



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

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

Healthcare Underwriters Group, Inc.

NAIC Group Code 1154 1154 NAIC Company Code 12233 Employer's ID Number 74-3129288
(Current) (Prior)

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

Incorporated/Organized 11/30/2004 Commenced Business 12/14/2004

Statutory Home Office 155 East Broad Street, Suite 300, Columbus, OH, US 43215-3606
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office One Financial Center, 13th Floor
(Street and Number)
Boston, MA, US 02111-2821 617-330-1755
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address One Financial Center, 13th Floor, Boston, MA, US 02111-2821
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records One Financial Center, 13th Floor
(Street and Number)
Boston, MA, US 02111-2821 617-330-1755
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.coverys.com

Statutory Statement Contact Michael Richard Gabree 617-428-9888
(Name) (Area Code) (Telephone Number)
mgabree@coverys.com 617-528-0384
(E-mail Address) (FAX Number)

OFFICERS

Chief Executive Officer & President, Chair Joseph Gerard Murphy # General Counsel & Secretary Erin Brennan Bagley
Chief Financial Officer & Treasurer Todd Colin Mills # Vice President Margaret Claire Bronneck #

OTHER

Michael Wesley Miller #, Vice President

DIRECTORS OR TRUSTEES

Joseph Gerard Murphy Todd Colin Mills Erin Brennan Bagley
Margaret Claire Bronneck # Michael Wesley Miller #

State of Massachusetts SS
County of Suffolk

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.

Joseph M. Murphy

Joseph Gerard Murphy
Chief Executive Officer & President, Chair

T Mills

Todd Colin Mills
Chief Financial Officer & Treasurer

Erin B. Bagley

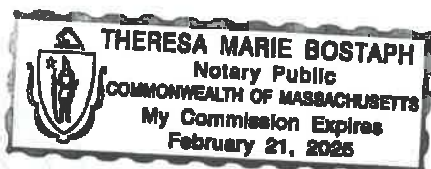
Erin Brennan Bagley
General Counsel & Secretary

Subscribed and sworn to before me this 25th day of February, 2022

Theresa Marie Bostaph

Theresa Marie Bostaph
Notary Public
February 21, 2025

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



ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	9,215,610		9,215,610	9,214,490
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$3,156,695 , Schedule E - Part 1), cash equivalents (\$1,192,720 , Schedule E - Part 2) and short-term investments (\$0 , Schedule DA)	4,349,415		4,349,415	5,195,862
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)			0	0
9. Receivable for securities	0		0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	13,565,025	0	13,565,025	14,410,352
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	67,919	0	67,919	73,087
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	3,688	2,416	1,272	29,450
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	(159,572)
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	16,924		16,924	16,085
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	2,346,594	0	2,346,594	584,959
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	0	0	0	748
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	16,000,150	2,416	15,997,734	14,955,109
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	16,000,150	2,416	15,997,734	14,955,109
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
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. Miscellaneous Assets			0	748
2502.			0	0
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	748

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Healthcare Underwriters Group Inc.

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	0	
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	0	
4. Commissions payable, contingent commissions and other similar charges	305	108
5. Other expenses (excluding taxes, licenses and fees)	617	
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	(6,595)	(121,505)
7.1 Current federal and foreign income taxes (including \$(7,673) on realized capital gains (losses))		
7.2 Net deferred tax liability	100,376	114,779
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$0 and including warranty reserves of \$0 and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)		0
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	0	5,766
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	0	0
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$0 certified) (Schedule F, Part 3, Column 78)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		3,731
20. Derivatives	0	0
21. Payable for securities	688,776	
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	218	15,782
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	783,696	18,661
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	783,696	18,661
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	8,186,047	8,186,047
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	
34. Gross paid in and contributed surplus	6,042,044	6,042,044
35. Unassigned funds (surplus)	985,948	708,357
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	15,214,039	14,936,448
38. TOTALS (Page 2, Line 28, Col. 3)	15,997,735	14,955,109
DETAILS OF WRITE-INS		
2501. Miscellaneous Liabilities	218	15,782
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	218	15,782
2901.		0
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	0	0
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	0	0
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	0	
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	0	
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	0	0
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	0	0
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	284,819	395,757
10. Net realized capital gains or (losses) less capital gains tax of \$ (86) (Exhibit of Capital Gains (Losses))	35,208	369,718
11. Net investment gain (loss) (Lines 9 + 10)	320,027	765,475
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)	0	(32,008)
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income	0	(31,142)
15. Total other income (Lines 12 through 14)	0	(63,150)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	320,027	702,324
17. Dividends to policyholders		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	320,027	702,324
19. Federal and foreign income taxes incurred	77,444	(25,549)
20. Net income (Line 18 minus Line 19)(to Line 22)	242,583	727,873
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	14,936,448	24,228,091
22. Net income (from Line 20)	242,583	727,873
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$		
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	14,403	(30,838)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	20,605	11,323
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in	0	(9,412,628)
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		(587,372)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	277,591	(9,291,643)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	15,214,039	14,936,448
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)	0	0
1401. Miscellaneous Income (Expense)		(31,142)
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	(31,142)
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	42,016	(2,637,458)
2. Net investment income	305,004	466,948
3. Miscellaneous income	0	(63,150)
4. Total (Lines 1 through 3)	347,020	(2,233,661)
5. Benefit and loss related payments	159,572	(3,008,063)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	(115,724)	533,164
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$7,587 tax on capital gains (losses)	78,197	42,825
10. Total (Lines 5 through 9)	122,045	(2,432,074)
11. Net cash from operations (Line 4 minus Line 10)	224,975	198,413
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,856,474	10,236,425
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	688,776	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,545,250	10,236,425
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,837,489	550,040
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,837,489	550,040
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)	707,761	9,686,385
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	(9,412,628)
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	587,372
16.6 Other cash provided (applied)	(1,779,183)	(1,092,249)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,779,183)	(11,092,249)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(846,446)	(1,207,451)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	5,195,862	6,403,313
19.2 End of period (Line 18 plus Line 19.1)	4,349,416	5,195,862

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

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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	0			0
2.	Allied lines	0			0
3.	Farmowners multiple peril	0			0
4.	Homeowners multiple peril	0			0
5.	Commercial multiple peril	0			0
6.	Mortgage guaranty	0			0
8.	Ocean marine	0			0
9.	Inland marine	0			0
10.	Financial guaranty	0			0
11.1	Medical professional liability - occurrence	0	0		0
11.2	Medical professional liability - claims-made	0	0		0
12.	Earthquake	0			0
13.	Group accident and health	0			0
14.	Credit accident and health (group and individual)	0			0
15.	Other accident and health	0			0
16.	Workers' compensation	0			0
17.1	Other liability - occurrence	0			0
17.2	Other liability - claims-made	0	0		0
17.3	Excess workers' compensation	0			0
18.1	Products liability - occurrence				0
18.2	Products liability - claims-made				0
19.1, 19.2	Private passenger auto liability	0			0
19.3, 19.4	Commercial auto liability	0			0
21.	Auto physical damage	0			0
22.	Aircraft (all perils)	0			0
23.	Fidelity	0			0
24.	Surety	0			0
26.	Burglary and theft	0			0
27.	Boiler and machinery	0			0
28.	Credit	0			0
29.	International	0			0
30.	Warranty	0			0
31.	Reinsurance - nonproportional assumed property				0
32.	Reinsurance - nonproportional assumed liability				0
33.	Reinsurance - nonproportional assumed financial lines				0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	0	0	0	0
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire					0
2.	Allied lines					0
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril					0
5.	Commercial multiple peril					0
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine					0
10.	Financial guaranty					0
11.1	Medical professional liability - occurrence					0
11.2	Medical professional liability - claims-made					0
12.	Earthquake					0
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation					0
17.1	Other liability - occurrence					0
17.2	Other liability - claims-made					0
17.3	Excess workers' compensation					0
18.1	Products liability - occurrence					0
18.2	Products liability - claims-made					0
19.1, 19.2	Private passenger auto liability					0
19.3, 19.4	Commercial auto liability					0
21.	Auto physical damage					0
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft					0
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance - nonproportional assumed property					0
32.	Reinsurance - nonproportional assumed liability					0
33.	Reinsurance - nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	0	0	0	0	0
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					0
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case Prorata based on days unearned

