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ANNUAL STATEMENT

For the Year Ended December 31, 2020

of the Condition and Affairs of the

Wellmark, Inc.

NAIC Group Code..... 0770, 0770 (Current Period) (Prior Period) | NAIC Company Code..... 88848 | Employer's ID Number..... 42-0318333

Organized under the Laws of IA | State of Domicile or Port of Entry IA | Country of Domicile US

Licensed as Business Type Life, Accident & Health | Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized..... September 19, 1939 | Commenced Business..... October 1, 1939

Statutory Home Office	1331 Grand Avenue .. Des Moines .. IA .. US .. 50309-2901 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	1331 Grand Avenue .. Des Moines .. IA .. US .. 50309-2901 *(Street and Number) (City or Town, State, Country and Zip Code)*	515-376-4500 *(Area Code) (Telephone Number)*
Mail Address	1331 Grand Avenue .. Des Moines .. IA .. US .. 50309-2901 *(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	1331 Grand Avenue .. Des Moines .. IA .. US .. 50309-2901 *(Street and Number) (City or Town, State, Country and Zip Code)*	515-376-4500 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.wellmark.com	
Statutory Statement Contact	Christa Daneen Kuennen *(Name)*	515-376-4144 *(Area Code) (Telephone Number) (Extension)*
	kuennencd@wellmark.com *(E-Mail Address)*	515-376-9054 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. John Douglas Forsyth	Chairman & CEO	2. Scott Andrew Sundstrom	Secretary
3. Cory Randall Harris	President & CEO-Elect	4. David Seth Brown	EVP, CFO & Treasurer

OTHER

Marcelle Jo Chickering	John Thomas Clendenin
G. Paul Eddy	Timothy Robert Gutshall MD
Laura Jean Jackson	Christa Daneen Kuennen #
Jared Blayne Landin #	Sean Joseph McTaggart #
Vicki Lynn Signor	

DIRECTORS OR TRUSTEES

Melanie Creagan Dreher PhD, RN	John Douglas Forsyth-Chairman	Cory Randall Harris #	Daryl Keith Henze
William Curt Hunter	Paul Edward Larson	Angeline Marie Lavin	David George Neil
Timothy John Theriault	David Arthur Vaudt #	Therese Michele Vaughan	

State of........ Iowa
County of..... Polk

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Cory Randall Harris	Scott Andrew Sundstrom	David Seth Brown
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & CEO	Secretary	EVP, CFO & Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This ________ day of ____________ 2021

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

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	945,459,277		945,459,277	895,699,597
2. Stocks (Schedule D):				
2.1 Preferred stocks	2,284,317	808,147	1,476,170	1,631,286
2.2 Common stocks	1,193,661,724	40,304,755	1,153,356,969	1,053,357,920
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)	141,227,449	33,407,449	107,820,000	148,365,151
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....73,014,965, Schedule E-Part 1), cash equivalents ($.....71,500,373, Schedule E-Part 2) and short-term investments ($.....15,328,572, Schedule DA)	159,843,910		159,843,910	208,076,658
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)	160,365,224	7,810,789	152,554,435	69,762,658
9. Receivables for securities	5,112,152		5,112,152	368,523
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	2,607,954,053	82,331,140	2,525,622,913	2,377,261,793
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	7,377,269	114,816	7,262,453	7,739,800
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	72,923,870		72,923,870	79,982,611
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums ($.....2,246,778) and contracts subject to redetermination ($.....18,427,800)	20,674,578		20,674,578	17,680,902
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	145,040,132	17,805,695	127,234,437	103,757,393
18.1 Current federal and foreign income tax recoverable and interest thereon	13,347,516		13,347,516	41,070,965
18.2 Net deferred tax asset	38,496,000		38,496,000	26,991,000
19. Guaranty funds receivable or on deposit	25,805,529		25,805,529	22,218,394
20. Electronic data processing equipment and software	1,915,068	317,624	1,597,444	2,445,793
21. Furniture and equipment, including health care delivery assets ($..........0)	12,099,398	12,099,398	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	25,946,000	8,357,437	17,588,563	3,210
24. Health care ($.....69,211,017) and other amounts receivable	135,005,522	32,008,208	102,997,314	82,490,131
25. Aggregate write-ins for other-than-invested assets	62,838,158	62,285,217	552,941	598,929
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,169,423,093	215,319,535	2,954,103,558	2,762,240,921
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTAL (Lines 26 and 27)	3,169,423,093	215,319,535	2,954,103,558	2,762,240,921

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	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Premium Tax Assets	35,762,309	35,762,309	0	
2502. Prepaid Pension Costs	4,207,527	4,207,527	0	
2503. Other Prepaid Expenses	20,597,548	20,597,548	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	2,270,774	1,717,833	552,941	598,929
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	62,838,158	62,285,217	552,941	598,929

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $..........0 reinsurance ceded)	319,870,872		319,870,872	366,909,305
2. Accrued medical incentive pool and bonus amounts	35,067,037		35,067,037	8,461,613
3. Unpaid claims adjustment expenses	3,672,450		3,672,450	3,878,903
4. Aggregate health policy reserves, including the liability of $.....6,400,000 for medical loss ratio rebate per the Public Health Service Act	63,314,842		63,314,842	54,979,704
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserves			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	96,599,667		96,599,667	103,449,101
9. General expenses due or accrued	241,648,129		241,648,129	214,583,460
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			0	
12. Amounts withheld or retained for the account of others	2,578,326		2,578,326	2,697,777
13. Remittances and items not allocated	27,619,855		27,619,855	9,122,199
14. Borrowed money (including $..........0 current) and interest thereon $..........0 (including $..........0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	11,886,984		11,886,984	37,835,127
16. Derivatives			0	
17. Payable for securities	22,204,922		22,204,922	7,899,435
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties with ($..........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	75,925,453		75,925,453	72,684,187
23. Aggregate write-ins for other liabilities (including $.....614,032 current)	28,350,378	0	28,350,378	26,073,147
24. Total liabilities (Lines 1 to 23)	928,738,915	0	928,738,915	908,573,958
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	44,511,000
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	2,025,364,643	1,809,155,963
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	2,025,364,643	1,853,666,963
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,954,103,558	2,762,240,921

DETAILS OF WRITE-INS

	1	2	3	4
2301. Other Liabilities	26,441,116		26,441,116	24,326,350
2302. Escheat Liability	1,909,262		1,909,262	1,746,797
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)	28,350,378	0	28,350,378	26,073,147
2501. Special Surplus for Health Insurer Fee	XXX	XXX		44,511,000
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	44,511,000
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 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1. Member months	XXX	14,324,116	14,689,144
2. Net premium income (including $..........0 non-health premium income)	XXX	2,542,489,708	2,561,042,188
3. Change in unearned premium reserves and reserve for rate credits	XXX	(8,357,139)	(819,283)
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	101,884	9,229
8. Total revenues (Lines 2 to 7)	XXX	2,534,234,453	2,560,232,134
Hospital and Medical:			
9. Hospital/medical benefits		1,387,634,141	1,473,582,339
10. Other professional services		229,375,053	237,837,005
11. Outside referrals		77,656,912	74,698,576
12. Emergency room and out-of-area		83,981,909	92,492,778
13. Prescription drugs		320,455,507	290,219,440
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		62,770,152	3,408,988
16. Subtotal (Lines 9 to 15)	0	2,161,873,674	2,172,239,126
Less:			
17. Net reinsurance recoveries			39,957
18. Total hospital and medical (Lines 16 minus 17)	0	2,161,873,674	2,172,199,169
19. Non-health claims (net)			
20. Claims adjustment expenses, including $.....19,206,474 cost containment expenses		96,791,030	99,090,076
21. General administrative expenses		274,239,742	227,641,958
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	2,532,904,446	2,498,931,203
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	1,330,007	61,300,931
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		157,792,637	140,643,382
26. Net realized capital gains or (losses) less capital gains tax of $.....6,042,000		22,253,200	(1,262,462)
27. Net investment gains or (losses) (Lines 25 plus 26)	0	180,045,837	139,380,920
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $..........0) (amount charged off $..........0)]			(240,116)
29. Aggregate write-ins for other income or expenses	0	(4,921,594)	(12,082,533)
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	176,454,250	188,359,202
31. Federal and foreign income taxes incurred	XXX	40,132,000	29,667,000
32. Net income (loss) (Lines 30 minus 31)	XXX	136,322,250	158,692,202

DETAILS OF WRITE-INS

	1 Uncovered	2 Total	3 Total
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. Commission Income	XXX	101,884	9,229
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	101,884	9,229
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. Other Expense		(4,921,594)	(12,082,533)
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	(4,921,594)	(12,082,533)

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period	1,853,666,963	1,567,303,983
34. Net income or (loss) from Line 32	136,322,250	158,692,202
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 $.....12,950,000	38,414,970	129,751,441
37. Change in net unrealized foreign exchange capital gain or (loss)	11,416,561	955,979
38. Change in net deferred income tax	27,061,000	10,423,000
39. Change in nonadmitted assets	(51,322,821)	(11,972,158)
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	9,805,720	(1,487,484)
48. Net change in capital and surplus (Lines 34 to 47)	171,697,680	286,362,980
49. Capital and surplus end of reporting period (Line 33 plus 48)	2,025,364,643	1,853,666,963

DETAILS OF WRITE-INS

4701. Change in Pension and Other Postemployment Benefit Obligation	9,805,720	(1,487,484)
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)	9,805,720	(1,487,484)

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	2,539,683,339	2,556,864,824
2.	Net investment income	68,191,274	67,488,150
3.	Miscellaneous income	101,884	9,229
4.	Total (Lines 1 through 3)	2,607,976,497	2,624,362,203
5.	Benefit and loss related payments	2,190,943,169	2,193,883,923
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	376,640,273	314,723,106
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....6,042,000 tax on capital gains (losses)	18,450,551	40,334,208
10.	Total (Lines 5 through 9)	2,586,033,993	2,548,941,237
11.	Net cash from operations (Line 4 minus Line 10)	21,942,504	75,420,966
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	466,787,008	478,233,965
	12.2 Stocks	223,177,130	48,469,342
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets	396,513	2,502,542
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	13,575	2,537
	12.7 Miscellaneous proceeds	14,305,487	1,679,593
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	704,679,713	530,887,979
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	513,335,704	492,730,022
	13.2 Stocks	250,689,691	138,526,544
	13.3 Mortgage loans		
	13.4 Real estate	(189,527)	(279,948)
	13.5 Other invested assets	78,151,740	24,176,160
	13.6 Miscellaneous applications	4,995,682	1,229,394
	13.7 Total investments acquired (Lines 13.1 to 13.6)	846,983,290	656,382,172
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)	(142,303,577)	(125,494,193)
	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)	72,128,325	95,493,408
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	72,128,325	95,493,408
	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)	(48,232,748)	45,420,181
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	208,076,658	162,656,477
	19.2 End of year (Line 18 plus Line 19.1)	159,843,910	208,076,658

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

20.0001	Noncash dividends from subsidiaries	102,000,000	83,500,000

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	2,542,489,708	1,499,378,697	425,185,322	31,988,680	1,016,969	278,597,743			306,322,297	
2. Change in unearned premium reserves and reserve for rate credit	(8,357,139)	(16,944,040)	(16,822)			8,603,723				
3. Fee-for-service (net of $..........0 medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	101,884	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	101,884
7. Total revenues (Lines 1 to 6)	2,534,234,453	1,482,434,657	425,168,500	31,988,680	1,016,969	287,201,466	0	0	306,322,297	101,884
8. Hospital/medical benefits	1,387,634,141	767,562,708	271,501,541			149,613,359			198,956,533	XXX
9. Other professional services	229,375,053	114,872,008	40,632,416	21,021,152	683,155	22,390,857			29,775,465	XXX
10. Outside referrals	77,656,912	42,955,523	15,194,186			8,372,892			11,134,311	XXX
11. Emergency room and out-of-area	83,981,909	46,454,162	16,431,721			9,054,848			12,041,178	XXX
12. Prescription drugs	320,455,507	218,923,866	7,547			67,185,025			34,339,069	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	62,770,152	50,842,104	11,928,048							XXX
15. Subtotal (Lines 8 to 14)	2,161,873,674	1,241,610,371	355,695,459	21,021,152	683,155	256,616,981	0	0	286,246,556	XXX
16. Net reinsurance recoveries	0									XXX
17. Total hospital and medical (Lines 15 minus 16)	2,161,873,674	1,241,610,371	355,695,459	21,021,152	683,155	256,616,981	0	0	286,246,556	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $.....19,206,474 cost containment expenses	96,791,030	16,268,880	15,223,770	1,456,650	122,262	19,164,894			44,554,574	
20. General administrative expenses	274,239,742	158,586,447	69,384,170	5,484,110	69,262	9,712,833			30,657,388	345,532
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	2,532,904,446	1,416,465,698	440,303,399	27,961,912	874,679	285,494,708	0	0	361,458,518	345,532
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	1,330,007	65,968,959	(15,134,899)	4,026,768	142,290	1,706,758	0	0	(55,136,221)	(243,648)

DETAILS OF WRITE-INS

	1	2	3	4	5	6	7	8	9	10
0501.	0									XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601. Commission Income	101,884	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	101,884
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 through 0603 plus 0698) (Line 6 above)	101,884	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	101,884
1301.	0									XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	1,499,378,697			1,499,378,697
2. Medicare Supplement	425,185,322			425,185,322
3. Dental only	31,988,680			31,988,680
4. Vision only	1,016,969			1,016,969
5. Federal Employees Health Benefits Plan	278,597,743			278,597,743
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid				0
8. Other health	306,322,297			306,322,297
9. Health subtotal (Lines 1 through 8)	2,542,489,708	0	0	2,542,489,708
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	2,542,489,708	0	0	2,542,489,708

