



## HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021  
OF THE CONDITION AND AFFAIRS OF THE

### Community Insurance Company

NAIC Group Code 0671 NAIC Company Code 10345 Employer's ID Number 31-1440175  
(Current) (Prior)

Organized under the Laws of Ohio, State of Domicile or Port of Entry OH

Country of Domicile United States of America

Licensed as business type: Property/Casualty

Is HMO Federally Qualified? Yes  No

Incorporated/Organized 07/08/1995 Commenced Business 10/01/1995

Statutory Home Office 4361 Irwin Simpson Road Mason, OH, US 45040-9498  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 4361 Irwin Simpson Road 513-872-8100  
(Street and Number) (Area Code) (Telephone Number)  
Mason, OH, US 45040-9498

Mail Address N17 W24340 Riverwood Drive Waukesha, WI, US 53188  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records N17 W24340 Riverwood Drive 262-202-1569  
(Street and Number) (Area Code) (Telephone Number)  
Waukesha, WI, US 53188

Internet Website Address www.anthem.com

Statutory Statement Contact Jill M. Waddell 262-202-1569  
(Name) (Area Code) (Telephone Number)  
Jill.Waddell@anthem.com 262-523-4945  
(E-mail Address) (FAX Number)

#### OFFICERS

President/Chairperson Steven John Martenet Vice President/Treasurer Vincent Edward Scher  
Secretary Kathleen Susan Kiefer Assistant Secretary Kristin Kim Chene Howard

#### OTHER

Eric (Rick) Kenneth Noble, Assistant Treasurer Kristen Louise Metzger, Vice President Bradley Scott Jackson, Medical Director  
Gregory Alfonso LaManna #, Vice President and  
Medicaid Plan President

#### DIRECTORS OR TRUSTEES

Laurie Helm Benintendi Ronald William Penczek Bradley Scott Jackson  
Steven John Martenet Heather Chockley Steinmeyer

State of Indiana SS  
County of Johnson

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.

DocuSigned by: Steve Martenet

680E313CC0B7463  
Steven John Martenet  
President/Chairperson

DocuSigned by: Kathy Kiefer

242591247418444  
Kathleen Susan Kiefer  
Secretary

DocuSigned by: Vincent E. Scher

A85A33722D4143E  
Vincent Edward Scher  
Vice President/Treasurer

Subscribed and sworn to before me this

31st day of January 2022

Rita F. Gentry

Rita F. Gentry  
Executive Assistant  
1/17/2029

a. Is this an original filing? ..... Yes  No

b. If no,

1. State the amendment number.....
2. Date filed .....
3. Number of pages attached.....

Rita F. Gentry  
Notary Public  
SEAL  
Johnson County, State of Indiana  
My Commission Expires January 17, 2029  
Commission No: NP0641321

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	1,390,719,443		1,390,719,443	1,336,142,965
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	2,850		2,850	0
2.2 Common stocks .....	6,662,872		6,662,872	7,094,130
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	10,016,993		10,016,993	0
3.2 Other than first liens .....	0		0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances) .....	0		0	0
4.2 Properties held for the production of income (less \$ <span style="padding-left: 2em;">encumbrances) .....</span>	0		0	0
4.3 Properties held for sale (less \$ encumbrances) .....	0		0	0
5. Cash (\$ .....(368,416,489) , Schedule E - Part 1), cash equivalents (\$ .....3,000,353 , Schedule E - Part 2) and short-term investments (\$ .....202,157 , Schedule DA) .....	(365,213,979)		(365,213,979)	(218,474,762)
6. Contract loans, (including \$ ..... premium notes) .....			0	0
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....	80,087,198		80,087,198	76,957,120
9. Receivables for securities .....	2,519,275	228,028	2,291,247	2,251,510
10. Securities lending reinvested collateral assets (Schedule DL) .....	.46,810,473		.46,810,473	15,420,570
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,171,605,125	228,028	1,171,377,097	1,219,391,533
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	10,846,799	8,514	10,838,285	11,510,714
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	48,203,540	3,197,950	45,005,590	37,246,738
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ .....125,474,162 earned but unbilled premiums) .....	125,474,162		125,474,162	85,780,442
15.3 Accrued retrospective premiums (\$ .....16,222,150 ) and contracts subject to redetermination (\$ .....93,268,107 ) .....	109,490,257		109,490,257	111,398,682
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	31,870,790		31,870,790	35,219,644
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....	1,813,333		1,813,333	2,206,492
17. Amounts receivable relating to uninsured plans .....	426,638,754	21,720,655	404,918,099	197,413,271
18.1 Current federal and foreign income tax recoverable and interest thereon .....	.16,272,079		.16,272,079	23,557,313
18.2 Net deferred tax asset .....	54,684,182		54,684,182	50,319,386
19. Guaranty funds receivable or on deposit .....	6,160,752		6,160,752	10,645,875
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	8,182,584	8,182,584	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	97,894,503		97,894,503	24,355,116
24. Health care (\$ .....72,035,160 ) and other amounts receivable .....	116,637,830	44,602,670	72,035,160	36,229,054
25. Aggregate write-ins for other than invested assets .....	225,674,491	18,603,380	207,071,111	208,737,261
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,451,449,181	96,543,781	2,354,905,400	2,054,011,521
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	2,451,449,181	96,543,781	2,354,905,400	2,054,011,521
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0	0
2501. Investments in corporate-owned life insurance .....	205,013,067		205,013,067	191,732,580
2502. Bluecard receivables .....	1,837,249		1,837,249	3,218,275
2503. Other miscellaneous accounts receivable .....	2,752,919	2,532,124	220,795	144,702
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.16,071,256	16,071,256	0	13,641,704
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	225,674,491	18,603,380	207,071,111	208,737,261

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 53,697,839 reinsurance ceded)	685,393,260	18,159,207	703,552,467	671,148,796
2. Accrued medical incentive pool and bonus amounts	47,637,271		47,637,271	47,339,483
3. Unpaid claims adjustment expenses	17,989,486		17,989,486	16,103,122
4. Aggregate health policy reserves, including the liability of \$ 1,126,862 for medical loss ratio rebate per the Public Health Service Act	29,741,251		29,741,251	45,816,428
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	110,156
8. Premiums received in advance	57,201,667		57,201,667	51,727,740
9. General expenses due or accrued	148,633,399		148,633,399	148,150,126
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	36,994,437		36,994,437	33,276,685
12. Amounts withheld or retained for the account of others	39,494,280		39,494,280	30,126,200
13. Remittances and items not allocated	69,241,680		69,241,680	29,824,243
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	0
16. Derivatives			0	0
17. Payable for securities	10,578,636		10,578,636	14,456,746
18. Payable for securities lending	46,810,473		46,810,473	15,420,570
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$ ) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	79,692,148		79,692,148	36,694,891
23. Aggregate write-ins for other liabilities (including \$ 41,869,397 current)	62,415,503	0	62,415,503	62,912,147
24. Total liabilities (Lines 1 to 23)	1,331,823,491	18,159,207	1,349,982,698	1,203,107,333
25. Aggregate write-ins for special surplus funds	XXX	XXX	2,435,605	2,939,524
26. Common capital stock	XXX	XXX	1,142,307	1,142,307
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	195,393,523	195,393,523
29. Surplus notes	XXX	XXX	0	
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	805,951,267	651,428,834
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$ ).	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$ ).	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	1,004,922,702	850,904,188
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,354,905,400	2,054,011,521
<b>DETAILS OF WRITE-INS</b>				
2301. Escheat liabilities	42,453,591		42,453,591	43,856,842
2302. Other accrued expenses - non trade	15,059,630		15,059,630	14,010,516
2303. Performance guaranty	4,902,281		4,902,281	5,044,789
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	62,415,503	0	62,415,503	62,912,147
2501. Deferred gain on sale-leaseback transactions	XXX	XXX	2,435,605	2,939,524
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	2,435,605	2,939,524
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX.....	27,569,562	26,301,882
2. Net premium income ( including \$ ..... non-health premium income).....	XXX.....	7,009,075,094	6,295,210,785
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	12,526,513	8,413,267
4. Fee-for-service (net of \$ ..... medical expenses).....	XXX.....	0	0
5. Risk revenue.....	XXX.....	357,951,596	265,259,949
6. Aggregate write-ins for other health care related revenues.....	XXX.....	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX.....	0	0
8. Total revenues (Lines 2 to 7).....	XXX.....	7,379,553,203	6,568,884,001
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits.....		4,697,298,242	4,019,730,143
10. Other professional services.....		470,203,166	397,380,525
11. Outside referrals.....	134,573,121	135,189,894	101,474,699
12. Emergency room and out-of-area.....	26,863,705	446,420,849	391,634,756
13. Prescription drugs.....		855,361,174	815,126,555
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		118,617,330	91,306,026
16. Subtotal (Lines 9 to 15).....	161,436,825	6,723,090,655	5,816,652,704
<b>Less:</b>			
17. Net reinsurance recoveries.....		350,122,444	309,594,572
18. Total hospital and medical (Lines 16 minus 17).....	161,436,825	6,372,968,211	5,507,058,132
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$ ..... 140,023,716 cost containment expenses.....		224,128,777	215,946,654
21. General administrative expenses.....		438,124,490	621,144,326
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only).....		(1,990,812)	(1,873,841)
23. Total underwriting deductions (Lines 18 through 22).....	161,436,825	7,033,230,666	6,342,275,271
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	346,322,537	226,608,730
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		37,817,355	40,589,228
26. Net realized capital gains (losses) less capital gains tax of \$ ..... 2,362,751.....		1,689,800	(6,440,841)
27. Net investment gains (losses) (Lines 25 plus 26).....	0	39,507,155	34,148,387
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... 887,924 )].....		(887,924)	(456,050)
29. Aggregate write-ins for other income or expenses.....	0	15,289,135	11,769,514
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.....	400,230,903	272,070,581
31. Federal and foreign income taxes incurred.....	XXX.....	80,490,379	97,030,154
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	319,740,524	175,040,427
<b>DETAILS OF WRITE-INS</b>			
0601.....	XXX.....		
0602.....	XXX.....		
0603.....	XXX.....		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above).....	XXX.....	0	0
0701.....	XXX.....		
0702.....	XXX.....		
0703.....	XXX.....		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above).....	XXX.....	0	0
1401.....			
1402.....			
1403.....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....	0	0	0
2901. Change in cash surrender value of investment in corporate-owned life insurance.....		13,280,487	8,687,788
2902. Miscellaneous income (expense).....		2,008,648	3,081,726
2903.....			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above).....	0	15,289,135	11,769,514

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

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year.....	850,904,188	773,738,090
34. Net income or (loss) from Line 32 .....	319,740,524	175,040,427
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	6,636,945	24,967,554
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....	9,270,548	11,475,856
39. Change in nonadmitted assets .....	(24,456,194)	43,831,878
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	0	0
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....	(175,000,000)	(165,000,000)
47. Aggregate write-ins for gains or (losses) in surplus .....	(503,918)	(503,918)
48. Net change in capital and surplus (Lines 34 to 47).....	154,018,514	77,166,098
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,004,922,702	850,904,188
<b>DETAILS OF WRITE-INS</b>		
4701. Deferred gain on sale-leaseback activity .....	(503,918)	(503,918)
4702. .....		
4703. .....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	(503,918)	(503,918)

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company**  
**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	6,983,919,056	6,261,692,229
2. Net investment income .....	51,204,988	47,490,919
3. Miscellaneous income .....	357,951,596	265,259,949
4. Total (Lines 1 through 3) .....	7,393,075,640	6,574,443,097
5. Benefit and loss related payments .....	6,401,794,298	5,250,959,799
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	810,134,932	772,345,489
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ .....	2,362,751	75,567,896
10. Total (Lines 5 through 9) .....	7,287,497,126	6,143,085,683
11. Net cash from operations (Line 4 minus Line 10) .....	105,578,514	431,357,414
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	513,824,687	425,893,972
12.2 Stocks .....	1,789,648	1,246,300
12.3 Mortgage loans .....	.0	0
12.4 Real estate .....	.0	0
12.5 Other invested assets .....	32,867,804	11,780,555
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(109,032)	95,760
12.7 Miscellaneous proceeds .....	0	4,037,474
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	548,373,107	443,054,061
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	579,669,659	697,712,372
13.2 Stocks .....	1,947,063	1,536,604
13.3 Mortgage loans .....	10,019,500	0
13.4 Real estate .....	.0	0
13.5 Other invested assets .....	1,091,380	2,344,913
13.6 Miscellaneous applications .....	35,535,778	1,251,786
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	628,263,380	702,845,675
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(79,890,273)	(259,791,614)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	.0	0
16.2 Capital and paid in surplus, less treasury stock .....	.0	0
16.3 Borrowed funds .....	.0	(150,000,000)
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	.0	0
16.5 Dividends to stockholders .....	175,000,000	165,000,000
16.6 Other cash provided (applied) .....	2,572,542	65,654,770
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(172,427,458)	(249,345,230)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(146,739,217)	(77,779,430)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	(218,474,762)	(140,695,332)
19.2 End of year (Line 18 plus Line 19.1) .....	(365,213,979)	(218,474,762)

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

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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

## **ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

## ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	2,352,952,869	.0	.24	2,352,952,845
2. Medicare Supplement .....	160,121,440	.0	.0	160,121,440
3. Dental only .....	74,520,841	.0	.0	74,520,841
4. Vision only .....	31,462,408	.0	8,050,013	23,412,395
5. Federal Employees Health Benefits Plan .....	1,330,607,997	.0	399,182,399	931,425,598
6. Title XVIII - Medicare .....	3,183,625,379	.0	.0	3,183,625,379
7. Title XIX - Medicaid .....	.0	47,129,549	.0	47,129,549
8. Other health .....	236,304,115	.0	417,068	235,887,047
9. Health subtotal (Lines 1 through 8) .....	7,369,595,049	47,129,549	407,649,504	7,009,075,094
10. Life .....	.0		.0	.0
11. Property/casualty .....	.0			.0
12. Totals (Lines 9 to 11) .....	7,369,595,049	47,129,549	407,649,504	7,009,075,094

## ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

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

	1 Total	2 Comprehensive (Hospital & 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	6,616,780,957	1,985,335,312	118,096,471	57,761,146	21,206,259	1,210,140,979	2,741,153,365	0	483,087,425	0
1.2 Reinsurance assumed	40,500,701									
1.3 Reinsurance ceded	373,806,902	0	0	0	7,231,675	366,509,044	0	0	66,183	0
1.4 Net	6,283,474,756	1,985,335,312	118,096,471	57,761,146	13,974,584	843,631,935	2,741,153,365	40,500,701	483,021,242	0
2. Paid medical incentive pools and bonuses	118,319,541	14,520,373	0	0	0	6,281,128	97,476,572	0	41,468	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	753,769,323	239,412,885	13,120,143	4,449,294	938,512	178,483,877	246,747,659	0	70,616,953	0
3.2 Reinsurance assumed	3,480,985	0	0	0	0	0	0	3,480,985	0	0
3.3 Reinsurance ceded	53,697,839	0	0	0	0	53,543,281	0	0	154,558	0
3.4 Net	703,552,469	239,412,885	13,120,143	4,449,294	938,512	124,940,596	246,747,659	3,480,985	70,462,395	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	47,637,270	2,099,312	0	0	0	1,421,955	44,116,003	0	0	0
6. Net healthcare receivables (a)	64,766,245	11,315,729	1,460,040	12,634	8,175	136,968	40,565,043	0	11,267,656	
7. Amounts recoverable from reinsurers December 31, current year	31,870,790	0	0	0	410,503	31,443,792	0	0	16,495	
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	701,200,233	231,779,634	12,615,557	4,381,945	785,274	119,738,370	273,633,428	0	58,266,025	0
8.2 Reinsurance assumed	5,940,152	0	0	0	0	0	0	5,940,152	0	0
8.3 Reinsurance ceded	35,991,589	0	0	0	0	35,921,438	0	0	70,151	0
8.4 Net	671,148,796	231,779,634	12,615,557	4,381,945	785,274	83,816,932	273,633,428	5,940,152	58,195,874	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	110,475	1	33,138	0	0	77,336	0	0	0	
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	
9.3 Reinsurance ceded	319	0	0	0	0	319	0	0	0	
9.4 Net	110,156	1	33,138	0	0	77,017	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	47,339,483	3,061,816	0	0	0	1,348,665	42,929,002	0	0	
11. Amounts recoverable from reinsurers December 31, prior year	35,219,644	0	0	0	403,367	34,802,330	0	0	13,947	
12. Incurred Benefits:										
12.1 Direct	6,604,473,327	1,981,652,833	117,107,879	57,815,861	21,351,322	1,268,672,182	2,673,702,553	0	484,170,697	0
12.2 Reinsurance assumed	38,041,534	0	0	0	0	0	0	38,041,534	0	0
12.3 Reinsurance ceded	388,163,979	0	0	0	7,238,811	380,772,030	0	0	153,138	0
12.4 Net	6,254,350,882	1,981,652,833	117,107,879	57,815,861	14,112,511	887,900,152	2,673,702,553	38,041,534	484,017,559	0
13. Incurred medical incentive pools and bonuses	118,617,328	13,557,869	0	0	0	6,354,418	98,663,573	0	41,468	0

(a) Excludes \$ 1,969,138 loans or advances to providers not yet expensed.

## ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1 Total	2 Comprehensive (Hospital & 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. Reported in Process of Adjustment:										
1.1 Direct	168,718,038	49,890,225	2,050,856	488,108	395,854	33,458,448	77,838,927	0	4,595,620	0
1.2 Reinsurance assumed	3,480,985	0	0	0	0	0	0	3,480,985	0	0
1.3 Reinsurance ceded	10,035,652	0	0	0	0	10,035,652	0	0	0	0
1.4 Net	162,163,371	49,890,225	2,050,856	488,108	395,854	23,422,796	77,838,927	3,480,985	4,595,620	0
2. Incurred but Unreported:										
2.1 Direct	585,051,285	189,522,660	11,069,287	3,961,186	542,658	145,025,429	168,908,732	0	66,021,333	0
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	43,662,187	0	0	0	0	43,507,629	0	0	154,558	0
2.4 Net	541,389,098	189,522,660	11,069,287	3,961,186	542,658	101,517,800	168,908,732	0	65,866,775	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	753,769,323	239,412,885	13,120,143	4,449,294	938,512	178,483,877	246,747,659	0	70,616,953	0
4.2 Reinsurance assumed	3,480,985	0	0	0	0	0	0	3,480,985	0	0
4.3 Reinsurance ceded	53,697,839	0	0	0	0	53,543,281	0	0	154,558	0
4.4 Net	703,552,469	239,412,885	13,120,143	4,449,294	938,512	124,940,596	246,747,659	3,480,985	70,462,395	0

## ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	168,160,935	1,829,438,170	7,217,505	232,195,379	175,378,440	231,779,635
2. Medicare Supplement .....	10,352,224	107,898,341	352,509	12,767,634	10,704,733	12,648,695
3. Dental Only .....	4,323,568	53,541,030	104,425	4,344,869	4,427,993	4,381,945
4. Vision Only .....	621,891	13,371,120	626	937,886	622,517	785,273
5. Federal Employees Health Benefits Plan .....	88,790,569	758,794,834	(46,461)	124,987,056	88,744,108	83,893,948
6. Title XVIII - Medicare .....	202,518,952	2,549,262,093	1,114,788	245,632,871	203,633,740	273,633,429
7. Title XIX - Medicaid .....	5,088,674	35,412,028	851,478	2,629,507	5,940,152	5,940,152
8. Other health .....	49,146,400	460,005,231	542,127	69,920,268	49,688,527	58,195,875
9. Health subtotal (Lines 1 to 8) .....	529,003,213	5,807,722,847	10,136,997	693,415,470	539,140,210	671,258,952
10. Healthcare receivables (a) .....	5,028,360	109,640,332	0	0	5,028,360	0
11. Other non-health .....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts .....	46,327,583	71,991,958	9,282,799	38,354,472	55,610,382	47,339,483
13. Totals (Lines 9 - 10 + 11 + 12)	570,302,436	5,770,074,473	19,419,796	731,769,942	589,722,232	718,598,435

(a) Excludes \$ 1,969,138 loans or advances to providers not yet expensed.

## ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

## PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	212,311	213,141	213,482	213,689	213,689
2. 2017 .....	2,076,189	2,289,884	2,292,764	2,292,956	2,293,088
3. 2018 .....	XXX	1,605,987	1,781,049	1,786,231	1,787,163
4. 2019 .....	XXX	XXX	1,695,161	1,885,457	1,890,617
5. 2020 .....	XXX	XXX	XXX	1,652,681	1,814,608
6. 2021 .....	XXX	XXX	XXX	XXX	1,820,388

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

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	220,567	214,559	213,657	214,054	213,689
2. 2017 .....	2,330,940	2,293,858	2,293,170	2,292,984	2,293,329
3. 2018 .....	XXX	1,800,887	1,785,300	1,786,502	1,787,156
4. 2019 .....	XXX	XXX	1,900,919	1,890,459	1,892,058
5. 2020 .....	XXX	XXX	XXX	1,881,856	1,821,558
6. 2021 .....	XXX	XXX	XXX	XXX	2,053,276

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

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2017 .....	2,808,654	2,293,088	117,304	5.1	2,410,392	85.8	241	.6	2,410,639	85.8
2. 2018 .....	2,194,892	1,787,163	106,990	6.0	1,894,153	86.3	(7)	0	1,894,146	86.3
3. 2019 .....	2,285,816	1,890,617	99,069	5.2	1,989,686	87.0	1,440	28	1,991,154	87.1
4. 2020 .....	2,276,644	1,814,608	101,781	5.6	1,916,389	84.2	6,950	155	1,923,494	84.5
5. 2021 .....	2,355,049	1,820,388	82,268	4.5	1,902,656	80.8	232,887	6,083	2,141,626	90.9

## ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

## PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

## Section A - Paid Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	10,376	10,438	10,454	10,455	10,455
2. 2017 .....	84,977	94,226	94,118	94,101	94,139
3. 2018 .....	XXX	89,713	98,654	98,623	98,705
4. 2019 .....	XXX	XXX	95,361	105,079	105,101
5. 2020 .....	XXX	XXX	XXX	92,101	102,261
6. 2021 .....	XXX	XXX	XXX	XXX	106,334

## Section B - Incurred Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	10,403	10,438	10,454	10,455	10,455
2. 2017 .....	94,465	94,232	94,118	94,101	94,139
3. 2018 .....	XXX	99,989	98,763	98,627	98,756
4. 2019 .....	XXX	XXX	105,947	105,192	105,226
5. 2020 .....	XXX	XXX	XXX	104,633	102,438
6. 2021 .....	XXX	XXX	XXX	XXX	119,102

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2017 .....	129,262	94,139	10,127	10.8	104,266	80.7	0	0	104,266	80.7
2. 2018 .....	135,557	98,705	9,904	10.0	108,609	80.1	51	1	108,661	80.2
3. 2019 .....	141,181	105,101	12,997	12.4	118,098	83.7	125	3	118,226	83.7
4. 2020 .....	150,044	102,261	12,372	12.1	114,633	76.4	176	5	114,814	76.5
5. 2021 .....	159,689	106,334	11,836	11.1	118,170	74.0	12,768	347	131,285	82.2

## ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

## PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

## Section A - Paid Health Claims - Dental Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	2,131	2,186	2,200	2,200	2,200
2. 2017 .....	36,671	39,087	39,144	39,147	39,156
3. 2018 .....	XXX	38,351	40,944	40,982	40,992
4. 2019 .....	XXX	XXX	42,355	45,040	45,117
5. 2020 .....	XXX	XXX	XXX	38,500	42,697
6. 2021 .....	XXX	XXX	XXX	XXX	53,456

## Section B - Incurred Health Claims - Dental Only

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	2,176	2,191	2,200	2,200	2,200
2. 2017 .....	39,288	39,145	39,152	39,147	39,156
3. 2018 .....	XXX	41,020	40,999	40,986	40,992
4. 2019 .....	XXX	XXX	45,268	45,097	45,126
5. 2020 .....	XXX	XXX	XXX	42,820	42,793
6. 2021 .....	XXX	XXX	XXX	XXX	57,801

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2017 .....	53,798	39,156	5,218	13.3	44,374	82.5	0	0	44,374	82.5
2. 2018 .....	55,400	40,992	5,573	13.6	46,565	84.1	0	0	46,565	84.1
3. 2019 .....	59,008	45,117	5,835	12.9	50,952	86.3	8	0	50,960	86.4
4. 2020 .....	62,545	42,697	6,147	14.4	48,844	78.1	96	2	48,942	78.3
5. 2021 .....	74,521	53,456	6,185	11.6	59,641	80.0	4,345	97	64,083	86.0

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Vision Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	527	527	527	527	527
2. 2017 .....	15,706	16,941	16,943	16,943	16,943
3. 2018 .....	XXX	16,208	17,314	17,304	17,303
4. 2019 .....	XXX	XXX	17,671	19,001	18,998
5. 2020 .....	XXX	XXX	XXX	11,326	11,943
6. 2021 .....	XXX	XXX	XXX	XXX	13,346

Section B - Incurred Health Claims - Vision Only

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	528	527	527	527	527
2. 2017 .....	16,978	16,942	16,943	16,943	16,943
3. 2018 .....	XXX	17,365	17,310	17,304	17,303
4. 2019 .....	XXX	XXX	19,117	19,001	18,998
5. 2020 .....	XXX	XXX	XXX	12,112	11,944
6. 2021 .....	XXX	XXX	XXX	XXX	14,284

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2017 .....	23,401	16,943	1,244	.7.3	18,187	.77.7	0	0	18,187	77.7
2. 2018 .....	24,659	17,303	1,342	.7.8	18,645	.75.6	0	0	18,645	75.6
3. 2019 .....	26,767	18,998	1,368	.7.2	20,366	.76.1	0	0	20,366	76.1
4. 2020 .....	21,075	11,943	1,547	13.0	13,490	64.0	1	0	13,491	64.0
5. 2021 .....	23,412	13,346	1,570	11.8	14,916	63.7	938	25	15,879	67.8

## ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(\$000 Omitted)

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	110,966	110,048	109,249	108,925	108,925
2. 2017 .....	915,909	1,031,025	1,031,769	1,030,900	1,030,030
3. 2018 .....	XXX	754,824	847,612	846,195	846,148
4. 2019 .....	XXX	XXX	719,945	798,690	799,728
5. 2020 .....	XXX	XXX	XXX	703,203	786,526
6. 2021 .....	XXX	XXX	XXX	XXX	769,691

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

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	112,355	110,070	109,248	108,928	108,925
2. 2017 .....	1,040,273	1,031,503	1,031,768	1,030,899	1,030,036
3. 2018 .....	XXX	856,320	847,884	846,075	846,153
4. 2019 .....	XXX	XXX	805,195	798,513	799,736
5. 2020 .....	XXX	XXX	XXX	788,740	786,690
6. 2021 .....	XXX	XXX	XXX	XXX	895,871

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

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2017 .....	1,088,478	1,030,030	23,862	2.3	1,053,892	96.8	6	0	1,053,898	96.8
2. 2018 .....	913,414	846,148	23,417	2.8	.869,565	95.2	4	0	.869,569	95.2
3. 2019 .....	837,357	799,728	18,472	2.3	.818,200	97.7	8	0	.818,208	97.7
4. 2020 .....	844,535	786,526	19,056	2.4	.805,582	95.4	164	(2)	.805,744	95.4
5. 2021 .....	943,730	769,691	14,879	1.9	784,570	83.1	126,180	2,869	913,619	96.8

## ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

## PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

## Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	116,583	116,839	111,512	113,394	113,394
2. 2017 .....	1,111,038	1,199,881	1,198,403	1,199,818	1,198,672
3. 2018 .....	XXX	1,437,702	1,566,217	1,580,435	1,577,899
4. 2019 .....	XXX	XXX	1,691,787	1,847,054	1,842,754
5. 2020 .....	XXX	XXX	XXX	1,944,059	2,201,658
6. 2021 .....	XXX	XXX	XXX	XXX	2,548,449

## Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	120,858	115,733	113,802	113,407	113,394
2. 2017 .....	1,226,751	1,197,690	1,198,770	1,199,700	1,198,688
3. 2018 .....	XXX	1,570,525	1,577,751	1,579,248	1,580,086
4. 2019 .....	XXX	XXX	1,846,552	1,840,148	1,842,599
5. 2020 .....	XXX	XXX	XXX	2,268,820	2,208,371
6. 2021 .....	XXX	XXX	XXX	XXX	2,830,551

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

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2017 .....	1,415,420	1,198,672	83,195	6.9	1,281,867	90.6	16	0	1,281,883	90.6
2. 2018 .....	1,860,795	1,577,899	100,880	6.4	1,678,779	90.2	2,187	60	1,681,026	90.3
3. 2019 .....	2,195,015	1,842,754	117,313	6.4	1,960,067	89.3	(155)	(4)	1,959,908	89.3
4. 2020 .....	2,692,863	2,201,658	142,442	6.5	2,344,100	87.0	6,713	(26)	2,350,787	87.3
5. 2021 .....	3,182,183	2,548,449	139,584	5.5	2,688,033	84.5	282,102	6,721	2,976,856	93.5

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

**(\$000 Omitted)**

**Section A - Paid Health Claims - Title XIX**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	0	2	2	2	2
2. 2017 .....	0	0	0	0	0
3. 2018 .....	XXX	0	0	0	0
4. 2019 .....	XXX	XXX	0	0	0
5. 2020 .....	XXX	XXX	XXX	20,799	25,888
6. 2021 .....	XXX	XXX	XXX	XXX	35,412

**Section B - Incurred Health Claims - Title XIX**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	2	2	2	2	2
2. 2017 .....	0	0	0	0	0
3. 2018 .....	XXX	0	0	0	0
4. 2019 .....	XXX	XXX	0	0	0
5. 2020 .....	XXX	XXX	XXX	26,739	26,739
6. 2021 .....	XXX	XXX	XXX	XXX	38,042

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2017 .....	1,500	0	0.0	0.0	0	0.0	0	0	0	0.0
2. 2018 .....	0	0	0.0	0.0	0	0.0	0	0	0	0.0
3. 2019 .....	0	0	0.0	0.0	0	0.0	0	0	0	0.0
4. 2020 .....	22,311	25,888	152	0.6	26,040	116.7	851	0	26,891	120.5
5. 2021 .....	47,130	35,412	2,048	5.8	37,460	79.5	2,630	0	40,090	85.1

## ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

## PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

## Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	16,062	16,071	16,072	16,070	16,070
2. 2017 .....	129,050	141,205	141,185	141,208	141,208
3. 2018 .....	XXX	154,174	173,077	173,384	173,381
4. 2019 .....	XXX	XXX	279,240	320,081	320,194
5. 2020 .....	XXX	XXX	XXX	350,879	399,563
6. 2021 .....	XXX	XXX	XXX	XXX	422,998

## Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	19,007	16,071	16,072	16,070	16,070
2. 2017 .....	145,741	142,178	141,187	141,208	141,208
3. 2018 .....	XXX	169,529	173,179	173,397	173,381
4. 2019 .....	XXX	XXX	323,727	318,840	320,200
5. 2020 .....	XXX	XXX	XXX	410,303	400,099
6. 2021 .....	XXX	XXX	XXX	XXX	492,919

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2017 .....	193,725	141,208	1,189	0.8	142,397	73.5	0	0	142,397	73.5
2. 2018 .....	213,642	173,381	2,885	1.7	176,266	82.5	0	0	176,266	82.5
3. 2019 .....	229,635	320,194	15,238	4.8	335,432	146.1	6	0	335,438	146.1
4. 2020 .....	233,608	399,563	17,778	4.4	417,341	178.7	.536	12	417,889	178.9
5. 2021 .....	235,887	422,998	19,270	4.6	442,268	187.5	69,920	1,603	513,791	217.8

## ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

## PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

## Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	468,956	469,252	463,498	465,262	465,262
2. 2017 .....	4,369,540	4,812,249	4,814,326	4,815,073	4,813,236
3. 2018 .....	XXX	4,096,959	4,524,867	4,543,154	4,541,591
4. 2019 .....	XXX	XXX	4,541,520	5,020,402	5,022,509
5. 2020 .....	XXX	XXX	XXX	4,813,548	5,385,144
6. 2021 .....	XXX	XXX	XXX	XXX	5,770,074

## Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	485,896	469,591	465,962	465,643	465,262
2. 2017 .....	4,894,436	4,815,548	4,815,108	4,814,982	4,813,499
3. 2018 .....	XXX	4,555,635	4,541,186	4,542,139	4,543,827
4. 2019 .....	XXX	XXX	5,046,725	5,017,250	5,023,943
5. 2020 .....	XXX	XXX	XXX	5,536,023	5,400,632
6. 2021 .....	XXX	XXX	XXX	XXX	6,501,846

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2017 .....	5,714,238	4,813,236	242,139	5.0	5,055,375	88.5	263	.6	5,055,644	88.5
2. 2018 .....	5,398,359	4,541,591	250,991	5.5	4,792,582	88.8	2,235	.61	4,794,878	88.8
3. 2019 .....	5,774,779	5,022,509	270,292	5.4	5,292,801	91.7	1,432	.27	5,294,260	91.7
4. 2020 .....	6,303,625	5,385,144	301,275	5.6	5,686,419	90.2	15,487	.146	5,702,052	90.5
5. 2021 .....	7,021,601	5,770,074	277,640	4.8	6,047,714	86.1	731,770	17,745	6,797,229	96.8

## ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1 Total	2 Comprehensive (Hospital & 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 .....	4,707,046	0	4,707,046	0	0	0	0	0	0
2. Additional policy reserves (a) .....	16,566,816	0	16,566,816	0	0	0	0	0	0
3. Reserve for future contingent benefits .....	0								
4. Reserve for rate credits or experience rating refunds (including \$ ..... for investment income) .....	1,721,203	1,126,862	594,341	0	0	0	0	0	0
5. Aggregate write-ins for other policy reserves .....	6,746,186	6,746,186	0	0	0	0	0	0	0
6. Totals (gross) .....	29,741,251	7,873,048	21,868,203	0	0	0	0	0	0
7. Reinsurance ceded .....	0								
8. Totals (Net)(Page 3, Line 4) .....	29,741,251	7,873,048	21,868,203	0	0	0	0	0	0
9. Present value of amounts not yet due on claims .....	0								
10. Reserve for future contingent benefits .....	0								
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded .....	0								
14. Totals (Net)(Page 3, Line 7) .....	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. Policy reserves subject to redetermination .....	6,746,186	6,746,186							
0502. .....									
0503. .....									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	6,746,186	6,746,186	0	0	0	0	0	0	0
1101. .....									
1102. .....									
1103. .....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) .....	0	0	0	0	0	0	0	0	0

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

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company**  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ ..... for occupancy of own building).....	5,055,345	5,509,655	(1,295,366)	(1,502)	9,268,132
2. Salary, wages and other benefits.....	178,865,038	99,183,916	220,741,035	255,977	499,045,966
3. Commissions (less \$ ceded plus \$ ..... assumed).....	0	0	219,032,038	0	219,032,038
4. Legal fees and expenses.....	35,195	1,511	8,346,784	9,679	8,393,169
5. Certifications and accreditation fees.....	0	0	0	0	0
6. Auditing, actuarial and other consulting services.....	28,216,631	20,430,822	37,672,848	43,686	86,363,987
7. Traveling expenses.....	91,555	4,759	1,211,568	1,405	1,309,287
8. Marketing and advertising.....	1,331,307	274,933	55,922,138	64,849	57,593,227
9. Postage, express and telephone.....	2,240,923	2,767,470	17,070,150	19,795	22,098,338
10. Printing and office supplies.....	267,532	78,738	1,009,560	1,171	1,357,001
11. Occupancy, depreciation and amortization.....	0	0	0	0	0
12. Equipment.....	8,207	20,228	1,557,539	1,806	1,587,780
13. Cost or depreciation of EDP equipment and software.....	5,087,967	1,700,788	31,068,479	36,028	37,893,262
14. Outsourced services including EDP, claims, and other services.....	58,879,258	36,668,888	86,948,956	100,828	182,597,830
15. Boards, bureaus and association fees.....	58,518	1,890	2,320,066	2,690	2,383,164
16. Insurance, except on real estate.....	0	3	2,556,926	2,965	2,559,894
17. Collection and bank service charges.....	429	8	1,472,796	1,708	1,474,941
18. Group service and administration fees.....	544,105	25,723,486	36,375,213	42,182	62,684,986
19. Reimbursements by uninsured plans.....	(153,948,554)	(134,960,971)	(328,108,399)	0	(617,017,924)
20. Reimbursements from fiscal intermediaries.....	0	0	0	0	0
21. Real estate expenses.....	208,445	63,703	4,760,444	5,520	5,038,112
22. Real estate taxes.....	0	0	675,209	0	675,209
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....	0	0	832,454	0	832,454
23.2 State premium taxes.....	0	0	19,106,582	0	19,106,582
23.3 Regulatory authority licenses and fees.....	73,252	14,862	2,378,685	0	2,466,799
23.4 Payroll taxes.....	10,419,285	5,889,528	13,217,587	0	29,526,400
23.5 Other (excluding federal income and real estate taxes).....	0	0	4,525,478	0	4,525,478
24. Investment expenses not included elsewhere.....	0	0	0	2,306,220	2,306,220
25. Aggregate write-ins for expenses.....	2,589,278	20,730,844	(1,274,180)	(1,478)	22,044,464
26. Total expenses incurred (Lines 1 to 25).....	140,023,716	84,105,061	438,124,490	2,893,529	(a) 665,146,796
27. Less expenses unpaid December 31, current year.....	0	17,989,486	148,633,399	0	166,622,885
28. Add expenses unpaid December 31, prior year.....	0	16,103,122	148,150,126	0	164,253,248
29. Amounts receivable relating to uninsured plans, prior year.....			214,544,283		214,544,283
30. Amounts receivable relating to uninsured plans, current year.....			426,638,754		426,638,754
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	140,023,716	82,218,697	649,735,688	2,893,529	874,871,630
<b>DETAILS OF WRITE-INS</b>					
2501. Miscellaneous expenses.....	2,589,278	20,730,844	(1,274,180)	(1,478)	22,044,464
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above).....	2,589,278	20,730,844	(1,274,180)	(1,478)	22,044,464

(a) Includes management fees of \$ 930,803,175 to affiliates and \$ ..... to non-affiliates.

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company**  
**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds .....	(a) 1,084,843	942,044
1.1 Bonds exempt from U.S. tax .....	(a)	0
1.2 Other bonds (unaffiliated) .....	(a) 40,493,569	39,491,261
1.3 Bonds of affiliates .....	(a) 0	0
2.1 Preferred stocks (unaffiliated) .....	(b) 0	0
2.11 Preferred stocks of affiliates .....	(b) 0	0
2.2 Common stocks (unaffiliated) .....	123,849	123,849
2.21 Common stocks of affiliates .....	0	0
3. Mortgage loans .....	(c) (2,507)	15,517
4. Real estate .....	(d) 0	0
5. Contract Loans .....	0	0
6. Cash, cash equivalents and short-term investments .....	(e) 100,982	87,830
7. Derivative instruments .....	(f) 0	0
8. Other invested assets .....	0	0
9. Aggregate write-ins for investment income .....	44,832	50,383
10. Total gross investment income .....	41,845,568	40,710,884
11. Investment expenses .....		(g) 2,893,529
12. Investment taxes, licenses and fees, excluding federal income taxes .....		(g) 0
13. Interest expense .....		(h) 0
14. Depreciation on real estate and other invested assets .....		(i) 0
15. Aggregate write-ins for deductions from investment income .....		0
16. Total deductions (Lines 11 through 15) .....		2,893,529
17. Net investment income (Line 10 minus Line 16) .....		37,817,355
<b>DETAILS OF WRITE-INS</b>		
0901. Miscellaneous Income .....		(3,234) (3,234)
0902. Securities Lending .....		48,066 53,617
0903. .....		
0998. Summary of remaining write-ins for Line 9 from overflow page .....		0 0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	44,832	50,383
1501. .....		
1502. .....		
1503. .....		
1598. Summary of remaining write-ins for Line 15 from overflow page .....		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....		0

(a) Includes \$ 1,630,633 accrual of discount less \$ 13,853,548 amortization of premium and less \$ 938,050 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 \$ 2,507 amortization of premium and less \$ paid for accrued interest on purchases.

(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.

(e) Includes \$ 3,265 accrual of discount less \$ 18,951 amortization of premium and less \$ paid for accrued interest on purchases.

(f) Includes \$ accrual of discount less \$ amortization of premium.

(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes \$ interest on surplus notes and \$ interest on capital notes.

(i) Includes \$ 0 depreciation on real estate and \$ 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 .....	1,865,982	0	1,865,982	0	0
1.1 Bonds exempt from U.S. tax .....			0		
1.2 Other bonds (unaffiliated) .....	2,380,979	(726,963)	1,654,016	(2,565,578)	0
1.3 Bonds of affiliates .....	0	0	0	0	0
2.1 Preferred stocks (unaffiliated) .....	(13,004)	0	(13,004)	13,004	0
2.11 Preferred stocks of affiliates .....	0	0	0	0	0
2.2 Common stocks (unaffiliated) .....	47,469	0	47,469	(625,135)	(8,156)
2.21 Common stocks of affiliates .....	0	0	0	0	0
3. Mortgage loans .....			0		
4. Real estate .....			0		
5. Contract loans .....			0		
6. Cash, cash equivalents and short-term investments .....	7,082	0	7,082	(116,114)	
7. Derivative instruments .....	0	0	0	0	
8. Other invested assets .....	0	0	0	34,906,502	0
9. Aggregate write-ins for capital gains (losses) .....	(12,893)	503,918	491,025	(8,180)	0
10. Total capital gains (losses) .....	4,275,615	(223,045)	4,052,570	31,604,499	(8,156)
<b>DETAILS OF WRITE-INS</b>					
0901. Gain on sale-leaseback activity .....		503,918	503,918		
0902. Foreign exchange investments .....	(12,893)		(12,893)	(8,180)	
0903. .....					
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	(12,893)	503,918	491,025	(8,180)	0

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company**  
**EXHIBIT OF NON-ADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens .....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			0
4.2 Properties held for the production of income .....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....			0
9. Receivables for securities .....	228,028		(228,028)
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) .....	228,028	0	(228,028)
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....	8,514	470,767	462,253
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	3,197,950	3,254,714	56,764
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 .....	21,720,655	17,131,012	(4,589,643)
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....		1,731,193	1,731,193
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....			0
21. Furniture and equipment, including health care delivery assets .....	8,182,584	9,344,706	1,162,122
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....			0
24. Health care and other amounts receivable .....	44,602,670	13,699,936	(30,902,734)
25. Aggregate write-ins for other than invested assets .....	18,603,380	26,455,259	7,851,879
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	96,543,781	72,087,587	(24,456,194)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27) .....	96,543,781	72,087,587	(24,456,194)
<b>DETAILS OF WRITE-INS</b>			
1101. .....			
1102. .....			
1103. .....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. Prepaid expenses .....	16,071,256	21,299,968	5,228,712
2502. Other miscellaneous accounts receivable .....	2,532,124	5,155,291	2,623,167
2503. .....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	18,603,380	26,455,259	7,851,879

## ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....	242,495	268,362	271,429	275,704	276,470	3,267,190
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....	1,494,005	1,533,946	1,540,233	1,544,825	1,553,474	18,509,597
4. Point of Service .....		276	282	273	274	3,021
5. Indemnity Only .....	66,749	67,690	69,020	70,835	71,626	833,090
6. Aggregate write-ins for other lines of business.....	397,532	413,789	408,815	414,623	417,997	4,956,664
7. Total	2,200,781	2,284,063	2,289,779	2,306,260	2,319,841	27,569,562
<b>DETAILS OF WRITE-INS</b>						
0601. Consumer Driven Health Plans .....	395,415	410,072	404,650	409,762	413,341	4,906,124
0602. Disability and Accident .....	2,117	3,717	4,165	4,861	4,656	50,540
0603. .....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	397,532	413,789	408,815	414,623	417,997	4,956,664

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies and Going Concern**

**A. Accounting Practices**

The accompanying financial statements of Community Insurance Company (the “Company”) have been prepared in conformity with the National Association of Insurance Commissioners’ (“NAIC”) *Annual Statement Instructions* and in accordance with accounting practices prescribed by the NAIC *Accounting Practices and Procedures Manual* (“NAIC SAP”), subject to any deviations prescribed or permitted by the Ohio Insurance Department (the “Department”).

A reconciliation of the Company’s net income (loss) and capital and surplus between NAIC SAP and practices prescribed and permitted by the Department is shown below:

	SSAP #	F/S Page	F/S Line #	2021	2020
<b><u>Net Income</u></b>					
(1) Community Insurance Company state basis (Page 4, Line 32, Columns 2 & 3)		XXX	XXX	XXX	\$ 319,740,524
					\$175,040,427
(2) State Prescribed Practices that is an increase/(decrease) from NAIC SAP:		—	—	—	—
(3) State Permitted Practices that is an increase/(decrease) from NAIC SAP:		—	—	—	—
(4) NAIC SAP (1-2-3=4)		XXX	XXX	XXX	\$ 319,740,524
					\$175,040,427
<b><u>Surplus</u></b>					
(5) Community Insurance Company state basis (Page 3, Line 33, Columns 3 & 4)		XXX	XXX	XXX	\$1,004,922,702
					\$850,904,188
(6) State Prescribed Practices that is an increase/(decrease) from NAIC SAP:		—	—	—	—
(7) State Permitted Practices that is an increase/(decrease) from NAIC SAP:		—	—	—	—
(8) NAIC SAP (5-6-7=8)		XXX	XXX	XXX	\$ 1,004,922,702
					\$850,904,188

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

Preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**C. Accounting Policies**

Health premiums are earned over the term of the related insurance policies and reinsurance contracts. Premiums written are reported net of excess loss reinsurance ceded and experience rating refunds. Unearned premium reserves are established to cover the unexpired portion of premiums written and are computed by pro rata methods for direct business and based on reports received from ceding companies for reinsurance. Premiums paid by subscribers prior to the effective date are recorded on the balance sheet as premiums received in advance and are subsequently credited to income as earned during the coverage period. Premium rates for certain lines of business are subject to approval by the Department. Expenses incurred in connection with acquiring new

## NOTES TO FINANCIAL STATEMENTS

insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. All other costs, including underwriting expenses, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments include investments with maturities of less than one year and more than three months at the date of acquisition and are reported at amortized cost, which approximates fair value. Non-investment grade short-term investments are stated at the lower of amortized cost or fair value.
- (2) Investment grade bonds not backed by other loans are stated at amortized cost, with amortization calculated based on the modified scientific method, using lower of yield to call or yield to maturity. Non-investment grade bonds are stated at the lower of amortized cost or fair value as determined by various third-party pricing sources.
- (3) Common stocks of unaffiliated companies are stated at fair value based upon security ratings prescribed by various third-party pricing sources.
- (4) Redeemable preferred stocks of unaffiliated companies of highest and high quality are stated at cost or amortized cost, and all other redeemable preferred stock are reported at lower of cost, amortized cost or fair value. Perpetual preferred stocks are carried at fair value, not to exceed any currently effective call prices.
- (5) Mortgage loans held for investment are reported on the balance sheet at their amortized cost basis, which is the amount at which the loan is originated, adjusted for accrued interest, amortization of premium, discount and net deferred fees or costs, collection of cash, and writeoffs.
- (6) Loan-backed securities are stated at amortized cost. Prepayment assumptions for loan-backed securities and structured securities were obtained from broker-dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized cost or fair value.
- (7) The Company has no investments in subsidiaries, controlled and affiliated companies.
- (8) The Company has ownership interests in unaffiliated joint ventures and limited liability companies. The Company reports these interests as Other Long-Term Invested Assets on Schedule BA. The Company carries these investments at their underlying GAAP equity value. The Company reports the net change in the equity, excluding changes in capital contributions and distributions received in excess of undistributed earnings, as a change in net unrealized capital gains and losses.
- (9) The Company has no derivative instruments.
- (10) The Company recognizes losses from other-than-temporary impairments (“OTTI”) of investments in accordance with Statements of Standard Accounting Practice (“SSAP”) No. 26R, *Bonds*; and SSAP No. 30, *Common Stock*; and SSAP No. 32R, *Preferred Stock*.
- (11) The Company does not anticipate investment income as a factor in premium deficiency calculations.
- (12) Unpaid claims and claims adjustment expenses include management’s best estimate of amounts based on historical claim development patterns and certain individual case estimates. The established liability considers health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Liabilities for unpaid claims and claim adjustment expenses are based on assumptions and estimates, and while management believes such estimates are reasonable, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and changes in estimates are incorporated into current period estimates.
- (13) The Company has not modified its capitalization policy from the prior period.