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1	Reinsurance Assumed		Reinsurance Ceded		6
		Direct Business (a)	2	3	4	5	Net Premiums Written Cols. 1+2+3-4-5
			From Affiliates	From Non-Affiliates	To Affiliates	To Non-Affiliates	
1.	Fire	0					0
2.	Allied lines	0					0
3.	Farmowners multiple peril	0					0
4.	Homeowners multiple peril	0					0
5.	Commercial multiple peril	0					0
6.	Mortgage guaranty	0					0
8.	Ocean marine	0					0
9.	Inland marine	0					0
10.	Financial guaranty	0					0
11.1	Medical professional liability - occurrence	12,910	0	0	12,910	0	0
11.2	Medical professional liability - claims-made	(17,450)	0	0	(17,450)	0	0
12.	Earthquake	0					0
13.	Group accident and health	0					0
14.	Credit accident and health (group and individual)	0					0
15.	Other accident and health	0					0
16.	Workers' compensation	0					0
17.1	Other liability - occurrence	0					0
17.2	Other liability - claims-made	0					0
17.3	Excess workers' compensation	0					0
18.1	Products liability - occurrence						0
18.2	Products liability - claims-made						0
19.1, 19.2	Private passenger auto liability	0					0
19.3, 19.4	Commercial auto liability	0					0
21.	Auto physical damage	0					0
22.	Aircraft (all perils)	0					0
23.	Fidelity	0					0
24.	Surety	0					0
26.	Burglary and theft	0					0
27.	Boiler and machinery	0					0
28.	Credit	0					0
29.	International	0					0
30.	Warranty	0					0
31.	Reinsurance - nonproportional assumed property	XXX					0
32.	Reinsurance - nonproportional assumed liability	XXX					0
33.	Reinsurance - nonproportional assumed financial lines	XXX					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
35.	TOTALS	(4,540)	0	0	(4,540)	0	0
DETAILS OF WRITE-INS							
3401.	.....					
3402.	.....					
3403.	.....					
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

- If yes: 1. The amount of such installment premiums \$
 2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Healthcare Underwriters Group Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A , Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	0			0			0	0.0
2.	Allied lines	0			0			0	0.0
3.	Farmowners multiple peril	0			0			0	0.0
4.	Homeowners multiple peril	0			0			0	0.0
5.	Commercial multiple peril	0			0			0	0.0
6.	Mortgage guaranty	0			0			0	0.0
8.	Ocean marine	0			0			0	0.0
9.	Inland marine	0			0			0	0.0
10.	Financial guaranty	0			0			0	0.0
11.1	Medical professional liability - occurrence				0	0		0	0.0
11.2	Medical professional liability - claims-made	2,420,000	0	2,420,000	0	0		0	0.0
12.	Earthquake	0			0			0	0.0
13.	Group accident and health	0			0			0	0.0
14.	Credit accident and health (group and individual)	0			0			0	0.0
15.	Other accident and health	0			0			0	0.0
16.	Workers' compensation	0			0			0	0.0
17.1	Other liability - occurrence	0			0			0	0.0
17.2	Other liability - claims-made	0			0	0		0	0.0
17.3	Excess workers' compensation	0			0			0	0.0
18.1	Products liability - occurrence				0			0	0.0
18.2	Products liability - claims-made				0			0	0.0
19.1, 19.2	Private passenger auto liability	0			0			0	0.0
19.3, 19.4	Commercial auto liability	0			0			0	0.0
21.	Auto physical damage	0			0			0	0.0
22.	Aircraft (all perils)	0			0			0	0.0
23.	Fidelity	0			0			0	0.0
24.	Surety	0			0			0	0.0
26.	Burglary and theft	0			0			0	0.0
27.	Boiler and machinery	0			0			0	0.0
28.	Credit	0			0			0	0.0
29.	International	0			0			0	0.0
30.	Warranty	0			0			0	0.0
31.	Reinsurance - nonproportional assumed property	XXX			0			0	0.0
32.	Reinsurance - nonproportional assumed liability	XXX			0			0	0.0
33.	Reinsurance - nonproportional assumed financial lines	XXX			0			0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	2,420,000	0	2,420,000	0	0	0	0	0.0
DETAILS OF WRITE-INS									
3401.	.....							
3402.	.....							
3403.	.....							
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Healthcare Underwriters Group Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1	2	3	4	5	6	7		
	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire				0				0	
2. Allied lines				0				0	
3. Farmowners multiple peril				0				0	
4. Homeowners multiple peril				0				0	
5. Commercial multiple peril				0				0	
6. Mortgage guaranty				0				0	
8. Ocean marine				0				0	
9. Inland marine				0				0	
10. Financial guaranty				0				0	
11.1 Medical professional liability - occurrence	265,000	0	265,000	0	668,428	0	668,428	0	0
11.2 Medical professional liability - claims-made	6,990,000	0	6,990,000	0	(5,373,260)	0	(5,373,260)	0	0
12. Earthquake				0				0	
13. Group accident and health				0				(a) 0	
14. Credit accident and health (group and individual)				0				0	
15. Other accident and health				0				(a) 0	
16. Workers' compensation				0				0	
17.1 Other liability - occurrence				0				0	
17.2 Other liability - claims-made	0	0	0	0	27	0	27	0	0
17.3 Excess workers' compensation				0				0	
18.1 Products liability - occurrence				0				0	
18.2 Products liability - claims-made				0				0	
19.1, 19.2 Private passenger auto liability				0				0	
19.3, 19.4 Commercial auto liability				0				0	
21. Auto physical damage				0				0	
22. Aircraft (all perils)				0				0	
23. Fidelity				0				0	
24. Surety				0				0	
26. Burglary and theft				0				0	
27. Boiler and machinery				0				0	
28. Credit				0				0	
29. International				0				0	
30. Warranty				0				0	
31. Reinsurance - nonproportional assumed property	XXX			0	XXX			0	
32. Reinsurance - nonproportional assumed liability	XXX			0	XXX			0	
33. Reinsurance - nonproportional assumed financial lines	XXX			0	XXX			0	
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35. TOTALS	7,255,000	0	7,255,000	0	(4,704,804)	0	(4,704,804)	0	0
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0	0	0	0	0

(a) Including \$ for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	1,391,638			1,391,638
1.2 Reinsurance assumed				0
1.3 Reinsurance ceded	1,391,638			1,391,638
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	0	0	0	0
2. Commission and brokerage:				
2.1 Direct excluding contingent		1,041		1,041
2.2 Reinsurance assumed, excluding contingent				0
2.3 Reinsurance ceded, excluding contingent		1,041		1,041
2.4 Contingent - direct				0
2.5 Contingent - reinsurance assumed				0
2.6 Contingent - reinsurance ceded				0
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	0	0	0
3. Allowances to managers and agents				0
4. Advertising				0
5. Boards, bureaus and associations				0
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries				0
8.2 Payroll taxes				0
9. Employee relations and welfare				0
10. Insurance				0
11. Directors' fees				0
12. Travel and travel items				0
13. Rent and rent items				0
14. Equipment				0
15. Cost or depreciation of EDP equipment and software				0
16. Printing and stationery				0
17. Postage, telephone and telegraph, exchange and express				0
18. Legal and auditing				0
19. Totals (Lines 3 to 18)	0	0	0	0
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$				0
20.2 Insurance department licenses and fees				0
20.3 Gross guaranty association assessments				0
20.4 All other (excluding federal and foreign income and real estate)				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	0	0	0
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	0	0	8,748	8,748
25. Total expenses incurred	0	0	8,748	(a) 8,748
26. Less unpaid expenses - current year	0	(5,673)		(5,673)
27. Add unpaid expenses - prior year	0	(121,397)	(748)	(122,145)
28. Amounts receivable relating to uninsured plans, prior year				0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	0	(115,724)	8,000	(107,724)
DETAILS OF WRITE-INS				
2401. Consulting Fees			8,748	8,748
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	0	0	8,748	8,748

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

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....19,305	.....22,306
1.1	Bonds exempt from U.S. tax	(a) .....54,629	.....54,354
1.2	Other bonds (unaffiliated)	(a) .....226,378	.....218,476
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5	Contract loans .....	.....	.....
6	Cash, cash equivalents and short-term investments	(e) .....39	.....47
7	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....(1,617)
10.	Total gross investment income	300,351	293,567
11.	Investment expenses		(g) .....8,748
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) .....0
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....8,748
17.	Net investment income (Line 10 minus Line 16)		284,819
DETAILS OF WRITE-INS			
0901.	Miscellaneous .....		.....(1,617)
0902.	.....		.....
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)	0	(1,617)
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 \$7,807 accrual of discount less \$22,825 amortization of premium and less \$1,155 paid for accrued interest on purchases.
- (b) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued dividends on purchases.
- (c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ 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	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	0	0	0	0	0
1.1	Bonds exempt from U.S. tax	(374)	0	(374)	0	0
1.2	Other bonds (unaffiliated)	35,496	0	35,496	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0	0	0
5.	Contract loans	0	0	0	0	0
6.	Cash, cash equivalents and short-term investments	0	0	0	0	0
7.	Derivative instruments	0	0	0	0	0
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	35,122	0	35,122	0	0
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
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)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued	0		0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	2,416	22,021	19,605
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		0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts	0		0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates	0		0
24. Health care and other amounts receivable			0
25. Aggregate write-ins for other than invested assets	0	1,000	1,000
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,416	23,021	20,605
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	2,416	23,021	20,605
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Deductible Receivables		1,000	1,000
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	1,000	1,000