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	2,154,778,441	1,244,126,842	343,812,014	20,955,541	679,689	252,700,000			292,504,355	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	2,154,778,441	1,244,126,842	343,812,014	20,955,541	679,689	252,700,000	0	0	292,504,355	0
2. Paid medical incentive pools and bonuses	36,164,728	30,275,067	5,889,661							
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	319,870,872	189,753,479	70,938,432	1,783,477	25,150	37,005,325			20,365,009	
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	319,870,872	189,753,479	70,938,432	1,783,477	25,150	37,005,325	0	0	20,365,009	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	35,067,037	29,028,650	6,038,387							
6. Net healthcare receivables (a)	8,636,486	6,733,343	(407,757)			(138,979)			2,449,879	
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	366,909,305	236,378,711	71,390,792	1,717,866	21,684	33,227,323			24,172,929	
8.2 Reinsurance assumed	0									
8.3 Reinsurance ceded	0									
8.4 Net	366,909,305	236,378,711	71,390,792	1,717,866	21,684	33,227,323	0	0	24,172,929	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	8,461,613	8,461,613								
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred benefits:										
12.1 Direct	2,099,103,522	1,190,768,267	343,767,411	21,021,152	683,155	256,616,981	0	0	286,246,556	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	2,099,103,522	1,190,768,267	343,767,411	21,021,152	683,155	256,616,981	0	0	286,246,556	0
13. Incurred medical incentive pools and bonuses	62,770,152	50,842,104	11,928,048	0	0	0	0	0	0	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 Total	2 Comprehensive (Medical and Hospital)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct	185,944,309	125,315,067	33,756,786	356,695	5,030	16,025,911			10,484,820	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	185,944,309	125,315,067	33,756,786	356,695	5,030	16,025,911	0	0	10,484,820	0
2. Incurred but unreported:										
2.1 Direct	133,926,563	64,438,412	37,181,646	1,426,782	20,120	20,979,414			9,880,189	
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	133,926,563	64,438,412	37,181,646	1,426,782	20,120	20,979,414	0	0	9,880,189	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	319,870,872	189,753,479	70,938,432	1,783,477	25,150	37,005,325	0	0	20,365,009	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	319,870,872	189,753,479	70,938,432	1,783,477	25,150	37,005,325	0	0	20,365,009	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
Line of Business	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	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	205,953,468	1,038,173,374	1,522,989	188,230,490	207,476,457	236,378,711
2. Medicare Supplement	66,790,047	277,021,967	64,034	70,874,398	66,854,081	71,390,792
3. Dental only	1,207,114	19,748,427	6,878	1,776,599	1,213,992	1,717,866
4. Vision only	21,588	658,101	96	25,054	21,684	21,684
5. Federal Employees Health Benefits Plan	37,557,101	215,142,899	645,365	36,359,960	38,202,466	33,227,323
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other health	22,315,353	270,189,002	155,075	20,209,934	22,470,428	24,172,929
9. Health subtotal (Lines 1 to 8)	333,844,671	1,820,933,770	2,394,437	317,476,435	336,239,108	366,909,305
10. Healthcare receivables (a)	10,237,544	90,333,304	571	356,754	10,238,115	92,291,687
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	13,022,082	23,142,646		35,067,037	13,022,082	8,461,613
13. Totals (Lines 9 - 10 + 11 + 12)	336,629,209	1,753,743,112	2,393,866	352,186,718	339,023,075	283,079,231

(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	247,272	246,908	246,908	246,908	246,908
2. 2016	1,962,851	2,314,314	2,313,564	2,313,564	2,313,564
3. 2017	XXX	1,948,433	2,277,969	2,278,466	2,278,466
4. 2018	XXX	XXX	1,929,661	2,254,789	2,255,561
5. 2019	XXX	XXX	XXX	1,868,310	2,214,404
6. 2020	XXX	XXX	XXX	XXX	1,844,076

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	249,053	246,908	246,908	246,908	246,908
2. 2016	2,351,684	2,316,304	2,313,564	2,313,564	2,313,564
3. 2017	XXX	2,313,658	2,279,582	2,278,466	2,278,466
4. 2018	XXX	XXX	2,297,135	2,257,262	2,255,561
5. 2019	XXX	XXX	XXX	2,241,206	2,216,797
6. 2020	XXX	XXX	XXX	XXX	2,196,620

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	2,656,268	2,313,564	71,120	3.1	2,384,684	89.8			2,384,684	89.8
2. 2017	2,646,943	2,278,466	76,865	3.4	2,355,331	89.0			2,355,331	89.0
3. 2018	2,625,888	2,255,561	71,453	3.2	2,327,014	88.6			2,327,014	88.6
4. 2019	2,560,223	2,214,404	75,581	3.4	2,289,985	89.4	2,394	28	2,292,407	89.5
5. 2020	2,534,132	1,844,076	65,396	3.5	1,909,472	75.4	352,543	3,644	2,265,659	89.4

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	168,861	168,137	168,137	168,137	168,137
2. 2016	1,333,953	1,583,146	1,582,557	1,582,557	1,582,557
3. 2017	XXX	1,290,037	1,519,450	1,519,972	1,519,972
4. 2018	XXX	XXX	1,201,041	1,415,207	1,415,666
5. 2019	XXX	XXX	XXX	1,099,532	1,315,927
6. 2020	XXX	XXX	XXX	XXX	1,057,547

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	170,209	168,137	168,137	168,137	168,137
2. 2016	1,610,468	1,584,362	1,582,557	1,582,557	1,582,557
3. 2017	XXX	1,542,348	1,520,675	1,519,972	1,519,972
4. 2018	XXX	XXX	1,445,173	1,417,119	1,415,666
5. 2019	XXX	XXX	XXX	1,342,459	1,317,449
6. 2020	XXX	XXX	XXX	XXX	1,274,806

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	1,789,401	1,582,557	26,973	1.7	1,609,530	89.9			1,609,530	89.9
2. 2017	1,751,446	1,519,972	35,811	2.4	1,555,783	88.8			1,555,783	88.8
3. 2018	1,657,118	1,415,666	21,625	1.5	1,437,291	86.7			1,437,291	86.7
4. 2019	1,560,536	1,315,927	26,650	2.0	1,342,577	86.0	1,523	15	1,344,115	86.1
5. 2020	1,482,435	1,057,547	14,185	1.3	1,071,732	72.3	217,259	2,084	1,291,075	87.1

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	46,125	46,561	46,561	46,561	46,561
2. 2016	248,159	307,356	307,244	307,244	307,244
3. 2017	XXX	268,987	326,974	326,994	326,994
4. 2018	XXX	XXX	283,437	344,039	344,092
5. 2019	XXX	XXX	XXX	296,262	365,120
6. 2020	XXX	XXX	XXX	XXX	280,791

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	46,218	46,561	46,561	46,561	46,561
2. 2016	311,312	307,733	307,244	307,244	307,244
3. 2017	XXX	335,267	327,059	326,994	326,994
4. 2018	XXX	XXX	350,572	344,186	344,092
5. 2019	XXX	XXX	XXX	367,505	365,184
6. 2020	XXX	XXX	XXX	XXX	357,704

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	376,548	307,244	12,740	4.1	319,984	85.0			319,984	85.0
2. 2017	398,149	326,994	13,192	4.0	340,186	85.4			340,186	85.4
3. 2018	420,781	344,092	13,405	3.9	357,497	85.0			357,497	85.0
4. 2019	420,477	365,120	15,087	4.1	380,207	90.4	64	1	380,272	90.4
5. 2020	425,168	280,791	14,486	5.2	295,277	69.4	76,912	738	372,927	87.7

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	1,014	1,019	1,019	1,019	1,019
2. 2016	19,217	20,360	20,371	20,371	20,371
3. 2017	XXX	19,341	20,421	20,485	20,485
4. 2018	XXX	XXX	20,485	21,900	21,911
5. 2019	XXX	XXX	XXX	22,546	23,742
6. 2020	XXX	XXX	XXX	XXX	19,748

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	1,018	1,019	1,019	1,019	1,019
2. 2016	20,386	20,362	20,371	20,371	20,371
3. 2017	XXX	20,546	20,429	20,485	20,485
4. 2018	XXX	XXX	21,977	21,904	21,911
5. 2019	XXX	XXX	XXX	24,260	23,749
6. 2020	XXX	XXX	XXX	XXX	21,525

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	26,399	20,371	1,330	6.5	21,701	82.2			21,701	82.2
2. 2017	26,811	20,485	1,108	5.4	21,593	80.5			21,593	80.5
3. 2018	27,763	21,911	1,363	6.2	23,274	83.8			23,274	83.8
4. 2019	30,356	23,742	1,177	5.0	24,919	82.1	7		24,926	82.1
5. 2020	31,989	19,748	1,440	7.3	21,188	66.2	1,777	17	22,982	71.8

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	16	16	16	16	16
2. 2016	640	662	662	662	662
3. 2017	XXX	683	699	699	699
4. 2018	XXX	XXX	668	689	689
5. 2019	XXX	XXX	XXX	783	805
6. 2020	XXX	XXX	XXX	XXX	658

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	16	16	16	16	16
2. 2016	662	662	662	662	662
3. 2017	XXX	699	699	699	699
4. 2018	XXX	XXX	689	689	689
5. 2019	XXX	XXX	XXX	805	805
6. 2020	XXX	XXX	XXX	XXX	683

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	797	662	96	14.5	758	95.1			758	95.1
2. 2017	877	699	31	4.4	730	83.2			730	83.2
3. 2018	915	689	99	14.4	788	86.1			788	86.1
4. 2019	1,021	805	84	10.4	889	87.1			889	87.1
5. 2020	1,017	658	122	18.5	780	76.7	25		805	79.2

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	16,311	16,230	16,230	16,230	16,230
2. 2016	182,742	207,505	207,445	207,445	207,445
3. 2017	XXX	187,901	211,475	211,366	211,366
4. 2018	XXX	XXX	199,623	228,274	228,523
5. 2019	XXX	XXX	XXX	204,426	241,734
6. 2020	XXX	XXX	XXX	XXX	215,143

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

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	16,536	16,230	16,230	16,230	16,230
2. 2016	211,907	207,777	207,445	207,445	207,445
3. 2017	XXX	212,668	211,670	211,366	211,366
4. 2018	XXX	XXX	229,645	228,523	228,523
5. 2019	XXX	XXX	XXX	237,405	242,379
6. 2020	XXX	XXX	XXX	XXX	251,503

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	235,678	207,445	14,559	7.0	222,004	94.2			222,004	94.2
2. 2017	224,908	211,366	11,056	5.2	222,422	98.9			222,422	98.9
3. 2018	254,604	228,523	18,019	7.9	246,542	96.8			246,542	96.8
4. 2019	260,409	241,734	16,153	6.7	257,887	99.0	645	11	258,543	99.3
5. 2020	287,201	215,143	18,554	8.6	233,697	81.4	36,360	611	270,668	94.2

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

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	14,945	14,945	14,945	14,945	14,945
2. 2016	178,140	195,285	195,285	195,285	195,285
3. 2017	XXX	181,484	198,950	198,950	198,950
4. 2018	XXX	XXX	224,407	244,680	244,680
5. 2019	XXX	XXX	XXX	244,761	267,076
6. 2020	XXX	XXX	XXX	XXX	270,189

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	15,056	14,945	14,945	14,945	14,945
2. 2016	196,949	195,408	195,285	195,285	195,285
3. 2017	XXX	202,130	199,050	198,950	198,950
4. 2018	XXX	XXX	249,079	244,841	244,680
5. 2019	XXX	XXX	XXX	268,772	267,231
6. 2020	XXX	XXX	XXX	XXX	290,399

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	227,445	195,285	15,422	7.9	210,707	92.6			210,707	92.6
2. 2017	244,752	198,950	15,667	7.9	214,617	87.7			214,617	87.7
3. 2018	264,707	244,680	16,942	6.9	261,622	98.8			261,622	98.8
4. 2019	287,424	267,076	16,430	6.2	283,506	98.6	155	1	283,662	98.7
5. 2020	306,322	270,189	16,609	6.1	286,798	93.6	20,210	194	307,202	100.3

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	82,161	82,161							
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)	61,990,687	22,837,824				39,152,863			
5. Aggregate write-ins for other policy reserves	1,241,994	1,241,994	0	0	0	0	0	0	0
6. Totals (gross)	63,314,842	24,161,979	0	0	0	39,152,863	0	0	0
7. Reinsurance ceded	0								
8. Totals (net) (Page 3, Line 4)	63,314,842	24,161,979	0	0	0	39,152,863	0	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0

