993,226	81,303,178	99,708,187	94,978,028	86,068,544
32. Total of above Lines 26 to 31.....	504,616,975	462,800,119	269,444,035	262,389,956	244,366,510
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:

USAbile Mutual Insurance Company SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status (a)	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama.....AL	.N								.0
2. Alaska.....AK	.N								.0
3. Arizona.....AZ	.N								.0
4. Arkansas.....AR	.L	2,004,273,175	92,108,996		305,461,760			2,401,843,931	
5. California.....CA	.N								.0
6. Colorado.....CO	.N								.0
7. Connecticut.....CT	.N								.0
8. Delaware.....DE	.N								.0
9. District of Columbia.....DC	.N								.0
10. Florida.....FL	.N								.0
11. Georgia.....GA	.N								.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	2,185,648						2,185,648	
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 alien.....OT	.XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		2,006,458,823	92,108,996	0	305,461,760	0	0	2,404,029,579	0
60. Reporting entity contributions for Employee Benefit Plans.....XXX								0	
61. Total (Direct Business).....XXX		2,006,458,823	92,108,996	0	305,461,760	0	0	2,404,029,579	0

DETAILS OF WRITE-INS

58001.....								.0	
58002.....								.0	
58003.....								.0	
58998. Summary of remaining write-ins for line 58.....		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 through 58003 + 58998).....		0	0	0	0	0	0	0	0

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	2
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....	0

R - Registered - Non-domiciled RRGs.....	0
Q - Qualified - Qualified or accredited reinsurer.....	0
N - None of the above - Not allowed to write business in the state.....	55

(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