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Healthcare Underwriters Group, Inc. are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under Ohio insurance laws. The National Association of Insurance Commissioners' (NAIC) The *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio. The Director of the Ohio Department of Insurance has the right to permit other specific practices that deviate from prescribed practices. The Company has no practices prescribed or permitted by the state of Ohio.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio is shown below:

	SSAP #	F/S Page	F/S Line #	2021	2020
Net Income					
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 242,583	\$ 727,873
(2) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(3) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 242,583</u>	<u>\$ 727,873</u>
Surplus					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 15,214,039	\$ 14,936,448
(6) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(7) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 15,214,039</u>	<u>\$ 14,936,448</u>

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the un-expired portion of premiums written. Such reserves are computed by pro-rata methods for direct and are based on reports received from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

The spread of COVID-19, which was declared by the World Health Organization to be a pandemic on March 11, 2020, and actions taken globally in response to it have disrupted business activities throughout the world. Since the beginning of the pandemic, the Company has closely monitored the impact of COVID-19 on all aspects of its business and operations. The Company has taken measures to continue operations to support and service our policyholders and agents with little to no disruption during this unprecedented period. To date, the underwriting results of our principal line of business, medical professional liability insurance, has been relatively unaffected by COVID-19. However, there remains a risk that labor shortages within the medical community affecting the quality of medical care, shortages of medical equipment, negligent transmission, failure to diagnose, and missed diagnoses may result in increased claims volume. Offsetting this potential risk, is that fact that many elective procedures were postponed or even cancelled, reducing the potential professional negligence claims during this period. The Company has been able to take premium rate increases where needed, while also adding new business. Some states have granted medical practitioners immunity from civil liability for injuries and/or deaths allegedly resulting from acts or omissions of the provider in the course of providing medical services in response to the COVID-19 outbreak, except in the case of gross negligence. The Company continues to monitor for adoption of similar measures by other states or at the federal level.

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. The CARES Act includes tax provisions relevant to 2018 and 2019 tax years. Some of the significant changes include reducing the interest expense disallowance for 2019 and 2020, allowing the five-year carryback of net operating losses for 2018-2020, suspension of the 80% limitation of taxable income for net operating loss carryforwards for 2018-2020, and the acceleration of depreciation expense from 2018 and forward on qualified improvement property. The Company recognized the effect on the financial statements in the period the law was enacted.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments
Short-term investments are stated at amortized cost.
- (2) Bonds, mandatory convertible securities, and SVO-identified investments per SSAP No. 26R
Bonds not backed by other loans are stated at amortized cost using the straight-line method.
- (3) Common stocks - Not Applicable
- (4) Preferred stocks - Not Applicable
- (5) Mortgage loans - Not Applicable
- (6) Loan-backed securities

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern (Continued)

Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities.

- (7) Investments in subsidiaries, controlled and affiliated entities - Not Applicable
- (8) Investments in joint ventures, partnerships and limited liability companies - Not Applicable
- (9) Derivatives - Not Applicable
- (10) Investment income as a factor in the premium deficiency calculation

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.

- (11) Liabilities for losses and loss adjustment expenses

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience and actuarial input, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and, while management believes the amount is adequate, 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 any adjustments are reflected in the period determined.

- (12) Changes in capitalization policy

The Company capitalizes purchases over \$5,000.

- (13) Pharmaceutical rebate receivables - Not Applicable

D. Going Concern

After considering relevant conditions and events in the aggregate, management has concluded that there is no substantial doubt regarding the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors - Not Applicable

3. Business Combinations and Goodwill

- A. Statutory Purchase Method - Not Applicable
- B. Statutory Merger - Not Applicable
- C. Impairment Loss - Not Applicable
- D. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill - Not Applicable

4. Discontinued Operations - Not Applicable

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - Not Applicable
- B. Debt Restructuring - Not Applicable
- C. Reverse Mortgages - Not Applicable
- D. Loan-Backed Securities

- (1) Prepayment assumptions

Fair values have been determined in accordance with SSAP No 27. Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from the external portfolio manager or internal estimates.

- (2) Loan-backed and structured securities with a recognized other-than-temporary impairment (OTTI) - Not Applicable
- (3) Securities held that were other-than-temporarily impaired due to the present value of cash flows expected to be collected was less than the amortized cost of securities - Not Applicable
- (4) All impaired securities for which an OTTI has not been recognized in earnings as a realized loss

All impaired securities (fair value is less than amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss:

- a. The aggregate amount of unrealized losses:
 - 1. Less than 12 months..... \$..... 4,276
 - 2. 12 months or longer.....
- b. The aggregate related fair value of securities with unrealized losses:
 - 1. Less than 12 months..... \$..... 319,578
 - 2. 12 months or longer.....

- (5) Support for concluding impairments are not other-than-temporary

All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether other-than-temporary impairments should be recognized. The Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are based on each security's NAIC designation, a NRSRO credit rating, severity of unrealized loss and cash flow forecasting results. It is possible that the Company could recognize OTTI in the future on some of the securities, if future events, information and the passage of time cause it to conclude that declines in value are other-than-temporary.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - Not Applicable

Notes to the Financial Statements

5. Investments (Continued)

- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not Applicable
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not Applicable
- H. Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable
- J. Real Estate - Not Applicable
- K. Low-Income Housing Tax Credits (LIHTC) - Not Applicable
- L. Restricted Assets

(1) Restricted assets (including pledged)

Gross (Admitted & Nonadmitted) Restricted											
Current Year								Current Year			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase / (Decrease) (5 - 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5-8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted to Total Admitted Assets, %
a. Subject to contractual obligation for which liability is not shown.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending agreements.....											
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.....											
j. On deposit with states.....	299,940				299,940	1,100,965	(801,025)		299,940	1.877	1.877
k. On deposit with other regulatory bodies.....											
l. Pledged as collateral to FHLB (including assets backing funding agreements).....											
m. Pledged as collateral not captured in other categories.....											
n. Other restricted assets.....											
o. Total restricted assets.....	\$ 299,940	\$	\$	\$	\$ 299,940	\$ 1,100,965	\$ (801,025)	\$	\$ 299,940	1.877 %	1.877 %

- (2) Detail of assets pledged as collateral not captured in other categories (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - Not Applicable
- (3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - Not Applicable
- (4) Collateral received and reflected as assets within the reporting entity's financial statements - Not Applicable

- M. Working Capital Finance Investments - Not Applicable
- N. Offsetting and Netting of Assets and Liabilities - Not Applicable
- O. 5GI Securities - Not Applicable
- P. Short Sales - Not Applicable
- Q. Prepayment Penalty and Acceleration Fees - Not Applicable

Notes to the Financial Statements

5. Investments (Continued)

R. Reporting Entity's Share of Cash Pool by Asset type - Not Applicable

6. Joint Ventures, Partnerships and Limited Liability Companies - Not Applicable

7. Investment Income - Not Applicable

8. Derivative Instruments - Not Applicable

9. Income Taxes

A. Components of the Net Deferred Tax Asset/(Liability)

(1) Change between years by tax character

	2021			2020			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Gross deferred tax assets	\$ 507	\$	\$ 507	\$ 5,387	\$	\$ 5,387	\$ (4,880)	\$	\$ (4,880)
(b) Statutory valuation allowance adjustments									
(c) Adjusted gross deferred tax assets (1a - 1b)	507		507	5,387		5,387	(4,880)		(4,880)
(d) Deferred tax assets nonadmitted									
(e) Subtotal net admitted deferred tax asset (1c - 1d)	\$ 507	\$	\$ 507	\$ 5,387	\$	\$ 5,387	\$ (4,880)	\$	\$ (4,880)
(f) Deferred tax liabilities	100,883		100,883	120,166		120,166	(19,283)		(19,283)
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	\$ (100,376)	\$	\$ (100,376)	\$ (114,779)	\$	\$ (114,779)	\$ 14,403	\$	\$ 14,403

(2) Admission calculation components SSAP No. 101

	2021			2020			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 507	\$	\$ 507	\$ 4,834	\$	\$ 4,834	\$ (4,327)	\$	\$ (4,327)
(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 (lesser of 2(b)1 and 2(b)2 below)									
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date									
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	2,308,766	XXX	XXX	2,240,467	XXX	XXX	68,299
(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	-		-	553		553	(553)		(553)
(d) Deferred tax assets admitted as the result of application of SSAP No. 101.									
Total (2(a) + 2(b) + 2(c))	\$ 507	\$	\$ 507	\$ 5,387	\$	\$ 5,387	\$ (4,880)	\$	\$ (4,880)

(3) Ratio used as basis of admissibility

	2021	2020
(a) Ratio percentage used to determine recovery period and threshold limitation amount	5,601.900 %	25,850.600 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 15,391,773	\$ 14,936,448

Notes to the Financial Statements

9. Income Taxes (Continued)

(4) Impact of tax-planning strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage

	2021		2020		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	Ordinary (Col. 1-3)	Capital (Col. 2-4)
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 507	\$	\$ 5,387	\$	\$ (4,880)	\$
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)	\$ 507	\$	\$ 5,387	\$	\$ (4,880)	\$
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

(b) Use of reinsurance-related tax-planning strategies

Does the company's tax-planning strategies include the use of reinsurance? No

B. Regarding Deferred Tax Liabilities That Are Not Recognized

There are no unrecognized deferred tax liabilities.