DETAILS OF WRITE-INS

	1	2	3	4	5	6	7	8	9
0501. ACA Risk Adjustment Payable	1,241,994	1,241,994							
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)	1,241,994	1,241,994	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	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($.....13,475,025 for occupancy of own building)	119,397	583,931	14,841,008	3,872	15,548,208
2. Salaries, wages and other benefits	13,121,760	37,205,800	123,660,624	489,222	174,477,406
3. Commissions (less $..........0 ceded plus $..........0 assumed)			59,911,208		59,911,208
4. Legal fees and expenses			2,052,826		2,052,826
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services	103,646	22,349	4,681,484		4,807,479
7. Traveling expenses	20,009	18,067	681,790		719,866
8. Marketing and advertising	35,262	(2,417)	3,612,456		3,645,301
9. Postage, express and telephone	494,666	2,937,316	4,081,588	5,520	7,519,090
10. Printing and office supplies	199,937	561,318	1,945,685	496	2,707,436
11. Occupancy, depreciation and amortization	414,205	1,297,971	(2,874,155)	13,603	(1,148,376)
12. Equipment	2,209	8,644	198,456	72	209,381
13. Cost or depreciation of EDP equipment and software	1,576,833	3,720,506	20,540,912	18,574	25,856,825
14. Outsourced services including EDP, claims, and other services	12,252,291	39,316,507	53,623,069	22,198	105,214,065
15. Boards, bureaus and association fees	51,912	4,499	1,818,292	29,875	1,904,578
16. Insurance, except on real estate	96,870	317,523	1,372,397	2,076	1,788,866
17. Collection and bank service charges		7		393,357	393,364
18. Group service and administration fees	8,047,449	12,052,962	1,054		20,101,465
19. Reimbursements by uninsured plans	(22,859,142)	(27,785,089)	(74,694,836)		(125,339,067)
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses	31,429	107,774	295,586	1,034	435,823
22. Real estate taxes	237,457	741,908	2,421,264	8,664	3,409,293
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			4,329,477		4,329,477
23.3 Regulatory authority licenses and fees			(94,738)		(94,738)
23.4 Payroll taxes	616,861	1,814,896	4,702,693	14,557	7,149,007
23.5 Other (excluding federal income and real estate taxes)			45,174,683		45,174,683
24. Investment expenses not included elsewhere				4,560,254	4,560,254
25. Aggregate write-ins for expenses	4,643,423	4,660,084	1,956,919	0	11,260,426
26. Total expenses incurred (Lines 1 to 25)	19,206,474	77,584,556	274,239,742	5,563,374	(a)......376,594,146
27. Less expenses unpaid December 31, current year	728,733	2,943,717	240,340,238	1,307,891	245,320,579
28. Add expenses unpaid December 31, prior year	774,831	3,104,072	213,482,976	1,100,484	218,462,363
29. Amounts receivable relating to uninsured plans, prior year			115,770,054		115,770,054
30. Amounts receivable relating to uninsured plans, current year			145,040,132		145,040,132
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	19,252,572	77,744,911	276,652,558	5,355,967	379,006,008

DETAILS OF WRITE-INS

	1	2	3	4	5
2501. BlueCard Home Access Fees	4,643,423	3,095,627			7,739,050
2502. Miscellaneous Expenses and Reimbursements		1,564,457	1,956,919		3,521,376
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	4,643,423	4,660,084	1,956,919	0	11,260,426

(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) 632,561	375,389
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 32,056,154	31,856,276
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 25,553	25,314
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	16,230,178	16,226,440
2.21	Common stocks of affiliates	102,000,000	102,000,000
3.	Mortgage loans	(c)	
4.	Real estate	(d) 13,475,025	13,475,025
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 1,313,137	1,302,937
7.	Derivative instruments	(f)	
8.	Other invested assets	6,190,059	6,217,267
9.	Aggregate write-ins for investment income	510,384	510,384
10.	Total gross investment income	172,433,051	171,989,032
11.	Investment expenses		(g) 5,548,817
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 14,557
13.	Interest expense		(h) 68,655
14.	Depreciation on real estate and other invested assets		(i) 6,948,175
15.	Aggregate write-ins for deductions from investment income		1,616,191
16.	Total deductions (Lines 11 through 15)		14,196,395
17.	Net investment income (Line 10 minus Line 16)		157,792,637
	DETAILS OF WRITE-INS		
0901.	Miscellaneous Investment Income	456,099	456,099
0902.	Securities Lending	54,285	54,285
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)	510,384	510,384
1501.	Other Investment Expenses		1,616,191
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)		1,616,191

(a) Includes $.....6,764,296 accrual of discount less $.....11,557,339 amortization of premium and less $.....734,615 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 $.....13,475,025 for company's occupancy of its own buildings; and excludes $..........0 interest on encumbrances.
(e) Includes $.....59,474 accrual of discount less $.....13,015 amortization of premium and less $.....50,022 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 $.....6,948,175 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	93,426		93,426		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	8,500,272	(351,800)	8,148,472	(237,871)	
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)	(32,869)	(17,042)	(49,911)	110,582	143,594
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	28,383,838	(8,171,867)	20,211,971	44,433,477	11,272,967
2.21	Common stocks of affiliates			0	1,735,139	
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	13,575	(252,053)	(238,478)		
7.	Derivative instruments			0		
8.	Other invested assets	229,720	(100,000)	129,720	5,323,643	
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	37,187,961	(8,892,761)	28,295,200	51,364,970	11,416,561
	DETAILS OF WRITE-INS					
0901.				0		
0902.				0		
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	0	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	808,147	959,760	151,613
2.2 Common stocks	40,304,755	34,626,694	(5,678,061)
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	33,407,449		(33,407,449)
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)	7,810,789	7,393,849	(416,940)
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)	82,331,140	42,980,303	(39,350,837)
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued	114,816	87,608	(27,208)
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			0
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	17,805,695	12,012,661	(5,793,034)
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	317,624	740,627	423,003
21. Furniture and equipment, including health care delivery assets	12,099,398	13,810,772	1,711,374
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates	8,357,437	5,741,767	(2,615,670)
24. Health care and other amounts receivable	32,008,208	22,300,180	(9,708,028)
25. Aggregate write-ins for other-than-invested assets	62,285,217	66,322,796	4,037,579
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	215,319,535	163,996,714	(51,322,821)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	215,319,535	163,996,714	(51,322,821)

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. Prepaid Premium Tax Assets	35,762,309	37,249,503	1,487,194
2502. Prepaid Pension Costs	4,207,527	11,176,289	6,968,762
2503. Other Prepaid Expenses	20,597,548	16,081,858	(4,515,690)
2598. Summary of remaining write-ins for Line 25 from overflow page	1,717,833	1,815,146	97,313
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	62,285,217	66,322,796	4,037,579

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of 1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
1. Health maintenance organizations						
2. Provider service organizations						
3. Preferred provider organizations	853,003	849,715	843,735	830,458	826,875	10,074,001
4. Point of service						
5. Indemnity only	179,827	178,037	178,326	179,061	178,205	2,142,803
6. Aggregate write-ins for other lines of business	180,174	176,084	175,276	175,543	174,978	2,107,312
7. Total	1,213,004	1,203,836	1,197,337	1,185,062	1,180,058	14,324,116

DETAILS OF WRITE-INS

0601. Dental	88,774	90,445	90,223	90,789	91,169	1,086,463
0602. Medicare Part D	81,549	75,384	74,813	74,413	73,435	897,249
0603. Vision	9,851	10,255	10,240	10,341	10,374	123,600
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)	180,174	176,084	175,276	175,543	174,978	2,107,312

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Wellmark, Inc. (the Company) have been prepared in conformity with the accounting practices prescribed by the National Association of Insurance Commissioners (NAIC) and the State of Iowa.

The NAIC Accounting Practices and Procedures manual has been adopted as a component of prescribed or permitted practices by the State of Iowa. The Commissioner of Insurance has the right to permit specific practices that deviate from prescribed practices. The Company does not have any permitted practices.

	SSAP #	F/S Page	F/S Line #	2020	2019
NET INCOME					
(1) Wellmark, Inc. state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	$ 136,322,250	$ 158,692,202
(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	$ 136,322,250	$ 158,692,202
SURPLUS					
(5) Wellmark, Inc. state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	$2,025,364,643	$1,853,666,963
(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	$2,025,364,643	$1,853,666,963

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

Premiums on fully insured accident and health plans are billed in advance of their respective coverage periods. Receivables and income for such premiums are recorded at the effective date of the coverage period. Premiums received in advance and any unearned portion of premiums are recorded on the balance sheets as premiums received in advance and unearned premiums and reported as income when earned.

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Other costs, such as premium taxes and other underwriting expenses, are also charged to operations as incurred.

Real estate is carried at depreciated cost, less encumbrances. The fair value of real estate owned is determined by an external appraisal. To the extent the depreciated cost exceeds the fair value, this excess has been nonadmitted.

In addition, the Company uses the following accounting policies:

(1) Basis for Short-Term Investments

Short-term investments that are NAIC designation 1 or 2 are reported at cost adjusted for amortization of premiums and accretion of discounts using the effective interest method. Short-term investments that are NAIC designation 3 through 6 are stated at the lower of amortized cost or fair value.

(2) Basis for Bonds and Amortization Schedule

Bonds that are NAIC designation 1 or 2 are reported at cost adjusted for amortization of premiums and accretion of discounts using the effective interest method. Bonds that are NAIC designation 3 through 6 are stated at the lower of amortized cost or fair value. When a decline in the fair value of a bond has been determined to be other than temporary, the Company evaluates whether the decline is interest or credit related. For those credit-related declines in value that are considered to be other than temporary, the bond's carrying value is reduced and a loss is realized on the Statement of Revenues and Expenses. Surplus notes that are rated by an NAIC credit rating provider and have an NAIC designation of 1 are reported at cost, adjusted for amortization of premiums and accretion of discounts using the effective interest method.

The Company does not own any mandatory convertible securities or SVO-Identified investments identified in SSAP No. 26R.

(3) Basis for Common Stocks

Unaffiliated common stocks are reported at fair value. When a decline in the fair value of an unaffiliated common stock is considered to be other than temporary, the carrying value of the stock is reduced to fair value and a loss is realized on the Statement of Revenues and Expenses. The Company has no restricted common stock.

(4) Basis for Preferred Stocks

Preferred stock is reported based on the underlying characteristics of the security (redeemable or perpetual) and the quality rating of the security expressed as an NAIC designation.

(5) Basis for Mortgage Loans

Not Applicable

(6) Basis for Loan-Backed Securities and Adjustment Methodology

Loan-backed securities that are NAIC designation 1 or 2 are reported at cost adjusted for amortization of premiums and accretion of discounts using the effective interest method. For all securities except for interest only securities or securities where the yield had become negative, the amortization of premiums and accretion of discounts on loan-backed securities is adjusted quarterly using current estimated future cash flows, including any new prepayment assumptions, using the retrospective adjustment method. Interest only securities and securities where the yield had become negative are valued using the prospective method. Loan-backed securities are stated at the lower of amortized cost or fair value if they are NAIC designation 3 through 6.

(7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities

Common stock of the Company's insurance subsidiaries is carried based on the underlying statutory equity of the entities. Common stock of the Company's non-insurance subsidiaries is carried based on the underlying GAAP equity of the entities. All ownership interests of the Company's non-insurance subsidiaries have been nonadmitted as of December 31, 2020 as GAAP audited financial statements are not obtained for these subsidiaries. For any non-insurance subsidiaries in a retained deficit position, the carrying value is reported at $0.

(8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities

The Company has ownership interests in two affiliated joint ventures. The Company carries these interests based on the underlying statutory equity of the investees.

The Company has minor ownership interests in two limited partnerships. The Company carries these interests based on the underlying audited GAAP equity of the investees.

The Company also has minor ownership interests in limited liability companies. The Company carries these interests based on the underlying GAAP equity of the investees. If a GAAP audited statement is unavailable, the Company considers these investments non-admitted. All ownership interests in limited liability companies have been nonadmitted at December 31, 2020.

(9) Accounting Policies for Derivatives

Not Applicable

(10) Anticipated Investment Income Used in Premium Deficiency Calculation

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with Statement of Statutory Accounting Principles (SSAP) 54, Individual and Group Accident and Health Contracts.

(11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses

The Company provides a liability for unpaid and unreported benefits, which represents the estimated ultimate cost of benefits incurred through the balance sheet date. The liability is estimated on the basis of past experience and accumulated statistical data. Subsequent actual benefit experience may differ from the estimated liability due to variances in estimated and actual utilization of health care services, the amount of charges and other factors. These estimates are continuously reviewed and, as adjustments become necessary, such adjustments are reflected in current operations.

(12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period

The Company has not modified its capitalization policy from the prior period.

(13) Method Used to Estimate Pharmaceutical Rebate Receivables

The Company estimates pharmaceutical rebates utilizing past experience and accumulated statistical data. These estimates are continuously reviewed, and any adjustments are reflected in current operations.

D. Going Concern

Management has evaluated the Company's ability to continue as a going concern and has concluded that there are no events or circumstances that raise any doubt about the Company's ability to continue as a going concern.

Note 2 – Accounting Changes and Corrections of Errors

Not Applicable

Note 3 – Business Combinations and Goodwill

Not Applicable

Note 4 – Discontinued Operations

Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not Applicable

B. Debt Restructuring

Not Applicable

C. Reverse Mortgages

Not Applicable

D. Loan-Backed Securities

(1) Description of Sources Used to Determine Prepayment Assumptions

For fixed-rate agency mortgage-backed securities, prepayment speeds are calculated 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, prepayment assumptions are utilized 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, data from Reuters is used, which utilizes the median prepayment speed from contributors' models.

(2) Other-Than-Temporary Impairments

There were no loan-backed securities with a current period recognized other-than-temporary impairment (OTTI) classified on the basis for the OTTI as "Intent to sell" or "Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis."