## NOTES TO FINANCIAL STATEMENTS

- (14) Pharmacy rebate receivables are recorded when earned based upon actual rebate receivables billed and an estimate of receivables based upon current utilization of specific pharmaceuticals and provider contract terms.
- (15) Service fees earned from providing administrative services to self-insured customers are deducted from operating expenses, and related claim payments and subsequent reimbursements of those claim payments are excluded from net income.
- (16) The Company records a liability for future policy benefits relating to certain Medicare supplement and individual product contracts. The liability represents the present value of future benefits to be paid to or on behalf of policy holders and related expenses less the present value of future net premiums. Changes in the liability for future benefits are reported as a component of net income in the period in which the change occurs.
- (17) Premium under the Federal Employee Program (“FEP”) is earned when chargeable benefit costs, allowable expenses and retentions are incurred. Deferred premiums are recorded to offset the FEP liabilities for incurred claims but not reported and claims adjustment expenses that are due from the Office of Personnel Management (“OPM”), when the claims are ultimately paid.
- (18) For investments in corporate-owned life insurance (“COLI”), the amount that could be realized on a life insurance policy as of the date to which premiums have been paid is reported as an admitted asset. The change in the cash surrender value, or contract value, of COLI during the period is treated as income.
- (19) A discount rate is applied to guaranty fund liabilities and assets related to assessments from insolvencies of entities that wrote long-term care contracts.

### **D. Going Concern**

Not applicable.

### **2. Accounting Changes and Corrections of Errors**

There were no accounting changes or corrections of errors during the years ended December 31, 2021 and 2020.

### **3. Business Combinations and Goodwill**

#### **A. Statutory Purchase Method**

Not applicable.

#### **B. Statutory Merger**

Not applicable.

#### **C. Assumption Reinsurance**

Not applicable.

#### **D. Impairment Loss**

Not applicable.

#### **E. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill**

Not applicable.

### **4. Discontinued Operations**

The Company had no operations that were discontinued during 2021 or 2020.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

**5. Investments**

**A. Mortgage Loans, including Mezzanine Real Estate Loans**

(1) The maximum and minimum lending rates for mortgage loans during 2021 were:

Farm loans 0.0% and 0.0%, City loans 0.0% and 0.0%, Purchase money mortgages 4.1% and 3.8%.

(2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was: 27.8%

	<u>Current Year</u>	<u>Prior Year</u>
(3) Taxes, assessments and any amounts advanced and not included in the mortgage loan total:	\$ —	\$ —

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

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

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
<b>a. Current Year</b>							
1. Recorded Investment (All)							
(a) Current	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10,016,993	\$ —
(b) 30-59 Days Past Due	—	—	—	—	—	—	—
(c) 60-89 Days Past Due	—	—	—	—	—	—	—
(d) 90-179 Days Past Due	—	—	—	—	—	—	—
(e) 180+ Days Past Due	—	—	—	—	—	—	—
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
(b) Interest Accrued	—	—	—	—	—	—	—
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
(b) Interest Accrued	—	—	—	—	—	—	—
4. Interest Reduced							
(a) Recorded Investment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
(b) Number of Loans	—	—	—	—	—	—	—
(c) Percent Reduced	— %	— %	— %	— %	— %	— %	— %
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded Investment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>b. Prior Year</b>							
1. Recorded Investment (All)							
(a) Current	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
(b) 30-59 Days Past Due	—	—	—	—	—	—	—
(c) 60-89 Days Past Due	—	—	—	—	—	—	—
(d) 90-179 Days Past Due	—	—	—	—	—	—	—
(e) 180+ Days Past Due	—	—	—	—	—	—	—
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
(b) Interest Accrued	—	—	—	—	—	—	—
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
(b) Interest Accrued	—	—	—	—	—	—	—
4. Interest Reduced							
(a) Recorded Investment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
(b) Number of Loans	—	—	—	—	—	—	—
(c) Percent Reduced	— %	— %	— %	— %	— %	— %	— %
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded Investment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

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

Farm	Residential		Commercial		Mezzanine	Total
	Insured	All Other	Insured	All Other		

a. Current Year

1. With Allowance for Credit Losses	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—
2. No Allowances for Credit Losses	—	—	—	—	—	—	—	—	—	—	—	—
3. Total (1+2)	—	—	—	—	—	—	—	—	—	—	—	—
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan.	—	—	—	—	—	—	—	—	—	—	—	—
b. Prior Year												
1. With Allowance for Credit Losses	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—
2. No Allowances for Credit Losses	—	—	—	—	—	—	—	—	—	—	—	—
3. Total (1+2)	—	—	—	—	—	—	—	—	—	—	—	—
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan.	—	—	—	—	—	—	—	—	—	—	—	—

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

Farm	Residential		Commercial		Mezzanine	Total
	Insured	All Other	Insured	All Other		

a. Current Year

1. Average Recorded Investment	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—
2. Interest Income Recognized	—	—	—	—	—	—	—	—	—	—	—	—
3. Recorded Investments on Nonaccrual Status	—	—	—	—	—	—	—	—	—	—	—	—
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	—	—	—	—	—	—	—	—	—	—	—	—

b. Prior Year

1. Average Recorded Investment	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—
2. Interest Income Recognized	—	—	—	—	—	—	—	—	—	—	—	—
3. Recorded Investments on Nonaccrual Status	—	—	—	—	—	—	—	—	—	—	—	—
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	—	—	—	—	—	—	—	—	—	—	—	—

(7) Allowance for Credit Losses:

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**NOTES TO FINANCIAL STATEMENTS**

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

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

**(9) The company recognizes interest income on its impaired loans upon receipt.**

**B. Debt Restructuring**

The Company did not have invested assets that were restructured debt at December 31, 2021 or 2020.

**C. Reverse Mortgages**

The Company did not have investments in reverse mortgages at December 31, 2021 or 2020.

**D. Loan-Backed Securities**

- (1) Prepayment assumptions for single-class and multi-class mortgage-backed and asset-backed securities were obtained from broker-dealer survey values or internal estimates. The Company used various third-party pricing sources in determining the market value of its loan-backed securities.
- (2) The Company did not recognize OTTI on its loan-backed securities during the years ended December 31, 2021 and 2020.
- (3) The Company did not recognize OTTI on its loan-backed securities at December 31, 2021 and 2020.
- (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	\$ (2,013,849)
2.	12 Months or Longer	\$ (695,740)

b. The aggregate related fair value of securities with unrealized losses:

1.	Less than 12 Months	\$ 177,616,409
2.	12 Months or Longer	\$ 18,618,461

- (5) The Company's bond portfolio is sensitive to interest rate fluctuations, which impact the fair value of individual securities. Unrealized losses on bonds were primarily caused by the effects of the interest rate environment and the widening of credit spreads on certain securities. The Company currently has the ability and intent to hold these securities until their full cost can be recovered. Therefore, the Company does not believe the unrealized losses represent an OTTI at December 31, 2021 or 2020.

**E. Dollar Repurchase Agreements and/or Securities Lending Transactions**

- (1) The Company did not enter into repurchase agreements at December 31, 2021 or 2020.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**NOTES TO FINANCIAL STATEMENTS**

(2) The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers based on, among other things, their creditworthiness in exchange for collateral initially equal to at least 102% of the market value of the loaned securities. The Company receives the collateral in cash or securities, and if cash is received the cash collateral is thereafter invested according to guidelines of the Company's Investment Policy.

(3) Collateral Received

a. Aggregate amount collateral received

	<u>Fair Value</u>
1. Securities Lending	
(a) Open	\$ 40,630,680
(b) 30 days or less	—
(c) 31 to 60 days	—
(d) 61 to 90 days	—
(e) Greater than 90 days	—
(f) Sub-total	<u>\$ 40,630,680</u>
(g) Securities received	<u>6,180,377</u>
(h) Total collateral received	<u><u>\$ 46,811,057</u></u>

2. Dollar repurchase agreement - Not applicable.

b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged	<u>\$ 46,811,057</u>
c. The Company receives cash collateral in an amount in excess of fair value of the securities lent. The Company reinvests the cash collateral according to guidelines of the Company's Investment Policy.	

(4) Not applicable.

(5) Collateral Reinvestment

a. Aggregate amount collateral reinvested

	<u>Amortized Cost</u>	<u>Fair Value</u>
1. Securities Lending		
(a) Open	\$ —	—
(b) 30 days or less	13,498,364	13,498,405
(c) 31 to 60 days	16,357,355	16,357,393
(d) 61 to 90 days	4,552,201	4,552,718
(e) 91 to 120 days	3,794,170	3,794,137
(f) 121 to 180 days	801,595	801,616
(g) 181 to 365 days	1,626,411	1,626,411
(h) 1 to 2 years	—	—
(i) 2 to 3 years	—	—
(j) Greater than 3 years	—	—
(k) Sub-total	<u>40,630,096</u>	<u>40,630,680</u>
(l) Securities received	<u>6,180,377</u>	<u>6,180,377</u>
(m) Total collateral reinvested	<u><u>\$ 46,810,473</u></u>	<u><u>\$ 46,811,057</u></u>

2. Dollar repurchase agreement - Not applicable.

b. Not applicable.

(6) Not applicable.

## NOTES TO FINANCIAL STATEMENTS

(7) Not applicable.

### **F. Repurchase Agreements Transactions Accounted for as Secured Borrowing**

The Company did not enter into repurchase agreement transactions accounted for as secured borrowing at December 31, 2021 or 2020.

### **G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing**

The Company did not enter into reverse repurchase agreement transactions accounted for as a secured borrowing at December 31, 2021 or 2020.

### **H. Repurchase Agreements Transactions Accounted for as a Sale**

The Company did not enter into repurchase agreement transactions accounted for as a sale at December 31, 2021 or 2020.

### **I. Reverse Repurchase Agreements Transactions Accounted for as a Sale**

The Company did not enter into reverse repurchase agreement transactions accounted for as a sale at December 31, 2021 or 2020.

### **J. Real Estate**

The Company did not have investments in real estate and did not engage in retail land sales operations during 2021 or 2020.

### **K. Investments in Low-Income Housing Tax Credits**

The Company did not invest in properties generating low-income housing tax credits during 2021 or 2020.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

**L. Restricted Assets**

(1) Restricted assets (including pledged)

Restricted Asset Category	1	2	3	4	5	6	7
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross Admitted and Nonadmitted Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$ —	\$ —	\$ —	\$ —	\$ —	— %	— %
b. Collateral held under security lending agreements	46,810,473	15,420,570	31,389,903	—	46,810,473	1.91 %	1.99 %
c. Subject to repurchase agreements	—	—	—	—	—	— %	— %
d. Subject to reverse repurchase agreements	—	—	—	—	—	— %	— %
e. Subject to dollar repurchase agreements	—	—	—	—	—	— %	— %
f. Subject to dollar reverse repurchase agreements	—	—	—	—	—	— %	— %
g. Placed under option contracts	—	—	—	—	—	— %	— %
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock	—	—	—	—	—	— %	— %
i. FHLB capital stock	5,062,300	6,786,300	(1,724,000)	—	5,062,300	0.21 %	0.21 %
j. On deposit with states	434,354	443,413	(9,059)	—	434,354	0.02 %	0.02 %
k. On deposit with other regulatory bodies	—	—	—	—	—	— %	— %
l. Pledged as collateral to FHLB (including assets backing funding agreements)	260,058,536	251,920,466	8,138,070	—	260,058,536	10.61 %	11.04 %
m. Pledged as collateral not captured in other categories	—	—	—	—	—	— %	— %
n. Other restricted assets	—	—	—	—	—	— %	— %
o. Total Restricted Assets	\$ 312,365,663	\$ 274,570,749	\$ 37,794,914	\$ —	\$ 312,365,663	12.75 %	13.26 %

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

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

(2) Not applicable.

(3) Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**NOTES TO FINANCIAL STATEMENTS**

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

Collateral Assets	1	2	3	4
	Book/Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted*)	% of BACV to Total Admitted Assets **
a. Cash	\$ —	\$ —	— %	— %
b. Schedule D, Part 1	—	—	—	—
c. Schedule D, Part 2 Section 1	—	—	—	—
d. Schedule D, Part 2 Section 2	—	—	—	—
e. Schedule B	—	—	—	—
f. Schedule A	—	—	—	—
g. Schedule BA, Part 1	—	—	—	—
h. Schedule DL, Part 1	46,810,473	46,811,057	1.91 %	1.99 %
i. Other	—	—	—	—
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	\$ 46,810,473	\$ 46,811,057	1.91 %	1.99 %

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

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

	1	2	
			% of Liability to Total Liabilities *
	Amount		
k. Recognized Obligation to Return Collateral Asset	\$ 46,810,473		3.47 %

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

**M. Working Capital Finance Investments**

The Company did not have any working capital finance investments at December 31, 2021 and 2020.

**N. Offsetting and Netting of Assets and Liabilities**

The Company did not have any offsetting or netting of assets and liabilities at December 31, 2021 and 2020.

**O. 5GI Securities**

The Company has no 5GI Securities as of December 31, 2021 and 2020.

**P. Short Sales**

The Company did not have any short sales at December 31, 2021 and 2020.

## NOTES TO FINANCIAL STATEMENTS

### **Q. Prepayment Penalty and Acceleration Fees**

<b>General Account</b>	
(1) Number of CUSIPs	22
(2) Aggregate Amount of Investment Income \$	575,731

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

The Company did not participate in a cash pool at December 31, 2021.

### **6. Joint Ventures, Partnerships and Limited Liability Companies**

- A.** The Company has no investments in joint ventures, partnerships or limited liability companies that exceeded 10% of its admitted assets at December 31, 2021 or 2020.
- B.** The Company did not recognize any impairment write downs for its investments in joint ventures, partnerships, or limited liability companies during 2021 or 2020.

### **7. Investment Income**

- A.** All investment income due and accrued with amounts that are over 90 days past due is non-admitted.
- B.** At December 31, 2021 and 2020 there was \$8,514 and \$470,767 of nonadmitted accrued investment income, respectively.

### **8. Derivative Instruments**

The Company has no derivative instruments.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

**9. Income Taxes**

**A. The components of net deferred tax assets (liabilities):**

(1) The components of net deferred tax asset (liabilities) are as follows:

	12/31/2021		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 60,828,994	\$ 1,292,928	\$ 62,121,922
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	60,828,994	1,292,928	62,121,922
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	60,828,994	1,292,928	62,121,922
(f) Deferred Tax Liabilities	833,718	6,604,022	7,437,740
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	<u>\$ 59,995,276</u>	<u>\$ (5,311,094)</u>	<u>\$ 54,684,182</u>

	12/31/2020		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 56,019,220	\$ 1,273,237	\$ 57,292,457
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	56,019,220	1,273,237	57,292,457
(d) Deferred Tax Assets Nonadmitted	1,731,193	—	1,731,193
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	54,288,027	1,273,237	55,561,264
(f) Deferred Tax Liabilities	870,431	4,371,447	5,241,878
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	<u>\$ 53,417,596</u>	<u>\$ (3,098,210)</u>	<u>\$ 50,319,386</u>

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ 4,809,774	\$ 19,691	\$ 4,829,465
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	4,809,774	19,691	4,829,465
(d) Deferred Tax Assets Nonadmitted	(1,731,193)	—	(1,731,193)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	6,540,967	19,691	6,560,658
(f) Deferred Tax Liabilities	(36,713)	2,232,575	2,195,862
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	<u>\$ 6,577,680</u>	<u>\$ (2,212,884)</u>	<u>\$ 4,364,796</u>

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

(2) The amount of admitted adjusted gross deferred tax assets under each component of SSAP No. 101, *Income Taxes* ("SSAP No. 101") are as follows:

12/31/2021		
(1) Ordinary	(2) Capital	(3) (Col 1+2) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ 52,824,986	\$ 1,115,065	\$ 53,940,051
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	1,116,911	—	1,116,911
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.	1,116,911	—	1,116,911
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	—	—	142,535,778
(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.	6,887,097	177,863	7,064,960
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	<u>\$ 60,828,994</u>	<u>\$ 1,292,928</u>	<u>\$ 62,121,922</u>

12/31/2020		
(4) Ordinary	(5) Capital	(6) (Col 4+5) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ 48,246,358	\$ 1,091,346	\$ 49,337,704
(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)	981,682	—	981,682
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.	981,682	—	981,682
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	120,087,720
(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.	5,059,987	181,891	5,241,878
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	<u>\$ 54,288,027</u>	<u>\$ 1,273,237</u>	<u>\$ 55,561,264</u>

Change		
(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ 4,578,628	\$ 23,719	\$ 4,602,347
(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)	135,229	—	135,229
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.	135,229	—	135,229
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	22,448,058
(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.	1,827,110	(4,028)	1,823,082
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	<u>\$ 6,540,967</u>	<u>\$ 19,691</u>	<u>\$ 6,560,658</u>

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company  
**NOTES TO FINANCIAL STATEMENTS**

		2021		2020	
(3)	(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.		354.95 %		344.27 %
	(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	950,238,520		\$ 800,584,802	
(4)		12/31/2021	12/31/2020	Change	
		(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital
				(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital
	Impact of Tax-Planning Strategies				
(a)	Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.				
	1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$60,828,994	\$1,292,928	\$56,019,220	\$1,273,237
					\$ 4,809,774
					\$ 19,691
	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)	\$60,828,994	\$1,292,928	\$54,288,027	\$1,273,237
					\$ 6,540,967
					\$ 19,691
	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?	Yes		No	X

**B. The Company has no unrecognized deferred tax liabilities at December 31, 2021 and 2020.**

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

	(1) 12/31/2021	(2) 12/31/2020	(3) (Col 1-2) Change
(1) Current Income Tax			
(a) Federal	\$ 80,490,379	\$ 97,030,154	\$ (16,539,775)
(b) Foreign	—	—	—
(c) Subtotal	80,490,379	97,030,154	(16,539,775)
(d) Federal income tax expense on net capital gains	2,362,751	436,975	1,925,776
(e) Utilization of capital loss carry-forwards	—	—	—
(f) Other	—	—	—
(g) Federal and foreign income taxes incurred	\$ 82,853,130	\$ 97,467,129	\$ (14,613,999)

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

	(1) 12/31/2021	(2) 12/31/2020	(3) (Col 1-2) Change
(2) Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 1,816,159	\$ 2,626,673	\$ (810,514)
(2) Unearned premium reserve	2,597,961	2,195,856	402,105
(3) Policyholder reserves	3,864,000	3,398,260	465,740
(4) Investments	—	—	—
(5) Deferred acquisition costs	2,814,262	2,853,154	(38,892)
(6) Policyholder dividends accrual	—	—	—
(7) Fixed assets	1,181,063	2,092,716	(911,653)
(8) Compensation and benefits accrual	3,385,444	2,914,351	471,093
(9) Pension accrual	—	—	—
(10) Receivables - nonadmitted	14,552,119	8,230,709	6,321,410
(11) Net operating loss carry-forward	—	—	—
(12) Tax credit carry-forward	—	—	—
(13) Other (including items <5% of total ordinary tax assets)	57,168	50,351	6,817
(14) Accrued future expenses	18,076,757	19,144,740	(1,067,983)
(15) Amortization	—	250,929	(250,929)
(16) Prepaid expenses	2,297,250	4,350,999	(2,053,749)
(17) Section 467 lease expense	4,441,258	2,877,778	1,563,480
(18) State income tax liability	5,745,553	5,032,704	712,849
(99) Subtotal	60,828,994	56,019,220	4,809,774
(b) Statutory valuation allowance adjustment	—	—	—
(c) Nonadmitted	—	1,731,193	(1,731,193)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	60,828,994	54,288,027	6,540,967
(e) Capital			
(1) Investments	1,245,042	1,273,237	(28,195)
(2) Net capital loss carry-forward	—	—	—
(3) Real estate	—	—	—
(4) Other (including items <5% of total capital tax assets)	47,886	—	47,886
(99) Subtotal	1,292,928	1,273,237	19,691
(f) Statutory valuation allowance adjustment	—	—	—
(g) Nonadmitted	—	—	—
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	1,292,928	1,273,237	19,691
(i) Admitted deferred tax assets (2d + 2h)	\$ 62,121,922	\$ 55,561,264	\$ 6,560,658

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

	(1) 12/31/2021	(2) 12/31/2020	(3) (Col 1-2) Change
(3) Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ —	\$ —	\$ —
(2) Fixed assets	—	—	—
(3) Deferred and uncollected premium	—	—	—
(4) Policyholder reserves	—	—	—
(5) Other (including items <5% of total ordinary tax liabilities)	—	—	—
(6) Bad debt reserve	38,245	—	38,245
(7) Section 807 reserves	403,013	—	403,013
(8) Discount of coordination of benefits	40,578	25,514	15,064
(9) Guaranty fund assessment	351,882	844,917	(493,035)
(99) Subtotal	833,718	870,431	(36,713)
(b) Capital			
(1) Investments	—	—	—
(2) Real estate	317,468	211,646	105,822
(3) Other (including items <5% of total capital tax liabilities)	—	—	—
(4) Investment partnership income	6,286,554	4,159,801	2,126,753
(99) Subtotal	6,604,022	4,371,447	2,232,575
(c) Deferred tax liabilities (3a99 + 3b99)	7,437,740	5,241,878	2,195,862
(4) Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 54,684,182</u>	<u>\$ 50,319,386</u>	<u>\$ 4,364,796</u>

**D.** The Company's income tax expense and change in deferred income taxes differs from the amount obtained by applying the federal statutory income tax rate of 21% for the year ended December 31 as follows:

	2021	2020
Tax expense computed using federal statutory rate	\$ 84,544,668	\$ 57,226,587
ACA health insurer fee	—	23,376,396
Change in nonadmitted assets	(5,499,351)	8,844,991
Tax exempt income and dividend received deduction net of proration	(1,773,512)	(1,874,798)
Prior year true-up and adjustments	(931,323)	217,669
Interest (federal and state income tax)	6,737	—
Investment in corporate-owned life insurance	(2,788,902)	(1,741,629)
Other, net	<u>24,265</u>	<u>(57,943)</u>
Total	<u><u>\$ 73,582,582</u></u>	<u><u>\$ 85,991,273</u></u>
 Federal income taxes incurred	 82,853,130	 \$ 97,467,129
Change in net deferred income taxes	(9,270,548)	(11,475,856)
Total statutory income taxes	<u><u>\$ 73,582,582</u></u>	<u><u>\$ 85,991,273</u></u>

**E. Operating loss carryforwards:**

(1) The Company has no operating loss carryforwards and no tax credit carryforwards as of December 31, 2021 or 2020.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**NOTES TO FINANCIAL STATEMENTS**

(2) The following are income taxes incurred in the current and prior year(s) that will be available for recoupment in the event of future net losses:

	<b>Ordinary</b>	<b>Capital</b>	<b>Total</b>
<b>2021</b>	\$ 85,069,382	\$ 2,362,751	\$ 87,432,133
<b>2020</b>	95,594,430	532,403	96,126,833
<b>2019</b>	N/A	539,658	539,658

(3) The Company has no protective tax deposits reported as admitted assets under Section 6603 of the Internal Revenue Service Code as of December 31, 2021 and 2020.