C. Major Components of Current Income Taxes Incurred

Current income taxes incurred consist of the following major components:			
	(1) 2021	(2) 2020	(3) Change (1-2)
1. Current Income Tax			
(a) Federal	\$ 77,444	\$ (25,549)	\$ 102,993
(b) Foreign			
(c) Subtotal	\$ 77,444	\$ (25,549)	\$ 102,993
(d) Federal income tax on net capital gains	(86)	102,109	(102,195)
(e) Utilization of capital loss carry-forwards			
(f) Other			
(g) Federal and foreign income taxes incurred	\$ 77,358	\$ 76,560	\$ 798
	(1) 2021	(2) 2020	(3) Change (1-2)
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	\$	\$	\$
(2) Unearned premium reserve			
(3) Policyholder reserves			
(4) Investments			
(5) Deferred acquisition costs			
(6) Policyholder dividends accrual			
(7) Fixed assets			
(8) Compensation and benefits accrual			
(9) Pension accrual			
(10) Receivables - nonadmitted	507	4,834	(4,327)
(11) Net operating loss carry-forward			
(12) Tax credit carry-forward			
(13) Other (including items less than 5% of total ordinary tax assets)*	—	553	(553)
(99) Subtotal	\$ 507	\$ 5,387	\$ (4,880)
(b) Statutory valuation allowance adjustment			
(c) Nonadmitted			
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 507	\$ 5,387	\$ (4,880)
(e) Capital			
(1) Investments	\$	\$	\$
(2) Net capital loss carry-forward			
(3) Real estate			
(4) Other (including items <5% of total capital tax assets)			
(99) Subtotal	\$	\$	\$
(f) Statutory valuation allowance adjustment			
(g) Nonadmitted			
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)			
(i) Admitted deferred tax assets (2d + 2h)	\$ 507	\$ 5,387	\$ (4,880)

Notes to the Financial Statements

9. Income Taxes (Continued)

	(1) 2021	(2) 2020	(3) Change (1-2)
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	\$ 8,020	\$ 4,087	\$ 3,933
(2) Fixed assets			
(3) Deferred and uncollected premium			
(4) Policyholder reserves			
(5) Other (including items <5% of total ordinary tax liabilities) [†]	92,863	116,079	(23,216)
(99) Subtotal	\$ 100,883	\$ 120,166	\$ (19,283)
(b) Capital			
(1) Investments	\$	\$	\$
(2) Real estate			
(3) Other (including items <5% of total capital tax liabilities)			
(99) Subtotal	\$	\$	\$
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 100,883	\$ 120,166	\$ (19,283)
4. Net deferred tax assets/liabilities (2i - 3c)	\$ (100,376)	\$ (114,779)	\$ 14,403

	(1) 2021	(2) 2020	(3) Change (1-2)
* Items >5% of total ordinary tax assets included in Other			
Other Accrued Expenses	\$ —	\$ 553	\$ (553)
† Items >5% of total ordinary tax liabilities included in Other			
Loss Reserve Discount - TCJA	\$ 92,863	\$ 116,079	\$ (23,216)

D. Among the More Significant Book to Tax Adjustments

	2021	Effective Tax Rate
Provision computed at statutory rate	\$ 67,188	21.000 %
Tax exempt interest, net	(8,560)	-2.675
Non-deductible items		
Change in nonadmitted assets	4,327	1.352
Benefit of loss carryback at 35%		
Other, including prior year adjustments		
Total	\$ 62,955	19.677 %

	2021	Effective Tax Rate
Federal and foreign income taxes incurred	\$ 77,358	24.179 %
Change in net deferred income taxes	(14,403)	-4.502
Total statutory income taxes	\$ 62,955	19.677 %

E. Operating Loss and Tax Credit Carryforwards

- (1) Unused loss carryforwards available - None
- (2) Income tax expense available for recoupment

	Ordinary	Capital	Total
2019	\$ 156,868	\$ —	\$ 156,868
2020	37,212	102,643	139,855
2021	70,357	7,553	77,910

- (3) Deposits admitted under IRS Code Section 6603 - None

F. Consolidated Federal Income Tax Return

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

- Medical Professional Mutual Insurance Company
- Preferred Professional Insurance Company
- ProSelect Insurance Company
- Coverys Specialty Insurance Company
- ProMutual Solutions Insurance Company
- ProMutual Group, Inc.
- Physicians Consultants, Inc.
- ProMutual Insurance Agency, Inc.
- Coverys Insurance Services, Inc.

Notes to the Financial Statements

9. Income Taxes (Continued)

- Coverys Community Healthcare Foundation, Inc.
- Med-IQ, Inc.
- Healthcare Underwriters Group, Inc.

(2) Method of allocation

The method of allocation between the companies is subject to written agreement, approved by the Board of Directors.

The Member Companies federal income tax liability shall be calculated using Basic Method 1 as set forth in Treasury Regulations paragraph 1.1552-1(a)(1). Each Member Company shall pay to Common Parent its income tax liability as calculated using this Basic Method 1. If a Member Company generates for the year any Tax Benefits which may not be fully utilized by the Member Company to reduce its separate tax liability for the current taxable year, Common Parent shall provide to any such Member Company a payment equal to the amount of such Tax Benefits which can be utilized by the Affiliated Group. Payments between and among Member Companies of the Affiliated Group under this Agreement shall be made within thirty days of the receipt of the final calculations.

- G. Federal or Foreign Income Tax Loss Contingencies - None
- H. Repatriation Transition Tax (RTT) - None
- I. Alternative Minimum Tax (AMT) Credit - None

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

A. Nature of Relationships

The Company is wholly owned by ProMutual Group, Inc., a holding company domiciled in the State of Massachusetts. ProMutual Group, Inc. is 100% owned by Medical Professional Mutual Insurance Company. Medical Professional Mutual Insurance Company and its member companies, collectively known as “Coverys”, is one of the leading providers of medical liability insurance in the United States, insuring physicians, surgeons, and dentists as well as a large number of hospitals, health centers and clinics.

B. Detail of Transactions Greater Than 0.5% of Admitted Assets

The Company has no non-insurance transactions greater than ½% of admitted assets.

Amount of Transactions & Effects of Change in Terms of Intercompany Arrangements

Effective as of January 1, 2020, the Coverys Companies amended their intercompany reinsurance arrangement. Healthcare Underwriters Group, Inc. (HUG) cedes, and Medical Professional Mutual Insurance Company (MPMIC) reinsures, a one hundred percent (100%) quota share of the net underwriting assets and liabilities of HUG under all policies written by HUG subsequent to the effective date (inclusive). This cession occurs prior to application of any Coverys Enterprise Reinsurance Program and applies only subsequent to all other Third Party Reinsurance. The liability of MPMIC with respect to each cession commences obligatorily and simultaneously with that of HUG, subject to the terms, conditions and limitations set forth. Furthermore, MPMIC assumes the credit risk, including any form of default, in any way associated with all reinsurance recoverable balances due from Third Party Reinsurers.

Prior to January 1, 2020, the Company maintained a 100% quota share agreement with Medical Professional Mutual Insurance Company (MPMIC), where HUG ceded all net premiums, losses, loss adjustment and underwriting expenses to MPMIC.

- C. Transactions With Related Party Who Are Not Reported on Schedule Y - Not Applicable
- D. Amounts Due To or From Related Parties

The Company reported \$16,924 due from and \$16,085 due to Medical Professional Mutual Insurance Company at December 31, 2021 and 2020, respectively, related to the federal tax sharing agreement.

The Company reported \$1,537 and \$0 due to affiliates at December 31, 2021 and 2020, respectively, as shown below:

Due (to)/from Affiliates	2021	2020
Coverys Specialty Insurance Company	\$ (777)	\$ -
Preferred Professional Insurance Company	(690)	-
Coverys RRG, Inc.	(70)	-
Total	\$ (1,537)	\$ -

The Company reported \$2,470,571 and \$584,959 due from ProSelect Insurance Company at December 31, 2021 and 2020, respectively, related to the management services agreement.

The Company reported an additional \$1,184 and \$3,731 due to its ultimate parent, Medical Professional Mutual Insurance Company at December 31, 2021 and 2020, respectively.