(3) Recognized OTTI Securities

Loan-backed securities with a current period recognized other-than-temporary impairment, currently held by the Company, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities follows as of December 31, 2019:

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
22942M BE 5	$ 121,734	$ 60,460	$ 61,274	$ 60,460	$ 60,460	09/30/2020
784442 AC 9	$ 1,077,628	$ 1,056,561	$ 21,066	$ 1,056,561	$ 1,044,073	12/01/2020
78443Y AD 8	$ 1,395,139	$ 1,377,650	$ 17,489	$ 1,377,650	$ 1,337,012	12/01/2020
17311Y AC 7	$ 1,265,342	$ 1,098,378	$ 166,964	$ 1,098,378	$ 1,098,378	09/30/2020
61690V BA 5	$ 372,292	$ 349,180	$ 23,111	$ 349,180	$ 288,903	12/31/2020
61767F BB 6	$ 647,311	$ 585,415	$ 61,896	$ 585,415	$ 565,097	12/31/2020
Total			$ 351,800			

(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	$ 1,667,579
		2. 12 Months or Longer	$ 1,506,720
b.	The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	$ 78,279,226
		2. 12 Months or Longer	$ 26,175,595

(5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary

The unrealized losses on the Company's investments in loan-backed securities were due to temporary changes in interest rates and market conditions. The contractual cash flows of the agency mortgage-backed investments are guaranteed by an agency of the U.S. government and the non-agency mortgage-backed and asset-backed securities include collateral which reduce the risk of loss. Based on cash flow projections, the Company believes it will recover the carrying value of these investments. Because the Company does not have the intent to sell these securities, nor is it more likely than not the Company will be required to sell these securities until a recovery of carrying value, which may be maturity, the Company does not consider these investments to be other-than-temporarily impaired.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

(1) Policy for Requiring Collateral or Other Security

The Company participates in a securities lending program through its custodian bank, Bank of New York Mellon (BNYM). On the day the loan is delivered, BNYM obtains collateral equal in amount to 102% for securities of United States issuers and 105% for securities of non-United States issuers of the market value of the securities loaned plus accrued interest. The collateralization of all loans is then reviewed daily during the term of the loan. Cash received as collateral will be held and maintained by BNYM in one of its collective investment vehicles in accordance with investment guidelines provided in the securities lending agreement. Because the Company and BNYM are not permitted by contract to sell or repledge the collateral, the collateral is not recorded on the Company's statutory Balance Sheet.

(2) Disclose the Carrying Amount and Classification of Both Assets and Liabilities

Not Applicable

(3) Collateral Received

Not Applicable

(4) Aggregate Value of the Reinvested Collateral

Not Applicable

(5) Collateral Reinvestment

Not Applicable

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

The Company accepts collateral through its securities lending program with BNYM that it is not permitted by contract or custom to sell or repledge. As of December 31, 2019, no securities were on loan and no collateral had been accepted.

(7) Collateral for Securities Lending Transactions that Extend Beyond One Year from the Reporting Date.

Not Applicable

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

(1) Company Policies or Strategies for Repo Programs

The Company participates in a repurchase agreement with Bankers Trust (the Bank). The repurchase agreement is an obligation of the Bank to repay the Company the principal amount invested by the Company with interest upon demand by the Company. To secure the obligations under the repurchase agreement, the Bank grants to the Company an undivided security interest in certain United States government securities having a market value equal to at least 102% of the principal amount invested. The United States government securities comprising the collateral are at all times owned by the Bank; therefore, this collateral was not recorded on the Company's statutory Balance Sheet. Since the repurchase agreement matures upon demand, there is no asset-liability mismatch.

(2) Type of Repo Trades Used

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

(3) Original (Flow) and Residual Maturity

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Open – No Maturity	$ 62,008,598	$ 46,073,850	$ 56,510,887	$ 42,281,006
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	$ 5,409,693	$ 13,338,311	$ 11,084,390	$ 7,382,063
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

No securities were sold and/or acquired that resulted in default.

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

The Company deposits cash into an overnight sweep account. The Bank sweeps cash out of the Company's account and invests these funds into a Repurchase Agreement. The Company has not sold any securities as part of this agreement.

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

The Company deposits cash into an overnight sweep account. The Bank sweeps cash out of the Company's account and invests these funds into a Repurchase Agreement. The Company has not sold any securities as part of this agreement.

NOTES TO FINANCIAL STATEMENTS

(7) Collateral Received – Secured Borrowing

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash	$	$	$	$
2. Securities (FV)	$ 63,248,819	$ 46,995,848	$ 57,641,380	$ 43,126,633
b. Ending Balance				
1. Cash	$	$	$	$
2. Securities (FV)	$ 5,517,916	$ 13,605,380	$ 11,306,667	$ 7,530,233

(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		7,530,233		
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)	$	$ 7,530,233	$	$

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	$ 7,530,233
b. 30 Days or Less	$
c. 31 to 90 Days	$
d. >90 Days	$

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

The Bank holds the collateral for the benefit of the Company during the term of the repurchase agreement. The Company does not have any authority to reinvest the collateral.

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

The Bank holds the collateral for the benefit of the Company during the term of the repurchase agreement. The Bank retains all rights of ownership in the collateral unless or until a default under the repurchase agreement. As a result, no liability has been recognized on the Company's Balance Sheet.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

J. Real Estate

Not Applicable

NOTES TO FINANCIAL STATEMENTS

K. Low-Income Housing Tax Credits (LIHTC)

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	7,382,063	60,533,926	(53,151,863)		7,382,063	0.2%	0.2%
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	3,511,500		3,511,500		3,511,500	0.1%	0.1%
j. On deposit with states						%	%
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						%	%
o. Total Restricted Assets	$ 10,893,563	$ 60,533,926	$ (49,640,363)	$	$ 10,893,563	0.3%	0.4%

(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

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

Not applicable

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

Not applicable

M. Working Capital Finance Investments

Not Applicable

N. Offsetting and Netting of Assets and Liabilities

Not Applicable

O. 5GI Securities

Not Applicable

P. Short Sales

Not Applicable

Q. Prepayment Penalty and Acceleration Fees

(1) Number of CUSIPs	5
(2) Aggregate Amount of Investment Income	$ 59,286

NOTES TO FINANCIAL STATEMENTS

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

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

As of December 31, 2020, 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 or Limited Liability Companies during 2020 or 2019.

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 relating to the Company's minor ownership interests in limited liability companies has been nonadmitted, on the basis that the related ownership interests in limited liability companies have been nonadmitted.

B. The total amount excluded:

The total amount excluded at December 31, 2020 was $114,816.

Note 8 – Derivative Instruments

Not Applicable

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	$ 67,508,000	$ 11,975,000	$ 79,483,000	$ 52,848,000	$ 2,900,000	$ 55,748,000	$ 14,660,000	$ 9,075,000	$ 23,735,000
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	$ 67,508,000	$ 11,975,000	$ 79,483,000	$ 52,848,000	$ 2,900,000	$ 55,748,000	$ 14,660,000	$ 9,075,000	$ 23,735,000
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	$ 67,508,000	$ 11,975,000	$ 79,483,000	$ 52,848,000	$ 2,900,000	$ 55,748,000	$ 14,660,000	$ 9,075,000	$ 23,735,000
f. Deferred tax liabilities	612,000	40,375,000	40,987,000	551,000	28,206,000	28,757,000	61,000	12,169,000	12,230,000
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	$ 66,896,000	$(28,400,000)	$ 38,496,000	$ 52,297,000	$(25,306,000)	$ 26,991,000	$ 14,599,000	$ (3,094,000)	$ 11,505,000

NOTES TO FINANCIAL STATEMENTS

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	$ 39,925,000	$ 1,531,000	$ 41,456,000	$ 28,081,000	$ 1,471,000	$ 29,552,000	$ 11,844,000	$ 60,000	$ 11,904,000
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)	7,047,000		7,047,000				7,047,000		7,047,000
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	7,047,000		7,047,000				7,047,000		7,047,000
2. Adjusted gross deferred tax assets allowed per limitation threshold			297,791,000			273,635,000			24,156,000
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	20,536,000	10,444,000	30,980,000	24,767,000	1,429,000	26,196,000	(4,231,000)	9,015,000	4,784,000
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	$ 67,508,000	$ 11,975,000	$ 79,483,000	$ 52,848,000	$ 2,900,000	$ 55,748,000	$ 14,660,000	$ 9,075,000	$ 23,735,000

3. Other Admissibility Criteria

	2020	2019
a. Ratio percentage used to determine recovery period and threshold limitation amount	1,101.1%	1,102.5%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	$ 1,986,868,643	$ 1,826,675,963

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.

	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)	$ 67,508,000	$ 11,975,000	$ 52,848,000	$ 2,900,000	$ 14,660,000	$ 9,075,000
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)	$ 67,508,000	$ 11,975,000	$ 52,848,000	$ 2,900,000	$ 14,660,000	$ 9,075,000
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

NOTES TO FINANCIAL STATEMENTS

B. Deferred Tax Liabilities Not Recognized

The Company does not have any deferred tax liabilities not recognized.

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2020	2 2019	3 (Col 1-2) Change
a. Federal	$ 40,132,000	$ 29,667,000	$ 10,465,000
b. Foreign	$	$	$
c. Subtotal	$ 40,132,000	$ 29,667,000	$ 10,465,000
d. Federal income tax on net capital gains	$ 6,042,000	$ 965,000	$ 5,077,000
e. Utilization of capital loss carry-forwards	$	$	$
f. Other	$	$	$
g. Federal and Foreign income taxes incurred	$ 46,174,000	$ 30,632,000	$ 15,542,000

2. Deferred Tax Assets

	1 2020	2 2019	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	$ 1,958,000	$ 1,595,000	$ 363,000
2. Unearned premium reserve			
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets	248,000	316,000	(68,000)
8. Compensation and benefits accrual	17,960,000	16,697,000	1,263,000
9. Pension accrual			
10. Receivables - nonadmitted	12,240,000	8,430,000	3,810,000
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (items <=5% and >5% of total ordinary tax assets)	35,102,000	25,810,000	9,292,000
Other (items listed individually >5%of total ordinary tax assets)			
Intangible assets at transition date	1,962,000	1,995,000	(33,000)
Prepaid assets - nonadmitted	9,352,000	9,481,000	(129,000)
Invested assets - nonadmitted	8,634,000	9,026,000	(392,000)
Nondeductible legal expenses	5,452,000	4,906,000	546,000
Capitalized provider incentives	9,320,000		9,320,000
Other - nonadmitted	361,000	381,000	(20,000)
99. Subtotal	$ 67,508,000	$ 52,848,000	$ 14,660,000
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	$ 67,508,000	$ 52,848,000	$ 14,660,000
e. Capital:			
1. Investments	$ 5,225,000	$ 2,900,000	$ 2,325,000
2. Net capital loss carry-forward			
3. Real estate	6,750,000		6,750,000
4. Other (items <=5% and >5% of total capital tax assets)			
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	$ 11,975,000	$ 2,900,000	$ 9,075,000
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	11,975,000	2,900,000	9,075,000
i. Admitted deferred tax assets (2d+2h)	$ 79,483,000	$ 55,748,000	$ 23,735,000

NOTES TO FINANCIAL STATEMENTS

3. Deferred Tax Liabilities

	1 2020	2 2019	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	$ 342,000	$ 331,000	$ 11,000
2. Fixed assets	270,000	220,000	50,000
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)			
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	$ 612,000	$ 551,000	$ 61,000
b. Capital:			
1. Investments	$ 40,375,000	$ 27,425,000	$ 12,950,000
2. Real estate		781,000	(781,000)
3. Other (Items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	$ 40,375,000	$ 28,206,000	$ 12,169,000
c. Deferred tax liabilities (3a99+3b99)	$ 40,987,000	$ 28,757,000	$ 12,230,000
4. Net Deferred Tax Assets/Liabilities (2i – 3c)	$ 38,496,000	$ 26,991,000	$ 11,505,000

5. The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the change in nonadmitted assets is reported separately from the change in net deferred income taxes in unassigned surplus):

	12/31/2020			12/31/2019			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
Total deferred tax assets	$67,508,000	$ 11,975,000	$ 79,483,000	$ 52,848,000	$ 2,900,000	$ 55,748,000	$14,660,000	$9,075,000	$ 23,735,000
Total deferred tax liabilities	(612,000)	(40,375,000)	(40,987,000)	(551,000)	(28,206,000)	(28,757,000)	(61,000)	(12,169,000)	(12,230,000)
Net deferred tax asset (liability)	66,896,000	(28,400,000)	38,496,000	52,297,000	(25,306,000)	26,991,000	14,599,000	(3,094,000)	11,505,000
Tax effect of unrealized gains									12,950,000
Tax effect of SSAP92/SSAP102									2,606,000
Change in net deferred income tax									$ 27,061,000

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

Among the more significant book to tax adjustments were the following:

	12/31/20
Provision computed at statutory rate	$ 38,324,000
Change in nonadmitted assets	(10,778,000)
Tax exempt income deduction	(621,000)
Dividends received deduction, net	(294,000)
100% dividend received from affiliate	(22,050,000)
Other permanent differences	397,000
ACA health insurer fee	7,573,000
§162(m)(6) limitation	6,698,000
Credits generated in current year	(425,000)
Accrual adjustment – prior year	288,000
Other	1,000
Totals	$ 19,113,000
Federal and foreign income taxes incurred	40,132,000
Realized capital gains (losses) tax	6,042,000
Change in net deferred income taxes	(27,061,000)
Total statutory income taxes	$ 19,113,000

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

1. At December 31, 2020, the Company did not have any unused operating loss carryforwards or tax credit carryforwards available to offset against future taxable income.

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

Year	Amounts
2020	$46,522,000
2019	$31,142,000
2018	$8,292,000
TOTAL	$85,956,000

NOTES TO FINANCIAL STATEMENTS

3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

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

Wellmark of South Dakota, Inc.
Wellmark Health Plan of Iowa, Inc.
First Administrators, Inc.
Midwest Benefit Consultants, Inc.
Wellmark Holdings, Inc.