F. The following companies will be included in the consolidated federal income tax return with their parent Anthem, Inc. ("Anthem") as of December 31, 2021 and either are current members of the consolidated tax sharing agreement or are in the process of being added to the consolidated tax sharing agreement. Allocation of federal income taxes with affiliates subject to the tax sharing agreement is based upon separate income tax return calculations with credit for net losses that can be used on a consolidated basis. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. Intercompany income tax balances are settled based on the Internal Revenue Service due dates.

Alliance Care Management, LLC	Designated Agent Company, Inc.
American Imaging Management, Inc.	EHC Benefits Agency, Inc.
America's 1st Choice of South Carolina, Inc.	Empire HealthChoice Assurance, Inc.
America's Health Management Services, Inc.	Empire HealthChoice HMO, Inc.
AMERIGROUP Community Care of New Mexico, Inc.	Federal Government Solutions, LLC
AMERIGROUP Corporation	FHC Health Systems, Inc.
Amerigroup Delaware, Inc.	Freedom Health, Inc.
Amerigroup District of Columbia, Inc.	Golden West Health Plan, Inc.
Amerigroup Health Plan of Louisiana, Inc.	Health Core, Inc.
Amerigroup Insurance Company	Health Management Corporation
AMERIGROUP Iowa, Inc.	Healthkeepers, Inc.
AMERIGROUP Maryland, Inc.	HealthLink HMO, Inc.
Amerigroup Mississippi, Inc.	HealthLink, Inc.
AMERIGROUP New Jersey, Inc.	HealthLink Insurance Company
AMERIGROUP Ohio, Inc.	HealthPlus HP, LLC
Amerigroup Oklahoma, Inc.	HealthSun Health Plan, Inc.
Amerigroup Pennsylvania, Inc.	Healthy Alliance Life Insurance Company
AMERIGROUP Tennessee, Inc.	HEP AP Holdings, Inc.
AMERIGROUP Texas, Inc.	HMO Colorado, Inc.
AMERIGROUP Washington, Inc.	HMO Missouri, Inc.
AMGP Georgia Managed Care Company, Inc.	IEC Group Holdings, Inc.
Anthem Blue Cross Life and Health Insurance Company	IEC Group, Inc. d/b/a AmeriBen
Anthem Financial, Inc.	Imaging Management Holdings, LLC
Anthem Health Plans of Kentucky, Inc.	IngenioRx, Inc.
Anthem Health Plans of Maine, Inc.	Legato Health Technologies U.S., Inc.
Anthem Health Plans of New Hampshire, Inc.	Legato Holdings I, Inc.
Anthem Health Plans of Virginia, Inc.	Living Complete Technologies, Inc.
Anthem Health Plans, Inc.	Massachusetts Behavioral Health Partnership
Anthem Holding Corp.	Matthew Thornton Health Plan, Inc.
Anthem Insurance Companies, Inc.	Missouri Care, Incorporated
Anthem Kentucky Managed Care Plan, Inc.	myNEXUS Holdings, Inc.
Anthem Southeast, Inc.	myNEXUS, Inc.
Anthem UM Services, Inc.	myNEXUS Management, Inc.
Anthem, Inc.	Nash Holding Company, LLC
Arcus Enterprises, Inc.	National Government Services, Inc.

# ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

## NOTES TO FINANCIAL STATEMENTS

Aspire Health, Inc.	New England Research Institutes, Inc.
Associated Group, Inc.	Optimum Healthcare, Inc.
Beacon Health Financing, LLC	OPTIONS Health Care, Inc.
Beacon Health Options Care Services, Inc.	Park Square Holdings, Inc.
Beacon Health Options Holdco, Inc.	Park Square I, Inc.
Beacon Health Options, Inc.	Park Square II, Inc.
Beacon Health Options of California, Inc.	Resolution Health, Inc.
Beacon Health Options of Ohio, Inc.	RightCHOICE Managed Care, Inc.
Beacon Health Options of Pennsylvania, Inc.	Rocky Mountain Hospital and Medical Service, Inc.
Beacon Health Vista Parent, Inc.	SellCore, Inc.
BHS IPA, LLC	Simply Healthcare Plans, Inc.
Blue Cross Blue Shield Healthcare Plan of Georgia, Inc.	Southeast Services, Inc.
Blue Cross Blue Shield of Wisconsin	State Sponsored Services, Inc.
Blue Cross of California	The Anthem Companies, Inc.
Blue Cross of California Partnership Plan, Inc.	The Anthem Companies of California, Inc.
CareMarket, Inc.	TrustSolutions, LLC
CareMore Health IPA of New York, Inc.	UNICARE Health Plan of West Virginia, Inc.
CareMore Health Plan	UNICARE Illinois Services, Inc.
CareMore Health Plan of Arizona, Inc.	UNICARE Life & Health Insurance Company
CareMore Health Plan of Nevada, Inc.	UNICARE National Services, Inc.
CareMore Health Plan of Texas, Inc.	UNICARE Specialty Services, Inc.
CareMore Health System	Value Health Reinsurance, Inc.
Cerulean Companies, Inc.	ValueOptions Federal Services, Inc.
CHCS IPA, Inc.	ValueOptions of Kansas, Inc.
Claim Management Services, Inc.	ValueOptions of New Jersey, Inc.
Community Care Health Plan of Kansas, Inc.	ValueOptions Texas, Inc.
Community Care Health Plan of Nebraska, Inc.	Valus, Inc.
Community Care Health Plan of Nevada, Inc.	WellPoint California Services, Inc.
Community Insurance Company	WellPoint Dental Services, Inc.
Compcare Health Services Insurance Corporation	WellPoint Health Solutions, Inc.
Crossroads Acquisition Corp.	WellPoint Holding Corporation
DBG Holdings, Inc.	WellPoint Information Technology Services, Inc.
DeCare Analytics, LLC	WellPoint Insurance Services, Inc.
DeCare Dental Health International, LLC	WellPoint Military Care Corporation
DeCare Dental Networks, LLC	ZipDrug, Inc.
DeCare Dental, LLC	

### **G. Not applicable.**

### **H. Repatriation Transition Tax (RTT)**

Not applicable.

### **I. Alternative Minimum Tax (AMT) Credit**

Not applicable.

## **10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

### **A. Nature of the Relationship**

The Company is an Ohio domiciled stock insurance company and is a wholly-owned subsidiary of ATH Holding Company, LLC (“ATH Holding”), which is a wholly-owned subsidiary of Anthem, a publicly traded company.

## NOTES TO FINANCIAL STATEMENTS

### **B. Significant Transactions for Each Period**

The following significant transactions took place between the Company and its affiliates:

The Board of Directors of the Company declared an ordinary dividend in the amount of \$65,000,000 on September 15, 2021. The Company paid the dividend to its parent company, ATH Holding Company, LLC, on September 30, 2021.

The Board of Directors of the Company declared an ordinary dividend in the amount of \$110,000,000 on June 15, 2021. The Company paid the dividend to its parent company, ATH Holding Company, LLC, on June 30, 2021.

On November 9, 2020, the Company exchanged investment grade securities with a market value of \$24,738,127 and cash of \$418,983 for high yield securities with a market value of \$25,157,111 with an affiliate, UNICARE Life and Health Insurance Company. The Company realized gains of \$1,375,543 on this transaction.

The Board of Directors of the Company declared an ordinary dividend in the amount of \$65,000,000 on September 15, 2020. The Company paid the dividend to its parent company, ATH Holding Company, LLC, on September 28, 2020.

The Board of Directors of the Company declared an ordinary dividend in the amount of \$100,000,000 on June 16, 2020. The Company paid the dividend to its parent company, ATH Holding Company, LLC, on June 29, 2020.

Effective January 1, 2020, the Company entered into a specific excess of loss reinsurance agreement with Anthem Insurance Companies, Inc. (“AICI”), an affiliated and an Indiana domiciled insurance company (NAIC #28207) related to Medicaid members participating in the Hoosier care Connect program. The Company indemnifies AICI for 80% of covered payments in excess of each member’s deductible of \$200,000. The agreement is in effect until the agreement is amended or terminated by the parties.

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

The Company has no transactions with related parties who are not reported on Schedule Y.

### **D. Amounts Due to or from Related Parties**

At December 31, 2021 and 2020, the Company reported \$97,894,503 and \$24,355,116 due from affiliates, respectively. At December 31, 2021 and 2020, the Company reported no amounts due to affiliates. The receivable and payable balances represent intercompany transactions that will be settled in accordance with the settlement terms of the intercompany agreement.

### **E. Management and Service Contracts and Cost Sharing Arrangements**

The Company has entered into administrative services agreements with its affiliated companies. Pursuant to these agreements, various administrative, management and support services are provided to or provided by the Company. The costs and expenses related to these administrative management and support services are allocated to or allocated by the Company in an amount equal to the direct and indirect costs and expenses incurred in providing these services. Costs include expenses such as salaries, employee benefits, information technology, pharmacy benefits administration, communications, advertising, consulting services, rent, utilities, billing, accounting, underwriting, and product development, which support the Company’s operations. These costs are allocated based on various utilization statistics.

## NOTES TO FINANCIAL STATEMENTS

In addition, the Company is party to the Fair Market Value ("FMV") Services Attachment, where the costs and expenses related to certain care management and other services are allocated to or allocated by the Company in an amount equal to the fair market value of the services provided. These costs are allocated based on various utilization statistics. The Company amended its agreements by adding the Beacon Management Services Agreement. The agreement was effective January 1, 2021.

The Company is party to a cash concentration agreement with its affiliated companies. Under this agreement, any of the Company's affiliates may be designated as a cash manager to handle the collection and/or payment of funds on behalf of the Company. Conversely, the Company may be designated as a cash manager to handle the collection and/or payment of funds on behalf of its affiliates. Cash services covered under this agreement include the collection of premiums and other revenue, the collection of benefit and administrative expense reimbursements, the payment of policy benefits, payroll expense, general and administrative expense, and accounts payable disbursements.

### **F. Guarantees or Contingencies for Related Parties**

The Company did not enter into guarantees or undertakings for the benefit of an affiliate which would result in a material contingent exposure of the Company's or any affiliated insurer's assets or liabilities.

### **G. Nature of Control Relationships that Could Affect Operations or Financial Position**

ATH Holding owns all outstanding shares of the Company. The Company's ultimate parent is Anthem.

### **H. Amount Deducted for Investment in Upstream Company**

The Company and its subsidiary do not own shares of upstream intermediate entities or Anthem.

### **I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets**

The Company does not have investments in affiliates greater than 10% of admitted assets.

### **J. Write-down for Impairments of Investments in Subsidiaries, Controlled or Affiliated ("SCA") Companies**

Not applicable.

### **K. Investment in a Foreign Insurance Subsidiary**

The Company does not have investments in foreign insurance subsidiaries.

### **L. Investment in Downstream Non-insurance Holding Companies**

The Company does not have investments in downstream non-insurance holding companies.

### **M. All SCA Investments**

The Company has no SCA Investments.

### **N. Investment in Insurance SCAs**

The Company does not have investments in Insurance SCAs.

## NOTES TO FINANCIAL STATEMENTS

### **O. SCA or SSAP 48 Entity Loss Tracking**

The Company does not have losses on investments in Insurance SCAs and/or joint ventures, partnerships or LLCs.

### **11. Debt**

#### **A. Capital Notes and Other Debt**

The Company had no capital notes or other debt outstanding at December 31, 2021 and 2020.

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

(1) The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, the Company has conducted business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds as working capital. The Company has determined the actual maximum borrowing capacity as \$252,190,945. The Company calculated this amount in accordance with current FHLB capital stock.

##### **(2) FHLB Capital Stock**

###### a. Aggregate Totals

###### 1. Current year

	<b>Total</b>
(a) Membership stock - Class A	\$ —
(b) Membership stock - Class B	<u>2,054,012</u>
(c) Activity stock	—
(d) Excess stock	3,008,288
(e) Aggregate total (a+b+c+d)	<u>\$ 5,062,300</u>
(f) Actual or estimated borrowing capacity as determined by the insurer	<u>\$ 252,190,945</u>

###### 2. Prior year-end

	<b>Total</b>
(a) Membership stock - Class A	\$ —
(b) Membership stock - Class B	<u>3,082,121</u>
(c) Activity stock	—
(d) Excess stock	3,704,179
(e) Aggregate total (a+b+c+d)	<u>\$ 6,786,300</u>
(f) Actual or estimated borrowing capacity as determined by the insurer	<u>\$ 164,630,197</u>

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

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

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

Membership Stock	1 Current Year Total (2+3+4+5+6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less Than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
1. Class A	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
2. Class B	\$ 2,054,012	\$ 2,054,012	\$ —	\$ —	\$ —	\$ —

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

(3) Collateral Pledged to FHLB

a. Amount pledged as of reporting date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total Collateral Pledged	263,308,706	260,058,536	\$ —
2. Prior Year-end Total Collateral Pledged	\$ 264,373,486	\$ 251,920,466	\$ —
11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)			
11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)			

b. Maximum amount pledged during reporting period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total Maximum Collateral Pledged	265,093,327	260,058,536	\$ —
2. Prior Year-end Total Maximum Collateral Pledged	\$ 266,929,179	\$ 252,564,592	\$ 150,000,000

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**NOTES TO FINANCIAL STATEMENTS**

**(4) Borrowing from FHLB**

a. Amount as of the reporting date

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

b. Maximum amount during reporting period (current year)

	<b>Total</b>
1. Debt	—
2. Funding agreements	—
3. Other	—
4. Aggregate total (Lines 1+2+3)	<u>\$ —</u>

c. FHLB - Prepayment obligations

<b>Does the Company have prepayment obligations under the following arrangements (YES/NO)?</b>	
1. Debt	No
2. Funding agreements	No
3. Other	No

**C. All Other Debt**

The Company had no other debt outstanding at December 31, 2021 and 2020.

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

**A. Defined Benefit Plan**

Not applicable - See Note 12G.

**B.** Not applicable - See Note 12G.

**C.** Not applicable - See Note 12G.

**D.** Not applicable - See Note 12G.

**E. Defined Contribution Plans**

Not applicable - See Note 12G.

**F. Multiemployer Plans**

The Company does not participate in a multiemployer plan.

## NOTES TO FINANCIAL STATEMENTS

### **G. Consolidated/Holding Company Plans**

The Company participates in frozen non-contributory defined benefit pension plans sponsored by ATH Holding, covering most employees of Anthem and its subsidiaries. ATH Holding allocates a share of the total accumulated costs of the plans to the Company based on the number of allocated employees. The Company has no legal obligation for benefits under these plans.

The Company participates in a postretirement medical benefit plan, sponsored by ATH Holding, providing certain health, life, vision and dental benefits to eligible retirees. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. The Company has no legal obligation for benefits under this plan.

The Company participates in a nonqualified deferred compensation plan sponsored by Anthem which covers certain employees once the participant reaches the maximum contribution amount for the Anthem 401(k) Plan (the “401(k) Plan”). The deferred amounts are payable according to the terms and subject to the conditions of the deferred compensation plan. Anthem allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees subject to the deferred compensation plan. The Company has no legal obligation for benefits under this plan.

The Company participates in the 401(k) Plan, sponsored by ATH Holding and covering substantially all employees. Voluntary employee contributions are matched by ATH Holding subject to certain limitations. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. The Company has no legal obligation for benefits under this plan.

The Company participates in a stock incentive compensation plan, sponsored by Anthem, providing incentive awards to non-employee directors and employees, consisting of Anthem stock options, restricted stock, restricted stock units, stock appreciation rights, performance shares, and performance units. Anthem allocates a share of the total share-based compensation expense of this plan to the Company based on the number of allocated employees. The Company has no legal obligation for benefits under this plan.

During 2021 and 2020, the Company was allocated the following costs or (credits) for these retirement benefits:

	<b>2021</b>	<b>2020</b>
Defined benefit pension plan	\$ (1,280,992)	\$ (2,425,832)
Postretirement medical benefit plan	(768,595)	(856,432)
Deferred compensation plan	149,449	156,505
Defined contribution plan	11,311,164	10,911,896
Stock incentive compensation plan	13,244,664	12,578,437

### **H. Post Employment Benefits and Compensated Absences**

Not applicable.

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

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### **13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

#### **A. Outstanding Shares**

As of December 31, 2021, the Company has 750 shares of \$10,000 par value common stock authorized. The number of shares issued and outstanding is 114.23.

#### **B. Preferred Stock**

The Company has no preferred stock outstanding.

#### **C. Dividend Restrictions**

The maximum amount of dividends which can be paid by State of Ohio insurance companies to shareholders without prior approval of the Insurance Commissioner is subject to restrictions relating to statutory surplus and net income. Within any 12 month period, cumulative dividends may not exceed the greater of 10% of statutory surplus at the prior December 31, or net income for the 12 month period ending at the prior December 31. Also, any dividend paid from other than earned surplus shall be considered an extraordinary dividend.

#### **D. Dividends Paid**

See Footnote 10B.

#### **E. Maximum Ordinary Dividend During 2022**

Within the limitations of (C) above, the Company may pay \$319,740,524 in ordinary dividends during 2022 without restrictions, other than state notification requirements.

#### **F. Unassigned Surplus Restrictions**

Unassigned surplus funds are not restricted at December 31, 2021.

#### **G. Mutual Surplus Advances**

Not applicable.

#### **H. Company Stock Held for Special Purpose**

There are no shares of stock held for special purposes at December 31, 2021.

#### **I. Changes in Special Surplus Funds**

The change in balances of special surplus funds from the prior year are due to changes in the amounts segregated for the deferred gain on the Company's sale-leaseback transaction.

#### **J. Changes in Unassigned Funds**

The portion of unassigned funds represented by cumulative unrealized investment gains and losses was \$76,784,572 at December 31, 2021.

#### **K. Surplus Notes**

The Company has not issued any surplus notes or debentures or similar obligations.

## NOTES TO FINANCIAL STATEMENTS

### **L. Restatement due to Prior Quasi-reorganizations**

The Company had no restatements due to prior quasi-reorganizations.

### **M. Quasi-reorganizations over Prior 10 Years**

The Company has not been involved in a quasi-reorganization during the past 10 years.

## **14. Liabilities, Contingencies and Assessments**

### **A. Contingent Commitments**

- (1) The Company has a commitment to contribute an additional \$11,433,689, in subsequent years, related to the Company's investments in joint ventures, limited partnerships and limited liability companies.
- (2) Not applicable.
- (3) Not applicable.

### **B. Assessments**

- (1) The Company is subject to guaranty fund and other assessments by the state(s) in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies. Other assessments are accrued either at the time of the assessment or at the time the losses are incurred.

(2) Guaranty Fund Assets Recognized Reconciliation				
a. Guaranty fund assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end				\$ 10,645,875
b. Decreases current year:				—
Policy surcharges collected				—
Policy surcharges charged off				—
Premium tax offset applied				4,485,123
Recovery adjustment				—
c. Increases current year:				—
Policy surcharges recognized				—
Premium tax offset recognized				—
d. Guaranty fund assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end				<u>\$ 6,160,752</u>

- (3) Guaranty Fund Liabilities and Assets Related to Insolvencies of Entities That Wrote Long-Term Care Contracts

- a. Discount Rate Applied 3.5%
- 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 and its subsidiary, American Network Insurance Company (collectively "Penn Treaty")	14,193,960	9,859,565	6,643,693	4,167,439

## NOTES TO FINANCIAL STATEMENTS

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	1	1 - 16	8.5	1	1 - 22	7.9

### C. Gain Contingencies

The Company has no gain contingencies at December 31, 2021 or 2020.

### D. Claims-Related Extra Contractual Obligation and the Bad Faith Losses Stemming From Lawsuits

Not applicable.

### E. Joint and Several Liabilities

Not applicable.

### F. All Other Contingencies

#### *Litigation and regulatory proceedings*

##### Blue Cross Blue Shield Antitrust Litigation

Anthem Inc. (“Anthem”) is a defendant in multiple lawsuits that were initially filed in 2012 against the BCBSA and Blue Cross and/or Blue Shield licensees (“Blue Plans”) across the country. Cases filed in twenty-eight states were consolidated into a single, multi-district proceeding captioned *In re Blue Cross Blue Shield Antitrust Litigation* that is pending in the United States District Court for the Northern District of Alabama (the “Court”). Generally, the suits allege that the BCBSA and the Blue plans have conspired to horizontally allocate geographic markets through license agreements, best efforts rules that limit the percentage of non-Blue revenue of each plan, restrictions on acquisitions, rules governing the BlueCard® and National Accounts program and other arrangements in violation of the Sherman Antitrust Act (“Sherman Act”), and related state laws. The cases were brought by two putative nationwide classes of plaintiffs, health plan subscribers and providers.

In April 2018, the Court issued an order on the parties’ cross motions for partial judgment, determining that the defendants’ aggregation of geographic market allocations and output restrictions are to be analyzed under a per se standard of review, and the BlueCard® program and other alleged Section 1 Sherman Act violations are to be analyzed under the rule of reason standard of review. The Court also found that there remain genuine issues of material fact as to whether defendants operate as a single entity with regard to the enforcement of the Blue Cross Blue Shield trademarks. In April 2019, plaintiffs filed motions for class certification, which defendants opposed.

The BCBSA and Blue plans have approved a settlement agreement and release (the “Subscriber Settlement Agreement”), with the subscriber plaintiffs. If approved by the Court, the Subscriber Settlement Agreement will require defendants to make a monetary settlement payment, Anthem’s portion of which is estimated to be \$594,000,000 and will contain certain non-monetary terms including (i) eliminating the “national best efforts” rule in the BSBSA license agreements (which rule limits the percentage of non-Blue revenue permitted for each Blue plan) and (ii) allowing for some large national employers with self-funded benefit plans to request a bid for insurance coverage from a second Blue

## NOTES TO FINANCIAL STATEMENTS

plan in addition to the local Blue plan. As of December 31, 2021, the liability balance accrued for Anthem's estimated payment obligation was \$507,000,000, net of payments made. The Company recorded its estimated portion of the Subscriber Settlement Agreement, net of third party insurance coverage, in 2020. The Company recorded its estimated portion of the Subscriber Settlement Agreement, net of third party insurance coverage, in 2020.