E. Management Service Contracts and Cost Sharing Arrangements

Effective January 1, 2019, the Company entered into a management services agreement with ProSelect Insurance Company, an affiliate. Under the terms of the agreement, ProSelect provides various services including, but not limited to: underwriting, policy issuance and administration, risk management, claims management and financial administration to the Company. Additionally, the Company pays ProSelect a pro-rata share of the group expenses, as terms of the agreement. The management fee expense was \$197,427 and \$1,393,058 in 2021 and 2020, respectively.

- F. Guarantees or Contingencies - Not Applicable
- G. Nature of Relationships that Could Affect Operations

The Company is wholly owned by ProMutual which is the parent company to several underwriting companies that collectively are authorized to write insurance business in all fifty U.S. states and do business as Coverys. ProMutual is a subsidiary of Medical Professional Mutual Insurance Company.

Notes to the Financial Statements

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (Continued)

- H. Amount Deducted for Investment in Upstream Company - Not Applicable
- I. Detail of Investments in Affiliates Greater Than 10% of Admitted Assets - Not Applicable
- J. Write-Down for Impairments of Investments in Subsidiary Controlled or Affiliated Companies - Not Applicable
- K. Foreign Subsidiary Value Using CARVM - Not Applicable
- L. Downstream Holding Company Value Using Look-Through Method - Not Applicable
- M. All SCA Investments - Not Applicable
- N. Investment in Insurance SCAs - Not Applicable
- O. SCA and SSAP No. 48 Entity Loss Tracking - Not Applicable

11. Debt - Not Applicable

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

- A. Defined Benefit Plan - Not Applicable
- B. Investment Policies and Strategies of Plan Assets - Not Applicable
- C. Fair Value of Each Class of Plan Assets - Not Applicable
- D. Expected Long-Term Rate of Return for the Plan Assets - Not Applicable
- E. Defined Contribution Plans

The Company participates in a 401k Employee Savings Plan (Coverys 401(k)) sponsored by Medical Professional Mutual Insurance Company (MPMIC), an affiliate. Substantially all Coverys Group employees are eligible to participate in the Coverys 401(k), under which MPMIC will make matching contributions of 100% of participant's contributions up to 6%, and may make discretionary contributions up to 4.5% of each participant's base compensation. The Company has no legal obligation for benefits under this plan but receives an allocation from MPMIC's subsidiary, ProSelect Insurance Company, in accordance with the management agreement that exists between the two affiliates. The Company's share of net expenses was \$7,835 and \$21,178 for the years ended December 31, 2021 and 2020, respectively.

- F. Multiemployer Plans - Not Applicable
- G. Consolidated/Holding Company Plans - Not Applicable
- H. Postemployment Benefits and Compensated Absences

The Company has no employees and therefore has no direct obligations for employment benefits. The Company receives an allocation from ProSelect Insurance Company for its share of these costs in accordance with the management agreement that exists between the two affiliates.

- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - Not Applicable

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- A. Outstanding Shares

The company has 8,186,047 shares of \$1 par value common stock authorized, issued and outstanding.

- B. Dividend Rate of Preferred Stock - Not Applicable
- C. Under Ohio Insurance Statutes, dividends can only be paid from net realized savings and realized earnings which are in excess of the Company's minimum required surplus as determined on a statutory basis. No dividends may be paid with providing notice to the Ohio Department of Insurance (ODI) and giving the ODI 30 days to disapprove such dividend. No dividends were paid during 2021.
- D. Ordinary Dividends - Not Applicable
- E. Company Profits Paid as Ordinary Dividends - Not Applicable
- F. Surplus Restrictions - Not Applicable
- G. Surplus Advances - Not Applicable
- H. Stock Held for Special Purposes - Not Applicable
- I. Changes in Special Surplus Funds - Not Applicable
- J. Unassigned Funds (Surplus) - Not Applicable
- K. Company-Issued Surplus Debentures or Similar Obligations - Not Applicable
- L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - Not Applicable
- M. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - Not Applicable

14. Liabilities, Contingencies and Assessments - Not Applicable

15. Leases

- A. Lessee Operating Lease

- (1) Leasing arrangements

As a result of the July 1, 2019 merger with GIMC, an affiliate, the Company became the leaseholder of office space in Louisville, Kentucky and Plantation, Florida under operating lease agreements that expired in June 2020 and June 2021, respectively. Rent expense was \$180,972 in 2020.

Notes to the Financial Statements

15. Leases (Continued)

The lease in Louisville, Kentucky was not renewed. The Company terminated its operating lease agreement for the office space located in Plantation, Florida effective August 17, 2020. The Company incurred an early termination fee of \$56,782 in 2020.

- (2) For leases having initial or remaining noncancelable lease terms in excess of one year - Not Applicable
- (3) For sale-leaseback transactions - Not Applicable

B. Lessor Leases - Not Applicable

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk - Not Applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - Not Applicable

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans - Not Applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators - Not Applicable

20. Fair Value Measurements

A. Fair Value Measurement

The Company has categorized its assets and liabilities that are measured at fair value into three-level fair value hierarchy. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows.

Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: This category, for items measured at fair value on a recurring basis, includes exchange-traded preferred and common stocks. It also includes derivative liabilities for written call options on common stock which are also exchange traded. The estimated fair value of the equity securities and derivatives within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2 - Significant Other Observable Inputs: This category for items measured at fair value on a recurring basis includes bonds, preferred stocks and common stocks which are not exchange-traded. The estimated fair values of some of these items were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded.

Level 3 - Significant Unobservable Inputs: The Company has no assets or liabilities measured at fair value in this category.

- (1) Fair value measurements at reporting date - Not Applicable
- (2) Fair value measurements in Level 3 of the fair value hierarchy - Not Applicable
- (3) Policy on transfers into and out of Level 3 - Not Applicable
- (4) Inputs and techniques used for Level 2 and Level 3 fair values - Not Applicable
- (5) Derivatives - Not Applicable

B. Other Fair Value Disclosures - Not Applicable

C. Fair Values for All Financial Instruments by Level 1, 2 and 3

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

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$..... 9,750,115	\$..... 9,215,610	\$.....	\$..... 9,750,115	\$.....	\$.....	\$.....
Cash, cash equivalents and Cash, cash equivalents and short-term investments .....	..... 3,660,119	..... 3,660,119	..... 3,660,119	.....	.....	.....	.....

D. Not Practicable to Estimate Fair Value - Not Applicable

E. Nature and Risk of Investments Reported at NAV - Not Applicable

21. Other Items

A. Unusual or Infrequent Items - Not Applicable

C. Other Disclosures

Special Disability Trust Fund Disclosure, Florida Statute 625.091

1. The Company took no credit in loss reserves for anticipated recoveries from the Special Disability Trust Fund through December 31, 2021, or the year ending December 31, 2020.
2. The Company received no payments from the Special Disability Trust Fund through December 31, 2021, or the year ending December 31, 2020
3. The Company had no assessments by the Special Disability Trust Fund through December 31, 2021, or the year ending December 31, 2020.

Agents' Balances Certification, Florida Statute 625.012(5)

The Company had no premiums due or collected from a controlled or controlling person.

D. Business Interruption Insurance Recoveries - Not Applicable

E. State Transferable and Non-Transferable Tax Credits - Not Applicable

F. Subprime-Mortgage-Related Risk Exposure - Not Applicable

Notes to the Financial Statements

21. Other Items (Continued)

- G. Insurance-Linked Securities (ILS) Contracts - Not Applicable
- H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy - Not Applicable

22. Events Subsequent

Subsequent events have been considered through March 1, 2022 for the statutory statement issued on March 1, 2022. The Company has not experienced any other significant Type I or Type II subsequent events requiring adjustment or disclosure.

23. Reinsurance

Effective August 31, 2020, the Company entered into an agreement with ProSelect Insurance Company, Inc. (ProSelect), an affiliate. This agreement includes the novation of all business written by the Company in all states other than Florida to ProSelect, and a loss portfolio transfer of all business written by the Company in Florida to ProSelect. Prior to these transactions, the Company maintained a 100% quota-share agreement with its ultimate parent, MPMIC whereby all business net of third party reinsurance was ceded to MPMIC. These transactions had no net impact on surplus of the Company.

A. Unsecured Reinsurance Recoverables

Individual Reinsurers with Unsecured Reinsurance Recoverables Exceeding 3% of Policyholder Surplus

Individual Reinsurers Who Are Not Members of a Group

FEIN	Reinsurer Name	Unsecured Amount
04-1012400	ProSelect Insurance Co.	\$ 8,307,466

- B. Reinsurance Recoverable in Dispute - Not Applicable
- C. Reinsurance Assumed and Ceded
 - (1) Maximum amount of return commission that would have been due reinsurers if all of the company's reinsurance was canceled or if the company's insurance assumed was canceled - Not Applicable
 - (2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this statement as a result of existing contractual arrangements is accrued as follows: - None
 - (3) Risks attributed to each of the company's protected cells - Not Applicable
- D. Uncollectible Reinsurance - Not Applicable
- E. Commutation of Ceded Reinsurance - Not Applicable
- F. Retroactive Reinsurance - Not Applicable
- G. Reinsurance Accounted for as a Deposit - Not Applicable
- H. Disclosures for the Transfer of Property and Casualty Run-Off Agreements - Not Applicable
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - Not Applicable
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation - Not Applicable
- K. Reinsurance Credit - Not Applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Method Used to Estimate - Not Applicable
- B. Method Used to Record - Not Applicable
- C. Amount and Percent of Net Retrospective Premiums - Not Applicable
- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act - Not Applicable
- E. Calculation of Nonadmitted Retrospective Premium - Not Applicable
- F. Risk-Sharing Provisions of the Affordable Care Act (ACA)
 - (1) Accident and health insurance premium subject to the Affordable Care Act risk-sharing provisions

Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions?
NO
 - (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year - Not Applicable
 - (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 - Not Applicable
 - (4) Roll-forward of risk corridors asset and liability balances by program benefit year - Not Applicable
 - (5) ACA risk corridors receivable as of reporting date - Not Applicable

25. Changes in Incurred Losses and Loss Adjustment Expenses

- A. Reasons for Changes in the Provision for Incurred Loss and Loss Adjustment Expenses Attributable to Insured Events of Prior Years

There is no development on the net incurred loss and loss adjustment expenses due to the 100% quota share agreement with MPMIC.
- B. Significant Changes in Methodologies and Assumptions Used in Calculating the Liability for Unpaid Losses and Loss Adjustment Expenses - Not Applicable

Notes to the Financial Statements

- 26. Intercompany Pooling Arrangements - Not Applicable
- 27. Structured Settlements - Not Applicable
- 28. Health Care Receivables - Not Applicable
- 29. Participating Policies - Not Applicable
- 30. Premium Deficiency Reserves - Not Applicable
- 31. High Deductibles - Not Applicable
- 32. Discounting of Liabilities For Unpaid Losses or Unpaid Loss Adjustment Expenses - Not Applicable
- 33. Asbestos/Environmental Reserves - Not Applicable
- 34. Subscriber Savings Accounts - Not Applicable
- 35. Multiple Peril Crop Insurance - Not Applicable
- 36. Financial Guaranty Insurance - Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.

Yes ☒ No ☐

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐

1.3

State Regulating?

Ohio

1.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes ☐ No ☒

1.5

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

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2018

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.

12/31/2018

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).

02/11/2020

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 ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐ No ☐ N/A ☒

4.1

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

Yes ☐ No ☒
Yes ☐ No ☒

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes ☐ No ☒
Yes ☐ No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If yes, complete and file the merger history data file with the NAIC.

Yes ☐ No ☒

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 ☒

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒

7.2

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

1 Nationality	2 Type of Entity

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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	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? PricewaterhouseCoopers, LLP 101 Seaport Boulevard, Boston, MA 02210

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? Celso Moreira, FCAS, MAAA, Vice President & Reserving Actuary, Medical Professional Mutual Insurance Company, One Financial Center, Boston, MA 02111

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 []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

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

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

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

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

e. Accountability for adherence to the code.

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

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

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

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

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

GENERAL INTERROGATORIES

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

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?
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
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 []
- Yes [X] No []
- 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)?
- 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?
- 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?
- 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?
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- 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?
- 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.
- Yes [] No [X]
- Yes [X] No []
- Yes [] No [X]
- Yes [] No [X]
- Yes [X] No []
- Yes [] No [X]

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 [] No [X]

GENERAL INTERROGATORIES

25.02 If no, give full and complete information relating thereto
State Deposit Requirements

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

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

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 [] No [] N/A [X]

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

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

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

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

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

25.093 Total payable for securities lending reported on the liability page. \$0

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

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

26.21 Subject to repurchase agreements \$

26.22 Subject to reverse repurchase agreements \$

26.23 Subject to dollar repurchase agreements \$

26.24 Subject to reverse dollar repurchase agreements \$

26.25 Placed under option agreements \$

26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$

26.27 FHLB Capital Stock \$

26.28 On deposit with states \$299,940

26.29 On deposit with other regulatory bodies \$

26.30 Pledged as collateral - excluding collateral pledged to an FHLB \$

26.31 Pledged as collateral to FHLB - including assets backing funding agreements \$

26.32 Other \$

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 [X]
If no, attach a description with this statement.

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

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

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

27.41 Special accounting provision of SSAP No. 108 Yes [] No []

27.42 Permitted accounting practice Yes [] No []

27.43 Other accounting guidance Yes [] No []

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
THE NORTHERN TRUST COMPANY	50 SOUTH LASALLE STREET, CHICAGO, IL 606075
PNC BANK	1900 E. 9th STREET, CLEVELAND, OH 44114
.....

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
NEW ENGLAND ASSET MANAGEMENT, INC.	U.....
PNC CAPITAL ASSET ADVISORS, LLC	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
105900	NEW ENGLAND ASSET MANAGEMENT, INC.	KUR85E5PS4GQFZTFC130	SEC FILE NUMBER: 801-22445	DS.....
151829	PNC CAPITAL ADVISORS, LLC	549300WVB7V48QCY3U49	SEC FILE NUMBER: 801-70684	DS.....

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

GENERAL INTERROGATORIES

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds	9,215,610	9,750,115	534,505
31.2 Preferred stocks	0		0
31.3 Totals	9,215,610	9,750,115	534,505

31.4 Describe the sources or methods utilized in determining the fair values:
PRIMARY: CUSTODIAN BANK; ALTERNATIVE: INTERCONTINENTAL EXCHANGE/ASSET MANAGER

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

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

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

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

33.2 If no, list exceptions:
.....

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
Has the reporting entity self-designated 5GI securities? Yes [] No [X]

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
a. The security was purchased prior to January 1, 2018.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
Has the reporting entity self-designated PLGI securities? Yes [] No [X]

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
a. The shares were purchased prior to January 1, 2019.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
d. The fund only or predominantly holds bonds in its portfolio.
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:
a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [X] No [] N/A []

GENERAL INTERROGATORIES

OTHER

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

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
.....

39.1 Amount of payments for legal expenses, if any?\$

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
.....

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

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
.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U. S. business only.

\$

1.3

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

\$

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

0

1.62

Total incurred claims

\$

0

1.63

Number of covered lives

0

All years prior to most current three years

1.64

Total premium earned

\$

0

1.65

Total incurred claims

\$

0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

0

1.72

Total incurred claims

\$

0

1.73

Number of covered lives

0

All years prior to most current three years

1.74

Total premium earned

\$

0

1.75

Total incurred claims

\$

0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

2.2

Premium Denominator

0

0

2.3

Premium Ratio (2.1/2.2)

0.000

0.000

2.4

Reserve Numerator

0

0

2.5

Reserve Denominator

0

0

2.6

Reserve Ratio (2.4/2.5)

0.000

0.000

3.1

Did the reporting entity issue participating policies during the calendar year?

Yes [] No [X]

3.2

If yes, provide the amount of premium written for participating and/or non-participating policies during the calendar year:

3.21

Participating policies

\$

3.22

Non-participating policies

\$

4.

For mutual reporting Entities and Reciprocal Exchanges Only:

4.1

Does the reporting entity issue assessable policies?

Yes [] No []

4.2

Does the reporting entity issue non-assessable policies?

Yes [] No []

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

%

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

\$

5.

For Reciprocal Exchanges Only:

5.1

Does the Exchange appoint local agents?

Yes [] No []

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation.....

Yes [] No [] N/A []

5.22

As a direct expense of the exchange.....

Yes [] No [] N/A []

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes [] No []

5.5

If yes, give full information

16

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
The Company does not underwrite Workers Compensation policies.

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
The Company's primary line of business is medical malpractice, and does not underwrite property risks. Thus, no calculation is made of a probable maximum loss.

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The Company does not underwrite catastrophic type risks.

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes [☐] No [☒]

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.
Not applicable as the Company does not underwrite catastrophic type risks.

7.1

Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)?.....

Yes [☐] No [☒]

7.2

If yes, indicate the number of reinsurance contracts containing such provisions:

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?.....

Yes [☐] No [☐]

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

Yes [☐] No [☒]

8.2

If yes, give full information
.....

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

Yes [☐] No [☒]

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

Yes [☐] No [☒]

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 36 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [☐] No [☒]

9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or,

Yes [☐] No [☒]

(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or

Yes [☐] No [☒]

(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement

Yes [☐] No [☒]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes [☐] No [☐] N/A [☒]

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other entity and now in force?

Yes [] No [X]

11.2

If yes, give full information

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses

\$

12.12 Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds

\$

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes [] No [] N/A [X]

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From

%

12.42 To

%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves , including unpaid losses under loss deductible features of commercial policies?

Yes [] No [X]

12.6

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

12.61 Letters of credit

\$

12.62 Collateral and other funds

\$

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [] No [X]

13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

4

14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes [] No [X]

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [] No []

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [] No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home					
16.12 Products					
16.13 Automobile					
16.14 Other*					

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that is exempt from the statutory provision for unauthorized reinsurance?

Yes [☐] No [☒]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11

Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance

\$

17.12

Unfunded portion of Interrogatory 17.11

\$

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11.....

\$

17.14

Case reserves portion of Interrogatory 17.11

\$

17.15

Incurred but not reported portion of Interrogatory 17.11

\$

17.16

Unearned premium portion of Interrogatory 17.11

\$

17.17

Contingent commission portion of Interrogatory 17.11

\$

18.1

Do you act as a custodian for health savings accounts?

Yes [☐] No [☒]

18.2

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

\$

18.3

Do you act as an administrator for health savings accounts?

Yes [☐] No [☒]

18.4

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

\$

19.

Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

Yes [☒] No [☐]

19.1

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

Yes [☐] No [☐]

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Healthcare Underwriters Group Inc.

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2021	2 2020	3 2019	4 2018	5 2017
Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	(4,540)	(12,635,621)	2,024,858	19,291,892	17,809,812
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	(4,540)	(12,635,621)	2,024,858	19,291,892	17,809,812
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	(4,270,624)	16,402,208
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	0	0	0	(4,270,624)	16,402,208
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	0	0	0	(617,464)	(2,842,483)
14. Net investment gain or (loss) (Line 11)	320,027	765,475	729,826	1,070,554	2,727,041
15. Total other income (Line 15)	0	(63,150)	12,665	19,731	14,616
16. Dividends to policyholders (Line 17)				0	0
17. Federal and foreign income taxes incurred (Line 19)	77,444	(25,549)	152,876	(580,612)	(438,306)
18. Net income (Line 20)	242,583	727,873	589,615	1,053,433	337,480
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	15,997,734	14,955,109	30,043,101	31,059,603	86,178,490
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	1,272	29,450	434,100	2,476,746	2,782,668
20.2 Deferred and not yet due (Line 15.2)	0	0	1,722,794	0	0
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	783,696	18,661	5,815,010	8,496,637	38,811,406
22. Losses (Page 3, Line 1)	0	0	0	0	15,910,492
23. Loss adjustment expenses (Page 3, Line 3)	0	0	0	0	12,393,705
24. Unearned premiums (Page 3, Line 9)		0	0	0	8,377,315
25. Capital paid up (Page 3, Lines 30 & 31)	8,186,047	8,186,047	8,186,047	8,186,047	8,186,047
26. Surplus as regards policyholders (Page 3, Line 37)	15,214,039	14,936,448	24,228,091	22,562,966	47,367,084
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	224,975	198,413	2,682,196	(36,400,355)	(441,051)
Risk-Based Capital Analysis					
28. Total adjusted capital	15,214,039	14,936,448	24,228,090	22,562,966	47,367,084
29. Authorized control level risk-based capital	132,480	57,780	72,911	134,208	3,924,817
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	67.9	63.9	74.2	92.1	10.1
31. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	32.1	36.1	25.8	7.9	89.9
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)				0	0
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	0	0	0	0	0
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47	0	0	0	0	0
49. Total Investment in Parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0	0.0	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2021	2 2020	3 2019	4 2018	5 2017
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)				0	(974, 142)
52. Dividends to stockholders (Line 35)		(587,372)		(7,764,906)	0
53. Change in surplus as regards policyholders for the year (Line 38)	277,591	(9,291,643)	1,665,125	(24,804,118)	(750,317)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	2,420,000	2,486,500	4,788,657	7,510,748	4,999,275
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	2,420,000	2,486,500	4,788,657	7,510,748	4,999,275
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	17,184,317	3,317,638
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	0	0	0	17,184,317	3,317,638
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	0.0	0.0	0.0	31.0	23.9
68. Loss expenses incurred (Line 3)	0.0	0.0	0.0	40.4	41.8
69. Other underwriting expenses incurred (Line 4)	0.0	0.0	0.0	43.6	52.1
70. Net underwriting gain (loss) (Line 8)	0.0	100.0	0.0	(15.0)	(17.8)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	0.0	(19,136,493.9)	0.0	(41.4)	50.6
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	0.0	0.0	0.0	71.5	65.7
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	0.0	0.0	0.0	(18.9)	34.6
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(2)	(3)	(9)	1	(929)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0).....	0.0	0.0	0.0	0.0	(1.9)
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(5)	(12)	(8)	(928)	(1,595)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	0.0	(0.1)	0.0	(1.9)	(3.4)

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

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Healthcare Underwriters Group Inc.

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1 Direct and Assumed	2 Ceded	3 Net (1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	
1. Prior.....	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX
2. 2012.....	17,784	2,249	15,535	3,406	1,087	5,834	958	566	(256)	0	8,017	XXX
3. 2013.....	17,123	1,623	15,500	5,194	8	8,550	858	843	(81)	0	13,802	XXX
4. 2014.....	14,835	3,294	11,541	3,633	788	4,647	14	507	(108)	0	8,093	XXX
5. 2015.....	17,890	2,472	15,418	3,713	(456)	6,117	402	603	30	0	10,457	XXX
6. 2016.....	17,826	1,310	16,516	3,806	(896)	5,396	233	564	(52)	0	10,481	XXX
7. 2017.....	17,376	1,433	15,943	4,703	(1,205)	4,613	(210)	571	(38)	0	11,340	XXX
8. 2018.....	18,783	14,676	4,107	1,950	676	3,355	1,835	325	186	0	2,933	XXX
9. 2019.....	3,319	3,319	0	1,382	1,382	1,873	1,873	200	200	0	0	XXX
10. 2020.....	(6,219)	(6,219)	0	1,045	1,045	554	554	97	97	0	0	XXX
11. 2021.....	1,760	1,760	0	0	0	0	0	0	0	0	0	XXX
12. Totals	XXX	XXX	XXX	28,832	2,429	40,939	6,517	4,276	(22)	0	65,123	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded				Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior.....	0	0	42	42	0	0	19	19	2	2	0	0	XXX
2. 2012.....	0	0	7	7	0	0	20	20	2	2	0	0	XXX
3. 2013.....	75	75	(46)	(46)	0	0	50	50	4	4	0	0	XXX
4. 2014.....	0	0	0	0	0	0	65	65	3	3	0	0	XXX
5. 2015.....	465	465	(219)	(219)	0	0	109	109	15	15	0	0	XXX
6. 2016.....	1,275	1,275	(1,260)	(1,260)	0	0	250	250	12	12	0	0	XXX
7. 2017.....	200	200	(200)	(200)	0	0	327	327	21	21	0	0	XXX
8. 2018.....	1,175	1,175	(1,175)	(1,175)	0	0	950	950	44	44	0	0	XXX
9. 2019.....	2,300	2,300	(464)	(464)	0	0	1,542	1,542	153	153	0	0	XXX
10. 2020.....	1,765	1,765	(2,052)	(2,052)	0	0	1,544	1,544	99	99	0	0	XXX
11. 2021.....	0	0	658	658	0	0	911	911	19	19	0	0	XXX
12. Totals	7,255	7,255	(4,709)	(4,709)	0	0	5,787	5,787	374	374	0	0	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33	Inter- Company Pooling Participation Percentage	35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
2. 2012.....	9,835	1,818	8,017	55.3	80.8	51.6	0	0		0	0
3. 2013.....	14,670	868	13,802	85.7	53.5	89.0	0	0		0	0
4. 2014.....	8,855	762	8,093	59.7	23.1	70.1	0	0		0	0
5. 2015.....	10,803	346	10,457	60.4	14.0	67.8	0	0		0	0
6. 2016.....	10,043	(438)	10,481	56.3	(33.4)	63.5	0	0		0	0
7. 2017.....	10,235	(1,105)	11,340	58.9	(77.1)	71.1	0	0		0	0
8. 2018.....	6,624	3,691	2,933	35.3	25.1	71.4	0	0		0	0
9. 2019.....	6,986	6,986	0	210.5	210.5	0.0	0	0		0	0
10. 2020.....	3,052	3,052	0	(49.1)	(49.1)	0.0	0	0		0	0
11. 2021.....	1,588	1,588	0	90.2	90.2	0.0	0	0		0	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021	11 One Year	12 Two Year
1. Prior.....	23,189	20,279	21,484	20,049	19,467	19,647	19,646	19,643	19,645	19,645	0	2
2. 2012.....	12,025	9,546	8,492	7,635	7,383	7,199	7,199	7,196	7,195	7,195	0	(1)
3. 2013.....	XXX	14,825	13,989	13,222	12,945	12,883	12,882	12,879	12,879	12,878	(1)	(1)
4. 2014.....	XXX	XXX	8,455	6,917	7,097	7,478	7,480	7,479	7,477	7,478	1	(1)
5. 2015.....	XXX	XXX	XXX	10,862	9,373	9,883	9,885	9,885	9,885	9,884	(1)	(1)
6. 2016.....	XXX	XXX	XXX	XXX	11,620	9,866	9,865	9,865	9,865	9,865	0	0
7. 2017.....	XXX	XXX	XXX	XXX	XXX	10,731	10,731	10,732	10,731	10,731	0	(1)
8. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	2,796	2,796	2,795	2,794	(1)	(2)
9. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2021.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											(2)	(5)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
1. Prior.....	000	5,768	11,892	14,199	17,145	18,242	19,646	19,643	19,645	19,645	XXX	XXX
2. 2012.....	671	2,289	4,030	5,230	6,161	6,818	7,199	7,196	7,195	7,195	XXX	XXX
3. 2013.....	XXX	890	4,687	7,407	10,425	11,291	12,882	12,879	12,879	12,878	XXX	XXX
4. 2014.....	XXX	XXX	621	2,186	4,082	5,312	7,480	7,479	7,477	7,478	XXX	XXX
5. 2015.....	XXX	XXX	XXX	673	3,183	5,632	9,885	9,885	9,885	9,884	XXX	XXX
6. 2016.....	XXX	XXX	XXX	XXX	872	3,041	9,865	9,865	9,865	9,865	XXX	XXX
7. 2017.....	XXX	XXX	XXX	XXX	XXX	670	10,731	10,732	10,731	10,731	XXX	XXX
8. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	2,796	2,796	2,795	2,794	XXX	XXX
9. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX	XXX
10. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
11. 2021.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1. Prior.....	12,782	5,570	3,046	1,154	92	6	0	0	0	0
2. 2012.....	6,794	3,709	2,220	887	137	6	0	0	0	0
3. 2013.....	XXX	7,621	4,923	2,206	401	500	0	0	0	0
4. 2014.....	XXX	XXX	4,500	2,644	1,538	546	0	0	0	0
5. 2015.....	XXX	XXX	XXX	5,295	2,497	1,434	0	0	0	0
6. 2016.....	XXX	XXX	XXX	XXX	4,693	2,564	0	0	0	0
7. 2017.....	XXX	XXX	XXX	XXX	XXX	3,310	0	0	0	0
8. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2021.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

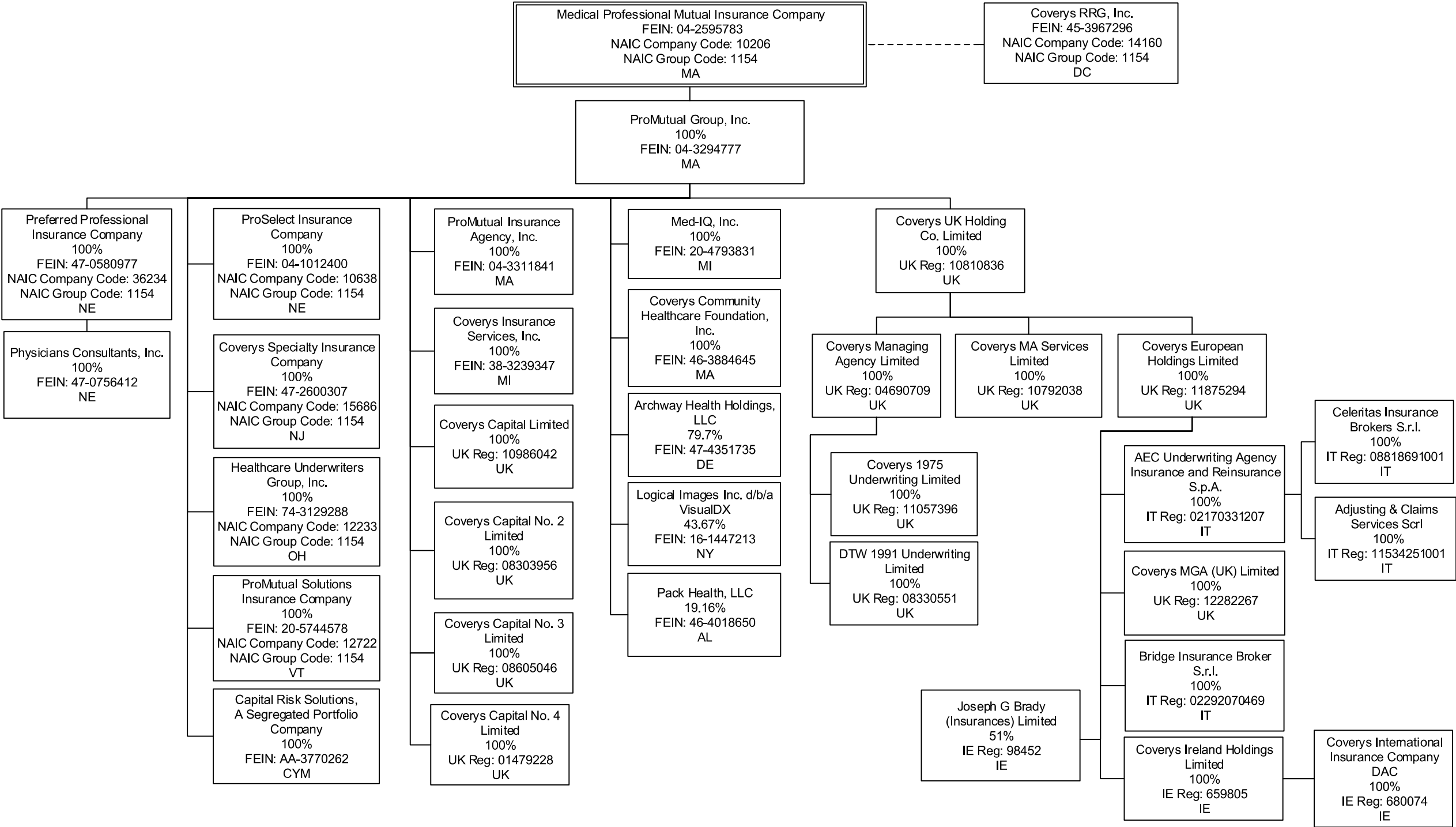
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories									
States, Etc.	1	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status (a)	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
1. Alabama AL	N								
2. Alaska AK	N								
3. Arizona AZ	N								
4. Arkansas AR	N								
5. California CA	N								
6. Colorado CO	N								
7. Connecticut CT	N								
8. Delaware DE	N								
9. District of Columbia DC	N								
10. Florida FL	L	(4,540)	1,760,230	0	2,420,000	(2,789,177)	2,550,196		
11. Georgia GA	N								
12. Hawaii HI	N								
13. Idaho ID	N								
14. Illinois IL	N								
15. Indiana IN	L	0	0	0	0	0	0		
16. Iowa IA	N								
17. Kansas KS	N								
18. Kentucky KY	L	0	0	0	0	0	0		
19. Louisiana LA	N								
20. Maine ME	N								
21. Maryland MD	N								
22. Massachusetts MA	N								
23. Michigan MI	N								
24. Minnesota MN	N								
25. Mississippi MS	N								
26. Missouri MO	N								
27. Montana MT	N								
28. Nebraska NE	N								
29. Nevada NV	N								
30. New Hampshire NH	N								
31. New Jersey NJ	N								
32. New Mexico NM	N								
33. New York NY	N								
34. North Carolina NC	N								
35. North Dakota ND	N								
36. Ohio OH	L	0	0	0	0	0	0		
37. Oklahoma OK	N								
38. Oregon OR	N								
39. Pennsylvania PA	N								
40. Rhode Island RI	N								
41. South Carolina SC	N								
42. South Dakota SD	N								
43. Tennessee TN	N								
44. Texas TX	L	0	0	0	0	0	0		
45. Utah UT	N								
46. Vermont VT	N								
47. Virginia VA	N								
48. Washington WA	N								
49. West Virginia WV	N								
50. Wisconsin WI	N								
51. Wyoming WY	N								
52. American Samoa AS	N								
53. Guam GU	N								
54. Puerto Rico PR	N								
55. U.S. Virgin Islands VI	N								
56. Northern Mariana Islands MP	N								
57. Canada CAN	N								
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59. Totals	XXX	(4,540)	1,760,230	0	2,420,000	(2,789,177)	2,550,196	0	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
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.....5 R - Registered - Non-domiciled RRGs.....0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI).....0 Q - Qualified - Qualified or accredited reinsurer.....0
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus business in the state52
lines in the state of domicile.....0
(b) Explanation of basis of allocation of premiums by states, etc.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Healthcare Underwriters Group Inc.

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This organizational chart only includes entities where Medical Professional Mutual Insurance Company or its subsidiaries have at least a 10% ownership interest.

OVERFLOW PAGE FOR WRITE-INS