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

The method of allocation between the companies is subject to a written agreement, approved by the Board of Directors and the Iowa Insurance Division. Allocation is based upon separate return calculations with current credit for net losses.

At December 31, 2020, the Company's tax related balance due from subsidiaries was $31,910,313.

G. Federal or Foreign Income Tax Loss Contingencies

At December 31, 2020, it is not reasonably possible to determine the Company's amount of tax loss contingencies that will significantly increase or decrease within twelve months of the reporting date.

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

Not Applicable

I. Alternative Minimum Tax Credit

The Company recognized no Alternative Minimum Tax credit as a current year recoverable or as a deferred tax asset.

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

A. & B. Nature of the Relationship Involved

The Company and Wellmark Health Plan of Iowa, Inc. (WHPI), a wholly owned subsidiary, have a management agreement whereby WHPI agrees to pay the Company for costs related to services outlined in the agreement. These costs are computed on a monthly basis. For 2020 and 2019, these costs were $102,013,916 and $90,238,709, respectively. The Company and WHPI also have an intercompany tax sharing arrangement (See Note 9). For 2020 and 2019, the tax related balance due from WHPI under this tax sharing arrangement was $17,094,320 and $13,594,923, respectively.

The Company and Wellmark of South Dakota, Inc. (WSD), a wholly owned subsidiary, have an intercorporate service agreement whereby WSD agrees to pay the Company for costs related to services outlined in the agreement. These costs are computed on a monthly basis. For 2020 and 2019, these costs were $77,164,789 and $70,710,181, respectively. The Company and WSD also have an intercompany tax sharing arrangement (See Note 9). For 2020 and 2019, the tax related balance due from WSD under this tax sharing arrangement was $14,586,800 and $15,551,593, respectively.

The Company and Wellmark Value Health Plan of Iowa, Inc. (WVHP), a partially owned affiliated joint venture, have a management agreement whereby WVHP agrees to pay the Company for costs related to services outlined in the agreement. These costs are computed on a monthly basis. For 2020 and 2019, these costs were $2,669,727 and $3,209,774, respectively.

The Company received dividends of $49,000,000 and $35,000,000 from WHPI in 2020 and 2019, respectively. The Company also received dividends of $53,000,000 and $48,500,000 from WSD in 2020 and 2019, respectively. The dividends reduced the payable to WHPI and WSD and were recorded in net investment income.

The Company received a cash dividend of $3,000,000 from WVHP in 2020. The dividend is recorded in net investment income.

C. Transactions with Related Parties who are not Reported on Schedule Y

Not Applicable

D. Amounts Due From or To Related Parties

At December 31, 2020, the Company reported $11,886,984 as amounts due to subsidiaries and affiliates and $17,588,563 as admitted amounts due from subsidiaries and affiliates. At December 31, 2019, the Company reported $37,835,127 as amounts due to subsidiaries and affiliates and $3,210 as admitted amounts due from subsidiaries and affiliates. The terms of the agreements require these amounts to be settled within 30 days.

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

The Company has an intercorporate services and investment and management agreement with some of its subsidiaries and affiliates to provide certain management and administrative services.

F. Guarantees or Undertakings

See Note 14

G. Nature of the Control Relationship

Not Applicable

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

Not Applicable

NOTES TO FINANCIAL STATEMENTS

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

The Company owns a 100% interest in WSD, whose carrying value exceeded 10% of the admitted assets of the Company as of December 31, 2020 and 2019. The Company carries WSD at its statutory equity, which was $294,344,444 and $300,653,929 as of December 31, 2020 and 2019, respectively. At December 31, 2020, WSD's statutory assets and liabilities were $518,206,493 and $223,862,049, respectively. At December 31, 2019, WSD's statutory assets and liabilities were $507,272,992 and $206,619,063, respectively. Statutory net income for WSD was $41,200,328 and $53,413,288 for the years ended December 31, 2020 and 2019, respectively.

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

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

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
	%	$	$	$
Total SSAP No. 97 8a Entities	XXX	$	$	$
b. SSAP No. 97 8b(ii) Entities				
	%	$	$	$
Total SSAP No. 97 8b(ii) Entities	XXX	$	$	$
c. SSAP No. 97 8b(iii) Entities				
Wellmark Holdings, Inc.	100.0%	$ 0	$	$ 0
First Administrators, Inc.	100.0%	$ 3,518,373	$	$ 3,518,373
Midwest Benefit Consultants, Inc.	100.0%	$ 4,986,652	$	$ 4,986,652
Total SSAP No. 97 8b(iii) Entities	XXX	$ 8,505,025	$	$ 8,505,025
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	$ 8,505,025	$	$ 8,505,025
f. Aggregate Total (a + e)	XXX	$ 8,505,025	$	$ 8,505,025

(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						
Wellmark Holdings, Inc.	S1	10/25/2016	$	Y	N	
First Administrators, Inc.	S1	10/25/2016	$	Y	N	
Midwest Benefit Consultants, Inc.	S1	10/25/2016	$	Y	N	
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

The Company is exempt from a Sub-2 filing for its SSAP 97 8b(iii) subsidiaries because they are fully nonadmitted.

NOTES TO FINANCIAL STATEMENTS

N. Investment in Insurance SCAs

Not Applicable

O. SCA or SSAP 48 Entity Loss Tracking

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
Wellmark Holdings, Inc.	$ (1,371,691)	$ (1,371,691)	$ (1,314,657)	N	$

The losses in Wellmark Holdings, Inc. have not impacted other investments.

Note 11 – Debt

A. Debt Including Capital Notes

Not Applicable

B. FHLB (Federal Home Loan Bank) Agreements

(1) Nature of the Agreement

The Company became a member of the Federal Home Loan Bank (FHLB) of Des Moines during the second quarter of 2020. As of year end, the Company has no outstanding advances with the FHLB. When borrowings occur, it is anticipated that the Company's strategy will be to utilize these funds to meet daily liquidity needs. The Company has determined the estimated current maximum borrowing capacity as $100,000,000. The Company calculated this amount in accordance with FHLB Des Moines credit and collateral guidelines.

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year

		Total
(a)	Membership Stock – Class A	$
(b)	Membership Stock – Class B	3,511,500
(c)	Activity Stock	
(d)	Excess Stock	
(e)	Aggregate Total (a+b+c+d)	$ 3,511,500
(f)	Actual or estimated borrowing capacity as determined by the insurer	$ 100,000,000

2. Prior Year-End

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

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	$ 3,511,500	$ 3,511,500	$	$	$	$

(3) Collateral Pledged to FHLB

No amounts were pledged during the reporting period and no amounts were pledged as of December 31, 2020.

(4) Borrowing from FHLB

No amounts were borrowed during the reporting period and no amounts were outstanding as of December 31, 2020.

NOTES TO FINANCIAL STATEMENTS

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

A. Defined Benefit Plan

The Company sponsors a pension program covering substantially all employees of the Company and its subsidiaries. The pension program contains both a defined benefit and cash balance plan available to eligible employees depending on the date of hire. The defined benefit pension plan benefits are based on years of service and the employee's highest five consecutive years' compensation in the last ten years of service. Under the cash balance plan employees earn annual credits based on a percentage of salary which are accumulated in an account that earns interest annually. The pension plan assets are held in the Non-Contributory Retirement Program for Certain Employees of Wellmark, Inc. Trust (Trust) with Prudential Bank & Trust, F.S.B. as the trustee. The recordkeeping responsibilities are performed by Prudential Retirement Insurance and Annuity Company (Prudential). The funding policy is to contribute amounts to the plan sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974 and the Pension Protection Act of 1996, plus additional amounts as determined to be appropriate from time to time.

The Company also sponsors a postretirement health care benefit program. The program has two separate benefit plan calculations available to employees depending on the date of hire. One plan contributes toward the cost of health care premiums based on years of service and is available to employees who retire from the Company who have at least ten years of service and have attained age 65 while in service to the Company. This plan also includes a life insurance benefit based on the employee's annual salary at retirement and is available to employees who retire from the Company who have at least five years of service and have attained age 55 while in service to the Company. The second plan option allows employees to accumulate annual credits in an account that earns interest annually and can be used to pay for health care premiums when the employee becomes Medicare eligible. The Company has not funded either the postretirement health care or life insurance plans, but intends to meet the obligations of the plans through general assets of the Company.

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefit Plans are as follows at December 31, 2020 and 2019:

(1) Change in Benefit Obligation

	Overfunded		Underfunded	
	2020	2019	2020	2019
a. Pension Benefits				
1. Benefit obligation at beginning of year	$ 351,283,253	$ 299,079,086	$	$
2. Service cost	10,979,041	9,793,718		
3. Interest cost	11,428,434	12,963,176		
4. Contribution by plan participants				
5. Actuarial gain (loss)	26,734,285	49,715,248		
6. Foreign currency exchange rate changes				
7. Benefits paid	2,766,423	20,267,975		
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	28,993,522			
10. Benefit obligation at end of year	$ 368,665,068	$ 351,283,253	$	$
	Overfunded		Underfunded	
b. Postretirement Benefits	2020	2019	2020	2019
1. Benefit obligation at beginning of year	$	$	$ 38,619,671	$ 34,696,477
2. Service cost			1,470,794	1,352,760
3. Interest cost			1,159,529	1,428,025
4. Contribution by plan participants				
5. Actuarial gain (loss)			932,281	2,336,107
6. Foreign currency exchange rate changes				
7. Benefits paid			1,242,970	1,193,698
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	$	$	$ 40,939,305	$ 38,619,671
	Overfunded		Underfunded	
c. Special or Contractual Benefits per SSAP No. 11	2020	2019	2020	2019
1. Benefit obligation at beginning of year	$	$	$ 9,776,675	$ 9,350,534
2. Service cost			18,958,191	18,950,901
3. Interest cost				
4. Contribution by plan participants				
5. Actuarial gain (loss)				
6. Foreign currency exchange rate changes				
7. Benefits paid			15,973,099	18,524,760
8. Plan amendments				
9 Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	$	$	$ 12,761,767	$ 9,776,675

NOTES TO FINANCIAL STATEMENTS

(2) Change in Plan Assets

		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	$ 362,459,542	$ 324,167,802	$	$	$	$
b.	Actual return on plan assets	42,172,998	58,559,715				
c.	Foreign currency exchange rate changes						
d.	Reporting entity contribution						
e.	Plan participants' contributions						
f.	Benefits paid	2,766,423	20,267,975				
g.	Business combinations, divestitures and settlements	28,993,522					
h.	Fair value of plan assets at end of year	$ 372,872,595	$ 362,459,542	$	$	$	$

(3) Funded Status

		Pension Benefits		Postretirement Benefits	
		2020	2019	2020	2019
a.	Components				
	1. Prepaid benefit costs	$ 112,426,332	$ 132,170,033	$	$
	2. Overfunded plans assets	$ (108,218,805)	$ (120,993,744)	$	$
	3. Accrued benefit costs	$	$	$ 38,508,055	$ 36,551,642
	4. Liability for pension benefits	$	$	$ 2,431,250	$ 2,068,029
b.	Assets and liabilities recognized				
	1. Assets (nonadmitted)	$ 4,207,527	$ 11,176,289	$	$
	2. Liabilities recognized	$	$	$ 40,939,305	$ 38,619,671
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	$ 10,979,041	$ 9,793,718	$ 1,470,794	$ 1,352,760	$ 18,958,191	$ 18,950,901
b.	Interest cost	11,428,434	12,963,176	1,159,529	1,428,025		
c.	Expected return on plan assets	(21,697,620)	(20,205,472)				
d.	Transition asset or obligation						
e.	Gains and losses	10,476,159	11,152,980		(10,884)		
f.	Prior service cost or credit	79,602	102,473	569,060	569,060		
g.	Gain or loss recognized due to a settlement curtailment	8,478,085					
h.	Total net periodic benefit cost	$ 19,743,701	$ 13,806,875	$ 3,199,383	$ 3,338,961	$ 18,958,191	$ 18,950,901

(5) Amounts in Unassigned Funds (Surplus) Recognized as Components of Net Periodic Benefit Cost

		Pension Benefits		Postretirement Benefits	
		2020	2019	2020	2019
a.	Items not yet recognized as a component of net periodic cost – prior year	$ 120,993,744	$ 120,888,192	$ 2,068,029	$ 290,098
b.	Net transition asset or obligation recognized				
c.	Net prior service cost or credit arising during the period				
d.	Net prior service cost or credit recognized	(79,602)	(102,473)	(569,060)	(569,060)
e.	Net gain and loss arising during the period	6,258,907	11,361,005	932,281	2,336,107
f.	Net gain and loss recognized	(18,954,244)	(11,152,980)		10,884
g.	Items not yet recognized as a component of net periodic cost – current period	$ 108,218,805	$ 120,993,744	$ 2,431,250	$ 2,068,029

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

		Pension Benefits		Postretirement Benefits	
		2020	2019	2020	2019
a.	Net transition asset or obligation	$	$	$	$
b.	Net prior service cost or credit	$ 416,316	$ 495,918	$ 2,029,489	$ 2,598,549
c.	Net recognized gains and losses	$ 107,802,489	$ 120,497,826	$ 401,761	$ (530,520)

NOTES TO FINANCIAL STATEMENTS

(7) Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost as of December 31

Pension Benefits

		2020	2019
a.	Weighted-average discount rate	3.40%	4.50%
b.	Expected long-term rate of return on plan assets	6.25%	6.50%
c.	Rate of compensation increase	3.50 - 8.00%	3.50 - 8.00%
d.	Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	2.25 - 3.00%	3.30 - 3.75%
Weighted-average assumptions used to determine projected benefit obligations as of December 31			
e.	Weighted-average discount rate	2.80%	3.40%
f.	Rate of compensation increase	3.50 - 8.00%	3.50 - 8.00%
g.	Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	1.50 - 3.00%	2.25 - 3.00%

Postretirement Benefits

		2020	2019
a.	Weighted-average discount rate	3.20%	4.30%
b.	Expected long-term rate of return on plan assets	N/A	N/A
c.	Rate of compensation increase	3.50 - 8.00%	3.50 - 8.00%
d.	Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	N/A	N/A
Weighted-average assumptions used to determine projected benefit obligations as of December 31			
e.	Weighted-average discount rate	2.50%	3.20%
f.	Rate of compensation increase	3.50 - 8.00%	3.50 - 8.00%
g.	Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	N/A	N/A

(8) Accumulated Benefit Obligation for Defined Benefit Pension Plans

The amount of the accumulated benefit obligation for the defined benefit pension plan was $316,671,724 for the current year and $301,265,632 for the prior year.