In November 2020, the Court issued an order preliminarily approving the Subscriber Settlement Agreement, following which members of the subscriber class were provided notice of the Subscriber Settlement Agreement and an opportunity to opt out of the class. All terms of the Subscriber Settlement Agreement are subject to final approval by the Court. The deadlines for objections to the settlement as well as the deadline for those who wish to opt-out from the settlement was in July 2021 and a small number of subscribers submitted valid opt outs by the deadline. The claims deadline was in November 2021 and an excess of eight thousand claims were submitted. A final approval hearing was held in October 2021. The Court took the request for approval under advisement and requested supplemental briefing that has been submitted. If the Court grants approval of the Subscriber Settlement Agreement, and after all appellate rights have expired or have been exhausted in a manner that affirms the Court's final order and judgement, the defendants' payment and non-monetary obligations under the Subscriber Settlement Agreement will become effective.

In October 2020, after the Court lifted the stay as to the provider litigation, provider plaintiffs filed a renewed motion for class certification, which defendants opposed. In March 2021, the Court issued an order terminating the pending motion for class certification until the Court determines the standard of review applicable to the providers' claims. In May 2021, the defendants and provider plaintiffs filed renewed standard of review motions which are now fully briefed. In June 2021, the parties filed summary judgment motions not critically dependent on class certification which are now fully briefed. No decision has been rendered. Anthem intends to continue to vigorously defend the provider suit, which they believe is without merit; however, its ultimate outcome cannot be presently determined.

### Express Scripts, Inc. Pharmacy Benefit Management Litigation

In March 2016, Anthem filed a lawsuit against Express Scripts, Inc. ("Express Scripts"), their vendor at the time for PBM services, captioned *Anthem, Inc. v. Express Scripts, Inc.*, in the U.S. District Court for the Southern District of New York. The lawsuit seeks to recover over \$14,800,000,000 in damages for pharmacy pricing that is higher than competitive benchmark pricing under the agreement between the parties (the "ESI PBM Agreement"), over \$158,000,000 in damages related to operational breaches, as well as various declarations under the ESI PBM Agreement, including that Express Scripts: (i) breached its obligation to negotiate in good faith and to agree in writing to new pricing terms; (ii) was required to provide competitive benchmark pricing to Anthem through the term of the ESI PBM Agreement; (iii) has breached the ESI PBM Agreement; and (iv) is required under the ESI PBM Agreement to provide post-termination services, at competitive benchmark pricing, for one year following any termination.

Express Scripts has disputed Anthem's contractual claims and is seeking declaratory judgments: (i) regarding the timing of the periodic pricing review under the ESI PBM Agreement, and (ii) that it has no obligation to ensure that Anthem receives any specific level of pricing, that Anthem has no contractual right to any change in pricing under the ESI PBM Agreement and that its sole obligation is to negotiate proposed pricing terms in good faith. In the alternative, Express Scripts claims that Anthem has been unjustly enriched by its payment of \$4,675,000,000 at the time they entered into the ESI PBM Agreement. In March 2017, the court granted Anthem's motion to dismiss Express Scripts' counterclaims for (i) breach of the implied covenant of good faith and fair dealing, and (ii) unjust enrichment with prejudice. The only remaining claims are for breach of contract and declaratory relief. In August 2021, ESI filed a motion for summary

## NOTES TO FINANCIAL STATEMENTS

judgment, which Anthem opposed. Express Scripts' motion for summary judgment is now fully briefed and no decision has been rendered. Anthem intends to vigorously pursue their claims and defend against any counterclaims, which they believe are without merit; however, the ultimate outcome cannot be presently determined.

### In re Express Scripts/Anthem ERISA Litigation

Anthem is a defendant in a class action lawsuit that was initially filed in June 2016 against Anthem, Inc. and Express Scripts, which has been consolidated into a single multi-district lawsuit captioned *In Re Express Scripts/Anthem ERISA Litigation*, in the U.S. District Court for the Southern District of New York. The consolidated complaint was filed by plaintiffs against Express Scripts and Anthem on behalf of all persons who are participants in or beneficiaries of any ERISA or non-ERISA healthcare plan from December 1, 2009 to December 31, 2019 in which Anthem provided prescription drug benefits through the ESI PBM Agreement and paid a percentage based co-insurance payment in the course of using that prescription drug benefit. The plaintiffs allege that Anthem breached their duties, either under ERISA or with respect to the implied covenant of good faith and fair dealing implied in the health plans, (i) by failing to adequately monitor Express Scripts' pricing under the ESI PBM Agreement, (ii) by placing their own pecuniary interest above the best interests of their insureds by allegedly agreeing to higher pricing in the ESI PBM Agreement in exchange for the purchase price for their NextRx PBM business, and (iii) with respect to the non-ERISA members, by negotiating and entering into the ESI PBM Agreement that was allegedly detrimental to the interests of such non-ERISA members. Plaintiffs seek to hold Anthem and Express Scripts jointly and severally liable and to recover all losses suffered by the proposed class, equitable relief, disgorgement of alleged ill-gotten gains, injunctive relief, attorney's fees and costs and interest.

In April 2017, Anthem filed a motion to dismiss the claims brought against them, and it was granted, without prejudice, in January 2018. Plaintiffs filed a notice of appeal with the United States Court of Appeals for the Second Circuit (the "Second Circuit"), which was heard in October 2018. In December 2020, the Court affirmed the trial court's decision dismissing the ERISA complaint. Plaintiffs filed a Petition for Rehearing and Rehearing En Banc, which was denied. Plaintiffs filed a writ of certiorari with the United States Supreme Court, which Anthem opposed, and the plaintiffs have replied. In December 2021, the United States Supreme Court requested that the Solicitor General submit a brief "expressing the views of the United States" as to whether the Court should grant plaintiffs' writ. Anthem intends to vigorously defend this suit, which they believe is without merit; however, its ultimate outcome cannot be presently determined.

### Medicare Risk Adjustment Litigation

In March 2020, the U.S. Department of Justice ("DOJ") filed a civil lawsuit against Anthem, Inc. in the U.S. District Court for the Southern District of New York in a case captioned *United States v. Anthem, Inc.* The DOJ's suit alleges, among other things, that Anthem falsely certified the accuracy of the diagnosis data they submitted to the Centers for Medicare and Medicaid Services ("CMS") for risk-adjustment purposes under Medicare Part C and knowingly failed to delete inaccurate diagnosis codes. The DOJ further alleges that, as a result of these purported acts, Anthem caused CMS to calculate the risk-adjustment payments based on inaccurate diagnosis information, which enabled Anthem to obtain unspecified amounts of payments in Medicare funds in violation of the False Claims Act. The DOJ filed an amended complaint in July 2020, alleging the same causes of action but revising some of its allegations. In September 2020, Anthem filed a motion to transfer the lawsuit to the Southern District of Ohio, a motion to dismiss part of the lawsuit, and a motion to strike certain allegations in the amended complaint. The motions are fully briefed and no decision has been rendered. Anthem intends to continue to vigorously defend this suit, which they believe is without merit; however, the ultimate outcome cannot be presently determined.

## NOTES TO FINANCIAL STATEMENTS

### ***Other Contingencies***

From time to time, the Company is party to various legal proceedings, many of which involve claims for coverage encountered in the ordinary course of business. The Company, like HMOs and health insurers generally, exclude certain healthcare and other services from coverage under their HMO, PPO and other plans. The Company is, in the ordinary course of business, subject to the claims of their enrollees arising out of decisions to restrict or deny reimbursement for uncovered services. The loss of even one such claim, if it results in a significant punitive damage award, could have a material adverse effect on the Company. In addition, the risk of potential liability under punitive damage theories may increase significantly the difficulty of obtaining reasonable reimbursement of coverage claims.

In addition to the lawsuits described above, the Company is also involved in other pending and threatened litigation of the character incidental to their business, and is from time to time involved as a party in various governmental investigations, audits, reviews and administrative proceedings. These investigations, audits, reviews and administrative proceedings include routine and special inquiries by state insurance departments, state attorneys general, the U.S. Attorney General and subcommittees of the U.S. Congress. Such investigations, audits, reviews and administrative proceedings could result in the imposition of civil or criminal fines, penalties, other sanctions and additional rules, regulations or other restrictions on the Company's business operations. Any liability that may result from any one of these actions, or in the aggregate, could have a material adverse effect on the Company's financial position or results of operations.

The Company has no other known material contingencies.

### ***Provisions for uncollectible amounts***

At December 31, 2021 and 2020, the Company reported admitted assets of \$684,888,108 and \$431,839,133, respectively, in premium receivables and receivables due from uninsured plans. Based upon the Company's experience, any uncollectible receivables are not expected to exceed \$24,918,605 that was nonadmitted at December 31, 2021; therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

## **15. Leases**

### **A. Lessee Operating Lease**

(1) The Company leases office space, office equipment, EDP equipment, and software under various noncancelable operating leases. Related lease expense for 2021 and 2020 was \$4,597,087 and \$3,655,296, respectively.

During the third quarter of 2020, the Company reevaluated its future office space needs and determined that it would permanently cease use of space under certain operating leases. At December 31, 2021 and 2020, the Company has recorded a liability for lease exit costs of \$15,912,233 and \$12,043,819, respectively.

(2) At December 31, 2021, the minimum aggregate rental commitments are as follows:

	<b>Year Ending December 31</b>	<b>Operating Leases</b>
1	2022	\$ 6,642,982
2	2023	6,680,518
3	2024	6,756,847
4	2025	6,644,145
5	2026	5,603,656
6	Total	\$ 32,328,148

## NOTES TO FINANCIAL STATEMENTS

(3)

- a. During 2014, the Company entered into a sale-leaseback transaction with an unaffiliated entity to lease the Mason, Ohio building for 12 years.
- b. Not applicable.

### **B. Lessor Leases**

(1) The Company has not entered into any operating leases.

(2) The Company has not entered into any leveraged leases.

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

The Company has no significant financial instruments with off-balance sheet risk.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of investment securities. All investment securities are managed by professional investment managers within policies authorized by the board of directors. Such policies limit the amounts that may be invested in any one issuer and prescribe certain investee company criteria. As of December 31, 2021, there were no significant concentrations.

### **17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

#### **A. Transfers of Receivables Reported as Sales**

Not applicable at December 31, 2021 and 2020.

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

(1) The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers. At December 31, 2021 the fair value of securities loaned was \$45,831,346, and the carrying value of securities loaned was \$45,360,257.

(2) - (7) Not applicable.

#### **C. Wash Sales**

(1) In the course of the Company's asset management, securities may be sold and reacquired within 30 days of the sale date to enhance the yield on the investments.

(2) At December 31, 2021 and 2020, there were no wash sales involving securities with an NAIC designation of 3 or below or unrated.

## NOTES TO FINANCIAL STATEMENTS

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

#### **A. Administrative Services Only ("ASO") Plans**

The gain or (loss) from operations from ASO uninsured plans and the uninsured portion of partially insured plans during 2021 was:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of (less than) actual expenses	\$ 15,903,338	—	\$ 15,903,338
b. Total net other income or expenses (including interest paid to or received from plans)	—	—	—
c. Net gain or (loss) from operations	\$ 15,903,338	—	\$ 15,903,338
d. Total claim payment volume	<u>\$ 1,199,730,655</u>	<u>—</u>	<u>\$ 1,199,730,655</u>

#### **B. Administrative Services Contract ("ASC") Plans**

The gain or (loss) from operations from ASC uninsured plans and the uninsured portion of partially insured plans during 2021 was:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 6,978,053,724	\$ —	\$ 6,978,053,724
b. Gross administrative fees accrued	470,549,100	—	470,549,100
c. Other income or expenses (including interest paid to or received from plans)	—	—	—
d. Gross expenses incurred (claims and administrative)	<u>7,356,103,443</u>	<u>—</u>	<u>7,356,103,443</u>
e. Total gain or (loss) from operations	<u>\$ 92,499,381</u>	<u>—</u>	<u>\$ 92,499,381</u>

#### **C. Medicare or Other Similarly Structured Cost-Based Reimbursement Contract**

(1) The Company does not record revenue explicitly attributable to the cost share and reinsurance components of administered Medicare products.

(2)

Receivable from	Related to	2021	2020
Centers for Medicare and Medicaid Services	Cost share and reinsurance components of administered Medicare products	\$ 87,286,732	\$ 46,293,747
U.S. Department of Health and Human Services	Cost share and reinsurance components of administered commercial ACA products	\$ 445,841	—
Uninsured plans	Uninsured business, not including pharmaceutical rebate receivables	<u>\$ 275,274,562</u>	<u>\$ 150,808,459</u>

(3) As no revenue is recorded in connection with the cost share and reinsurance components of the Company's Medicare and ACA products, the Company has recorded no allowances and reserves for the adjustment of recorded revenues and receivables.

(4) The Company has made no adjustment to revenue resulting from the audit of cost-reimbursement receivables related to revenues recorded in the prior period.

## NOTES TO FINANCIAL STATEMENTS

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

No premiums were written by managing general agents or third party administrators during the years ended December 31, 2021 and 2020.

**20. Fair Value Measurements****A.**

## (1) Fair Value Measurements at Reporting Date:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Bonds					
All other governments	\$ —	\$ 33,720,496	\$ —	\$ —	\$ 33,720,496
Industrial and misc	\$ —	\$ 42,417,318	\$ —	\$ —	\$ 42,417,318
Bank Loans	\$ —	\$ 58,693,158	\$ 328,473	\$ —	\$ 59,021,631
Hybrid securities	\$ —	\$ 1,830,565	\$ —	\$ —	\$ 1,830,565
Total bonds	\$ —	\$ 136,661,537	\$ 328,473	\$ —	\$ 136,990,010
Common stock					
Industrial and misc	\$ 340,497	\$ 234,174	\$ 6,088,201	\$ —	\$ 6,662,872
Total common stocks	\$ 340,497	\$ 234,174	\$ 6,088,201	\$ —	\$ 6,662,872
Total assets at fair value/NAV	\$ 340,497	\$ 136,895,711	\$ 6,416,674	\$ —	\$ 143,652,882

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

Description	Beginning Balance at 01/01/2021	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2021
a. Assets										
Common Stock										
Industrial and misc	\$ 7,094,130	—	—	(5,789) (111,560)	847,138	—	(1,735,718)	—	—	\$ 6,088,201
Bonds										
Industrial and misc	\$ 1,687,594	—	(1,173,591)	5,463 115,645	471,481	—	(423,523) (354,596)	—	—	\$ 328,473
Total assets	\$ 8,781,724	—	(1,173,591)	(326) 4,085	1,318,619	—	(2,159,241) (354,596)	—	—	\$ 6,416,674

(3) The Company's policy is to recognize transfers between Levels, if any, as of the beginning of the reporting period.

(4) Fair values of bonds are based on quoted market prices, where available. These fair values are obtained primarily from third party pricing services, which generally use Level 1 or Level 2 inputs, for the determination of fair value to facilitate fair value measurements and disclosures. Level 2 securities primarily include United States government securities, corporate securities, securities from states, municipalities and political subdivisions, mortgage-backed securities and certain other asset-backed securities. For securities not actively traded, the pricing services 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, broker quotes, benchmark yields, credit spreads, default rates and prepayment

## NOTES TO FINANCIAL STATEMENTS

speeds. The Company has controls in place to review the pricing services' qualifications and procedures used to determine fair values. In addition, the Company periodically reviews the pricing services' pricing methodologies, data sources and pricing inputs to ensure the fair values obtained are reasonable.

Certain bonds, primarily corporate debt securities, are designated Level 3. For these securities, the valuation methodologies may incorporate broker quotes or discounted cash flow analyses using assumptions for inputs such as expected cash flows, benchmark yields, credit spreads, default rates and prepayment speeds that are not observable in the markets.

Fair values of common and preferred stock are generally designated as Level 1 and are based on quoted market prices. For certain common and preferred stock, quoted market prices for the identical security are not always available and the fair value is estimated by reference to similar securities for which quoted prices are available. These securities are designated as Level 2. Certain equity securities, including private equity securities, for which the fair value is estimated based on each security's current condition and future cash flow projections. Such securities are designated as Level 3. The fair values of these private equity securities are generally based on either broker quotes, or discounted cash flow projections using assumptions for inputs such as the weighted-average cost of capital, long-term revenue growth rates and earnings before interest, taxes, depreciation and amortization, and/or revenue multiples that are not observable in the markets.

Cash equivalents primarily consist of highly rated money market funds or bonds with original maturities of three months or less. Due to the high ratings and short-term nature, these investments are designated as Level 1. The Company also holds bonds purchased with less than three months to maturity. Fair value of these bonds are based on quoted market prices obtained from third party pricing services which generally use Level 1 or Level 2 inputs.

There have been no significant changes in the valuation techniques during the current period.

### B. Fair Value Measurements Under Other Accounting Pronouncements

Not applicable at December 31, 2021 and 2020.

### C. Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	1,426,232,022	\$1,390,719,443	\$ —	\$ 1,409,738,296	\$ 16,493,726	\$ —	\$ —
Perpetual preferred stock	60,325	2,850	—	—	60,325	—	—
Unaffiliated common stock	6,662,872	6,662,872	340,497	234,174	6,088,201	—	—
Cash equivalents	3,000,406	3,000,353	—	3,000,406	—	—	—
Short-term investments	202,171	202,157	—	202,171	—	—	—
Securities lending collateral asset	46,811,057	46,810,473	—	46,811,057	—	—	—
Mortgage loans	—	10,016,993	—	—	—	—	10,016,993

## NOTES TO FINANCIAL STATEMENTS

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

Type or Class of financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Mortgage Loan	\$ 7,339,749	N/A	N/A	Mortgage loan carried at amortized cost
Mortgage Loan	\$ 2,677,244	N/A	N/A	Mortgage loan carried at amortized cost

### **E. Investments Measured at Net Asset Value**

The Company has no investments measured at net asset value.

## **21. Other Items**

### **A. Unusual or Infrequent Items**

The spread of the COVID-19 virus caused significant financial market volatility, economic uncertainty, and interruptions to normal business activities. The ultimate impact to the Company is unknown, but management expects continued interruptions to day-to-day business activities, impacts to claim and premium activity, investment values, as well as possible impacts to liquidity.

In response to COVID-19, the Company provided premium credits to members enrolled in select individual and fully insured employer health plans. In addition, individuals in stand-alone and group dental plans also received a credit. For the year ended December 31, 2020, premium credits of \$23,601,908 were received by these policyholders and are netted against total revenues on the Statement of Revenue and Expenses.

### **B. Troubled Debt Restructuring: Debtors**

Not applicable at December 31, 2021 and 2020.

### **C. Other Disclosures**

Assets in the amount of \$434,354 and \$443,413 at December 31, 2021 and 2020, respectively, were on deposit with government authorities or trustees as required by law.

The Company participates in the Federal Employee Health Benefits Program (“FEHBP”) with other Blue Cross Blue Shield Plans. This program includes a fully-insured experience-rated contract, commonly known as the FEP, between the OPM and BCBSA, which acts as an agent for the participating Blue Cross Blue Shield plans. In addition, each participating plan, including the Company, executes a contract with BCBSA which obligates each participating plan to underwrite FEP benefits in its service area.

FEP premium is earned when chargeable benefit costs, allowable expenses or retentions are incurred. Deferred premiums are recorded to offset the FEP liabilities for incurred claims but not reported and claims adjustment expenses that are due from the OPM, when the claims are ultimately paid. Premium rates are developed by BCBSA and negotiated with OPM annually. These rates determine the funds that will be available to the participating Blue Cross Blue Shield plans to provide insurance to Federal employees that enroll with the Blue Cross Blue Shield FEP. The excess of gross premiums for the life of the program over the charges for the life of the program on an accrual basis is accounted for as a rate stabilization reserve (commonly referred to as the special reserve), as required by the contract between OPM and BCBSA. Each year, OPM also allocates a portion of the premiums to a contingency reserve, which may be utilized by the participating plans in the event that annual premiums paid to the insurance carrier are insufficient or the rate stabilization reserve falls below certain levels prescribed by OPM. Premiums paid to the carrier and available to each participating Blue Cross Blue Shield

## NOTES TO FINANCIAL STATEMENTS

plan, including the special reserve and the contingency reserve, are held at the U.S. Treasury, including amounts unused from prior periods. Any premiums that remain in the rate stabilization reserve upon termination of the BCBSA contract after the claims run-out and reimbursement of allowable administrative expenses would be returned to OPM for the benefit of the FEHBP. The FEP contract renews automatically each year unless written notice of termination is given by either party.

In accordance with the FEP contract, premium funds that exceed daily operating needs are held on behalf of the Company in letter of credit accounts at the U.S. Treasury to provide funding for claims, administrative expenses, and other charges to the contract. The Company, along with other Blue Cross Blue Shield plans who participate in the FEHBP contract, have an unrestricted right to draw funds being held in the U.S. Treasury, other than those allocated to the contingency reserve, for any valid claim or expense. If the balance of the special reserve is exhausted or falls below certain prescribed levels, OPM will transfer funds from the contingency reserve to the special reserve to the extent that funds are available in the contingency reserve. Amounts incurred in excess of the total reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company.

The Company has recorded its allocable share of the special reserve funds held in the U.S. Treasury as an asset, with an equivalent amount recorded as a rate stabilization reserve. These amounts are \$0 and \$17,577,656 as of December 31, 2021 and 2020, respectively, and are included in aggregate write-ins for other than invested assets and in health policy reserves in the accompanying balance sheets.

FEP represented approximately 47.8% and 39.9% of premiums receivable as of December 31, 2021 and 2020, respectively. FEP represented approximately 13.3% and 13.5% of net premiums written for the years ended December 31, 2021 and 2020, respectively.

### **D. Business Interruption Insurance Recoveries**

The Company has reported no recoveries for business interruption for the years ended December 31, 2021 and 2020.

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

The Company did not have state transferable or non-transferable tax credits at December 31, 2021 and 2020.

### **F. Subprime Mortgage-Related Risk Exposure**

- (1) The Company's investment strategy of providing safety and preservation of capital, sufficient liquidity to meet cash flow requirements and the attainment of a competitive after-tax investment return is supported by a well diversified portfolio consisting of many different types of investments. The portion of the Company's investment portfolio with subprime mortgage-related risk exposure is relatively small in comparison to the overall investment portfolio, and consists mainly of investment grade securities with no exposure to collateralized debt obligations. All mortgage related investments are monitored closely as part of the quarterly investment review performed by the Anthem Investment Impairment Review Committee.
- (2) The Company did not carry investments in subprime mortgage loans in its portfolio at December 31, 2021 or 2020.

## NOTES TO FINANCIAL STATEMENTS

(3) At December 31, 2021, the Company's subprime mortgage-related risk exposure is detailed below:

	Actual Cost	Book/ Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	\$ —	\$ —	\$ —	\$ —
b. Commercial mortgage-backed securities	—	—	—	—
c. Collateralized debt obligations	—	—	—	—
d. Structured securities	10,333,826	10,244,283	10,153,845	—
e. Equity investments in SCAs	—	—	—	—
f. Other assets	—	—	—	—
<b>g. Total</b>	<b>\$ 10,333,826</b>	<b>\$ 10,244,283</b>	<b>\$ 10,153,845</b>	<b>\$ —</b>

(4) The Company did not underwrite Mortgage Guaranty or Financial Guaranty insurance coverage at December 31, 2021 or 2020.