(9) For Postretirement Benefits Other Than Pensions, the Assumed Health Care Cost Trend Rate(s)

For postretirement benefits other than pensions, for measurement purposes, 7.75% (pre-65) and 7.75% (post-65) annual rates of increase in the per capita cost of covered health care benefits were assumed for 2020. These rates grade down annually to 4.75% for 2028 and beyond.

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

Pension Benefits

	Year(s)		Amount
a.	2021	$	29,872,000
b.	2022	$	26,267,000
c.	2023	$	25,979,000
d.	2024	$	25,407,000
e.	2025	$	25,145,000
f.	2026 through 2030	$	121,457,000

Postretirement Benefits

	Year(s)		Amount
a.	2021	$	2,024,000
b.	2022	$	2,000,000
c.	2023	$	2,085,000
d.	2024	$	2,208,000
e.	2025	$	2,302,000
f.	2026 through 2030	$	12,591,000

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

The Company does not have any regulatory contribution requirements for 2021. In addition, there are no current plans for the Company to make voluntary contributions to the defined benefit pension plan in 2021.

(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

NOTES TO FINANCIAL STATEMENTS

(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

No Significant Changes

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

The pension plan was in an overfunded status at December 31, 2020 and 2019. As required by SSAP 102, overfunded plan assets are nonadmitted. The Company has not funded either the postretirement health care or life insurance plans. The impact to surplus to recognize the unfunded status of the Other Postretirement Benefit Plans was $2,431,250 and $2,068,029 at December 31, 2020 and 2019, respectively.

(18) Full Transition Surplus Impact of SSAP 102

Not Applicable

B. Investment Policies and Strategies

The Company's pension plan assets are invested in the Trust. The investment program for the Trust is based on the precepts of capital market theory that are generally accepted and followed by institutional investors, who by definition are long-term oriented investors. This philosophy holds that:

1. Increasing risk is rewarded with compensating returns over time and therefore, prudent risk taking is justifiable for long term investors.

2. Risk can be controlled through diversification of asset classes and investment approaches as well as diversification of individual securities.

3. Risk is reduced by time, and over time the relative performance of different asset classes is reasonably consistent. Over the long-term, equity investments have provided and should continue to provide superior returns over other security types. Fixed-income securities can dampen volatility and provide liquidity in periods of depressed economic activity. Lengthening duration of fixed income securities may reduce surplus volatility.

4. The strategic or long-term allocation of assets among various asset classes is an important driver of long term returns.

5. Relative performance of various asset classes is unpredictable in the short-term and attempts to shift tactically between asset classes are unlikely to be rewarded.

Investments will be made for the sole interest of the participants of the pension plan participating in the Trust. Accordingly, the assets of the Trust shall be invested in accordance with these objectives:

1. To seek and maintain an adequate funded status with regard to current liabilities within a targeted range.

2. To manage overall costs of running the pension plan at levels favorable to industry benchmarks.

3. To ensure assets are available to meet current and future benefit and expense obligations when due.

C. Fair Value of Plan Assets

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

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
Common/collective trusts	$	$	$	$
Equity accounts	$	$ 96,431,148	$	$ 96,431,148
Fixed account	$	$ 9,309,999	$	$ 9,309,999
Pooled separate accounts	$	$	$	$
Fixed income account	$	$ 81,878,813	$	$ 81,878,813
Short-term account	$	$ 2,663,534	$	$ 2,663,534
Mutual funds	$	$	$	$
Equity funds	$ 45,318,351	$	$	$ 45,318,351
Fixed funds	$ 8,212,719	$	$	$ 8,212,719
Total Plan Assets	$ 53,531,070	$ 190,283,494	$	$ 243,814,564

Pension plan assets also include $76,839,453 of hedge funds where fair value is measured at net asset value per share as a practical expedient and $52,218,578 of limited partnerships which are accounted for under the equity method.

(2) Valuation Technique(s) and Inputs Used to Measure Fair Value

Generally, Level 1 financial instruments consist of mutual funds that are actively traded and have quoted prices available. Mutual funds are valued at NAV of shares held based on the latest quoted market price. Financial instruments included in Level 2 consist of common/collective trusts, pooled separate accounts, and money market funds that have direct or indirect price inputs that are observable in active markets or are measured at NAV. The fair value of the Company's hedge funds are estimated using NAV as a practical expedient. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. The Trust's limited partnership investments are initially recorded at cost. The carrying amounts are then increased or decreased to reflect the Trust's share of the income or loss. Quoted market prices do not exist for the limited partnerships. It is not practicable to estimate the fair value of the Trust's limited partnership investments due to the private and, in certain instances, confidential nature of the underlying investments in the partnerships, the specialized knowledge of specific industries and transactions required, and the time lag with which information is available from the limited partnerships. The underlying net assets within each limited partnership are measured at fair value; therefore, the equity method value is considered a reasonable proxy for fair value.

NOTES TO FINANCIAL STATEMENTS

The Company obtains prices and/or relevant inputs to fair value calculations from external investment managers or from the custodian of the pension assets, which uses a third party pricing service. For securities not actively traded, the investment manager and/or pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, benchmark yields, credit spreads, default rates, prepayment conditions, and nonbinding broker quotes. Additionally, for investments that do not have quoted market prices whereby fair value is measured using NAV per share as a practical expedient, inputs used in the valuation methodologies also include redemption frequency and redemption notice periods, to give consideration to liquidity constraints, if applicable.

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

The basis of the overall expected long-term rate of return on assets assumption is a forward-looking approach based on the current long-term capital market outlook assumptions of the asset categories the Trust invests in and the Trust's target asset allocation.

The assumed target asset allocation for the program is as follows: 43% equity securities, 30% fixed income, 15.5% hedge funds, 10% private equity, and 1.5% cash and cash equivalents. Portfolio expectations were estimated through a combination of underlying asset assumptions including geometric returns, distributions, and correlations. Using these assumptions, the Company selected the expected return on asset assumption of 6.25% for 2020. This rate is net of both investment and other administrative expenses charged to the Trust.

E. Defined Contribution Plans

The Company sponsors a defined contribution plan, which is qualified under Section 401(k) of the Internal Revenue Code. The plan covers substantially all employees of the Company and subsidiaries. Employees can contribute up to 80% of their annual salary (up to the elective deferral limits set by the Commissioner of Internal Revenue) to the plan. The Company will contribute an amount equal to 100% of the first 4% of salary contributed by the employee. The plan also provides for additional employer contributions at the discretion of the Board of Directors. The Company's contribution for this plan was $3,663,653 and $3,665,588 for 2020 and 2019, respectively.

F. Multiemployer Plans

Not Applicable

G. Consolidated/Holding Company Plans

The Company is the plan sponsor of a pension program and a postretirement health and life benefit program which cover substantially all employees of the consolidated group.

H. Postemployment Benefits and Compensated Absences

Not Applicable

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

The Company plans to return any subsidy received to retirees in the form of higher postretirement welfare benefits. Therefore, the effects of the subsidy are not reflected in the measurement of the accumulated postretirement benefit obligation or the net periodic benefit cost.

Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

A. Number of Shares and Par or Stated Value of Each Class

Not Applicable

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

Not Applicable

C. Dividend Restrictions

Not Applicable

D. Dates and Amounts of Dividends Paid

Not Applicable

E. Profits that may be Paid as Ordinary Dividends to Stockholders

Not Applicable

F. Restrictions Placed on Unassigned Funds (Surplus)

Not Applicable

G. Amount of Advances to Surplus not Repaid

Not Applicable

H. Amount of Stock Held for Special Purposes

Not Applicable

NOTES TO FINANCIAL STATEMENTS

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

The balance in special surplus funds for the prior year is due to the reclassification from unassigned surplus to special surplus funds, as required under SSAP 106, for the amount the Company anticipated it would pay for its 2020 health insurance provider fee. Nothing was reclassified from unassigned surplus to special surplus in the current year due to the elimination of the health insurance industry fee beginning in 2021 under H.R. 1865 legislation signed by President Trump on December 20, 2019.

J. The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: $659,700,755.

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

Not Applicable

L. The Impact of any Restatement Due to Prior Quasi-Reorganizations

Not Applicable

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

(1) The Company is required by licensure requirements of the Blue Cross Blue Shield Association (BCBSA) to execute parental guarantees for its licensed controlled affiliates, pursuant to which the Company guarantees to the full extent of its assets all contractual and financial obligations of WHPI, WSD, FAI, WSH and WVHP to their respective customers. Also, the Company, as the parent of WHPI is required by the Iowa Insurance Division to guarantee the obligations of WHPI to pay for services to enrollees up to $1,100,000.

Through parental guarantees executed between the Company and its joint venture companies WSH and WVHP, the Company guarantees that WSH and WVHP are in compliance with the Iowa statutory minimum for HMO capital and surplus of $1,000,000 or the statutory minimum for risk-based capital for health organizations, whichever is greater.

(2) Detail of Other Contingent Commitments

Not Applicable

(3) Guarantee Obligations

Not Applicable

B. Assessments

(1) Assessments Where Amount is Known or Unknown

The Company is subject to health related assessments by the Iowa Comprehensive Health Association and the Iowa Individual Health Benefit Reinsurance Association for high risk insurance pools. The Company accrued net admitted receivables of $795,000 for estimated health related assessments to be returned to the Company at December 31, 2020.

The National Organization of Life & Health Insurance Guaranty Associations (NOLHGA) is an association consisting of the state life and health insurance guaranty organizations. State life and health insurance guaranty organizations, working with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. On March 1, 2017, the Pennsylvania Insurance Commissioner filed an order to place long-term care insurance carrier Penn Treaty Network America Insurance Company and its subsidiary American Network Insurance Company, or collectively Penn Treaty, into liquidation. The Company and other insurers are required to pay a portion of their policyholder claims through state guaranty association assessments.

The Company's guaranty fund payable is $3,500,000 and $6,284,360 as of December 31, 2020 and 2019 respectively. The assessment will be recoverable through premium tax offsets.

(2) Assessments

Reconciliation of assets recognized from paid and accrued premium tax offsets and policy surcharges related to the Penn Treaty assessment:

a.	Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	$	22,218,394
b.	Decreases current year:		
	Amortization of prepaid tax asset		2,288,790
c.	Increases current year:		
	Revised information		5,875,925
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	$	25,805,529

(3) Guaranty Fund Liabilities and Assets Related to Assessments from Insolvencies for Long-Term Care Contracts

a. Discount rate applied for guaranty fund liability 3.9%

Discount rate applied for related asset 3.5%

NOTES TO FINANCIAL STATEMENTS

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
Penn Treaty Network America Insurance Company	$ 24,104,075	$ 3,500,000	$ 28,305,529	$ 25,805,529

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
Penn Treaty Network America Insurance Company	1	1 - 26	11	1	1 - 5	2

C. Gain Contingencies

Not Applicable

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

Not Applicable

E. Joint and Several Liabilities

Not Applicable

F. All Other Contingencies

The Company contracted with an unaffiliated company to handle data processing needs. Charges to the Company, after allocation of a portion of the costs to subsidiaries and affiliates, amounted to approximately $6,329,000 in 2020. The contract was revised during 2020 and no future minimum payments are required. The Company also contracts with another unaffiliated company for products and services. Charges to the Company, after allocation of a portion of the costs to subsidiaries and affiliates, amounted to approximately $7,938,000 in 2020. Future minimum payments through December 31, 2032, the expiration date of this contract, total approximately $94,594,000 for this contract.

The Company has an agreement with a vendor for services and equipment in connection with the Company's disaster recovery site. Future minimum payments through October 23, 2022, expiration date of the agreement, total approximately $1,629,000. This agreement has renewal options extending to the year 2032.

The Company along with the BCBSA and Blue Cross and/or Blue Shield licensees, or Blue Plans across the country, is a defendant in a single multi-district consolidated lawsuit In re Blue Cross Blue Shield Antitrust Litigation that is pending in the United States District Court for the Northern District of Alabama. Generally, the litigation alleges that the BCBSA and Blue Plans have engaged in activities in violation of the Sherman Antitrust Act and related state laws through license agreements, best efforts rules that limit the percentage of non-Blue revenue of each plan, restrictions on acquisitions and other arrangements. The cases were brought by two putative nationwide classes of plaintiffs, health plan subscribers and providers. The Company, the BCBSA and all other Blue Cross and/or Blue Shield licensees, have reached a settlement with the health plan subscriber class plaintiffs. This settlement has been preliminarily approved by the United States District Court for the Northern District of Alabama. The court currently is supervising the final class settlement approval process. The Company has made adequate provision for its proportional share of the settlement. The provider class litigation is proceeding.

In the ordinary course of business, the Company is involved in and subject to claims, contractual disputes and other uncertainties, which the Company defends vigorously. While the ultimate outcome of any other claims cannot be presently determined, in the opinion of management, adequate provision has been made for any potential losses which may result from these actions and the Company expects any liability that could result will not materially affect its financial position.

Note 15 – Leases

A. Lessee Operating Lease

(1) Lessee's Leasing Arrangements

a. Rental Expense

The Company leases office space, parking facilities and equipment under various noncancelable operating lease agreements that expire through April 2024. Rental expense associated with these lease arrangements was approximately $774,000 and $712,000 for 2020 and 2019, respectively.

b. Basis on Which Contingent Rental Payments are Determined

Not Applicable

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

Certain rental commitments have renewal options extending through the year 2033. Some of these renewals are subject to adjustments in future periods.

d. Restrictions Imposed by Lease Agreements

Not Applicable

e. Identification of Lease Agreements that have been Terminated Early

Not Applicable

NOTES TO FINANCIAL STATEMENTS

(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	$	696,627
2. 2022	$	554,888
3. 2023	$	511,958
4. 2024	$	55,469
5. 2025	$	
6. Total	$	1,818,942

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

Not Applicable

(3) For Sale-Leaseback Transactions

Not Applicable

B. Lessor Leases

Not Applicable

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not Applicable

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

A. Transfers of Receivables Reported as Sales

Not Applicable

B. Transfer and Servicing of Financial Assets

(1) Description of any Loaned Securities

The Company participates in a securities lending program through its custodian bank, Bank of New York Mellon (BNYM). On the day the loan is delivered, BNYM obtains collateral equal in amount to 102% for securities of United States issuers and 105% for securities of non-United States issuers of the market value of the securities loaned plus accrued interest. The collateralization of all loans is then reviewed daily during the term of the loan. Cash received as collateral will be held and maintained by BNYM in one of its collective investment vehicles in accordance with investment guidelines provided in the securities lending agreement. Because the Company and BNYM are not permitted by contract to sell or repledge the collateral, the collateral is not recorded on the Company's statutory Balance Sheet. Prior to the close of business for the calendar year, at the request of the Company, BNYM recalls all securities that are out on loan. As of December 31, 2020, no securities were on loan.

(2) Servicing Assets and Servicing Liabilities

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

(6) Transfer of Receivables with Recourse

Not Applicable

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

Not Applicable

C. Wash Sales

Not Applicable

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

A. ASO Plans

Not Applicable

NOTES TO FINANCIAL STATEMENTS

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	$ 1,445,727,534	$ 1,470,337,585	$ 2,916,065,119
b.	Gross administrative fees accrued	40,520,935	94,083,831	134,604,766
c.	Other income or expenses (including interest paid to or received from plans)			
d.	Gross expenses incurred (claims and administrative)	1,478,936,985	1,624,252,424	3,103,189,409
e.	Total net gain or loss from operations	$ 7,311,484	$ (59,831,008)	$ (52,519,524)

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

Reimbursements from Centers for Medicare and Medicaid Services (CMS) for the Company's participation in the Medicare Part D program for the year ended December 31, 2020 were $53,383,307. This amount represents pharmacy benefit cost reimbursements for the Reinsurance Subsidy and Low-Income Cost Sharing Subsidy elements of the Medicare Part D program.

At December 31, 2020, the Company has a receivable of $2,440,186 from CMS for these reimbursements and has recorded a payable of $754,401 for pre-funded amounts received from CMS not applied to benefit payments.

During the year, the Company returned a net amount of $4,814,472 for prior year pre-funded amounts received from CMS not applied to benefit payments.

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

Not Applicable

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					
Cash Equivalents	$	$	$	$	$
Exempt MM Mutual Fund	$ 30,674,614	$	$	$	$ 30,674,614
Sweep Account	$	$ 7,382,063	$	$	$ 7,382,063
Bonds	$	$	$	$	$
Industrial & Miscellaneous	$	$ 18,208,802	$	$	$ 18,208,802
Bank Loans	$	$ 11,168,278	$	$	$ 11,168,278
Preferred Stock	$	$	$	$	$
Industrial & Miscellaneous	$ 1,476,170	$	$	$	$ 1,476,170
Common Stock	$	$	$	$	$
Industrial & Miscellaneous	$ 522,748,498	$	$ 3,087,831	$	$ 525,836,329
Mutual Funds	$ 118,252,718	$	$	$	$ 118,252,718
Total	$ 673,152,000	$ 36,759,143	$ 3,087,831	$	$ 712,998,974

(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										
Common Stock - Industrial & Miscellaneous	$ 2,811,894	$	$	$	$ 275,937	$	$	$	$	$ 3,087,831
Total	$ 2,811,894	$	$	$	$ 275,937	$	$	$	$	$ 3,087,831

(3) Policies when Transfers Between Levels are Recognized

The Company recognizes transfers between fair value hierarchy levels at the end of the reporting period.

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

Bonds, structured securities, and surplus notes (other invested assets) are reported within Level 2 of the fair value hierarchy; all of these securities have direct or indirect price inputs that are observable in active markets. Fair values of these fixed income instruments are based on quoted market prices where available. The Company obtains at least one price from a third party pricing service or its custodian, which also uses a pricing service. In most instances, the Company obtains more than one price and evaluates between the pricing sources for any outliers or stale prices. Assuming prices are not stale and are reasonable between sources, the Company uses a pre-established hierarchy to conclude on which pricing source to utilize.

The pricing services normally derive security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, benchmark yields, credit spreads, default rates, prepayment conditions, and nonbinding broker quotes.

Common stock reported within Level 2 of the fair value hierarchy is FHLB Class B Membership stock. The par value of FHLB stock is a reasonable estimate of fair value.

The Level 3 financial instrument is a privately held stock whose fair value is determined based on the unaudited GAAP equity per outstanding common share on a quarterly basis and on the audited GAAP equity per outstanding common share at calendar year end.

(5) Fair Value Disclosures

Not Applicable

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

Statutory guidance requires the disclosure of fair values for certain other financial instruments for which it is practicable to estimate fair value, whether or not such values are recognized in the statements of assets, liabilities, capital and surplus. The carrying amounts for cash, receivable for securities, accrued investment income, premium receivables, other receivables, amounts due to/from affiliates, unearned premiums, accounts payable and accrued expenses, and certain other liabilities approximate fair value because of the short-term nature of these items.

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)
Cash Equivalents	$ 71,500,749	$ 71,500,373	$ 30,674,614	$ 40,826,135	$	$	$
Short-Term Investments	$ 15,329,015	$ 15,328,572	$	$ 15,329,015	$	$	$
Bonds	$1,006,894,824	$ 945,459,277	$	$1,006,894,824	$	$	$
Preferred Stock	$ 1,476,170	$ 1,476,170	$ 1,476,170	$	$	$	$
Common Stock	$ 647,600,547	$ 647,600,547	$ 641,001,216	$ 3,511,500	$ 3,087,831	$	$
Other Invested Assets	$ 968,373	$ 619,719	$	$ 968,373	$	$	$

D. Not Practicable to Estimate Fair Value

Not Applicable

E. NAV Practical Expedient Investments

Not Applicable

Note 21 – Other Items

A. Unusual or Infrequent Items

An accrual for one time incentive payments was recorded in the amount of $46,869,683 within Incentive pool, withhold adjustments, and bonus amounts on the Statement of Revenue and Expenses.

B. Troubled Debt Restructuring Debtors

Not Applicable

C. Other Disclosures

Assets in the amount of $10,756,722 at December 31, 2020 were committed to purchase mortgage-backed securities in 2021.

D. Business Interruption Insurance Recoveries

Not Applicable

E. State Transferable and Non-Transferable Tax Credits

Not Applicable

F. Subprime Mortgage Related Risk Exposure

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

The Company's investment policy, approved by the Board of Directors, requires the use of high quality fixed income investments to cover its contractual liabilities. The investment policy requires that the Company's fixed income portfolio, excluding non-agency mortgage-backed securities, have a minimum average quality rating of BBB+ and the total of below investment grade securities, excluding non-agency mortgage-backed securities, is limited to 10% of the total portfolio. Further, no single issue, with the exception of US Government and Agency securities, can exceed 5% of an external investment manager's portfolio at time of purchase. The Company allows certain external investment managers to purchase non-agency mortgage-backed securities, and credit quality of those securities is at manager discretion with NAIC designation 1 or 2 preferred. The Company utilizes its strategic and tactical asset allocation to manage risk exposure, through allocations to various external investment managers with varying mandates.

The Company's exposure to subprime mortgages at December 31, 2020 is 2.4% of its total portfolio. The Company is receiving principal and interest payments on the subprime mortgage securities, and the Company does not require sale of these types of assets to meet future cash flow requirements. These securities are in gross unrealized gain and loss positions of $4,767,962 and $183,142, respectively, as of December 31, 2020. While no single definition exists for subprime, these securities are considered higher risk and carry higher than prime rates of interest. In addition to the interest rates, the Company considers the FICO scores below 660, level of documentation, evidence of delinquency, foreclosure, judgments or bankruptcy and other factors that limit the borrower's ability to service the debt when determining if a security should be classified as subprime.

(2) Direct Exposure Through Investments in Subprime Mortgage Loans

Not Applicable

NOTES TO FINANCIAL STATEMENTS

(3) 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	$ 58,837,520	$ 61,603,865	$ 66,188,685	$ 166,964
b. Commercial mortgage-backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*				
f. Other assets				
g. Total	$ 58,837,520	$ 61,603,865	$ 66,188,685	$ 166,964

*These investments comprise 0% of the company's invested assets.

(4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage

Not Applicable

G. Retained Assets

Not Applicable

H. Insurance-Linked Securities (ILS) Contracts

Not Applicable

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

Not Applicable

Note 22 – Events Subsequent

Type I - Recognized Subsequent Events:

Subsequent events have been considered through February 17, 2021 for the statutory statement issued on February 26, 2021.

Type II - Nonrecognized Subsequent Events:

Subsequent events have been considered through February 17, 2021 for the statutory statement issued on February 26, 2021.

In 2020, the Company was subject to an annual fee under section 9010 of the federal Affordable Care Act (ACA). This annual fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for the calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2019, the Company had written health insurance subject to the ACA assessment, expected to conduct health insurance business in 2020, and estimated their portion of the health insurance industry fee payable on September 30, 2020 to be $44,511,000. This amount was reflected in special surplus in 2019. The actual amount of the fee paid in 2020 was $36,063,011.

The H.R. 1865 legislation signed by President Trump on December 20, 2019 eliminated the health insurance industry fee beginning in calendar year 2021. The fee had also been suspended for 2019.

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 [X] No [ ]

		2020	2019
B.	ACA fee assessment payable for the upcoming year	$	$ 44,511,000
C	ACA fee assessment paid	$ 36,063,011	$
D.	Premium written subject to ACA 9010 assessment	$	$ 1,879,243,316
E.	Total adjusted capital before surplus adjustment (Five-Year Historical Line 14)	$ 2,025,364,643	
F.	Total adjusted capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	$ 2,025,364,643	
G.	Authorized control level (Five-Year Historical Line 15)	$ 180,444,825	

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

Not Applicable

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

The Company's participation in the Medicare Part D program includes a risk sharing provision with CMS. The Company estimates accrued retrospective premium adjustments for its Medicare Part D products through a prescribed formula approach. CMS adjusts its payments to the Company based on how actual benefit costs varied from the costs anticipated in the Company's bid for the Medicare Part D products. At December 31, 2020, the Company had five prior years remaining to be settled with CMS for the Medicare Part D products. The risk sharing amounts relating to all other prior years have been settled with CMS.

The Company estimates accrued retrospective premium adjustments for individuals, small groups and large groups according to retrospective rating features pursuant to the medical loss ratio rebate requirements subject to the Public Health Service Act.

NOTES TO FINANCIAL STATEMENTS

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

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

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

The amount of net premiums written by the Company at December 31, 2020 that are subject to retrospective rating features was $1,823,898,118, which represented 71.7% of the total net premiums written for the Company. No other net premiums written by the Company are subject to retrospective rating features.

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Other Categories with Rebates	5 Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	$	$	$	$	$
(2) Medical loss ratio rebates paid	$	$	$	$	$
(3) Medical loss ratio rebates unpaid	$	$	$	$	$
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	$
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	$
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	$
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	$	$ 6,400,000	$	$	$ 6,400,000
(8) Medical loss ratio rebates paid	$	$	$	$	$
(9) Medical loss ratio rebates unpaid	$	$ 6,400,000	$	$	$ 6,400,000
(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	$ 6,400,000

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)	$ 18,154,000
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	$ 90,143
3. Premium adjustments payable due to ACA Risk Adjustment (including high-risk pool premium)	$ 1,241,994
Operations (Revenue & Expenses)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	$ 19,356,865
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	$ 89,157

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		0	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)	$ 15,446,000	$	$ 17,656,573	$	$ (2,210,573)	$	$ 2,210,573	$	A	$	$
2. Premium adjustments (payable) (including high-risk pool premium)		(1,263,994)		(1,072,927)		(191,067)		46,073	B		(144,994)
3. Subtotal ACA Permanent Risk Adjustment Program	$ 15,446,000	$ (1,263,994)	$ 17,656,573	$ (1,072,927)	$ (2,210,573)	$ (191,067)	$ 2,210,573	$ 46,073		$	$ (144,994)
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	$	$	$	$	$	$	$	$		$	$
2. Amounts recoverable for claims unpaid (contra liability)											
3. Amounts receivable relating to uninsured plans											
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium											
5. Ceded reinsurance premiums payable											
6. Liability for amounts held under uninsured plans											
7. Subtotal ACA Transitional Reinsurance Program	$	$	$	$	$	$	$	$		$	$
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	$	$	$	$	$	$	$	$		$	$
2. Reserve for rate credits or policy experience rating refunds											
3. Subtotal ACA Risk Corridors Program	$	$	$	$	$	$	$	$		$	$
d. Total for ACA Risk-Sharing Provisions	$ 15,446,000	$ (1,263,994)	$ 17,656,573	$ (1,072,927)	$ (2,210,573)	$ (191,067)	$ 2,210,573	$ 46,073		$	$ (144,994)

Explanations of Adjustments

A. Revised data received.
B. Revised data received.

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

Not Applicable

(5) ACA Risk Corridors Receivable as of Reporting Date

Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

A. Change in Incurred Losses and Loss Adjustment Expenses

The Company's December 31, 2019 reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years of $370,788,208 have decreased $30,746,357. Because unpaid losses are estimated based on past experience and accumulated statistical data, the Company's actual benefit payments have varied from the original estimates.