### **G. Retained Assets**

The Company does not have retained assets at December 31, 2021 and 2020.

### **H. Insurance-Linked Securities 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**

(1) Amount of admitted balance that could be realized from an investment vehicle	\$ 205,013,067
(2) Percentage bonds	30 %
(3) Percentage stocks	— %
(4) Percentage mortgage loans	— %
(5) Percentage real estate	— %
(6) Percentage cash and short-term investments	5 %
(7) Percentage derivatives	— %
(8) Percentage other invested assets	65 %

### **22. Events Subsequent**

On February 11, 2022, the Company completed the acquisition of the Medicaid contract held by Paramount Advantage (“Paramount”) to serve Ohio Medicaid enrollees for \$93,300,000. The contract will add approximately 257,000 Medicaid members in the state of Ohio. The Company will begin administering benefits for these members through a transition services agreement with Paramount immediately upon close through the start of the re-imagined Medicaid program, beginning July 1, 2022. This will ensure continuity of care and help individuals maintain access to their preferred providers as they transition to Anthem.

Subsequent events have been considered through February 24, 2022 for the statutory statement issued on February 25, 2022. There were no other events occurring subsequent to December 31, 2021 requiring recognition or disclosure.

## NOTES TO FINANCIAL STATEMENTS

### 23. Reinsurance

#### A. Ceded Reinsurance Report

##### Section 1 - General Interrogatories

(1) Are any of the reinsurers that are listed in Schedule S as non-affiliated owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes ( ) No (X)

If yes, give full details.

(2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled, directly or indirectly, by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

If yes, give full details.

##### Section 2 - Ceded Reinsurance Report - Part A

(1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes ( ) No (X)

If yes, give full details.

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)

If yes, give full details.

##### Section 3 - Ceded Reinsurance Report - Part B

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

(\$2,157,215)

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in

## NOTES TO FINANCIAL STATEMENTS

force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes ( ) No (X)

If yes, give full details.

### **B. Uncollectible Reinsurance**

The Company has no uncollectible reinsurance at December 31, 2021 and 2020.

### **C. Commutation of Ceded Reinsurance**

The Company has not commuted ceded reinsurance during 2021 and 2020.

### **D. Certified Reinsurer Rating Downgraded or Status Subject Revocation**

The Company has no downgraded certified reinsurer ratings or status subject to revocations during 2021 and 2020.

### **E. Reinsurance Credit**

- (1) Not applicable.
- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.

## **24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

- A.** The Company sells accident and health policies for which the premiums vary based on loss experience. The Company estimates retrospective premium adjustments through the review of each retrospectively rated account, comparing the claim development with that anticipated in the policy contracts.
- B.** The Company records accrued retrospective premium as an adjustment to earned premium.
- C.** The amount of net premiums written by the Company at December 31, 2021 and 2020 that were subject to retrospective rating features was \$6,624,626,322 and \$5,955,663,237, respectively, which represented, 94.5% and 94.6%, respectively, of the total net premiums written.
- D.** In accordance with the NAIC SAP, medical loss ratio rebates in accordance with the Federal 2010 Patient Protection and Affordable Care Act and Public Health Service Act (“ACA Act” or “ACA”), are to be reported in accordance with SSAP No. 66 - *Retrospectively Rated Contracts* (“SSAP No. 66”). A retrospectively rated contract is one that has the final policy premium calculated based on the loss experience of the insured during the term of the policy (including loss development after the term of the policy) and the stipulated formula set forth in the policy, or in the case of medical loss ratio rebates, a formula required by law. The Company based the incurred and unpaid liability amounts reported below based on its underwriting experience; actuarial, tax, and accounting estimates and assumptions at the financial statement date; as well as regulations and guidance available that is not final and subject to change prior to settlement. Accordingly, the Company’s use of estimates and assumptions in the preparation of the statutory based

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**NOTES TO FINANCIAL STATEMENTS**

financial statements and related footnote disclosures may differ from actual results. Hence, the amounts reported herein are for financial reporting purposes solely and not intended to be used for settlement purposes.

Medical loss ratio rebates accrued pursuant to the ACA Act are as follows:

	<b>1</b> <b>Individual</b>	<b>2</b> <b>Small Group Employer</b>	<b>3</b> <b>Large Group Employer</b>	<b>4</b> <b>Other Categories with Rebates</b>	<b>5</b> <b>Total</b>
<b>Prior Year Reporting:</b>					
(1) Medical loss ratio rebates incurred	\$ —	\$ 3,135,334	\$ —	\$ —	\$ 3,135,334
(2) Medical loss ratio rebates paid	—	—	—	—	—
(3) Medical loss ratio rebates unpaid	—	3,135,334	—	—	3,135,334
(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	\$ 3,135,334
<b>Current Reporting Year-to-Date</b>					
(7) Medical loss ratio rebates incurred	\$ 3,205,064	\$ 1,087,879	\$ —	\$ —	\$ 4,292,943
(8) Medical loss ratio rebates paid	2,078,201	4,223,213	—	—	6,301,414
(9) Medical loss ratio rebates unpaid	1,126,862	—	—	—	1,126,862
(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	\$ 1,126,862

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NOTES TO FINANCIAL STATEMENTS

**E. Risk-Sharing Provisions of the ACA**

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?	Yes _____
(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	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)	\$ 4,457,604
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$ 84,055
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premiums)	\$ 5,642,171
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ 71,954
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ 85,806
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ —
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	\$ —
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$ —
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$ —
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$ —
6. Liability for amounts held under uninsured plans contributions for ACA Reinsurance	\$ —
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$ —
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ —
9. ACA Reinsurance contributions - not reported as ceded premium	\$ —
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	\$ —
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$ —
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$ —
4. Effect of ACA Risk Corridors on change in reserves for rate credits	\$ —

Line items where the amount is zero is due to no balance and/or no activity as of the reporting date.

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NOTES TO FINANCIAL STATEMENTS

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

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
					Prior Year Accrued Less Payments (Col 1-3)	Prior Year Accrued Less Payments (Col 2-4)	To Prior Year Balances	To Prior Year Balances	Ref	Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	\$ 11,369,480	\$ —	\$ 11,185,016	\$ —	\$ 184,464	\$ —	\$ 989,698	\$ —	A	\$ 1,174,162	\$ —
2. Premium adjustments (payable)	\$ —	\$ 4,939,228	\$ —	\$ 2,846,316	\$ —	\$ 2,092,912	\$ —	\$ (2,086,157)	B	\$ —	\$ 6,755
3. Subtotal ACA Permanent Risk Adjustment Program	\$ 11,369,480	\$ 4,939,228	\$ 11,185,016	\$ 2,846,316	\$ 184,464	\$ 2,092,912	\$ 989,698	\$ (2,086,157)		\$ 1,174,162	\$ 6,755
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	C	\$ —	\$ —
2. Amounts recoverable for claims unpaid (contra liability)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	D	\$ —	\$ —
3. Amounts receivable relating to uninsured plans	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	E	\$ —	\$ —
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	F	\$ —	\$ —
5. Ceded reinsurance premiums payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	G	\$ —	\$ —
6. Liability for amounts held under uninsured plans	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	H	\$ —	\$ —
7. Subtotal ACA Transitional Reinsurance Program	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ —	\$ —
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	I	\$ —	\$ —
2. Reserve for rate credits or policy experience rating refunds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	J	\$ —	\$ —
3. Subtotal ACA Risk Corridors Program	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ —	\$ —
d. Total for ACA Risk Sharing Provisions	\$ 11,369,480	\$ 4,939,228	\$ 11,185,016	\$ 2,846,316	\$ 184,464	\$ 2,092,912	\$ 989,698	\$ (2,086,157)		\$ 1,174,162	\$ 6,755

Explanations of Adjustments

- A Adjustments were made to reflect the ending balance in the Centers for Medicare & Medicaid Services "Summary Report on Permanent Risk Adjustment Transfers for the 2020 Benefit Year."
- B Adjustments were made to reflect the ending balance in the Centers for Medicare & Medicaid Services "Summary Report on Permanent Risk Adjustment Transfers for the 2020 Benefit Year."
- C Not applicable.
- D Not applicable.
- E Not applicable.
- F Not applicable.
- G Not applicable.
- H Not applicable.
- I Not applicable.
- J Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

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

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable (Payable)
a. 2014									A	\$ — \$ —
1. Accrued retrospective premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	A	\$ — \$ —
2. Reserve for rate credits for policy experience rating refunds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	B	\$ — \$ —
b. 2015									C	\$ — \$ —
1. Accrued retrospective premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	C	\$ — \$ —
2. Reserve for rate credits for policy experience rating refunds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	D	\$ — \$ —
c. 2016									E	\$ — \$ —
1. Accrued retrospective premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	E	\$ — \$ —
2. Reserve for rate credits for policy experience rating refunds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	F	\$ — \$ —
d. Total for Risk Corridors	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ — \$ —

Explanations of adjustments

- A Not applicable.
- B Not applicable.
- C Not applicable.
- D Not applicable.
- E Not applicable.
- F Not applicable.

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

(5) ACA Risk Corridors Receivable as of Reporting Date.

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset Balance (Gross of Non-admissions) (1 - 2 - 3)	5 Non-admitted Amount	6 Net Admitted Asset (4 - 5)
a. 2014	\$ 16,037	\$ 67	\$ 15,970	\$ —	\$ —	\$ —
b. 2015	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
c. 2016	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
d. Total (a + b + c)	\$ 16,037	\$ 67	\$ 15,970	\$ —	\$ —	\$ —

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

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

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

A. The estimated cost of claims and claim adjustment expense attributable to insured events of prior years decreased by \$102,439,431 during 2021. This is approximately 13.9% of unpaid claims and claim adjustment expenses of \$734,701,556 as of December 31, 2020. The redundancy reflects the decreases in estimated claims and claims adjustment expenses as a result of claims payment during the year, and as additional information is received regarding claims incurred prior to 2021. Recent claim development trends are also taken into account in evaluating the overall adequacy of unpaid claims and unpaid claim adjustment expense.

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**NOTES TO FINANCIAL STATEMENTS**

**B.** There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses. The impact from COVID-19 on healthcare utilization and medical claims submission patterns has increased estimation uncertainty on our incurred but not reported liability at December 31, 2021. Slowdowns in claims submission patterns and increases in utilization levels for COVID-19 testing and treatment during the fourth quarter of 2021 are the primary factors that lead to the increased estimation uncertainty.

**26. Intercompany Pooling Arrangements**

Not applicable at December 31, 2021 and 2020.

**27. Structured Settlements**

Not applicable at December 31, 2021 and 2020.

**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
12/31/2021	\$ 43,793,115	\$ 106,361,773	\$ 64,764,500	\$ —	\$ —
9/30/2021	\$ 43,751,637	\$ 105,277,452	\$ 93,827,089	\$ —	\$ —
6/30/2021	\$ 8,594,772	\$ 75,700,494	\$ 66,881,620	\$ 8,818,874	\$ —
3/31/2021	\$ 8,531,599	\$ 102,938,361	\$ 94,658,284	\$ 8,280,078	\$ —
12/31/2020	\$ 10,590,042	\$ 88,995,341	\$ 84,963,905	\$ 4,031,436	\$ —
9/30/2020	\$ 11,846,084	\$ 79,401,606	\$ 71,895,716	\$ 7,505,890	\$ —
6/30/2020	\$ 48,141,871	\$ 84,323,127	\$ 71,077,022	\$ 13,246,105	\$ —
3/31/2020	\$ 71,913,150	\$ 64,429,335	\$ 57,460,490	\$ 6,968,845	\$ —
12/31/2019	\$ 70,637,567	\$ 58,754,308	\$ 26,611,643	\$ 25,246	\$ 31,718,836
9/30/2019	\$ 78,116,351	\$ 55,303,091	\$ 29,257,828	\$ 112,667	\$ 31,465,411
6/30/2019	\$ 101,841,936	\$ 70,860,705	\$ 7,966,800	\$ 63,668,441	\$ (891,255)
3/31/2019	\$ 103,278,688	\$ 71,954,583	\$ 7,324,318	\$ 64,665,349	\$ (157,138)

**B. Risk Sharing Receivables**

Not applicable at December 31, 2021 and 2020.

**29. Participating Policies**

Not applicable at December 31, 2021 and 2020.

**30. Premium Deficiency Reserves**

The Company had no liabilities related to premium deficiency reserves as of December 31, 2021 and 2020.

**31. Anticipated Salvage and Subrogation**

The Company took into account estimated anticipated subrogation and other recoveries in its determination of the liability for unpaid claims and reduced the liability by \$9,240,000 and \$13,801,000 at December 31, 2021 and 2020, respectively.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company  
**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES  
 GENERAL**

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....  Yes [ X ]  No [ ]  
 If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? .....  Yes [ X ]  No [ ]  N/A [ ]

1.3 State Regulating? .....  Ohio

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

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. .....  0001156039

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. .....  12/31/2017

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. .....  12/31/2017

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). .....  05/23/2019

3.4 By what department or departments?  
 Ohio Department of Insurance .....

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

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

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
 4.11 sales of new business? .....  Yes [ ]  No [ X ]  
 4.12 renewals? .....  Yes [ ]  No [ X ]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
 4.21 sales of new business? .....  Yes [ ]  No [ X ]  
 4.22 renewals? .....  Yes [ ]  No [ X ]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....  Yes [ ]  No [ X ]  
 If yes, complete and file the merger history data file with the NAIC.

5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....  Yes [ ]  No [ X ]

6.2 If yes, give full information:  
 .....

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

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

1 Nationality	2 Type of Entity
------------------	---------------------

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company**  
**GENERAL INTERROGATORIES**

8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]  
 8.2 If the response to 8.1 is yes, please identify the name of the DIHC.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity? ..... Yes [ ] No [ X ]

8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? ..... Yes [ ] No [ X ] N/A [ ]

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 111 Monument Circle, Suite 4000, Indianapolis, IN 46204

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

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

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

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

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Evan Hagenaars (employee), FSA, MAAA, Director & Actuary I, 11322 Spyglass Ridge Drive, Fishers, IN 46037

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 .....

12.13 Total book/adjusted carrying value ..... \$ .....

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 [ ]

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 [ ]

Yes [ X ] No [ ]

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is No, please explain:

14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company**  
**GENERAL INTERROGATORIES**

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? ..... Yes [ ] No [ X ]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

**BOARD OF DIRECTORS**

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? ..... Yes [ X ] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? ..... Yes [ X ] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict 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.....	\$ .....
20.12 To stockholders not officers.....	\$ .....
20.13 Trustees, supreme or grand (Fraternal Only) .....	\$ .....

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.....	\$ .....
20.22 To stockholders not officers.....	\$ .....
20.23 Trustees, supreme or grand (Fraternal Only) .....	\$ .....

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? ..... Yes [ ] No [ X ]

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

21.21 Rented from others.....	\$ .....
21.22 Borrowed from others.....	\$ .....
21.23 Leased from others .....	\$ .....
21.24 Other .....	\$ .....

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? ..... Yes [ ] No [ X ]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment \$ .....	\$ .....
22.22 Amount paid as expenses .....	\$ .....
22.23 Other amounts paid .....	\$ .....

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ X ] No [ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ ..... 97,894,503

24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? ..... Yes [ ] No [ X ]

24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

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

**INVESTMENT**

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

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company**  
**GENERAL INTERROGATORIES**

25.02 If no, give full and complete information relating thereto

25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
 See Notes 5E, 5L and 17B.

25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. .... \$ 46,810,473

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

25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? .... Yes [ X ] No [ ] N/A [ ]

25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? .... Yes [ X ] No [ ] N/A [ ]

25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? .... Yes [ X ] No [ ] N/A [ ]

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

25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. .... \$ 46,811,057  
 25.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. .... \$ 46,810,473  
 25.093 Total payable for securities lending reported on the liability page. .... \$ 46,810,473

26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). .... Yes [ X ] No [ ]

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

26.21 Subject to repurchase agreements	.... \$
26.22 Subject to reverse repurchase agreements	.... \$
26.23 Subject to dollar repurchase agreements	.... \$
26.24 Subject to reverse dollar repurchase agreements	.... \$
26.25 Placed under option agreements	.... \$
26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	.... \$
26.27 FHLB Capital Stock	.... \$ 5,062,300
26.28 On deposit with states	.... \$ 434,354
26.29 On deposit with other regulatory bodies	.... \$
26.30 Pledged as collateral - excluding collateral pledged to an FHLB	.... \$
26.31 Pledged as collateral to FHLB - including assets backing funding agreements	.... \$ 260,058,536
26.32 Other	.... \$

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	.....	.....

27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? .... Yes [ ] No [ X ]

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

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

27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? .. Yes [ ] No [ ]

27.4 If the response to 27.3 is YES, does the reporting entity utilize:

27.41 Special accounting provision of SSAP No. 108	.... Yes [ ] No [ ]
27.42 Permitted accounting practice	.... Yes [ ] No [ ]
27.43 Other accounting guidance	.... Yes [ ] No [ ]

27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? .... Yes [ ] No [ X ]

28.2 If yes, state the amount thereof at December 31 of the current year. .... \$

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

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase Bank, N.A. ....	383 Madison Ave, New York, NY 10179 ....

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company**  
**GENERAL INTERROGATORIES**

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

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

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
Anthem, Inc. .....	I.....
Bain Capital Credit, LP .....	U.....
BlackRock Financial Management .....	U.....
Loomis, Sayles & Company, LP .....	U.....
PGIM, Inc. .....	U.....
Pacific Investment Management Company .....	U.....

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
134852 .....	Bain Capital Credit, LP .....	WBY05W751L9CPDJW0453 .....	Securities Exchange Commission .....	NO.....
107105 .....	BlackRock Financial Management .....	549300LVXYIVJKE13M84 .....	Securities Exchange Commission .....	NO.....
105377 .....	Loomis, Sayles & Company, LP .....	J1ZPN2RX3UMNOYIDI1313 .....	Securities Exchange Commission .....	NO.....
105676 .....	PGIM, Inc. .....	5PRBR5FEH7NREC80R45 .....	Securities Exchange Commission .....	NO.....
104559 .....	Pacific Investment Management Company .....	549300KGPYQZXGMYYN38 .....	Securities Exchange Commission .....	NO.....

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

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
30.2999 - Total	.....	0

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	.....	.....	.....

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company**  
**GENERAL INTERROGATORIES**

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds .....	1,393,921,951	1,429,434,598	35,512,647
31.2 Preferred stocks .....	2,850	60,325	57,475
31.3 Totals .....	1,393,924,801	1,429,494,923	35,570,122

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

Fair values were obtained from third-party pricing sources. If a security was not priced by a third-party pricing source, internal analytical systems or broker quotes were utilized.

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

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

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

.....

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

33.2 If no, list exceptions:

.....

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

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

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

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? ..... Yes [ ] No [ X ]

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

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company  
**GENERAL INTERROGATORIES**

**OTHER**

38.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....1,610,383

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

1 Name	2 Amount Paid
Blue Cross Blue Shield Association .....	1,610,383

39.1 Amount of payments for legal expenses, if any? .....\$ .....7,583,116

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

1 Name	2 Amount Paid
Omelveny and Myers .....	2,471,115

40.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....138,083

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

1 Name	2 Amount Paid
Government Advocates .....	84,000
Ockerman Consulting .....	54,000

Lobbying expenses disclosed reflect amounts reported in the Lobbyist Disclosure Reports filed with the Secretary of State as well as the cost of external contractors who provided lobbying services to the Company. The amount may include expenses that may have been paid by an affiliate on behalf of the Company and, as a result, may not be included in the Underwriting Gain reported on page 4 of the 2021 Annual Statement.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company  
**GENERAL INTERROGATORIES**

**PART 2 - HEALTH INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force? .....	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]
1.2	If yes, indicate premium earned on U.S. business only. ....	\$ <input type="text"/> 159,689,005
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ....	\$ <input type="text"/>
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 .....	\$ <input type="text"/>
1.5	Indicate total incurred claims on all Medicare Supplement Insurance. ....	\$ <input type="text"/> 117,107,877
1.6	Individual policies:	.....
	Most current three years:	.....
	1.61 Total premium earned .....	\$ <input type="text"/> 57,139,358
	1.62 Total incurred claims .....	\$ <input type="text"/> 46,229,210
	1.63 Number of covered lives .....	..... 29,160
	All years prior to most current three years:	.....
	1.64 Total premium earned .....	\$ <input type="text"/> 72,784,463
	1.65 Total incurred claims .....	\$ <input type="text"/> 47,272,607
	1.66 Number of covered lives .....	..... 31,248
1.7	Group policies:	.....
	Most current three years:	.....
	1.71 Total premium earned .....	\$ <input type="text"/> 0
	1.72 Total incurred claims .....	\$ <input type="text"/> 0
	1.73 Number of covered lives .....	..... 0
	All years prior to most current three years:	.....
	1.74 Total premium earned .....	\$ <input type="text"/> 29,765,182
	1.75 Total incurred claims .....	\$ <input type="text"/> 23,606,060
	1.76 Number of covered lives .....	..... 9,794
2.	Health Test:	.....
	1 Current Year	2 Prior Year
2.1	Premium Numerator .....	7,009,075,094 .....
2.2	Premium Denominator .....	7,009,075,094 .....
2.3	Premium Ratio (2.1/2.2) .....	1.000 .....
2.4	Reserve Numerator .....	780,930,989 .....
2.5	Reserve Denominator .....	780,930,989 .....
2.6	Reserve Ratio (2.4/2.5) .....	1.000 .....
3.1	Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? .....	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]
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 [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]
4.2	If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? .....	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ]
5.1	Does the reporting entity have stop-loss reinsurance? .....	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]
5.2	If no, explain: Anthem has the ability to cover costs for the entity as needed. ....	.....
5.3	Maximum retained risk (see instructions)	.....
	5.31 Comprehensive Medical .....	\$ <input type="text"/>
	5.32 Medical Only .....	\$ <input type="text"/>
	5.33 Medicare Supplement .....	\$ <input type="text"/>
	5.34 Dental & Vision .....	\$ <input type="text"/>
	5.35 Other Limited Benefit Plan .....	\$ <input type="text"/>
	5.36 Other .....	\$ <input type="text"/>
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: If the Company becomes insolvent, Anthem, Inc. has agreed to the full extent of its assets, to assume all contractual and financial obligations of the Company. The Company's provider contracts include insolvency provisions, continuity of care provisions, and hold harmless language. Benefit certificates include continuation language allowing subscribers and dependents to continue under certain circumstances. ....	.....
7.1	Does the reporting entity set up its claim liability for provider services on a service date basis?.....	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]
7.2	If no, give details	.....
8.	Provide the following information regarding participating providers:	.....
	8.1 Number of providers at start of reporting year .....	..... 82,415
	8.2 Number of providers at end of reporting year .....	..... 86,823
9.1	Does the reporting entity have business subject to premium rate guarantees? .....	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]
9.2	If yes, direct premium earned:	.....
	9.21 Business with rate guarantees between 15-36 months..\$ .....	..... 199,673,767
	9.22 Business with rate guarantees over 36 months ..\$ .....	..... 14,389,763

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

## **GENERAL INTERROGATORIES**

10.1	Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? .....	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]																	
10.2	If yes:	10.21 Maximum amount payable bonuses..... \$ ..... 47,637,271 10.22 Amount actually paid for year bonuses..... \$ ..... 118,319,541 10.23 Maximum amount payable withholds..... \$ ..... 10.24 Amount actually paid for year withholds..... \$ .....																	
11.1	Is the reporting entity organized as:	11.12 A Medical Group/Staff Model, ..... Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] 11.13 An Individual Practice Association (IPA), or, .. Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] 11.14 A Mixed Model (combination of above)? ..... Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]																	
11.2	Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? .....	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]																	
11.3	If yes, show the name of the state requiring such minimum capital and surplus. ....	Ohio																	
11.4	If yes, show the amount required. ....	\$ ..... 2,500,000																	
11.5	Is this amount included as part of a contingency reserve in stockholder's equity? .....	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]																	
11.6	If the amount is calculated, show the calculation	.....																	
12.	List service areas in which reporting entity is licensed to operate:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 5px;">1 Name of Service Area</td> </tr> <tr> <td style="padding: 5px;">State of Ohio .....</td> </tr> <tr> <td style="padding: 5px;">State of Indiana .....</td> </tr> </table>	1 Name of Service Area	State of Ohio .....	State of Indiana .....														
1 Name of Service Area																			
State of Ohio .....																			
State of Indiana .....																			
13.1	Do you act as a custodian for health savings accounts? .....	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]																	
13.2	If yes, please provide the amount of custodial funds held as of the reporting date. ....	\$ .....																	
13.3	Do you act as an administrator for health savings accounts? .....	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]																	
13.4	If yes, please provide the balance of funds administered as of the reporting date. ....	\$ .....																	
14.1	Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? .....	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] N/A [ <input checked="" type="checkbox"/> ]																	
14.2	If the answer to 14.1 is yes, please provide the following:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center; padding: 5px;">1 Company Name</th> <th rowspan="2" style="text-align: center; padding: 5px;">2 NAIC Company Code</th> <th rowspan="2" style="text-align: center; padding: 5px;">3 Domiciliary Jurisdiction</th> <th rowspan="2" style="text-align: center; padding: 5px;">4 Reserve Credit</th> <th colspan="3" style="text-align: center; padding: 5px;">Assets Supporting Reserve Credit</th> </tr> <tr> <th style="text-align: center; padding: 5px;">5 Letters of Credit</th> <th style="text-align: center; padding: 5px;">6 Trust Agreements</th> <th style="text-align: center; padding: 5px;">7 Other</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">.....</td> </tr> </tbody> </table>	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	.....	.....	.....	.....	.....	.....	.....
1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction					4 Reserve Credit	Assets Supporting Reserve Credit											
			5 Letters of Credit	6 Trust Agreements	7 Other														
.....	.....	.....	.....	.....	.....	.....													
15.	Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):	15.1 Direct Premium Written ..... \$ ..... 15.2 Total Incurred Claims ..... \$ ..... 15.3 Number of Covered Lives .....																	
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 5px;">*Ordinary Life Insurance Includes</td> </tr> <tr> <td style="padding: 5px;">Term (whether full underwriting, limited underwriting, jet issue, "short form app")</td> </tr> <tr> <td style="padding: 5px;">Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")</td> </tr> <tr> <td style="padding: 5px;">Variable Life (with or without secondary guarantee)</td> </tr> <tr> <td style="padding: 5px;">Universal Life (with or without secondary guarantee)</td> </tr> <tr> <td style="padding: 5px;">Variable Universal Life (with or without secondary guarantee)</td> </tr> </table>			*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)										
*Ordinary Life Insurance Includes																			
Term (whether full underwriting, limited underwriting, jet issue, "short form app")																			
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Variable Life (with or without secondary guarantee)																			
Universal Life (with or without secondary guarantee)																			
Variable Universal Life (with or without secondary guarantee)																			
16.	Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? .....	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]																	
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 [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ]																	

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company**  
**FIVE-YEAR HISTORICAL DATA**

	1 2021	2 2020	3 2019	4 2018	5 2017
<b>Balance Sheet (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28)	2,354,905,400	2,054,011,521	1,926,325,358	1,812,303,254	1,990,383,823
2. Total liabilities (Page 3, Line 24)	1,349,982,698	1,203,107,333	1,152,587,268	1,010,122,090	1,160,408,378
3. Statutory minimum capital and surplus requirement	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
4. Total capital and surplus (Page 3, Line 33)	1,004,922,702	850,904,188	773,738,090	802,181,164	829,975,445
<b>Income Statement (Page 4)</b>					
5. Total revenues (Line 8)	7,379,553,203	6,568,884,001	5,951,517,993	5,398,359,574	5,714,239,382
6. Total medical and hospital expenses (Line 18)	6,372,968,211	5,507,058,132	5,028,201,662	4,460,443,424	4,844,936,342
7. Claims adjustment expenses (Line 20)	224,128,777	215,946,654	188,532,867	124,988,263	123,219,036
8. Total administrative expenses (Line 21)	438,124,490	621,144,326	349,897,239	410,096,786	327,205,978
9. Net underwriting gain (loss) (Line 24)	346,322,537	226,608,730	386,545,926	400,190,812	423,533,893
10. Net investment gain (loss) (Line 27)	39,507,155	34,148,387	40,755,251	95,875,283	79,653,788
11. Total other income (Lines 28 plus 29)	14,401,211	11,313,464	16,397,540	2,123,183	1,367,482
12. Net income or (loss) (Line 32)	319,740,524	175,040,427	352,244,072	386,618,759	348,557,354
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11)	105,578,514	431,357,414	434,773,942	295,209,280	330,336,438
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital	1,004,922,702	850,904,188	773,738,090	802,181,164	829,975,445
15. Authorized control level risk-based capital	267,712,803	232,544,489	211,147,238	185,337,282	190,927,970
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7)	2,319,841	2,200,781	2,065,570	1,958,586	2,034,466
17. Total members months (Column 6, Line 7)	27,569,562	26,301,882	24,747,790	23,543,428	24,315,451
<b>Operating Percentage (Page 4)</b> (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	86.4	83.8	84.5	82.6	84.8
20. Cost containment expenses	1.9	1.9	2.0	1.3	1.2
21. Other claims adjustment expenses	1.1	1.4	1.1	1.0	0.9
22. Total underwriting deductions (Line 23)	95.3	96.6	93.5	92.6	92.6
23. Total underwriting gain (loss) (Line 24)	4.7	3.4	6.5	7.4	7.4
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	589,722,232	495,805,992	443,794,988	446,643,094	485,896,042
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	718,598,435	524,770,166	462,317,829	541,836,779	535,396,304
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	10,016,993	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	10,016,993	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above	0	0	0	0	0

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**

States, etc.	1 Active Status (a)	Direct Business Only								
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums & Other Considerations	8 Property/ Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit-Type Contracts
1. Alabama .....	AL	N							0	
2. Alaska .....	AK	N							0	
3. Arizona .....	AZ	N							0	
4. Arkansas .....	AR	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	L	5,046,903						5,046,903	
16. Iowa .....	IA	N							0	
17. Kansas .....	KS	N							0	
18. Kentucky .....	KY	N							0	
19. Louisiana .....	LA	N							0	
20. Maine .....	ME	N							0	
21. Maryland .....	MD	N							0	
22. Massachusetts .....	MA	N							0	
23. Michigan .....	MI	N							0	
24. Minnesota .....	MN	N							0	
25. Mississippi .....	MS	N							0	
26. Missouri .....	MO	N							0	
27. Montana .....	MT	N							0	
28. Nebraska .....	NE	N							0	
29. Nevada .....	NV	N							0	
30. New Hampshire .....	NH	N							0	
31. New Jersey .....	NJ	N							0	
32. New Mexico .....	NM	N							0	
33. New York .....	NY	N							0	
34. North Carolina .....	NC	N							0	
35. North Dakota .....	ND	N							0	
36. Ohio .....	OH	L	2,850,314,770	3,183,625,379			1,330,607,997		7,364,548,146	
37. Oklahoma .....	OK	N							0	
38. Oregon .....	OR	N							0	
39. Pennsylvania .....	PA	N							0	
40. Rhode Island .....	RI	N							0	
41. South Carolina .....	SC	N							0	
42. South Dakota .....	SD	N							0	
43. Tennessee .....	TN	N							0	
44. Texas .....	TX	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 Aliens .....	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal .....		XXX	2,855,361,673	3,183,625,379			1,330,607,997		7,369,595,049	
60. Reporting Entity Contributions for Employee Benefit Plans .....		XXX							0	
61. Totals (Direct Business)		XXX	2,855,361,673	3,183,625,379	0	0	1,330,607,997	0	7,369,595,049	0
DETAILS OF WRITE-INS										
58001.		XXX								
58002.		XXX								
58003.		XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page .....		XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)		XXX	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.

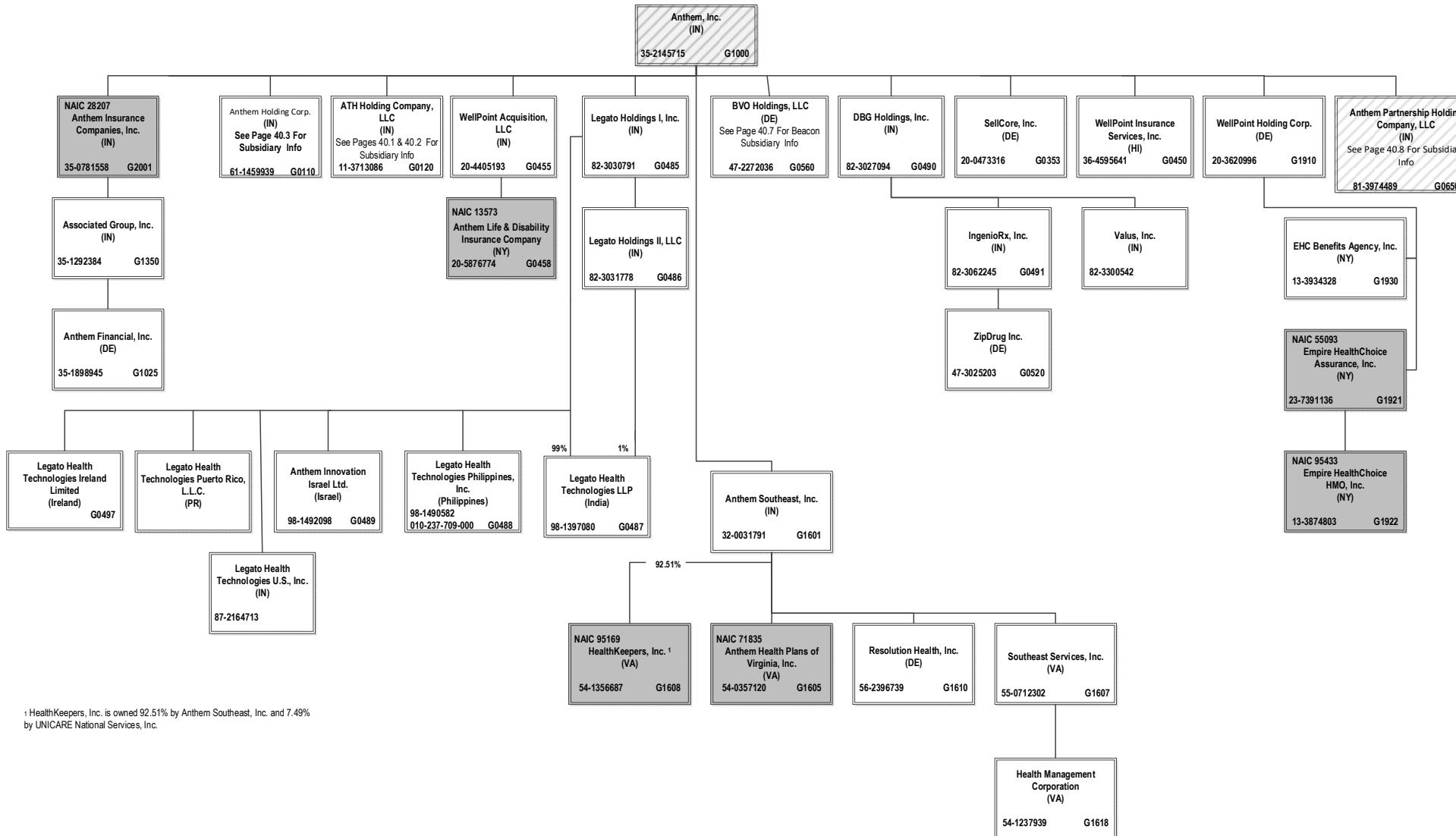
Not applicable

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

## PART 1 – ORGANIZATIONAL CHART

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee

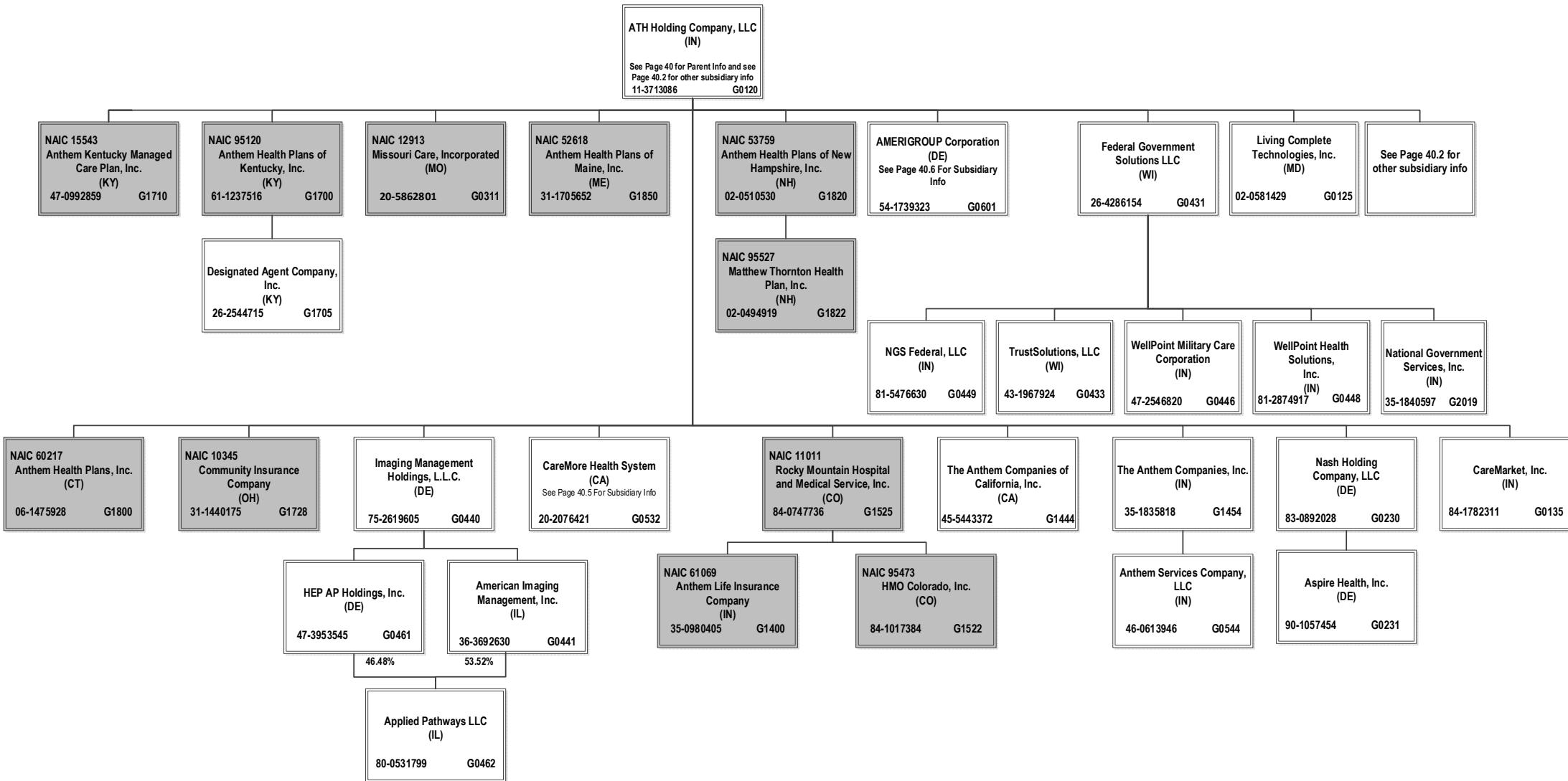


ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
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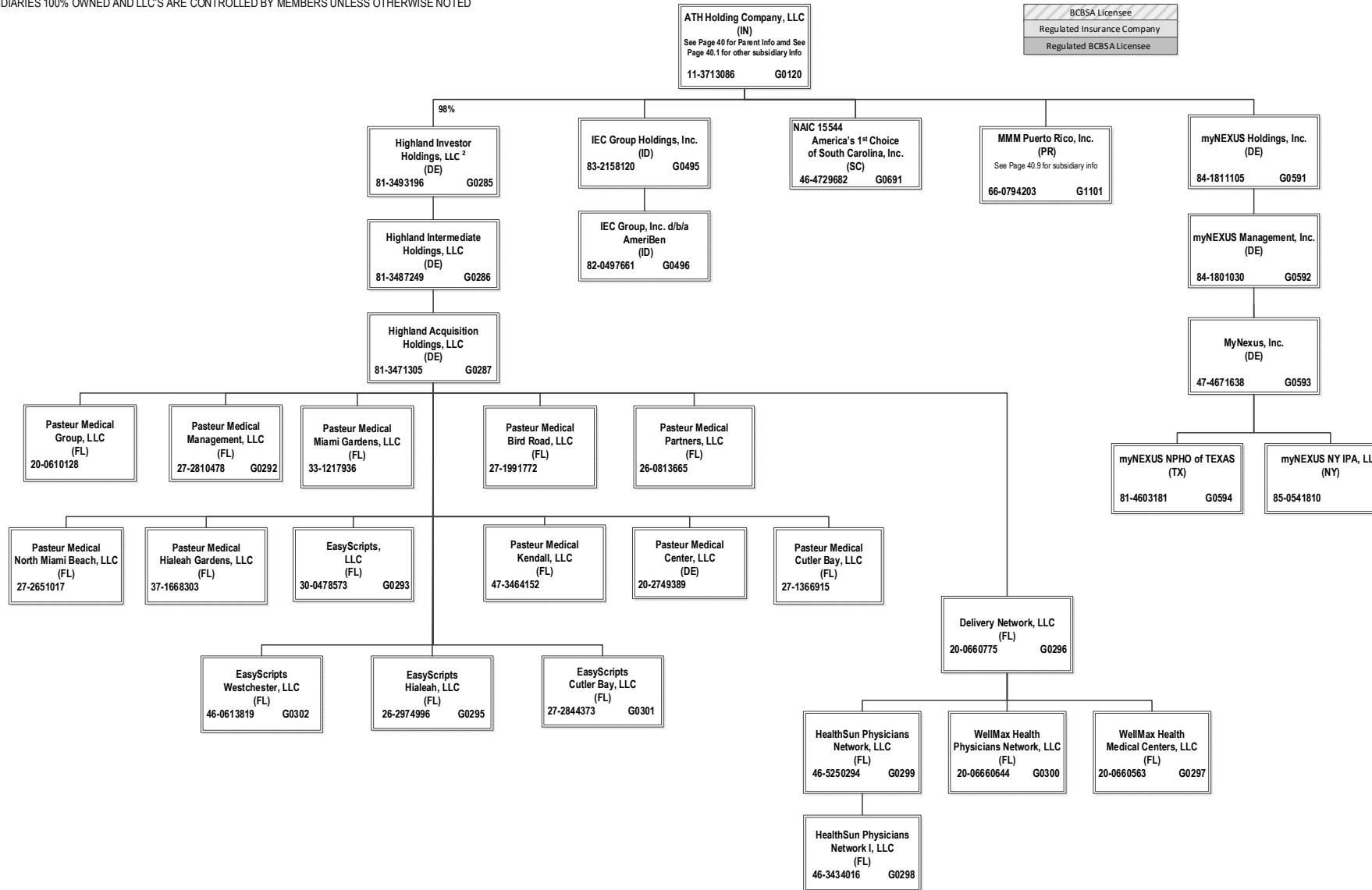
BCBSA Licensee
Regulated Insurance Company
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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

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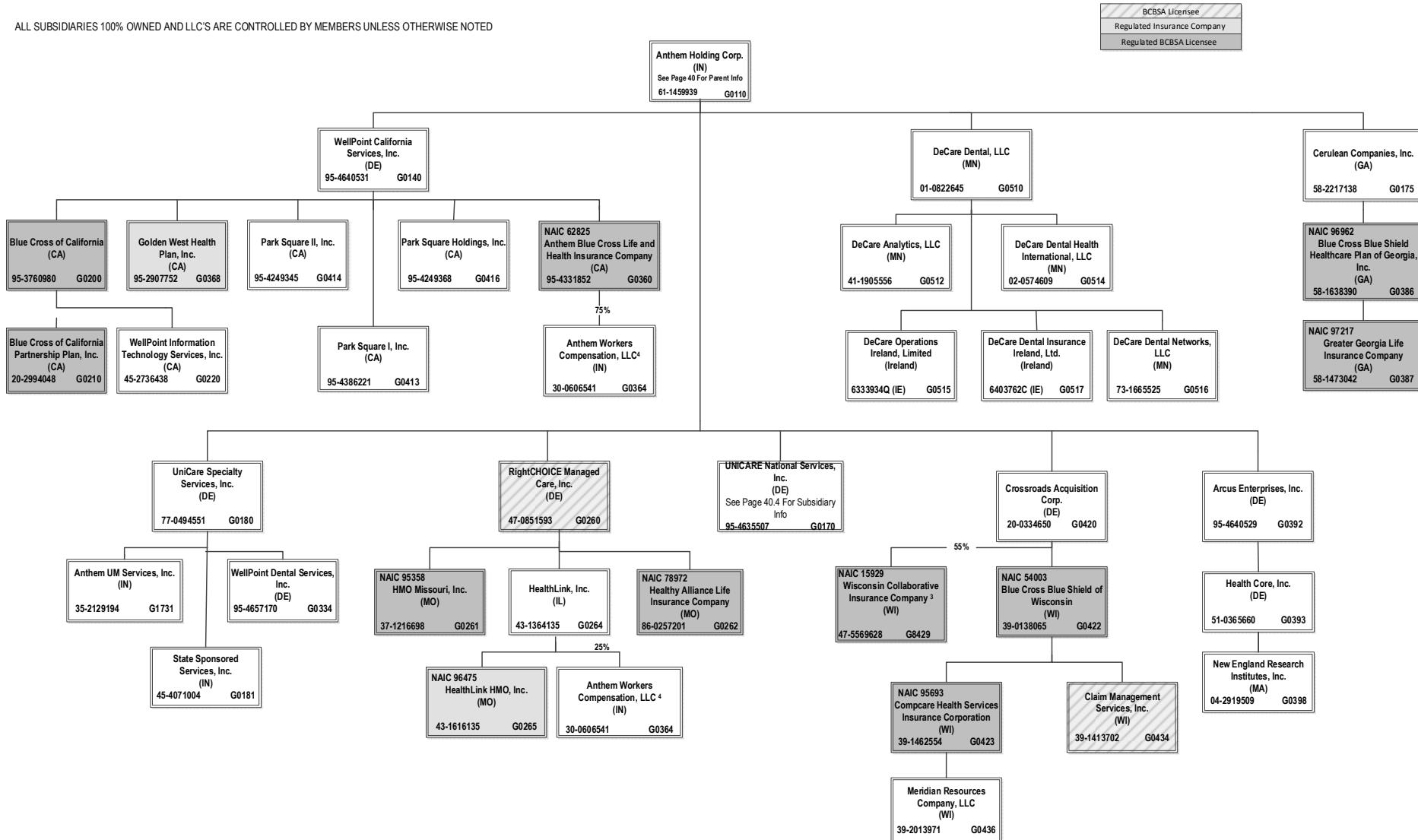


<sup>2</sup>ATH Holding Company, LLC holds a 98% interest in Highland Investor Holdings, LLC, and Amerigroup Corporation holds the remaining 2% interest.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

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<sup>3</sup> Wisconsin Collaborative Insurance Company is a joint venture 55% owned by Crossroads Acquisition Corp. and 45% owned by Aurora Health Care, Inc. (non-affiliate). Not consolidated for accounting purposes.

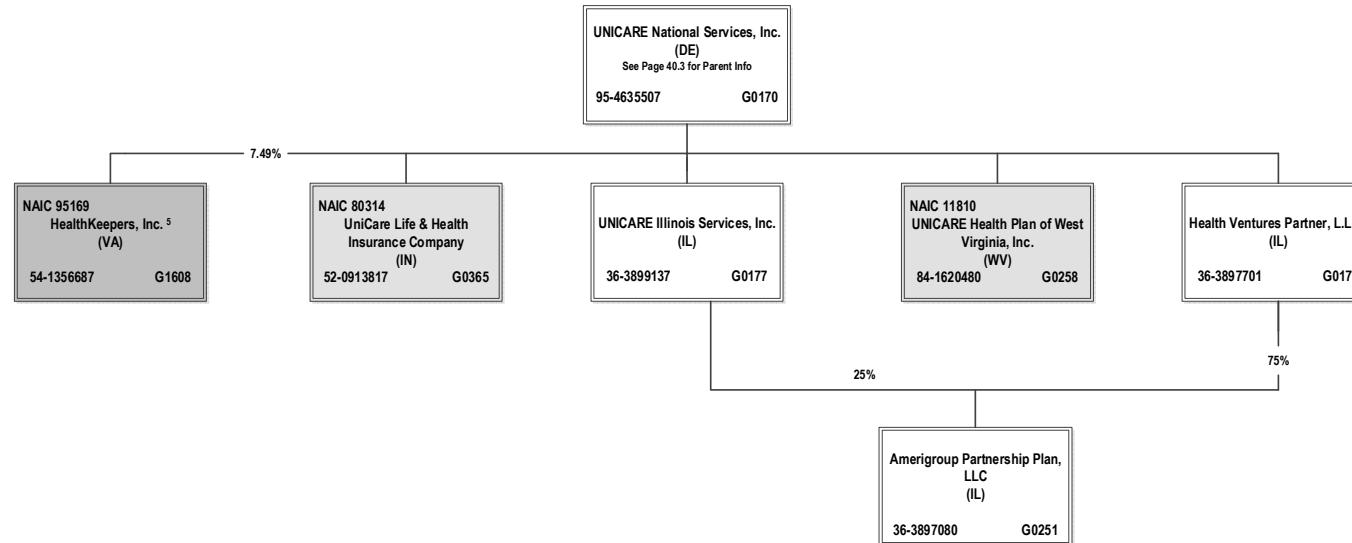
<sup>4</sup> Anthem Workers' Compensation, LLC is owned 75% by Anthem Blue Cross Life and Health Insurance Company and 25% by HealthLink, Inc.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

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BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee



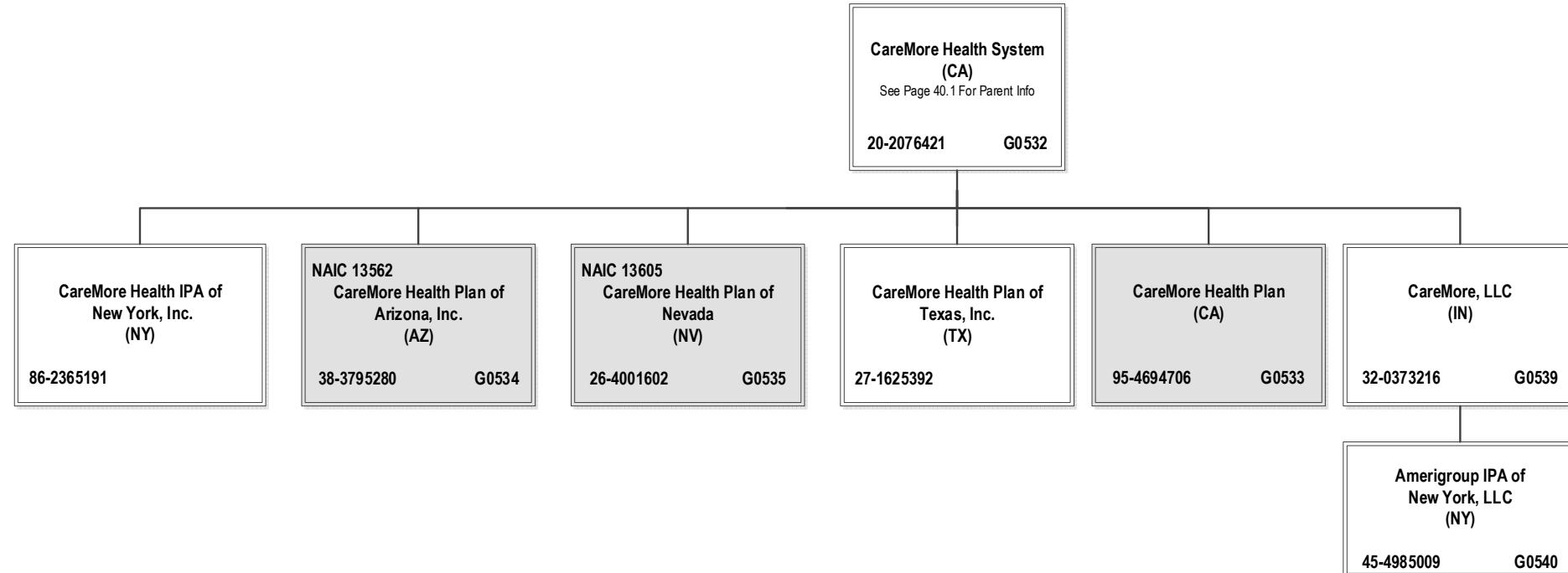
<sup>5</sup> HealthKeepers, Inc. is owned 92.51% by Anthem Southeast, Inc. and 7.49% by UNICARE National Services, Inc.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

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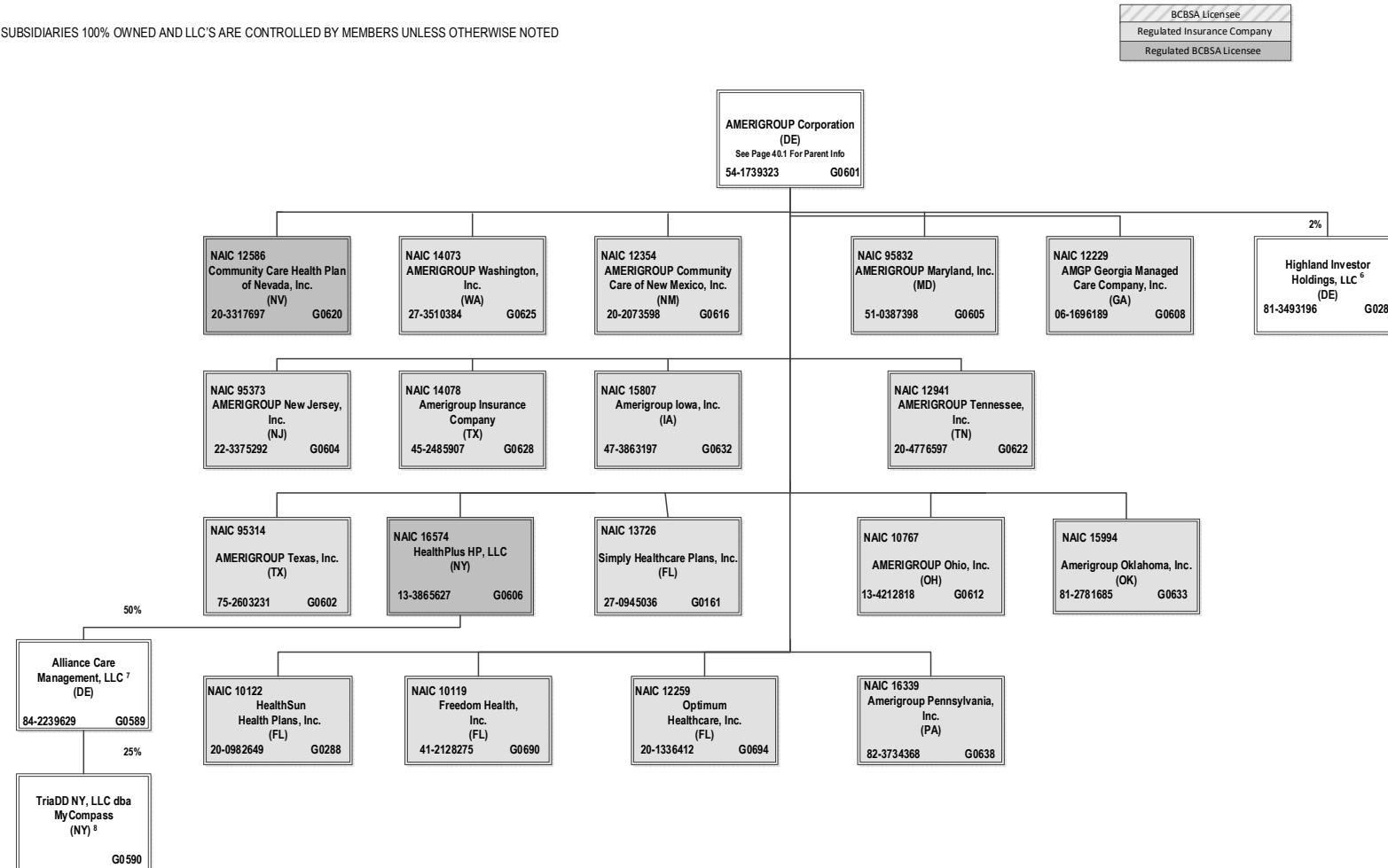
BCBSA Licensee
Regulated Insurance Company
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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

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<sup>6</sup> Amerigroup Corporation holds a 2% interest in Highland Investor Holdings, LLC, and ATH Holding Company, LLC holds the remaining 98% interest.

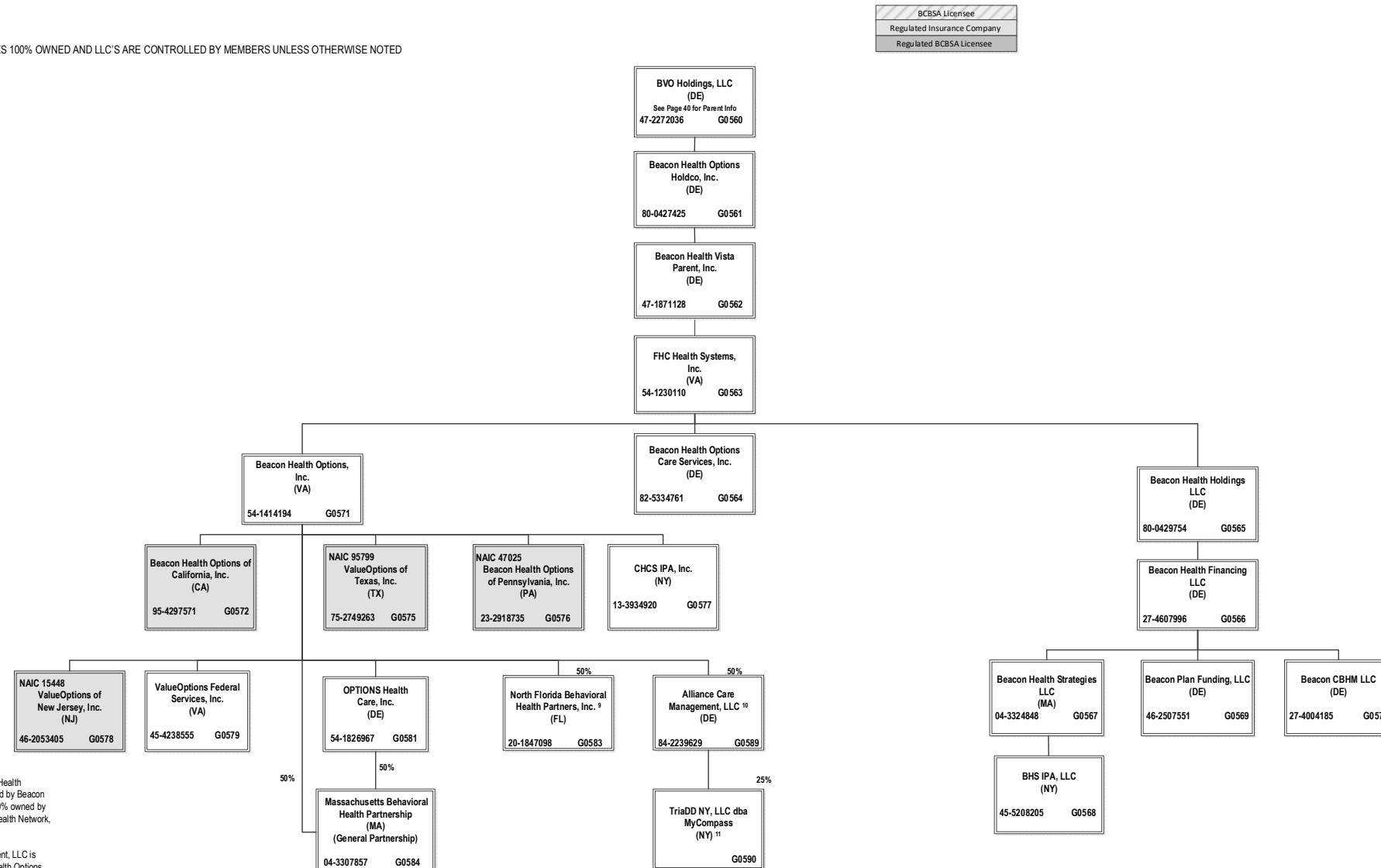
<sup>7</sup> Alliance Care Management, LLC is 50% owned by Beacon Health Options, Inc. and 50% owned by HealthPlus HP, LLC.

<sup>8</sup> TriADD NY, LLC dba MyCompass is 25% owned by Alliance Care Management, LLC and the remaining 75% interest is owned by unaffiliated investors.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

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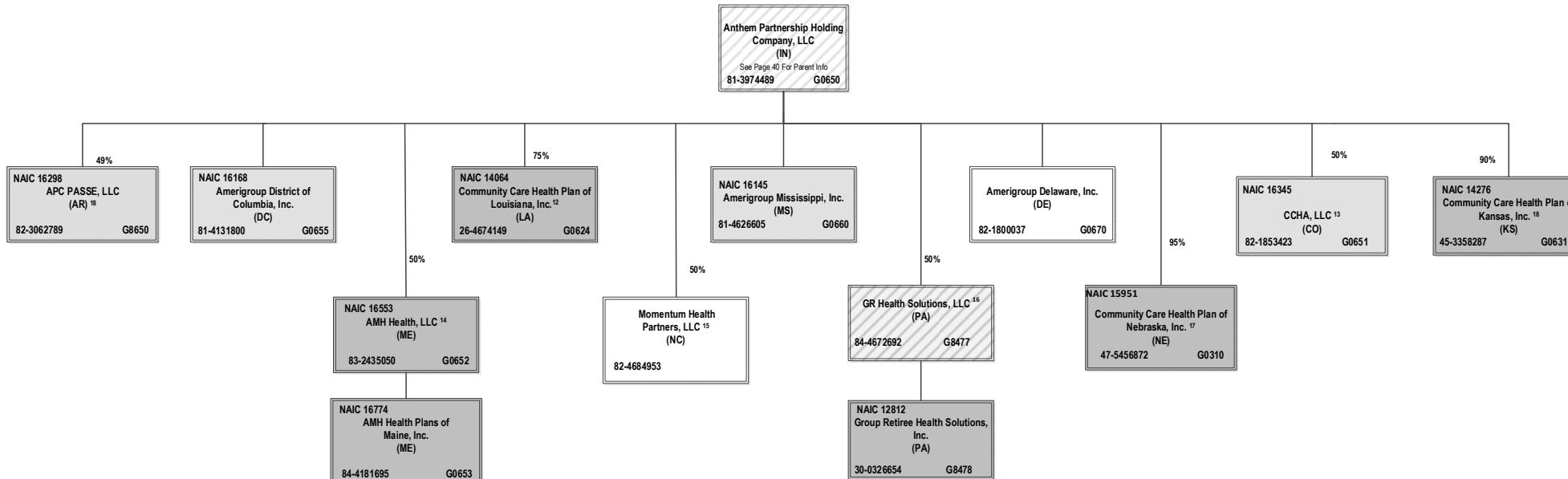


ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

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BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee



<sup>12</sup> Community Care Health Plan of Louisiana, Inc. is a joint venture 75% owned by Anthem Partnership Holding Company, LLC and 25% owned by Louisiana Health Service & Indemnity Company d/b/a Blue Cross and Blue Shield of Louisiana (non-affiliate)

<sup>13</sup> CCHA, LLC is a joint venture 50% owned by Anthem Partnership Holding Company, LLC and 50% owned by Colorado Community Health Alliance, LLC (non-affiliate)

<sup>14</sup> AMH Health, LLC is a joint venture 50% owned by MaineHealth (non-affiliate) and 50% owned by Anthem Partnership Holding Company, LLC

<sup>15</sup> Momentum Health Partners, LLC is a joint venture 50% owned by Anthem Partnership Holding Company, LLC and 50% owned by Blue Cross and Blue Shield of North Carolina (non-affiliate)

<sup>16</sup> GR Health Solutions, LLC is a joint venture 50% owned by Anthem Partnership Holding Company, LLC and 50% owned by Independence Blue Cross, LLC (non-affiliate)

<sup>17</sup> Community Care Health Plan of Nebraska, Inc. is a joint venture 95% owned by Anthem Partnership Holding Company, LLC and 5% owned by Blue Cross and Blue Shield of Nebraska, Inc. (non-affiliate).

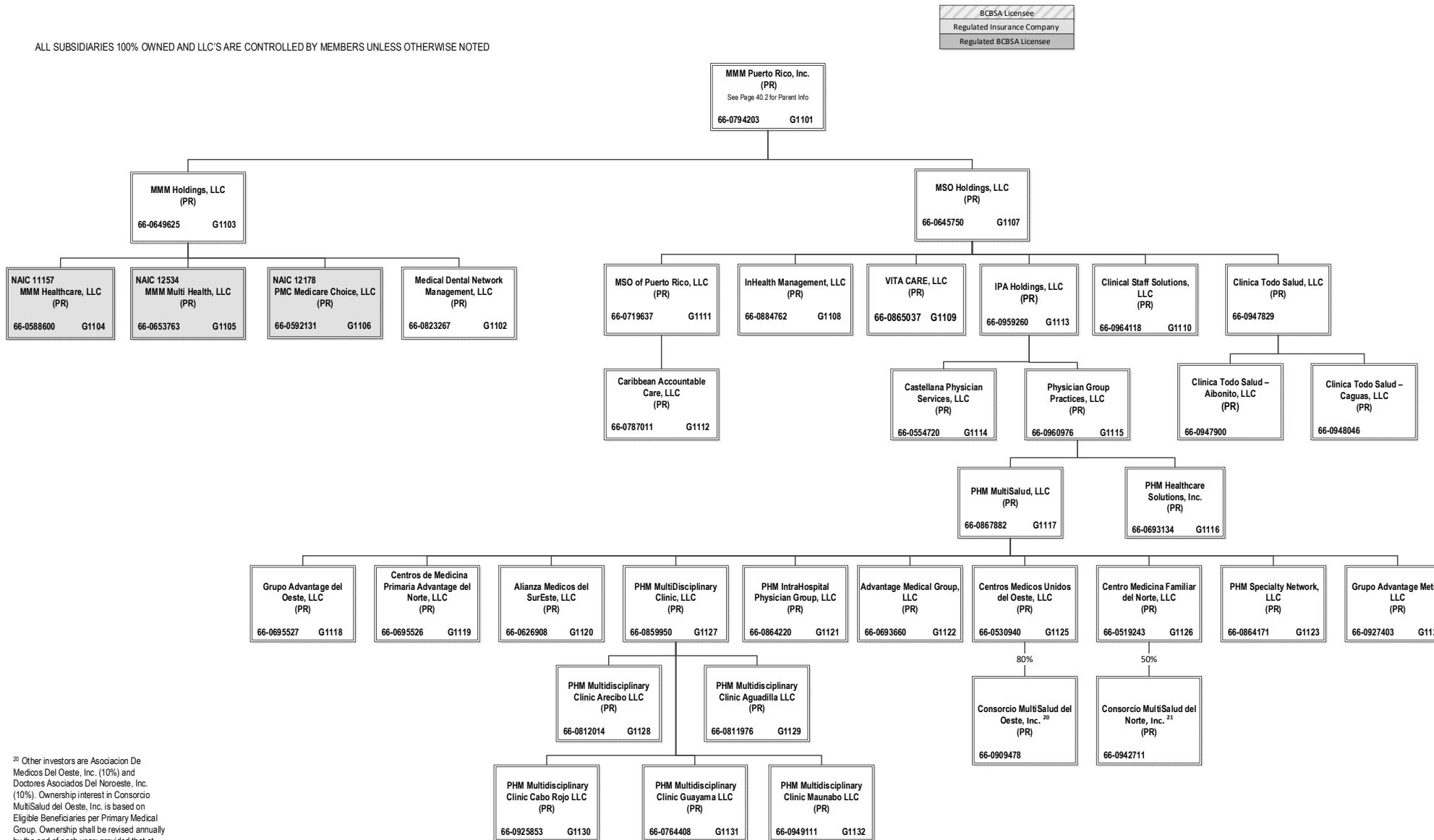
<sup>18</sup> APC PASSE, LLC (regulated entity) is a joint venture 49% owned by Anthem Partnership Holding Company, LLC and 51% owned by Arkansas Provider Coalition, LLC (non-affiliate).

<sup>19</sup> Community Care Health Plan of Kansas, Inc. is a joint venture 90% owned by Anthem Partnership Holding Company, LLC, 5% owned by Blue Cross and Blue Shield of Kansas (non-affiliate) and 5% owned by Blue Cross and Blue Shield of Kansas City (non-affiliate).

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company

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

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED



<sup>20</sup> Other investors are Asociacion De Medicos Del Oeste, Inc. (10%) and Doctores Asociados Del Noroeste, Inc. (10%). Ownership interest in Consorcio MultiSalud del Oeste, Inc. is based on Eligible Beneficiaries per Primary Medical Group. Ownership shall be revised annually by the end of each year; provided that at least 10% shall remain with each PMG.

<sup>21</sup> Other 50% owned by ACO del Norte, LLC (non-affiliate)

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Community Insurance Company  
**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
2504. FEP assets held by agents .....	0		0	12,304,359
2505. Premium tax credits .....			0	1,337,345
2506. Prepaid expenses .....	16,071,256	16,071,256	0	0
2597. Summary of remaining write-ins for Line 25 from overflow page	16,071,256	16,071,256	0	13,641,704