B. Information about Significant Changes in Methodologies and Assumptions

There have been no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses.

Note 26 – Intercompany Pooling Arrangements

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	$ 53,561,441	$	$	$	$
09/30/2020	$ 58,658,373	$ 58,917,544	$	$	$
06/30/2020	$ 58,581,896	$ 58,581,896	$	$ 40,841,640	$
03/31/2020	$ 60,145,212	$ 57,422,389	$	$ 42,506,557	$ 606,565
12/31/2019	$ 49,977,821	$ 49,365,924	$	$ 43,571,958	$ 5,333,592
09/30/2019	$ 48,330,912	$ 52,751,210	$	$ 40,908,128	$ 11,600,078
06/30/2019	$ 48,934,388	$ 51,456,290	$	$ 39,689,129	$ 12,092,178
03/31/2019	$ 45,259,334	$ 47,287,243	$	$ 35,286,669	$ 12,355,546
12/31/2018	$ 39,260,890	$ 40,556,816	$	$ 38,473,482	$ 7,508,739
09/30/2018	$ 34,289,296	$ 37,838,374	$ 3,758,947	$ 29,546,111	$ 8,724,894
06/30/2018	$ 33,860,184	$ 40,445,070	$	$ 32,529,562	$ 8,293,969
03/31/2018	$ 34,456,513	$ 41,063,182	$	$ 32,146,844	$ 7,987,055

B. Risk-Sharing Receivables

Not Applicable

Note 29 – Participating Policies

Not Applicable

Note 30 – Premium Deficiency Reserves

1. Liability carried for premium deficiency reserve: $0

2. Date of most recent evaluation of this liability: January 26, 2021

3. Was anticipated investment income utilized in the calculation? Yes [X] No [ ]

Note 31 – Anticipated Salvage and Subrogation

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1, 1A 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 [X] No [ ] N/A [ ]

1.3 State regulating? Iowa

1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes [ ] No [X]

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2016

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. 12/31/2016

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). 06/29/2018

3.4 By what department or departments?
Iowa Insurance Division

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [ ] No [ ] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [X]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [X] No [ ]

4.12 renewals? Yes [X] 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 [X]

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]
If 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 [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control %

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [ ] No [X]

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 [X]

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?
Ernst & Young LLP, 801 Grand Avenue, Des Moines, IA 50309

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

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?
Daniel J. Callahan, Senior Actuary, FSA, MAAA (employee), 1331 Grand Avenue, Des Moines, IA 50309-2901

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 $ 10,019,473

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 [X] 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).
Refer to Note 17.

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 [X] 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 [X]

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 [X] 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 [X] No [ ]

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

25.21	Subject to repurchase agreements	$ 7,382,063
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	$ 3,511,500
25.28	On deposit with states	$ 0
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	$ 0

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 [X]

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

Lines 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 [X]

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 [X] 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
The Bank of New York Mellon	BNY Mellon Center, 500 Grant Street, Pittsburgh, PA 15258
Bankers Trust Company	453 7th Street, Des Moines, IA 50309

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
NISA Investment Advisors, LLC	U
Wellington Management Company LLP	U
William Blair Investment Management, LLC.	U
BlackRock Financial Management, Inc.	U
Metropolitan West Asset Management LLC	U
Pyrford International, Ltd.	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
107313	NISA Investment Advisors, LLC	549300L1IG2JOW7XNY28	SEC	NO
106595	Wellington Management Company LLP	549300YHP12TEZNLCX41	SEC	NO
173961	William Blair Investment Management, LLC.	549300VQX7UKO60A7X27	SEC	NO
107105	BlackRock Financial Management, Inc.	549300LVXYIVJKE13M84	SEC	NO
104571	Metropolitan West Asset Management LLC	5493004MDKGXC00IY283	SEC	NO
105646	Pyrford International, Ltd.	549300N5W87B2ISAUG48	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 [X] No [ ]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
693390 60 1	PIMCO Short-term Instl	$ 12,017,717
72201F 49 0	PIMCO Income Instl	$ 102,901,213
29.2999 TOTAL		$ 114,918,930

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
PIMCO Short-term Instl	PIMCO Short-Term Floating NAV Portfolio III	$ 945,542	09/30/2020
PIMCO Short-term Instl	Uniform Mortgage-Backed Security 4.000% due 04/01/2048 - 09/01/2049	$ 222,378	09/30/2020
PIMCO Short-term Instl	US TIPS 0.750% due 07/15/2028	$ 147,551	09/30/2020
PIMCO Short-term Instl	Hawksmoor Mortgages 1.112% due 05/25/2053	$ 131,199	09/30/2020
PIMCO Short-term Instl	Enbridge, Inc. 0.770% (US0003M + 0.500%) due 02/18/2022	$ 121,450	09/30/2020
PIMCO Income Instl	Uniform Mortgage-Backed Security 2.500% due 09/01/2050	$ 4,837,930	09/30/2020
PIMCO Income Instl	Uniform Mortgage-Backed Security TBA 2.000% due 12/01/2050	$ 4,564,646	09/30/2020
PIMCO Income Instl	Uniform Mortgage-Backed Security 2.500% due 07/01/2050	$ 2,882,551	09/30/2020
PIMCO Income Instl	PIMCO Short-Term Floating NAV Portfolio III	$ 2,202,337	09/30/2020
PIMCO Income Instl	Uniform Mortgage- Backed Security 2.500% due 08/01/2050	$ 2,091,825	09/30/2020

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	$ 994,231,545	$ 1,055,667,911	$ 61,436,366
30.2	Preferred Stocks	$ 1,476,170	$ 1,476,170	$ 0
30.3	Totals	$ 995,707,715	$ 1,057,144,081	$ 61,436,366

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

The Company obtains at least one price from a third party pricing service or its custodian, which also uses a pricing service. In most instances, the Company obtains more than one price and evaluates between the pricing sources for any outliers or stale prices. Assuming prices are not stale and are reasonable between sources, the Company follows a pre-established hierarchy to determine which pricing source to utilize.

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:
- 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 [ ] No [X]

OTHER

37.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 1,949,973

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
Blue Cross and Blue Shield Association	$ 1,208,278

38.1 Amount of payments for legal expenses, if any? $ 2,047,090

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
Nyemaster Goode	$ 664,110

39.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 87,776

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
	$

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.	$	425,168,500
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.	$	355,695,459
1.6	Individual policies:		
	Most current three years:		
	1.61 Total premium earned	$	70,229,943
	1.62 Total incurred claims	$	61,447,154
	1.63 Number of covered lives		42,396
	All years prior to most current three years:		
	1.64 Total premium earned	$	354,938,557
	1.65 Total incurred claims	$	294,248,305
	1.66 Number of covered lives		131,384
1.7	Group policies:		
	Most current three years:		
	1.71 Total premium earned	$	0
	1.72 Total incurred claims	$	0
	1.73 Number of covered lives		0
	All years prior to most current three years:		
	1.74 Total premium earned	$	0
	1.75 Total incurred claims	$	0
	1.76 Number of covered lives		0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 2,542,489,708	$ 2,561,042,188
2.2	Premium Denominator	$ 2,542,489,708	$ 2,561,042,188
2.3	Premium Ratio (2.1/2.2)	100.0%	100.0%
2.4	Reserve Numerator	$ 418,252,751	$ 430,350,622
2.5	Reserve Denominator	$ 418,252,751	$ 430,350,622
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 [X] No [ ]
5.1	Does the reporting entity have stop-loss reinsurance?	Yes [ ] No [X]
5.2	If no, explain: The Company retains all risk.	

5.3	Maximum retained risk (see instructions)		
	5.31 Comprehensive Medical	$	9,999,999
	5.32 Medical Only	$	0
	5.33 Medicare Supplement	$	9,999,999
	5.34 Dental and Vision	$	9,999,999
	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:
Reserves exceed regulatory requirements. Member of Iowa Life & Health Insurance Guaranty Association under Iowa Code 508C.

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 9,346

8.2 Number of providers at end of reporting year 9,688

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 103,070,795

10.22 Amount actually paid for year bonuses 36,164,728

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.
Iowa

11.4 If yes, show the amount required. $ 5,000,000

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
Iowa
South Dakota

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 [ ] N/A [X]

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 charted, 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 [X]

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)	2,954,103,558	2,762,240,921	2,438,665,980	2,423,522,882	2,129,480,667
2. Total liabilities (Page 3, Line 24)	928,738,915	908,573,958	871,361,997	899,403,414	799,205,981
3. Statutory minimum capital and surplus requirement	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
4. Total capital and surplus (Page 3, Line 33)	2,025,364,643	1,853,666,963	1,567,303,983	1,524,119,468	1,330,274,686
Income Statement (Page 4)					
5. Total revenues (Line 8)	2,534,234,453	2,560,232,134	2,625,888,455	2,646,943,303	2,656,267,827
6. Total medical and hospital expenses (Line 18)	2,161,873,674	2,172,199,169	2,263,994,172	2,275,307,305	2,305,850,113
7. Claims adjustment expenses (Line 20)	96,791,030	99,090,076	91,852,920	97,845,527	92,200,746
8. Total administrative expenses (Line 21)	274,239,742	227,641,958	274,070,264	262,907,000	311,879,974
9. Net underwriting gain (loss) (Line 24)	1,330,007	61,300,931	(4,028,901)	10,883,471	(53,663,006)
10. Net investment gain (loss) (Line 27)	180,045,837	139,380,920	157,999,161	59,429,982	47,645,297
11. Total other income (Lines 28 plus 29)	(4,921,594)	(12,322,649)	(312,917)	(19,298,372)	(492,595)
12. Net income or (loss) (Line 32)	136,322,250	158,692,202	127,475,750	43,089,081	(26,507,304)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	21,942,504	75,420,966	11,906,851	46,705,072	(818,390)
Risk-Based Capital Analysis					
14. Total adjusted capital	2,025,364,643	1,853,666,963	1,567,303,983	1,524,119,468	1,330,274,686
15. Authorized control level risk-based capital	180,444,825	165,681,780	153,973,624	147,166,563	142,115,619
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	1,180,058	1,213,004	1,223,786	1,254,850	1,273,834
17. Total member months (Column 6, Line 7)	14,324,116	14,689,144	14,804,430	15,050,662	15,216,983
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)	85.3	84.8	86.2	86.0	86.8
20. Cost containment expenses	0.8	0.8	0.7	0.8	0.7
21. Other claims adjustment expenses	3.1	3.1	2.8	2.9	2.8
22. Total underwriting deductions (Line 23)	100.0	97.6	100.2	99.6	102.0
23. Total underwriting gain (loss) (Line 24)	0.1	2.4	(0.2)	0.4	(2.0)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	339,023,075	320,806,165	321,729,907	341,115,730	239,887,885
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	283,079,231	304,814,070	299,267,250	323,492,015	227,765,081
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)	545,909,177	544,174,038	491,359,226	495,750,290	414,739,140
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					
32. Total of above Lines 26 to 31	545,909,177	544,174,038	491,359,226	495,750,290	414,739,140
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:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	1	Direct Business Only							
State, Etc.	Active Status (a)	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	N							0	
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	L	2,214,410,265			278,597,743			2,493,008,008	
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	L	49,481,700						49,481,700	
43. Tennessee ... TN	N							0	
44. Texas ... TX	N							0	
45. Utah ... UT	N							0	
46. Vermont ... VT	N							0	
47. Virginia ... VA	N							0	
48. Washington ... WA	N							0	
49. West Virginia ... WV	N							0	
50. Wisconsin ... WI	N							0	
51. Wyoming ... WY	N							0	
52. American Samoa ... AS	N							0	
53. Guam ... GU	N							0	
54. Puerto Rico ... PR	N							0	
55. U.S. Virgin Islands ... VI	N							0	
56. Northern Mariana Islands ... MP	N							0	
57. Canada ... CAN	N							0	
58. Aggregate Other alien ... OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	2,263,891,965	0	0	278,597,743	0	0	2,542,489,708	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	XXX	2,263,891,965	0	0	278,597,743	0	0	2,542,489,708	0

DETAILS OF WRITE-INS

	2	3	4	5	6	7	8	9
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	R - Registered - Non-domiciled RRGs	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state	0	Q - Qualified - Qualified or accredited reinsurer	0
		N - None of the above - Not allowed to write business in the state	55

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

Accident and Health premiums are allocated according to the location of the group or individual purchaser at the point of issue.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART