



## PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

**ANNUAL STATEMENT**  
For the Year Ended December 31, 2021  
OF THE CONDITION AND AFFAIRS OF THE  
**BCS Insurance Company**

NAIC Group Code (Current Period)	00023	00023 (Prior Period)	NAIC Company Code	38245	Employer's ID Number	36-6033921
Organized under the Laws of Country of Domicile		Ohio		State of Domicile or Port of Entry United States		Ohio
Incorporated/Organized	12/05/1950		Commenced Business		11/30/1952	
Statutory Home Office	6740 North High Street (Street and Number)				Worthington, OH, US 43085 (City or Town, State, Country and Zip Code)	
Main Administrative Office	2 Mid America Plaza, Suite 200 (Street and Number)		Oakbrook Terrace, IL, US 60181 (City or Town, State, Country and Zip Code)		630-472-7700 (Area Code) (Telephone Number)	
Mail Address	2 Mid America Plaza, Suite 200 (Street and Number or P.O. Box)				Oakbrook Terrace, IL, US 60181 (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	2 Mid America Plaza, Suite 200 (Street and Number)		Oakbrook Terrace, IL, US 60181 (City or Town, State, Country and Zip Code)		630-472-7700 (Area Code) (Telephone Number)	
Internet Web Site Address	www.bcsins.com					
Statutory Statement Contact	David J. Burke (Name)				630-472-7815 (Area Code) (Telephone Number) (Extension)	
	DBurke@bcsf.com (E-Mail Address)				630-472-7837 (Fax Number)	

## OFFICERS

Name	Title	Name	Title
Peter Lorin Costello	Chairman, President & Chief Executive Officer	Terry Michael Hackett	General Counsel & Secretary
Susan Ann Pickar	Chief Financial Officer & Treasurer		

## OTHER OFFICERS

Christopher Scott Bailey, Senior Vice President Sales and  
Market Development, Mehboob Aziz Khoja #, Chief Actuary

## **DIRECTORS OR TRUSTEES**

Peter Lorin Costello Terry Michael Hackett Christopher Scott Bailey Mehboob Aziz Khoja #  
Susan Ann Pickar

State of Illinois.

55

County of DuPage

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.

Peter Lorin Costello

Peter John Costello  
Chairman, President & Chief Executive Officer

Terry Michael Hackett

✓ Terry Michael Hackett  
General Counsel & Secretary

Susan Ann Pickar

Susan Ann Pickal  
Financial Officer & Treasurer

Subscribed and sworn to before me  
this 24th day of February, 2022

a. Is this an original filing?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]
b. If no:	
1. State the amendment number	0
2. Date filed	
3. Number of pages attached	0

Rochelle Roeske Rynes, Senior Accountant  
December 10, 2024

Rochele Roeske Rynes, Senior Accountant  
Received 12-2024



**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	203,497,058	.0	203,497,058	208,829,669
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0	.0	0	0
2.2 Common stocks .....	16,194,296	.0	16,194,296	15,068,219
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	0	.0	0	0
3.2 Other than first liens .....	0	.0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... 0 encumbrances).....	0	.0	0	0
4.2 Properties held for the production of income (less \$ ..... 0 encumbrances) .....	0	.0	0	0
4.3 Properties held for sale (less \$ ..... 0 encumbrances) .....	0	.0	0	0
5. Cash (\$ ..... 2,255,542 , Schedule E-Part 1), cash equivalents (\$ ..... 6,238,170 , Schedule E-Part 2) and short-term investments (\$ ..... 603,515 , Schedule DA).....	9,097,227	.0	9,097,227	23,937,366
6. Contract loans (including \$ ..... 0 premium notes).....	0	.0	0	0
7. Derivatives (Schedule DB).....	0	.0	0	0
8. Other invested assets (Schedule BA).....	17,742,308	.0	17,742,308	11,157,380
9. Receivables for securities .....	0	.0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	.0	0	0
11. Aggregate write-ins for invested assets .....	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	246,530,889	.0	246,530,889	258,992,634
13. Title plants less \$ ..... 0 charged off (for Title insurers only).....	0	.0	0	0
14. Investment income due and accrued .....	1,491,471	.0	1,491,471	1,505,766
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	23,952,880	.991,797	22,961,083	17,515,409
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... 0 earned but unbilled premiums).....	600,000	.0	600,000	0
15.3 Accrued retrospective premiums (\$ ..... 7,775,385 ) and contracts subject to redetermination (\$ ..... 0 ) .....	7,775,385	.0	7,775,385	4,887,243
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	9,021,192	.0	9,021,192	9,533,996
16.2 Funds held by or deposited with reinsured companies .....	37,500	.0	37,500	75,000
16.3 Other amounts receivable under reinsurance contracts .....	0	.0	0	0
17. Amounts receivable relating to uninsured plans .....	0	.0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	.0	0	0
18.2 Net deferred tax asset .....	0	.0	0	0
19. Guaranty funds receivable or on deposit .....	1,158,968	.0	1,158,968	1,090,729
20. Electronic data processing equipment and software .....	0	.0	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... 0 ) .....	0	.0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	.0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	.0	0	0
24. Health care (\$ ..... 0 ) and other amounts receivable .....	0	.0	0	0
25. Aggregate write-ins for other-than-invested assets .....	555,641	.0	555,641	5,105,457
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	291,123,926	.991,797	290,132,129	298,706,234
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	.0	0	0
28. Total (Lines 26 and 27) .....	291,123,926	.991,797	290,132,129	298,706,234
<b>DETAILS OF WRITE-INS</b>				
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. <b>Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)</b> .....	0	0	0	0
2501. Unapplied Claim Payments.....	190,465	.0	190,465	2,695,310
2502. State Income Tax & Premium Tax Recoverable.....	260,458	.0	260,458	2,004,003
2503. Miscellaneous Accounts Receivable.....	104,718	.0	104,718	406,144
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	.0	0	0
2599. <b>Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)</b> .....	555,641	0	555,641	5,105,457

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	32,168,898	27,299,909
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)	4,758,510	4,251,640
4. Commissions payable, contingent commissions and other similar charges	0	662,891
5. Other expenses (excluding taxes, licenses and fees)	672,805	291,308
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	3,027,367	607,890
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	1,818,580	2,027,058
7.2 Net deferred tax liability	71,057	11,617
8. Borrowed money \$ 8,000,000 and interest thereon \$ 5,365	8,005,365	18,017,972
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 32,946,238 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	8,289,154	5,537,575
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	38,039,565	29,930,747
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	38,348,984	46,337,213
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	2,839,127	9,826,040
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 3, Column 78)	3,809,000	4,238,000
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	4,859,148	1,767,961
20. Derivatives	0	0
21. Payable for securities	51,794	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ 0 and interest thereon \$ 0	0	0
25. Aggregate write-ins for liabilities	1,952,909	1,490,341
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	148,712,263	152,298,162
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	148,712,263	152,298,162
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	3,000,000	3,000,000
31. Preferred capital stock	0	0
32. Aggregate write-ins for other-than-special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	36,484,581	36,484,581
35. Unassigned funds (surplus)	101,935,285	106,923,491
36. Less treasury stock, at cost:		
36.1 \$ 0 shares common (value included in Line 30 \$ )	0	0
36.2 \$ 0 shares preferred (value included in Line 31 \$ )	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	141,419,866	146,408,072
38. Totals (Page 2, Line 28, Col. 3)	290,132,129	298,706,234
<b>DETAILS OF WRITE-INS</b>		
2501. Allowance for Doubtful Accounts	1,549,798	1,346,778
2502. Retroactive Reinsurance Reserve Assumed	103,111	123,039
2503. Escheat Liabilities	0	20,524
2598. Summary of remaining write-ins for Line 25 from overflow page	300,000	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,952,909	1,490,341
2901.		0
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4) .....	86,176,714	82,624,378
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7) .....	47,279,402	44,260,407
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	3,664,762	3,201,329
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	31,544,308	30,134,593
5. Aggregate write-ins for underwriting deductions .....	0	0
6. Total underwriting deductions (Lines 2 through 5) .....	82,488,472	77,596,329
7. Net income of protected cells .....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	3,688,242	5,028,049
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	5,465,491	6,857,725
10. Net realized capital gains (losses) less capital gains tax of \$ .....	446,939 (Exhibit of Capital Gains (Losses))	1,238,080 1,014,883
11. Net investment gain (loss) (Lines 9 + 10) .....	6,703,571	7,872,608
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ charged off \$ .....	amount	0 0
13. Finance and service charges not included in premiums .....	0	0
14. Aggregate write-ins for miscellaneous income .....	(1,072,675)	(1,014,796)
15. Total other income (Lines 12 through 14) .....	(1,072,675)	(1,014,796)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....	9,319,138	11,885,861
17. Dividends to policyholders .....	0	0
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) .....	9,319,138	11,885,861
19. Federal and foreign income taxes incurred .....	1,856,127	2,178,083
20. Net income (Line 18 minus Line 19) (to Line 22) .....	7,463,011	9,707,778
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	146,408,072	147,717,594
22. Net income (from Line 20) .....	7,463,011	9,707,778
23. Net transfers (to) from Protected Cell accounts .....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....	406,892	1,530,689 1,032,009
25. Change in net unrealized foreign exchange capital gain (loss) .....	0	0
26. Change in net deferred income tax .....	347,452	(913,249)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) .....	(158,358)	4,014,940
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....	429,000	(701,000)
29. Change in surplus notes .....	0	0
30. Surplus (contributed to) withdrawn from protected cells .....	0	0
31. Cumulative effect of changes in accounting principles .....	0	0
32. Capital changes:		
32.1 Paid in .....	0	0
32.2 Transferred from surplus (Stock Dividend) .....	0	0
32.3 Transferred to surplus .....	0	0
33. Surplus adjustments:		
33.1 Paid in .....	0	0
33.2 Transferred to capital (Stock Dividend) .....	0	0
33.3 Transferred from capital .....	0	0
34. Net remittances from or (to) Home Office .....	0	0
35. Dividends to stockholders .....	(14,600,000)	(14,450,000)
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) .....	(4,988,206)	(1,309,522)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	141,419,866	146,408,072
<b>DETAILS OF WRITE-INS</b>		
0501. .....	0	0
0502. .....	0	0
0503. .....	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	0	0
1401. Miscellaneous Income .....	(110,556)	172,131
1402. Funds Held Interest Expense .....	(962,119)	(1,186,927)
1403. .....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	(1,072,675)	(1,014,796)
3701. .....	0	0
3702. .....	0	0
3703. .....	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page .....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above) .....	0	0

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	87,944,937	83,505,188
2. Net investment income .....	6,531,036	7,631,706
3. Miscellaneous income .....	(1,035,175)	(1,014,796)
4. Total (Lines 1 through 3) .....	93,440,798	90,122,098
5. Benefit and loss related payments .....	41,897,609	40,252,667
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	32,633,529	37,556,204
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses) .....	2,511,544	2,729,409
10. Total (Lines 5 through 9) .....	77,042,682	80,538,280
11. Net cash from operations (Line 4 minus Line 10) .....	16,398,116	9,583,818
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	46,414,188	52,310,595
12.2 Stocks .....	1,739,138	161,763
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 .....	40,948	26,203
12.7 Miscellaneous proceeds .....	510,756	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	48,705,030	52,498,561
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	41,500,148	37,893,563
13.2 Stocks .....	0	52,000
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	6,500,000	0
13.6 Miscellaneous applications .....	458,962	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	48,459,109	37,945,564
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) .....	245,921	14,552,998
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	(10,012,607)	10,001,937
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	14,600,000	14,450,000
16.6 Other cash provided (applied) .....	(6,871,569)	2,982,973
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(31,484,176)	(1,465,090)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(14,840,139)	22,671,726
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	23,937,366	1,265,640
19.2 End of year (Line 18 plus Line 19.1) .....	9,097,227	23,937,366

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**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	0	0
2. Allied lines .....	0	0	0	0
3. Farmowners multiple peril .....	0	0	0	0
4. Homeowners multiple peril .....	0	0	0	0
5. Commercial multiple peril .....	6,599,451	1,241,975	3,210,542	4,630,884
6. Mortgage guaranty .....	0	0	0	0
8. Ocean marine .....	0	0	0	0
9. Inland marine .....	0	0	0	0
10. Financial guaranty .....	0	0	0	0
11.1 Medical professional liability-occurrence .....	0	0	0	0
11.2 Medical professional liability-claims-made .....	0	0	0	0
12. Earthquake .....	0	0	0	0
13. Group accident and health .....	63,886,915	327,248	212,569	64,001,594
14. Credit accident and health (group and individual) .....	0	0	0	0
15. Other accident and health .....	6,391	1,596	1,040	6,947
16. Workers' compensation .....	0	0	0	0
17.1 Other liability-occurrence .....	8,906,881	0	0	8,906,881
17.2 Other liability-claims-made .....	9,171,700	3,913,626	4,737,662	8,347,664
17.3 Excess workers' compensation .....	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
19.3,19.4 Commercial auto liability .....	0	0	0	0
21. Auto physical damage .....	0	0	0	0
22. Aircraft (all perils) .....	0	0	0	0
23. Fidelity .....	0	0	0	0
24. Surety .....	0	0	0	0
26. Burglary and theft .....	0	0	0	0
27. Boiler and machinery .....	0	0	0	0
28. Credit .....	0	0	0	0
29. International .....	0	0	0	0
30. Warranty .....	0	0	0	0
31. Reinsurance-nonproportional assumed property .....	0	0	0	0
32. Reinsurance-nonproportional assumed liability .....	0	0	0	0
33. Reinsurance-nonproportional assumed financial lines .....	0	0	0	0
34. Aggregate write-ins for other lines of business .....	356,955	53,130	127,341	282,744
35. TOTALS .....	88,928,293	5,537,575	8,289,154	86,176,714
<b>DETAILS OF WRITE-INS</b>				
3401. Special Risk .....	356,955	53,130	127,341	282,744
3402. .....	0	0	0	0
3403. .....				
3498. Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above) .....	356,955	53,130	127,341	282,744

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1A - RECAPITULATION OF ALL PREMIUMS**

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 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 .....	3,167,689	42,853			3,210,542
6. Mortgage guaranty .....					0
8. Ocean marine .....					0
9. Inland marine .....	0	0			0
10. Financial guaranty .....					0
11.1 Medical professional liability-occurrence .....					0
11.2 Medical professional liability-claims-made .....	0	0			0
12. Earthquake .....					0
13. Group accident and health .....	212,569	0			212,569
14. Credit accident and health (group and individual) .....					0
15. Other accident and health .....	1,040	0			1,040
16. Workers' compensation .....					0
17.1 Other liability-occurrence .....	0	0			0
17.2 Other liability-claims-made .....	4,672,773	64,889			4,737,662
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	0			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 .....	120,974	6,367	0	0	127,341
35. TOTALS	8,175,045	114,109	0	0	8,289,154
36. Accrued retrospective premiums based on experience .....					
37. Earned but unbilled premiums .....					
38. Balance (Sum of Lines 35 through 37)					8,289,154
<b>DETAILS OF WRITE-INS</b>					
3401. Special Risk .....	120,974	6,367			127,341
3402. .....					0
3403. .....					0
3498. Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	120,974	6,367	0	0	127,341

(a) State here basis of computation used in each case. Pro-rata basis

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B - PREMIUMS WRITTEN**

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire .....	0	.0	0	.0	.0	0
2. Allied lines .....	0	.0	0	.0	.0	0
3. Farmowners multiple peril .....	0	.0	0	.0	.0	0
4. Homeowners multiple peril .....	0	.0	0	.0	.0	0
5. Commercial multiple peril .....	54,083,580	.0	0	.0	47,484,129	6,599,451
6. Mortgage guaranty .....	0	.0	0	.0	.0	0
8. Ocean marine .....	0	.0	0	.0	.0	0
9. Inland marine .....	159,145,682	.0	0	.0	159,145,682	0
10. Financial guaranty .....	0	.0	0	.0	.0	0
11.1 Medical professional liability-occurrence .....	0	0	0	0	0	0
11.2 Medical professional liability-claims-made .....	121,282	.0	0	0	121,282	0
12. Earthquake .....	0	.0	0	.0	.0	0
13. Group accident and health .....	138,808,933	.0	19,415,178	27,389,409	66,947,787	63,886,915
14. Credit accident and health (group and individual) .....	0	.0	0	.0	.0	0
15. Other accident and health .....	.7,496	.0	0	.0	1,105	.6,391
16. Workers' compensation .....	0	.0	0	.0	.0	0
17.1 Other liability-occurrence .....	20,109,493	.0	0	8,903,264	2,299,348	8,906,881
17.2 Other liability-claims-made .....	25,555,827	.0	0	0	16,384,127	9,171,700
17.3 Excess workers' compensation .....	0	.0	0	0	0	0
18.1 Products liability-occurrence .....	0	.0	0	0	0	0
18.2 Products liability-claims-made .....	0	.0	0	0	0	0
19.1, 19.2 Private passenger auto liability .....	0	.0	0	0	0	0
19.3, 19.4 Commercial auto liability .....	0	.0	0	0	0	0
21. Auto physical damage .....	0	.0	0	0	0	0
22. Aircraft (all perils) .....	0	.0	0	0	0	0
23. Fidelity .....	0	.0	0	0	0	0
24. Surety .....	0	.0	0	0	0	0
26. Burglary and theft .....	0	.0	0	0	0	0
27. Boiler and machinery .....	0	.0	0	0	0	0
28. Credit .....	0	.0	0	0	0	0
29. International .....	0	.0	0	0	0	0
30. Warranty .....	0	.0	0	0	0	0
31. Reinsurance-nonproportional assumed property .....	XXX	.0	0	0	0	0
32. Reinsurance-nonproportional assumed liability .....	XXX	.0	0	0	0	0
33. Reinsurance-nonproportional assumed financial lines .....	XXX	.0	0	0	0	0
34. Aggregate write-ins for other lines of business .....	3,530,541	0	0	0	3,173,586	356,955
35. TOTALS .....	401,362,834	0	19,415,178	36,292,673	295,557,046	88,928,293
<b>DETAILS OF WRITE-INS</b>						
3401. Special Risk .....	2,845,016	.0	0	0	2,488,061	356,955
3402. Miscellaneous Casualty .....	685,525	.0	0	0	685,525	0
3403. .....	.....	.....	.....	.....	.....	0
3498. Sum. of remaining write-ins for Line 34 from overflow page .....	0	.0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above) .....	3,530,541	0	0	0	3,173,586	356,955

(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 recorded on an annualized basis \$ .....

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire .....			0	0	0	0	0	0
2. Allied lines .....			0	0	0	0	0	0
3. Farmowners multiple peril .....			0	0	0	0	0	0
4. Homeowners multiple peril .....			0	0	0	0	0	0
5. Commercial multiple peril .....	23,519,211	0	21,190,849	2,328,362	2,306,818	.769,644	3,865,536	83.5
6. Mortgage guaranty .....			0	0	0	0	0	0
8. Ocean marine .....			0	0	0	0	0	0
9. Inland marine .....	18,878,447	0	18,878,447	0	0	0	0	0
10. Financial guaranty .....			0	0	0	0	0	0
11.1 Medical professional liability-occurrence .....			0	0	0	0	0	0
11.2 Medical professional liability-claims-made .....	0	0	0	0	0	0	0	0
12. Earthquake .....			0	0	0	0	0	0
13. Group accident and health .....	67,308,942	13,101,396	46,281,570	34,128,768	18,094,523	20,998,441	31,224,850	48.8
14. Credit accident and health (group and individual) .....			0	0	0	0	0	0
15. Other accident and health .....	0	0	0	0	2,409	3,725	(1,316)	(18.9)
16. Workers' compensation .....			0	0	0	0	0	0
17.1 Other liability-occurrence .....	10,428,955	0	5,814,526	4,614,429	4,224,735	463,421	8,375,743	94.0
17.2 Other liability-claims-made .....	37,571,434	0	36,364,882	1,206,552	7,416,239	5,012,264	3,610,527	43.3
17.3 Excess workers' compensation .....			0	0	0	0	0	0
18.1 Products liability-occurrence .....			0	0	0	0	0	0
18.2 Products liability-claims-made .....			0	0	0	0	0	0
19.1,19.2 Private passenger auto liability .....			0	0	0	0	0	0
19.3,19.4 Commercial auto liability .....			0	0	0	0	0	0
21. Auto physical damage .....			0	0	0	0	0	0
22. Aircraft (all perils) .....			0	0	0	0	0	0
23. Fidelity .....	(9,190)	0	0	(9,190)	.939	.939	(9,190)	0.0
24. Surety .....			0	0	0	0	0	0
26. Burglary and theft .....			0	0	0	0	0	0
27. Boiler and machinery .....			0	0	0	0	0	0
28. Credit .....			0	0	0	0	0	0
29. International .....			0	0	0	0	0	0
30. Warranty .....			0	0	0	0	0	0
31. Reinsurance-nonproportional assumed property .....	XXX		0	0	0	0	0	0.0
32. Reinsurance-nonproportional assumed liability .....	XXX		0	0	0	0	0	0.0
33. Reinsurance-nonproportional assumed financial lines .....	XXX		0	0	0	0	0	0.0
34. Aggregate write-ins for other lines of business .....	1,632,651	0	1,491,159	141,492	123,235	51,475	213,252	75.4
35. TOTALS .....	159,330,450	13,101,396	130,021,433	42,410,413	32,168,898	27,299,909	47,279,402	54.9
<b>DETAILS OF WRITE-INS</b>								
3401. Special Risk .....	1,462,564		1,321,072	141,492	123,235	51,475	213,252	75.4
3402. Miscellaneous Casualty .....	170,087		170,087	0	0	0	0	0.0
3403. .....			0	0	0	0	0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0	0	0	0.0
3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above) .....	1,632,651	0	1,491,159	141,492	123,235	51,475	213,252	75.4

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

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire				0				0	0
2. Allied lines				0				0	0
3. Farmowners multiple peril				0				0	0
4. Homeowners multiple peril				0				0	0
5. Commercial multiple peril	6,164,293	.0	5,573,668	590,625	18,985,426	.0	17,269,233	2,306,818	548,538
6. Mortgage guaranty				0				0	0
8. Ocean marine				0				0	0
9. Inland marine	0	.0	.0	0	13,870,959	.0	13,870,959	0	0
10. Financial guaranty				0				0	0
11.1 Medical professional liability-occurrence				0				0	0
11.2 Medical professional liability-claims-made	0	.0	.0	0	175,000	.0	175,000	0	0
12. Earthquake				0				0	0
13. Group accident and health	1,013,380	2,095,245	2,608,625	500,000	33,793,407	16,795,397	32,994,281	(a) 18,094,523	827,273
14. Credit accident and health (group and individual)	0	.0	.0	0	2,409	.0	0	(a) 2,409	0
15. Other accident and health	0	.0	.0	0				0	0
16. Workers' compensation				0				0	0
17.1 Other liability-occurrence	0	.0	.0	0	9,335,619	.0	5,110,884	4,224,735	101,758
17.2 Other liability-claims-made	273,181,070	.0	270,743,928	2,437,142	74,164,966	.0	69,185,869	7,416,239	3,252,941
17.3 Excess workers' compensation				0				0	0
18.1 Products liability-occurrence				0				0	0
18.2 Products liability-claims-made				0				0	0
19.1,19.2 Private passenger auto liability				0				0	0
19.3,19.4 Commercial auto liability				0				0	0
21. Auto physical damage				0				0	0
22. Aircraft (all perils)				0				0	0
23. Fidelity	0	.0	.0	0	.45,428	.0	44,489	.939	116
24. Surety				0				0	0
26. Burglary and theft				0				0	0
27. Boiler and machinery				0				0	0
28. Credit				0				0	0
29. International				0				0	0
30. Warranty				0				0	0
31. Reinsurance-nonproportional assumed property	XXX			0	XXX			0	0
32. Reinsurance-nonproportional assumed liability	XXX			0	XXX			0	0
33. Reinsurance-nonproportional assumed financial lines	XXX			0	XXX			0	0
34. Aggregate write-ins for other lines of business	265,608	.0	233,032	.32,576	.866,051	.0	.775,392	123,235	27,884
35. TOTALS	280,624,351	2,095,245	279,159,253	3,560,343	151,239,265	16,795,397	139,426,107	32,168,898	4,758,510
<b>DETAILS OF WRITE-INS</b>									
3401. Special Risk	265,608	.0	233,032	.32,576	.866,051	.0	.775,392	123,235	27,884
3402.	0	.0	.0	0	0	.0	0	0	0
3403.									
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	.0	.0	0	0	.0	0	0	0
3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	265,608	0	233,032	32,576	.866,051	0	.775,392	123,235	27,884

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

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - EXPENSES**

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct .....	11,381,831	0	0	11,381,831
1.2 Reinsurance assumed .....	0	0	0	0
1.3 Reinsurance ceded .....	9,396,126	0	0	9,396,126
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....	1,985,705	0	0	1,985,705
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....	0	28,173,039	0	28,173,039
2.2 Reinsurance assumed, excluding contingent .....	0	285,653	0	285,653
2.3 Reinsurance ceded, excluding contingent .....	0	37,559,876	0	37,559,876
2.4 Contingent-direct .....	0	(2,758)	0	(2,758)
2.5 Contingent-reinsurance assumed .....	0	1,175,920	0	1,175,920
2.6 Contingent-reinsurance ceded .....	0	1,175,920	0	1,175,920
2.7 Policy and membership fees .....	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....	0	(9,103,942)	0	(9,103,942)
3. Allowances to manager and agents .....	0	0	0	0
4. Advertising .....	3,563	45,105	1,208	49,876
5. Boards, bureaus and associations .....	5,553	54,689	1,598	61,840
6. Surveys and underwriting reports .....	0	0	0	0
7. Audit of assureds' records .....	0	0	0	0
8. Salary and related items:				
8.1 Salaries .....	1,008,880	10,768,809	295,975	12,073,664
8.2 Payroll taxes .....	60,354	591,263	16,762	668,379
9. Employee relations and welfare .....	239,791	2,651,067	70,587	2,961,445
10. Insurance .....	0	0	0	0
11. Directors' fees .....	32	394	10	436
12. Travel and travel items .....	35,606	432,448	11,338	479,392
13. Rent and rent items .....	51,249	550,021	14,948	616,218
14. Equipment .....	2,878	31,274	848	35,000
15. Cost or depreciation of EDP equipment and software .....	139,340	1,659,246	41,973	1,840,559
16. Printing and stationery .....	17,240	371,378	5,088	393,706
17. Postage, telephone and telegraph, exchange and express .....	3,397	37,365	59,932	100,694
18. Legal and auditing .....	110,264	1,730,074	485,235	2,325,573
19. Totals (Lines 3 to 18) .....	1,678,147	18,923,133	1,005,502	21,606,782
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....	0	7,785,928	0	7,785,928
20.2 Insurance department licenses and fees .....	0	596,581	0	596,581
20.3 Gross guaranty association assessments .....	0	(186,093)	0	(186,093)
20.4 All other (excluding federal and foreign income and real estate) .....	0	1,170,879	0	1,170,879
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	0	9,367,295	0	9,367,295
21. Real estate expenses .....	0	0	0	0
22. Real estate taxes .....	0	0	0	0
23. Reimbursements by uninsured plans .....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses .....	910	12,357,822	285	12,359,017
25. Total expenses incurred .....	3,664,762	31,544,308	1,005,787	(a) 36,214,857
26. Less unpaid expenses-current year .....	4,758,510	3,661,007	39,164	8,458,681
27. Add unpaid expenses-prior year .....	4,251,640	1,524,096	37,992	5,813,728
28. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year .....	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29) .....	3,157,892	29,407,397	1,004,615	33,569,904
<b>DETAILS OF WRITE-INS</b>				
2401. Donations .....	910	10,260	285	11,455
2402. Group Service Administration .....	0	12,347,562	0	12,347,562
2403. .....	0	0	0	0
2498. Summary of remaining write-ins for Line 24 from overflow page .....	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above) .....	910	12,357,822	285	12,359,017

(a) Includes management fees of \$ 20,019,185 to affiliates and \$ to non-affiliates.

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds .....	(a) 509,330	513,236
1.1 Bonds exempt from U.S. tax .....	(a) 361,830	361,423
1.2 Other bonds (unaffiliated) .....	(a) 5,258,009	5,157,441
1.3 Bonds of affiliates .....	(a) 0	0
2.1 Preferred stocks (unaffiliated) .....	(b) 0	0
2.11 Preferred stocks of affiliates .....	(b) 0	0
2.2 Common stocks (unaffiliated) .....	302,754	302,754
2.21 Common stocks of affiliates .....	0	0
3. Mortgage loans .....	(c) .....	.....
4. Real estate .....	(d) .....	.....
5. Contract loans .....	(e) (119,124)	(119,104)
6. Cash, cash equivalents and short-term investments .....	(f) .....	.....
7. Derivative instruments .....	404,040	486,794
8. Other invested assets .....	0	0
9. Aggregate write-ins for investment income .....	6,716,838	6,702,543
10. Total gross investment income .....	.....	.....
11. Investment expenses .....	(g) 1,005,787	.....
12. Investment taxes, licenses and fees, excluding federal income taxes .....	(g) .....	.....
13. Interest expense .....	(h) 231,265	.....
14. Depreciation on real estate and other invested assets .....	(i) 0	.....
15. Aggregate write-ins for deductions from investment income .....	0	.....
16. Total deductions (Lines 11 through 15) .....	1,237,052	.....
17. Net investment income (Line 10 minus Line 16) .....	5,465,491	.....
<b>DETAILS OF WRITE-INS</b>		
0901. .....	.....	.....
0902. .....	.....	.....
0903. .....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	0	0
1501. .....	.....	.....
1502. .....	.....	.....
1503. .....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page .....	0	0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above) .....	0	0

(a) Includes \$ 205,282 accrual of discount less \$ 1,255,360 amortization of premium and less \$ 73,864 paid for accrued interest on purchases.  
 (b) Includes \$ accrual of discount less \$ 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 \$ 14 accrual of discount less \$ 124,785 amortization of premium and less \$ 1,667 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 \$ depreciation on real estate and \$ depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds .....	(24,065)	.....	(24,065)	.....	.....
1.1 Bonds exempt from U.S. tax .....	(7,847)	.....	(7,847)	.....	.....
1.2 Other bonds (unaffiliated) .....	845,475	.....	845,475	(182,055)	.....
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) .....	1,291,468	0	1,291,468	1,573,747	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 .....	38,949	.....	38,949	1,999	0
7. Derivative instruments .....	0	0	0	0	0
8. Other invested assets .....	0	(458,962)	(458,962)	543,890	0
9. Aggregate write-ins for capital gains (losses) .....	0	0	0	0	0
10. Total capital gains (losses) .....	2,143,981	(458,962)	1,685,019	1,937,581	0
<b>DETAILS OF WRITE-INS</b>			.....	.....	.....
0901. .....	.....	.....	0	.....	.....
0902. .....	.....	.....	0	.....	.....
0903. .....	.....	.....	0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	0	0	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens .....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans .....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0
9. Receivables for securities .....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	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	0	0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	991,797	833,439	(158,358)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets .....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	991,797	833,439	(158,358)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27).....	991,797	833,439	(158,358)
<b>DETAILS OF WRITE-INS</b>			
1101. .....	0	0	0
1102. .....	0	0	0
1103. .....	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0
2501. .....	0	0	0
2502. .....	0	0	0
2503. .....	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

**A. Accounting Practices and Going Concern**

The accompanying financial statements of the Company have been prepared on the basis of accounting procedures prescribed or permitted by the Ohio Insurance Department. The state of Ohio requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the Ohio Insurance Department.

	<b>SSAP #</b>	<b>F/S Page</b>	<b>F/S Line #</b>	<b>2021</b>	<b>2020</b>
<b>Net Income</b>					
(1) BCS Insurance Company State Basis (Page 4, Line 20, Columns 1 & 2)				\$ 7,463,011	\$ 9,707,778
State Prescribed Practices that increase/(decrease)					
(2) NAIC SAP:				-	-
None					
State Permitted Practices that increase/(decrease)					
(3) NAIC SAP:				-	-
None					
(4) NAIC SAP (1-2-3=4)				<u>\$ 7,463,011</u>	<u>\$ 9,707,778</u>
<b>Surplus</b>					
(5) BCS Insurance Company State Basis (Page 3, Line 37, Columns 1 & 2)				\$ 141,419,866	\$ 146,408,072
State Prescribed Practices that increase/(decrease)					
(6) NAIC SAP:				-	-
None					
State Permitted Practices that increase/(decrease)					
(7) NAIC SAP:				-	-
None					
(8) NAIC SAP (5-6-7=8)				<u>\$ 141,419,866</u>	<u>\$ 146,408,072</u>

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

**C. Accounting Policy**

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium is established to cover the unexpired portion of premiums written. Such reserves are computed by the pro rata method. Expenses incurred in connection with acquiring new insurance business (acquisition costs) are charged to operations as incurred. Net investment income consists primarily of interest and dividends. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at cost, which approximates market.
2. Long-term bonds are generally stated at their amortized value using the scientific interest method. Non-investment grade securities with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value, with any unrealized losses recorded as a reduction to surplus. If a security is deemed to be other than temporarily impaired, it is written down to its fair value through a charge to earnings.
3. Common Stocks, other than investments in stocks of subsidiaries and affiliates, are stated fair value.
4. Preferred Stocks – Not Applicable
5. Mortgage Loans – Not Applicable
6. Loan-backed and structured securities related to U.S. government agencies are reported at amortized cost. Other loan-backed and structured securities that are modeled by an NAIC vendor are reported at either amortized cost or fair value, depending on the relationship of amortized cost to the values generated by the modeling vendor. The remaining loan-backed and structured securities are reported on based upon credit rating; loan-backed and structured securities with NAIC designations of 1 and 2 are reported at amortized cost, while loan-backed and structured securities with NAIC designations of 3 through 6 are reported at the lower of amortized cost or fair value. The Company applies the retrospective scientific method to value loan-backed and structured securities.
7. Subsidiaries, Controlled and Affiliated Companies – Not Applicable
8. Joint ventures, Partnerships and Limited Liability Companies are valued based on the underlying audited GAAP equity of the investee in accordance with statutory accounting practices.
9. Derivatives - Not Applicable
10. Anticipated investment income is a factor for premium deficiency reserves.

## NOTES TO FINANCIAL STATEMENTS

11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is reasonable, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

12. Capitalization Policy – Not Applicable

13. Pharmaceutical Rebate Receivables – Not Applicable

D. Going Concern

Not Applicable

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

A. Statutory Purchase Method

None

B. Statutory Merger

None

C. Impairment Loss

None

4. Discontinued Operations

Not Applicable

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

None

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan-Backed Securities

1. Anticipated prepayments for loan-backed and structured securities are used to determine the effective yield of an issue at purchase. Changes in the estimated cash flows of the issue are incorporated when determining the statement value at the end of each quarter and year-end. The Company calculates prepayment speeds for fixed-rate agency mortgage-backed securities utilizing Mortgage Industry Advisory Corporation Mortgage Industry Medians (MIMs). MIMs are derived from a semi-monthly dealer-consensus survey of long-term prepayment projections. For other mortgage-backed, loan-backed, and structured securities, the Company utilizes prepayment assumptions from Moody's Analytics. Moody's applies a flat economic credit model and utilizes a vector of multiple monthly speeds as opposed to a single speed for more robust projections. In instances where Moody's projections are not available, the Company uses data from Reuters, which utilizes the median prepayment speed from contributors' models. These assumptions are consistent with the current interest rate and economic environment. The retrospective scientific method is used to value most loan-backed and structured securities. For structured securities deemed to be high-risk, meaning the Company might not recover substantially all of its recorded investment due to unanticipated prepayment events, changes in investment yields due to changes in estimated future cash flows are accounted for on a prospective basis.

2. The following table summarizes by quarter other-than-temporary impairments (OTTI) for loan-backed securities recorded during the year because the Company had either the intent to sell the securities or the inability or lack of intent to retain as cited in the table:

None

3. The following table summarizes other-than-temporary impairments (OTTI) for loan-backed and structured securities held at the end of the year recorded based on the fact that the present value of projected cash flows expected to be collected was less than the amortized cost of the securities:

None

## NOTES TO FINANCIAL STATEMENTS

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

a. The aggregate amount of unrealized losses:

1. Less than 12 months	\$284,992
2. 12 Months or Longer	\$43,533

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

1. Less than 12 months	\$17,393,870
2. 12 Months or Longer	\$1,348,823

5. The Company periodically reviews its bonds on a case by case basis to determine whether any decline in fair value below amortized cost is other than temporary. Factors considered when determining whether a decline is other than temporary include the length of time a security has been in an unrealized loss position, reasons for the decline in value, expectations for the amount and timing of a recovery in fair value, and whether or not the Company has the intent and ability to hold the security. When the Company intends to sell an impaired security or has the intent and ability to sell an impaired security before recovery of its amortized cost basis, an other than temporary impairment is recognized in the statutory statements of operations as the difference between the amortized cost basis of the security and fair value. For structured securities, a credit loss also exists when an estimate of the present value of cash flows expected to be collected on the security is less than its amortized cost basis. For other bonds, a credit loss exists when the fair value of the security is less than the amortized cost basis and based on analysis, the decrease in value is thought to be other than temporary. Credit losses are recognized in the statutory statements of operations.

Generally, securities with fair values that are less than 80% of cost, other securities the Company determines are underperforming, or potential problem securities are subject to regular impairment review. To facilitate the review, securities with significant declines in value, or where objective criteria evidencing credit deterioration have been met, are included on a watch list. Among the criteria for securities to be included on a watch list are: credit deterioration, which has led to a significant decline in value of the security; rating downgrades, a significant covenant related to the security has been breached; and an issuer has filed or indicated a possibility of filing for bankruptcy, has missed or announced it intends to miss a scheduled interest or principal payment, or has experienced a specific material adverse change that may impair its creditworthiness.

When performing these reviews, the Company considers the relevant facts and circumstances relating to each investment and exercises considerable judgment in determining whether a security is other than temporarily impaired. Assessment factors include judgments about an obligor's current and projected financial position, an issuer's current and projected ability to service and repay its debt obligations, the existence of, and realizable value of, any collateral backing the obligations, the macro economic outlook, and the micro economic outlook for specific industries and issuers. Assessing the duration of asset backed securities can also involve assumptions regarding underlying collateral, such as prepayment rates, default and recovery rates, and third party servicing capabilities.

Among the factors considered is whether the decline in fair value results from a change in the quality of the security itself, or from a downward movement in the market as a whole, the likelihood of recovering the carrying value based on the current and short term prospects of the issuer and the Company's ability and intent to sell the security before such a recovery may occur. Unrealized losses that are considered to be primarily the result of market conditions, such as increasing interest rates, unusual market volatility, or industry related events, and where the Company also believes there exists a reasonable expectation for recovery and, furthermore, has the intent and ability to hold the investment until maturity or the market recovery, are usually determined to be temporary. To the extent factors contributing to recognized other than temporary impairment losses affected other investments, such investments were reviewed for other than temporary impairment and losses were recorded when appropriate.

In addition to the review procedures described above, investments in structured securities where market prices are depressed are subject to a review of their future estimated cash flows, including expected and stress case scenarios, to identify potential shortfalls with regards to full recovery of amortized cost. Even in the case of severely depressed market values on structured securities, the Company places significant importance on the results of its cash flow testing and its intent to sell these securities prior to full recovery of amortized cost until their fair values recover when reaching other than temporary impairment conclusions. If amortized cost of the security is less than the present value of estimated cash flows, an other than temporary impairment is recognized in the statutory statements of operations.

If the Company does not expect to recover the amortized cost of nonstructured securities, an impairment loss is recognized as the difference between amortized cost and fair value under SSAP No. 26, Bonds, Excluding Loan Backed and Structured Securities. If the Company intends to sell an impaired loan backed or structured security or has the intent and ability to sell such a security before a period of time sufficient for recovery of the amortized cost basis, an other than temporary impairment has occurred and an impairment loss is recognized as the difference between amortized cost and fair value of the loan backed or structured security. If the Company does not expect to recover the amortized cost basis of loan backed or structured securities even if the entity has no intent to sell and the entity has the intent and ability to hold, an impairment loss is recognized as the difference between the amortized cost basis and the present value of cash flows expected to be collected. Impairment losses are recognized in the statutory statements of operations.

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

## NOTES TO FINANCIAL STATEMENTS

There are inherent uncertainties in assessing the fair values assigned to the Company's investments and in determining whether a decline in fair value is other than temporary. The Company's review of fair value involves several criteria including economic conditions, credit loss experience, other issuer specific developments, and future cash flows. These assessments are based on the best available information at the time. Factors such as market liquidity, the widening of bid/ask spreads, and a change in the cash flow assumptions can contribute to fair value volatility and uncertainty with regards to other than temporary impairment. If actual experience differs negatively from the assumptions and other considerations, realized losses may be recognized in the statutory statements of operations in future periods.

As of December 31, 2021, the Company does not intend to sell securities with unrealized losses not considered other than temporary prior to full recovery of amortized cost. However, if the specific facts and circumstances surrounding a security or the outlook for its industry sector change, the Company may sell the security and realize a loss in the period in which the decision to sell was made.

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

None

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

None

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

None

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

None

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

None

**J. Writedowns for Impairments of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features**

None

**K. Low Income Housing Tax Credits**

None

**L. Restricted Assets**

**1. Restricted Assets (Including Pledged)**

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
b. Collateral held under security lending arrangements	-	-	-	-	-	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-	-	-	-	-	-
i. FHLB capital stock	990,700	-	-	-	990,700	990,700	-	-	990,700	0.3%	0.3%
j. On deposit with states	4,754,281	-	-	-	4,754,281	4,777,963	(23,682)	-	4,754,281	16%	16%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	16,536,417	-	-	-	16,536,417	20,491,160	(3,954,743)	-	16,536,417	5.8%	5.8%
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-	-	-	-	-	-
o. Total restricted assets	\$ 22,281,398	\$ -	\$ -	\$ -	\$ 22,281,398	\$ 26,259,823	\$ (3,978,425)	\$ -	\$ 22,281,398	7.7%	7.7%

(a) Subset of column 1

(b) Subset of column 2

(c) Column 5 divided by Asset Page, Column 1, Line 28

(d) Column 9 divided by Asset Page, Column 3, Line 28

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

### NOTES TO FINANCIAL STATEMENTS

2. Detail of Other Assets Pledged as Collateral Not Captured in Other Categories  
None
3. Detail of Other Restricted Assets  
None
4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements  
None

#### M. Working Capital Finance Investments

1. Aggregate Working Capital Finance Investments (WCFI) Book/Adjusted Carrying Value by NAIC designation:  
None
2. Aggregate Maturity Distribution the Underlying Working Capital Finance Programs:  
None
3. Events of Default of Working Capital Finance Investments During the Reporting Period  
None

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

None

#### O. 5GI Securities

None

#### P. Short Sales

None

#### Q. Prepayment Penalty and Acceleration Fees

The company had four bonds called during the year, which included a prepayment penalty of \$28,123.

	General Account	Protected Cell
(1) Number of CUSIPs	1	
(2) Aggregate Amount of Investment Income	28,123	

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

Not Applicable

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

- A. Detail for Those Greater than 10% of Admitted Assets  
Not Applicable
- B. Write-downs for Impairments

On December 31, 2021, the Company recognized an other-than-temporary impairment on Barings U.S. Loan Fund. This investment was written down to the fair value on that date of \$5,316,250, resulting in a realized loss of \$458,962.

#### 7. Investment Income

- A. Due and accrued income was excluded from surplus on the following bases:  
The Company non-admits investment income due and accrued if amounts are over 90 days past due.
- B. Amounts Non-admitted  
The total amount excluded was \$0.

#### 8. Derivative Instruments

Not Applicable

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

9. Income Taxes

A. The components of the net deferred tax asset/(liability) are as follows:

1. The change between years by tax character (ordinary and capital) for the year 2021 and 2020:

12/31/2021		
(1)	(2)	(3) (Col 1+2) Total
Ordinary	Capital	
(a) Gross Deferred Tax Assets	\$ 1,320,304	\$ 109,693
(b) Statutory Valuation Allowance Adjustments	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	1,320,304	109,693
(d) Deferred Tax Assets Nonadmitted	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	1,320,304	109,693
(f) Deferred Tax Liabilities	178,455	1,322,599
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	<u>\$ 1,141,849</u>	<u>\$ (1,212,906)</u>
	<u>\$ (71,057)</u>	
12/31/2020		
(4)	(5)	(6) (Col 4+5) Total
Ordinary	Capital	
(a) Gross Deferred Tax Assets	\$ 993,208	\$ 95,487
(b) Statutory Valuation Allowance Adjustments	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	993,208	95,487
(d) Deferred Tax Assets Nonadmitted	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	993,208	95,487
(f) Deferred Tax Liabilities	70,388	1,029,924
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	<u>\$ 922,820</u>	<u>\$ (934,437)</u>
	<u>\$ (11,617)</u>	
Change		
(7)	(8)	(9) (Col 7+8) Total
(Col 1-4) Ordinary	(Col 2-5) Capital	
(a) Gross Deferred Tax Assets	\$ 327,096	\$ 14,206
(b) Statutory Valuation Allowance Adjustments	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	327,096	14,206
(d) Deferred Tax Assets Nonadmitted	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	327,096	14,206
(f) Deferred Tax Liabilities	108,067	292,675
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	<u>\$ 219,029</u>	<u>\$ (278,469)</u>
	<u>\$ (59,440)</u>	

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

2. The amount of admitted adjusted gross deferred tax assets admitted under each component of SSAP 101:

12/31/2021		
(1)	(2)	(3) (Col 1+2) Total
<b>Admission Calculation Components SSAP No. 101</b>		
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 873,782	\$ 96,382 \$ 970,164
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 below)		
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	40,593	- 40,593
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	40,593	- 40,593
(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	XXX	XXX 21,212,979
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	405,929	13,311 419,240
	<b>\$ 1,320,304</b>	<b>\$ 109,693 \$ 1,429,997</b>
12/31/2020		
(4)	(5)	(6) (Col 4+5) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 625,745	\$ 1,789 \$ 627,534
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 below)		
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	12,123	- 12,123
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	12,123	- 12,123
(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	XXX	XXX 21,961,211
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	355,340	93,698 449,038
	<b>\$ 993,208</b>	<b>\$ 95,487 \$ 1,088,695</b>
Change		
(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 248,037	\$ 94,593 \$ 342,630
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 below)		
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	28,470	- 28,470
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	28,470	- 28,470
(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	XXX	XXX (748,232)
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	50,589	(80,387) (29,798)
	<b>\$ 327,096</b>	<b>\$ 14,206 \$ 341,302</b>

3. The ratio used to determine applicable period used in 9A(2)b1 for determining the amount of adjusted gross DTAs:

	2021	2020
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	959%	1029%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	\$ 141,419,866	\$ 146,408,072

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

4. Disclose the impact of tax-planning strategies:

12/31/2021			
	(1) Ordinary Percent	(2) Capital Percent	
(a) Determination Of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage.			
1. Adjusted Gross DTAs Amount from Note 9A1(c)	1,320,304	109,693	
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%	
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	1,320,304	109,693	
4. Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Admitted because of the Impact of Tax Planning Strategies	0%	0%	
12/31/2020			
	(3) Ordinary Percent	(4) Capital Percent	
(a) Determination Of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage.			
1. Adjusted Gross DTAs Amount from Note 9A1(c)	993,208	95,487	
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%	
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	993,208	95,487	
4. Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Admitted because of the Impact of Tax Planning Strategies	0%	0%	
Change			
	(5) (Col 1-3) Ordinary Percent	(6) (Col 2-4) Capital Percent	
(a) Determination Of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage.			
1. Adjusted Gross DTAs Amount from Note 9A1(c)	327,096	14,206	
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%	
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	327,096	14,206	
4. Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Admitted because of the Impact of Tax Planning Strategies	0%	0%	

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes        No X

B. Unrecognized Deferred Tax Liabilities

Not Applicable

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

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

	(1) 12/31/2021	(2) 12/31/2020	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 1,856,127	\$ 2,178,083	\$ (321,956)
(b) Foreign	-	-	-
(c) Subtotal	1,856,127	2,178,083	(321,956)
(d) Federal income tax on net capital gains	446,939	265,386	181,553
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	<u>\$ 2,303,066</u>	<u>\$ 2,443,469</u>	<u>\$ (140,403)</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 369,024	\$ 242,459	\$ 126,565
(2) Unearned premium reserve	348,144	232,511	115,633
(3) Policyholder reserves	-	-	-
(4) Investments	69,401	60,393	9,008
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	533,735	457,845	75,890
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	-	-	-
(99) Subtotal	<u>1,320,304</u>	<u>993,208</u>	<u>327,096</u>
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	1,320,304	993,208	327,096
(e) Capital:			
(1) Investments	109,693	95,487	14,206
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	<u>109,693</u>	<u>95,487</u>	<u>14,206</u>
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 -2f-2g)	109,693	95,487	14,206
(i) Admitted deferred tax assets (2d + 2h)	<u>1,429,997</u>	<u>1,088,695</u>	<u>341,302</u>
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	-	-	-
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	-	-	-
(99) Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
(b) Capital			
(1) Investments	1,501,054	1,100,312	400,742
(2) Real estate	-	-	-
(3) Other (including items <5% of total ordinary tax liabilities)	-	-	-
(99) Subtotal	<u>1,501,054</u>	<u>1,100,312</u>	<u>400,742</u>
(c) Deferred tax liabilities (3a99 + 3b99)	1,501,054	1,100,312	400,742
4. Net deferred tax assets/liabilities (2i - 3c)	<u><u>\$ (71,057)</u></u>	<u><u>\$ (11,617)</u></u>	<u><u>\$ (59,440)</u></u>

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

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

	December 31, 2021	Effective Tax Rate
Provision computed at statutory rate	\$ 2,050,875	21%
Nondeductible expense for meals, lobbying and penalties	4,444	0%
Tax exempt interest	(56,560)	-1%
Change in nonadmitted balances	(33,255)	0%
Provision to actual adjustment	(9,890)	0%
<b>Total income tax reported</b>	<b>\$ 1,955,614</b>	<b>20%</b>
Federal and foreign income taxes incurred	\$ 1,856,127	19%
Realized capital gains (losses) tax	446,939	5%
Change in net deferred income taxes	(347,452)	-4%
<b>Total income tax</b>	<b>\$ 1,955,614</b>	<b>20%</b>

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

1. As of December 31, 2021 and December 31, 2020, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
2. The income tax expense of \$2,386,403 from 2021 and \$2,416,790 from 2020 is available for recoupment in the event of future net losses.
3. The reporting entity has a total of \$0 protective deposits which are on deposit with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with its parent, BCS Financial Corporation ("BCSF").
2. The method of allocation between companies is subject to written agreement, approved by the Board of Directors. Intercompany tax balances are settled annually. Allocation is based upon separate return calculations, with credit for net losses being obtained when utilized.

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax (RTT)

Not Applicable

I. Alternative Minimum Tax (AMT) Credit

Not Applicable

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

A. Nature of Relationships

The Company is owned 100% by BCSF. The Company has a management service agreement with BCSF. It shares common management, staff and facilities provided by BCSF with its other affiliates. Expenses identified as specific to a company are charged directly; all other expenses are charged in accordance with the service agreement.

B. Significant Transactions and Changes in Terms of Intercompany Arrangements

The Company paid cash dividends to BCSF of \$14,600,000 and \$14,450,000 in 2021 and 2020, respectively.

C. Transactions with related party who are not reported on Schedule Y

Not Applicable

D. Amounts Due to or from Related Parties

At December 31, 2021, the Company reported \$ 4,859,148 due to affiliates and no receivables from affiliates. This is comprised of \$4,465,728, \$232,263, \$160,000, \$1,047 and \$110 payable to BCSF, BCS Re Inc., Medical Risk Managers Inc., 4 Ever Life Insurance Company, and BCS Insurance Agency, Inc., respectively.

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

# NOTES TO FINANCIAL STATEMENTS

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

The Company has a management service agreement with BCSF whereby BCSF provides all insurance management, administrative and advisory services as well as investment management and general office administrative services. Expenses identified as specific to a company are charged directly; all other expenses are charged in accordance with the service agreement. There has been no change in the management service agreement in 2021.

### F. Guarantees or Contingencies for Related Parties

Not applicable

### G. Nature of Control Relationship

All outstanding common shares are owned by BCSF, an insurance holding company domiciled in the state of Delaware.

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

Not Applicable

### I. Investments in SCA Entities Disclosures

Not Applicable

### J. Investments in Impaired SCA Entities Disclosures

Not Applicable

### K. Foreign Insurance Subsidiary

Not Applicable

### L. Downstream Noninsurance Company

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

### A. Debt & Holding Company Obligations

Not Applicable

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

1. The Company is a member of Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, the Company has conducted business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds for general operations. The Company has determined the actual/estimated maximum borrowing capacity as \$16,333,994. The Company calculated this amount in accordance with its investment in FHLB capital stock and pledged collateral.

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

2. FHLB Capital Stock

a. Aggregate Totals

	1 Total 2+3	2 General Account	3 Separate Account
1. Current Year			
(a) Membership Stock - Class A	-	-	-
(b) Membership Stock - Class B	298,706	298,706	-
(c) Activity Stock	360,000	360,000	-
(d) Excess Stock	331,994	331,994	-
(e) Aggregate Total (a+b+c)	990,700	990,700	-
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	16,333,994	XXX	XXX
2. Prior Year-end Year			
(a) Membership Stock - Class A	-	-	-
(b) Membership Stock - Class B	516,541	516,541	-
(c) Activity Stock	474,159	474,159	-
(d) Excess Stock	-	-	-
(e) Aggregate Total (a+b+c)	990,700	990,700	-
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	21,075,617	XXX	XXX

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

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

b. Membership Stock (Class A and B) Eligible for Redemption

Membership Stock	1	2	Eligible for Redemption			
	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	3 Less than 6 Months	4 6 Months to Less than 1 Year	5 1 to Less than 3 Years	6 3 to 5 Years
1. Class A	-	-	-	-	-	-
2. Class B	298,706	298,706	-	-	-	-

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

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

3. Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	17,590,622	16,536,417	8,000,000
2. Current Year General Account Total Collateral Pledged	17,590,622	16,536,417	8,000,000
3. Current Year Protected Cell Accounts Total Collateral Pledged	-	-	-
4. Prior Year-end Total General and Separate Accounts Total Collateral Pledged	22,329,601	20,491,160	18,000,000

11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)

11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)

11B(3)a3 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (Columns 1, 2 and 3 respectively)

11B(3)a4 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (Columns 1, 2 and 3 respectively)

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Separate Accounts Maximum Collateral Pledged (Lines 2+3)	21,914,089	20,143,347	13,000,000
2. Current Year General Account Maximum Collateral Pledged	21,914,089	20,143,347	13,000,000
3. Current Year Separate Accounts Maximum Collateral Pledged	-	-	-
4. Prior year-end Total General and Separate Accounts Maximum Collateral Pledged	25,917,206	23,952,614	22,600,000

4. Borrowing from FHLB

a. Amounts as of the Reporting Date

	1 Total 2+3	2 General Account	3 Separate Account	4 Funding Agreements Reserves Established
1. Current Year				
(a) Debt	8,000,000	8,000,000	-	XXX
(b) Funding	-	-	-	-
(c) Other	-	-	-	-
(d) Aggregate Total (a+b+c)	8,000,000	8,000,000	-	XXX
2. Prior Year-end				
(a) Debt	-	-	-	XXX
(b) Funding	-	-	-	-
(c) Other	18,000,000	18,000,000	-	-
(d) Aggregate Total (a+b+c)	18,000,000	18,000,000	-	XXX

b. Maximum Amount during Reporting Period (Current Year)

	1 Total 2+3	2 General Account	3 Separate Account
1. Debt	13,000,000	13,000,000	-
2. Funding	-	-	-
3. Other	-	-	-
4. Aggregate Total (Lines 1+2+3)	13,000,000	13,000,000	-

11B(4)b4 (Columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (Columns 1, 2 and 3 respectively)

c. FHLB – Prepayments Obligations

Does the company have prepayment obligations under the following arrangements (YES/NO)?

1. Debt	YES
2. Funding Agreements	NO
3. Other	NO

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

A. Defined Benefit Plan

None

B. Investment Policies & Strategies

None

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

# NOTES TO FINANCIAL STATEMENTS

### C. Fair Value of Each Class of Plan Assets

None

### D. Basis Used to Determine the Overall Expected Long-Term Rate-of-Return-on-Assets

None

### E. Defined Contribution Plans

None

### F. Multiemployer Plans

None

### G. Consolidated/Holding Company Plans

BCSF sponsors a defined benefit pension plan, a postretirement healthcare benefit plan and a 401(k) Plan covering substantially all of its employees as well as a deferred compensation plan for select employees. The expenses of these plans are charged in accordance with the management service agreement. In 2021, the Company incurred expenses of \$1,729,405 relating to these plans. The Company has no legal obligation for benefits under these plans.

### H. Postemployment Benefits and Compensated Absences

None

### I. Impact of Medicare Modernization Act on Postretirement Benefits

Not Applicable

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

### A. Outstanding Shares

The Company has 300,000 shares of \$10 par value common stock authorized, issued and outstanding. The Company has no preferred stock authorized, issued, or outstanding.

### B. Dividend Rate of Preferred Stock

Not Applicable

### C., D. & E. Dividend Restrictions and Dividends Paid

All dividends require notification to the Director of the Ohio Department of Insurance. The amount of dividends that can be paid by insurance companies domiciled in Ohio without prior approval of the Director of the Ohio Department of Insurance is subject to restriction and cannot exceed the greater of ten percent of prior year end surplus or the prior year's net income. The amount of dividends that could be paid in the next year without prior approval is \$14,141,987. The Company paid dividends totaling \$14,600,000 to its stockholders during 2021.

### F. Surplus Restriction

None

### G. Mutual Surplus Advances

None

### H. Company Stock Held for Special Purposes

None

### I. Changes in Special Surplus Funds

None

### J. Changes in Unassigned Funds

The portion of unassigned funds represented or increased by net unrealized gains is \$4,748,293 at December 31, 2021.

### K. Surplus Notes

None

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

## NOTES TO FINANCIAL STATEMENTS

### L. & M. Quasi Reorganizations

None

### 14. Liabilities, Contingencies and Assessments

#### A. Contingent Commitments

None

#### B. Assessments

1. The Company is subject to guaranty fund assessments by the states in which it writes business. Guaranty fund assessments are accrued at the time of insolvency. The Company has accrued a liability for guaranty fund assessments of \$423,686 at December 31, 2021. The amount represents management's best estimates based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

2. Guaranty Fund & Other Assessments with Liabilities Recognized Under SSAP No. 35R:

Assets recognized from paid and accrued premium tax		
a.	offsets and policy surcharges prior year-end	\$ 1,090,729
b.	Decrease current year:	
	Policy surcharges collected	\$ -
	Policy surcharges charged off	\$ -
	Premium tax offset applied	\$ -
c.	Increases current year:	
	Policy surcharges collected	\$ -
	Policy surcharges charged off	\$ -
	Premium tax offset applied	\$ (125,595)
	Re-evaluation increase	\$ 193,834
Assets recognized from paid and accrued premium tax		
d.	offsets and policy surcharges current year-end	\$ 1,158,968

#### C. Gain Contingencies

None

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

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

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

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

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

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

(f) Per Claim [  ] (g) Per Claimant [  ]

#### E. Product Warranties

None

#### F. Joint and Several Liabilities

None

#### G. All Other Contingencies

None

### 15. Leases

None

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

### NOTES TO FINANCIAL STATEMENTS

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

A. Transfer of Receivables Reported as Sales

Not Applicable

B. Transfer and Servicing of Financial Assets

Not Applicable

C. Wash Sales

1. The Company has not sold and reacquired any security within a 30 day period of its original sale.
2. The details by NAIC designation 3 or below of securities sold during the year ended December 31, 2021 are reacquired within 30 days of the sale date are:

None

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

A. Administrative Services Only (ASO) Plans

Not Applicable

B. Administrative Services Contract (ASC) Plans

Not Applicable

C. Medicare or Similarly Structured Cost Based Reimbursement Contracts

Not Applicable

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

Name and Address of Managing General Agent or Third Party Administration	FEIN Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	Total Direct Premium Written/Produced By
AGA Service Company 2805 North Parham Road Richmond, VA 23294	54-1545622	N	Group Travel	C, CA, P, U, B	\$ 170,429,988
Planned Administrators, Inc. 8906 Two Notch Road, Suite 200 Columbia, SC 29223	57-0718839	N	Accident & Health Dental, AD & D Disability	C, CA, P	74,951,112
Risk Placement Services, Inc. 2850 Golf Road, 5th Floor Rolling Meadows, IL 60008	36-3110841	N	Other Liability	P, U, B	58,133,535
All Other TPA Premium					10,263,383
Total					\$ 313,778,018

20. Fair Value Measurements

A. Input used for assets measured and reported at Fair Value

1. Items measured and reported at Fair Value by Levels 1, 2, and 3

Statutory accounting principles define the fair value of a financial instrument as the amount at which that asset could be bought or sold in a current transaction between willing parties that is other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties. Certain financial instruments and all nonfinancial instruments are excluded from statutory disclosure requirements. Therefore, the aggregate fair value amounts presented below do not represent the underlying fair value of the Company.

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporation of current market inputs for similar financial instruments with comparable terms and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models, and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management estimation and judgment, which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology model or input used.

## NOTES TO FINANCIAL STATEMENTS

The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy as defined by SSAP No. 100, Fair Value Measurements. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The levels of the fair value hierarchy are as follows:

**Level 1** – Management's valuations are unadjusted quoted prices for identical, unrestricted assets and liabilities in active markets accessible at the measurement date. Since valuations are based on quoted prices that are readily available in an active market, valuation of these assets does not involve any meaningful degree of judgment. An active market is defined as a market where transactions for the financial instrument occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 financial assets and liabilities generally include common stocks and U.S. government debt securities, where management's valuations are based on quoted market prices.

**Level 2** – Management's valuations are based on quoted prices where such markets are not deemed to be sufficiently "active." In such circumstances, additional valuations metrics will be used, which involve direct or indirect observable market inputs. Level 2 financial assets and liabilities generally include debt securities other than debt issued by the U.S. government. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

**Level 3** – Management's valuations are based on inputs that are unobservable (supported by little or no market activity) and significant to the fair value measurement. Valuations under Level 3 generally involve a significant degree of judgment on the part of management.

### **Assets Measured at Fair Value**

Certain financial assets are measured at fair value, such as certain bonds valued at the lower of cost or fair value, or investments that are impaired during the reporting period and recorded at fair value on the balance sheet at December 31, 2021. The following table summarizes assets measured at fair value:

Description of each class of assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value(NAV)	(Total)
Assets at fair value					
Bonds					
U.S. Treasury	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government agency	-	-	-	-	-
States, territories, and possessions	-	-	-	-	-
Mortgage-backed	-	20,236	-	-	20,236
Asset-backed	-	-	-	-	-
Corporate	-	4,085,009	-	-	4,085,009
Total bonds	-	4,105,245	-	-	4,105,245
Common stock					
Vanguard	9,528,299	-	-	-	9,528,299
Artisan	5,675,297	-	-	-	5,675,297
Federal Home Loan Bank	-	990,700	-	-	990,700
Total common stock	15,203,596	990,700	-	-	16,194,296
Total assets measured at fair value/NAV	\$ 15,203,596	\$ 5,095,945	\$ -	\$ -	\$ 20,299,541

Bonds measured at fair value are those bonds that were determined to be other-than-temporarily impaired at December 31, 2021 and bonds valued at the lower of cost or fair value at December 31, 2021. NAIC 3 – 6 rated bonds are valued at the lower of cost or market. The Company does not have any investment commitments at December 31, 2021.

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

None

### 3. Policy on Transfers into and out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

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

## NOTES TO FINANCIAL STATEMENTS

### 4. Inputs and techniques used for level 2 and level 3 Fair Values

Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations as quoted markets prices for similar instruments in an active market were utilized. This was accomplished by the use of matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held. Features that are inputs into the analysis include duration, credit quality, tax status and call and sinking fund features.

Investments categorized as Level 3 had key unobservable inputs. Also, the investments are less liquid, and there is limited trading activity. The use of independent non-binding broker quotations to value investments generally indicates there is a lack of liquidity or the general lack of transparency in the process to develop the valuation estimates generally causing these investments to be classified in Level 3.

### 5. Derivative Fair Values

Not applicable

#### B. Other Fair Value Disclosures

Not applicable

#### C. Fair Value for all financial instruments by levels 1, 2, and 3

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1		Level 2		Level 3		Net Asset Value(NAV)	Not Practicable (Carrying Value)
<b>Bonds</b>										
U.S. Treasury	\$ 21,290,679	\$ 19,931,151	\$	-	\$ 21,290,679	\$	-	\$	-	\$ -
States, territories, and possessions	30,690,136	27,742,423	-	-	30,690,136	-	-	-	-	-
Mortgage-backed	53,731,963	51,897,627	-	-	53,731,963	-	-	-	-	-
Asset-backed	10,175,945	10,103,707	-	-	10,175,945	-	-	-	-	-
Corporate	100,109,746	93,822,150	-	-	100,109,746	-	-	-	-	-
<b>Total bonds</b>	<b>215,998,469</b>	<b>203,497,058</b>	<b>-</b>	<b>-</b>	<b>215,998,469</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Common stock</b>										
Vanguard	9,528,299	9,528,299	9,528,299	-	-	-	-	-	-	-
Artisan	5,675,297	5,675,297	5,675,297	-	-	-	-	-	-	-
Federal Home Loan Bank	990,700	990,700	-	-	990,700	-	-	-	-	-
<b>Total common stock</b>	<b>16,194,296</b>	<b>16,194,296</b>	<b>15,203,596</b>	<b>990,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash , cash equivalents and short-term investments</b>										
	9,170,242	9,097,227	2,255,542	-	676,530	-	-	6,238,170	-	-
<b>Total assets</b>	<b>\$ 241,363,007</b>	<b>\$ 228,788,581</b>	<b>\$ 17,459,138</b>	<b>\$ 217,665,699</b>	<b>\$ -</b>	<b>\$ 6,238,170</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>										
Federal Home Loan Bank	\$ (8,000,000)	\$ (8,000,000)	\$ -	-	\$ (8,000,000)	-	-	-	-	-

#### D. Financial instruments for which not practicable to Estimate Fair Value

Not applicable

#### E. Instruments Measured at Net Asset Value (NAV)

The company uses NAV to value its money market and other invested assets because it is the readily available value for these funds. NAV is the value of each fund's assets minus liabilities.

### 21. Other Items

#### A. Unusual or Infrequent Items

None

#### B. Troubled Debt Restructuring: Debtors

None

#### C. Other Disclosures

None

#### D. Business Interruption Insurance Recoveries

None

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

None

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

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

1. The Company has identified securities with the following characteristics as having subprime mortgage risk:
  - a. First lien mortgages where borrowers have a FICO scores less than 650
  - b. First lien mortgages with loan-to-value ratios greater than 95%
  - c. Second lien mortgages where borrowers have FICO scores less than 675
  - d. Borrowers with less than conventional documentation of their income and/or net assets and FICO scores less than 650
2. Direct Exposure through investments in subprime mortgage loans  
None
3. The following summarizes the Company's investments in securities with underlying subprime exposure at December 31, 2021:

Investment Type	Actual Cost	Book Adjusted Carrying Value (excluding interest)	Fair Value	Other-than-Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 736,793	\$ 731,982	\$ 730,728	
b. Commercial mortgage backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investments in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	\$ 736,793	\$ 731,982	\$ 730,728	\$ -

4. Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage  
None

**G. Insurance-Linked Securities (ILS) Contracts**

None

**H. The Amount That Could Be Realized on Life Insurance Where Reporting Entity Is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy**

None

**22. Events Subsequent**

**Type I – Recognized Subsequent Events:**

Subsequent events have been considered through February 24, 2022 for the statutory statement issued on March 1, 2022.

**Type II – Nonrecognized Subsequent Events:**

Subsequent events have been considered through February 24, 2022 for the statutory statement issued on March 1, 2022.

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

**23. Reinsurance**

**A. Unsecured Reinsurance Recoverable**

The Company has outlined below unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized, unauthorized or certified that exceed 3% of policyholders' surplus.

Individual Reinsurers Who Are Not Members of a Group:

FEIN	Reinsurer	Unsecured Amount
AA-1340125	HANNOVER RUECK SE	\$ 38,571,000
AA-1120337	ASPEN INS UK LTD	35,491,000
AA-1120156	LLOYD'S SYNDICATE NUMBER 1686	29,518,000
AA-1126006	LLOYD'S SYNDICATE NUMBER 4472	22,858,000
AA-1128003	LLOYD'S SYNDICATE NUMBER 2003	20,925,000
AA-1128001	LLOYD'S SYNDICATE NUMBER 2001	19,491,000
13-2918573	TOARE INS CO OF AMER	17,828,000
AA-3194130	ENDURANCE SPECIALTY INS LTD	17,373,000
AA-1128987	LLOYD'S SYNDICATE NUMBER 2987	16,953,000
AA-1126435	LLOYD'S SYNDICATE NUMBER 435	16,683,000
AA-1128791	LLOYD'S SYNDICATE NUMBER 2791	13,246,000
AA-1127084	LLOYD'S SYNDICATE NUMBER 1084	12,161,000
AA-1120075	LLOYD'S SYNDICATE NUMBER 4020	11,230,000
AA-1120102	LLOYD'S SYNDICATE NUMBER 1458	6,279,000
AA-1127861	LLOYD'S SYNDICATE NUMBER 1861	5,463,000
AA-1126727	LLOYD'S SYNDICATE NUMBER 727	4,967,000

Individual Reinsurers Who Are Members of a Group:

Group	FEIN	Reinsurer	Unsecured Amount
00023	36-2149353	4 EVER LIFE INS CO	\$ 17,155,000
00796	23-1641984	QBE REINS CORP	10,445,000
00501	13-5616275	TRANSATLANTIC REINS CO	8,297,000
00031	13-2673100	GENERAL REINS CORP	8,006,000
00181	13-1675535	SWISS REINS AMER CORP	4,490,000

All Members of the Groups Shown above with Unsecured Reinsurance Recoverable:

Group	FEIN	Reinsurer	Unsecured Amount
00023	36-2149353	4 EVER LIFE INS CO	\$ 17,155,000
Total 00023			17,155,000
00796	23-1641984	QBE REINS CORP	10,445,000
Total 00796			10,445,000
00501	13-5616275	TRANSATLANTIC REINS CO	8,297,000
Total 00501			8,297,000
00031	13-2673100	GENERAL REINS CORP	8,006,000
Total 00031			8,006,000
00181	13-1675535	SWISS REINS AMER CORP	4,490,000
Total 00181			4,490,000

**B. Reinsurance Recoverable in Dispute**

The Company does not have any reinsurance recoverable in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus from an individual reinsurer or exceed 10% of policyholders' surplus in aggregate.

**C. Reinsurance Assumed and Ceded**

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2021:

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium	Commission	Premium	Commission	Premium	Commission
	Reserve	Equity	Reserve	Equity	Reserve	Equity
a. Affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. All Other	14,981	-	32,946,238	7,181,820	(32,931,257)	(7,181,820)
c. Total	\$ 14,981	\$ -	\$ 32,946,238	\$ 7,181,820	\$ (32,931,257)	\$ (7,181,820)
d. Direct Unearned Premium Reserves			\$41,220,412			

Line (c.) of Ceded Reinsurance Premium Reserve Column must equal Page 3, Line 9, first inside amount.

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

2. The additional or return commission, predicted on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements is accrued as follows:

REINSURANCE

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ -	\$ -	\$ -	\$ -
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission	-	941,894	941,894	-
d. Total	\$ -	\$ 941,894	\$ 941,894	\$ -

3. Types of risk attributed to each of the Company's protected cells

None

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

None

F. Retroactive Reinsurance

1. Reported Company

As: December 31, 2021

	Assumed	Ceded
a. Reserves Transferred:		
1. Initial Reserves	\$ (316,695)	\$ -
2. Adjustments - Prior Year(s)	193,656	-
3. Adjustments - Current Year	19,928	-
4. Current Total	(103,111)	-
b. Consideration (Paid) or Received:		
1. Initial Consideration	316,695	-
2. Adjustments - Prior Year(s)	10,219	-
3. Adjustments - Current Year	-	-
4. Current Total	326,914	-
c. Paid Losses (Reimbursed) or Recovered:		
1. Prior Year(s)	(1,077,000)	-
2. Current Year	(24,000)	-
3. Current Total	(1,101,000)	-
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	-	-
2. Adjustments - Prior Year(s)	(214,362)	-
3. Adjustments - Current Year	-	-
4. Current Year Restricted Surplus	(214,362)	-
5. Cumulative Total Transferred to Unassigned Funds	\$ (877,197)	\$ -

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

e. All cedents and reinsurers involved in all transactions included in summary totals above:

Company	Assumed Amount	Ceded Amount
Allianz Life Insurance Company of North America	\$ (103,111)	\$ -
Total	<u>\$ (103,111)</u>	<u>\$ -</u>

f. Total Paid Loss/LAE amounts recoverable (for authorized, unauthorized and certified reinsurers), any amounts more than 90 days overdue (for authorized, unauthorized and certified reinsurers), and for amounts recoverable the collateral held (for authorized, unauthorized and certified reinsurers) as respects amounts recoverable from unauthorized reinsurers:

1. Authorized Reinsurers:

None

2. Unauthorized Reinsurers:

Company	Total Paid/Loss/LAE Recoverable	Amount Over 90 Days Overdue	Collateral Held
Lumbermens Mutual Casualty Company	\$ 149,000	\$ 149,000	\$ -
Total	<u>\$ 149,000</u>	<u>\$ 149,000</u>	<u>\$ -</u>

3. Certified Reinsurers:

None

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

None

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

None

K. Reinsurance Credit on Contracts Covering Health Business

Not Applicable

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Methods Used to Estimate

The Company estimates accrued retrospective premium adjustments through the review of each individual retrospectively rated risk, comparing case basis loss and IBNR activity in the policy contract to arrive at the best estimate of return or additional retrospective premium.

B. Method used to Record

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

C. Amount and Percent of Net Retrospective Premiums

None

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

None

E. Calculation of Non-Admitted Retrospective Premiums

None

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

**F. Risk-Sharing Provisions of the Affordable Care Act (ACA)**

1. Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?

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

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**

The estimated savings on loss and loss adjustment expenses attributable to insured events of prior years is \$7.5 million for the twelve months ending December 31, 2021, as shown in the chart below. This is -23.8% of unpaid losses and loss adjustment expenses of \$31.6 million as of December 31, 2021. The decrease occurred predominantly in the Accident and Health line of business as a result of favorable claim experience offset by unfavorable claim experience in cybersecurity and stop loss lines of business.

<u>Line of Business</u>	2021 Loss Year Losses and LAE Incurred (\$000's)		2021 Loss Year Losses and LAE Incurred Schedule P, Part 1 (\$000's)		Total Shortage (Redundancy) (\$000's)		Loss and DCC Shortage (Redundancy) Schedule P, Part 2 (\$000's)		Impact of AO on Total Shortage (Redundancy) (\$000's)	
	\$	32,658	\$	41,410	\$	(8,752)	\$	(8,329)	\$	(423)
Group Accident and Health	\$	32,658	\$	41,410	\$	(8,752)	\$	(8,329)	\$	(423)
Commercial Multi-Peril		4,979		4,418		561		359		202
Medical Malpractice-Claims Made		-		-		-		-		-
Other Liability-Occurrence		8,608		7,742		866		855		11
Other Liability-Claims Made		4,633		4,820		(187)		(368)		181
Fidelity		(9)		-		(9)		(10)		1
Inland Marine/Other		75		59		16		-		16
<b>Total</b>	<b>\$</b>	<b>50,944</b>	<b>\$</b>	<b>58,449</b>	<b>\$</b>	<b>(7,505)</b>	<b>\$</b>	<b>(7,493)</b>	<b>\$</b>	<b>(12)</b>

**26. Intercompany Pooling Arrangements**

Not Applicable

**27. Structured Settlements**

**A. Reserves Released due to Purchase of Annuities**

In 2003, the Company purchased annuities that have a remaining balance of \$118,650 through New York Life Insurance Company under which the claimant is the payee.

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
\$ 118,650	\$ -

**B. Annuity Insurers with Balances Due Greater than 1% of Policyholders' Surplus**

Not Applicable

**28. Health Care Receivables**

**A. Pharmaceutical Rebate Receivables**

None

**B. Risk Sharing Receivables**

None

**29. Participating Policies**

Not Applicable

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**NOTES TO FINANCIAL STATEMENTS**

**30. Premium Deficiency Reserves**

The Company evaluated the need to record a premium deficiency reserve as of the end of the current year and determined a reserve was not necessary. This evaluation was completed on February 15, 2022. The Company does anticipate investment income when evaluating the need for a premium deficiency reserve.

1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	2/15/2022
3. Was anticipated investment income utilized in the calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

**31. High Deductibles**

Not Applicable

**32. Discounting of Liabilities for Unpaid Losses and Loss Adjustment Expenses**

**A. Tabular Basis**

Not Applicable

**B. Non-Tabular Basis**

Not Applicable

**C. Changes in Discount Assumptions**

Not Applicable

**33. Asbestos/ Environmental Reserves**

Not Applicable

**34. Subscriber Savings Accounts**

Not Applicable

**35. Multiple Peril Crop Insurance**

None

**36. Financial Guaranty Insurance**

Not Applicable

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [  ] No [  ]

If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [  ] 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). ....10/28/2020

3.4 By what department or departments? Ohio.....

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

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

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

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

4.12 renewals? Yes [  ] No [  ]

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

4.21 sales of new business? Yes [  ] No [  ]

4.22 renewals? Yes [  ] No [  ]

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

If yes, complete and file the merger history data file with the NAIC.

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

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

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

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 .....0.0 %

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

1 Nationality	2 Type of Entity
.....	
.....	
.....	

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

## GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? Yes [ ] No [ X ]

8.2 If 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 the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

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?  
KPMG LLP, 200 E. Randolph Drive, Suite 5500, Chicago, IL 60601.....

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 [ X ] No [ ]

10.4 If the response to 10.3 is yes, provide information related to this exemption:  
On 11/10/2020 the Ohio Department of Insurance granted a request from BCS Insurance Company (BCSI) for Exemption from Filing Management's Report of Internal Control over Financial Reporting as of 12/31/2019 under OAC 3019-1-50(R)(5).....

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?  
Charles C. Emma, EVP Advisors Inc., 115 Campbell Street, Suite 100C, Geneva, IL 60134.....

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 [ X ] No [ ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
The Company revised and enhanced language regarding confidential information and to provide further guidance on conflict of interest and anti-bribery/anti-corruption requirements.....

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

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

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**GENERAL INTERROGATORIES**

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

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

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

**BOARD OF DIRECTORS**

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

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

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [ X ] No [ ]

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans): 20.11 To directors or other officers \$.....  
20.12 To stockholders not officers \$.....  
20.13 Trustees, supreme or grand (Fraternal only) \$.....

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): 20.21 To directors or other officers \$.....  
20.22 To stockholders not officers \$.....  
20.23 Trustees, supreme or grand (Fraternal only) \$.....

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

21.2 If yes, state the amount thereof at December 31 of the current year: 21.21 Rented from others \$.....  
21.22 Borrowed from others \$.....  
21.23 Leased from others \$.....  
21.24 Other \$.....

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

22.2 If answer is yes: 22.21 Amount paid as losses or risk adjustment \$.....  
22.22 Amount paid as expenses \$.....300,608  
22.23 Other amounts paid \$.....

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

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

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

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

1 Name of Third-Party	2 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 ]

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**GENERAL INTERROGATORIES**

25.02 If no, give full and complete information, relating thereto

The Company has securities on deposit with Federal Home Loan Bank to secure a line of credit.....

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 [ ] NA [ X ]

25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] NA [ 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 [ ] NA [ 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 24.1 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 \$.....990,700

26.28 On deposit with states \$.....4,754,281

26.29 On deposit with other regulatory bodies \$.....

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

26.31 Pledged as collateral to FHLB – including assets backing funding agreements \$.....16,536,417

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? If no, attach a description with this statement. Yes [ ] No [ ] N/A [ X ]

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

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

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

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

27.42 Permitted accounting practice Yes [ ] No [ ]

27.43 Other accounting guidance Yes [ ] No [ ]

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Federal Home Loan Bank of Cincinnati.....	221 East Fourth Street, Suite 600 Cincinnati, OH 45202.....
U.S. Bank National Association.....	800 Nicollet Mall, Minneapolis, MN 55402-7014.....

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**GENERAL INTERROGATORIES**

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

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

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?

Yes [ ] No [ X ]

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

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

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

1 Name of Firm or Individual	2 Affiliation
Asset Allocation & Management Company, LLC.....	U.....
Wellington Management Company, LLP.....	U.....
Zazove Associates, 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
109875.....	Asset Allocation & Management Company, LLC.....	.....	Securities Exchange Commission.....	NO.....
106595.....	Wellington Management Company, LLP.....	549300YHP12TEZNLCX41.....	Securities Exchange Commission.....	NO.....
104751.....	Zazove Associates, LLC.....	FCPMTJRV5D8DX0SXH56.....	Securities Exchange Commission.....	NO.....

30.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [ ] No [ X ]

30.2 If yes, complete the following schedule:

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

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

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

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**GENERAL INTERROGATORIES**

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds.....	204,100,573	216,674,998	12,574,425
31.2 Preferred Stocks.....	0	0	0
31.3 Totals	204,100,573	216,674,998	12,574,425

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

See Attachment.....

Yes [ X ] No [ ]

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?

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 an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?

Yes [ ] No [ X ]

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

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria?

Yes [ ] No [ ] NA [ X ]

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company

**GENERAL INTERROGATORIES**

**OTHER**

38.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ .....124,301  
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
AM BEST RATING SERVICES, INC.....	\$.....39,300

39.1 Amount of payments for legal expenses, if any? \$ .....47,067  
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
MENDES & MOUNT, LLP.....	\$.....39,312

40.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any? \$ .....33,925  
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
US TRAVEL INSURANCE ASSOCIATION.....	\$.....23,752
MCDERMOTT WILL & EMERY LLP.....	\$.....10,173

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**GENINTPT1 - Attachment**

---

31.4 For most security types, the company uses Refinitiv for pricing. Refinitiv utilizes both market and model valuation methods, and the asset classes covered include corporate and government debt, mortgage and asset-backed securities, and US agency and municipal securities. In the absence of a price from Refinitiv, the company uses pricing from its investment managers and custodial bank.

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY & 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. ..... \$ ..... 0

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	\$ ..... 35,661,549	\$ ..... 36,646,297
2.2	Premium Denominator	\$ ..... 86,176,714	\$ ..... 82,624,378
2.3	Premium Ratio (2.1/2.2)	.....0.414	.....0.444
2.4	Reserve Numerator	\$ ..... 19,137,814	\$ ..... 22,198,809
2.5	Reserve Denominator	\$ ..... 45,216,562	\$ ..... 37,089,124
2.6	Reserve Ratio (2.4/2.5)	.....0.423	.....0.599

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 [X]

5.22 As a direct expense of the exchange ..... Yes [ ] No [ ] N/A [X]

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

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY & 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:.....  
No workers' compensation contracts were written.....

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:.....  
N/A.....

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?.....  
N/A.....

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?.....

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 unreinsured catastrophic loss  
The Company is provided protection through excess of loss reinsurance and primarily writes Accident and Health policies.....

7.1 Has the 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 cap, an aggregate limit or any similar provisions)?.....

7.2 If yes, indicate the number of reinsurance contracts containing such provisions.....  
0.....

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 [ X ].....

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 noncancelable 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 [ X ].....

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 [ X ].....

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 [ X ].....

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  
(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  
(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 [ X ].....  
Yes [ ] No [ X ].....  
Yes [ ] No [ X ].....

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 [X] No [ ] N/A [ ].....

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY & 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..... \$ ..... 14,158,148  
 12.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$ .....

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?..... \$ ..... 7,775,385

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 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):..... \$ ..... 1,450,000

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. .... 7

14.1 Is the reporting entity 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:

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY & 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 [ X ]

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 [ X ]

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 [ X ]

18.4 If yes, please provide the balance of the 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 [ X ] 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 BCS Insurance Company**

**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
<b>Gross Premiums Written</b> (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) .....	45,786,602	37,683,278	35,622,497	47,610,203	47,524,461
2. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	159,145,682	78,296,486	197,695,778	111,308,284	83,960,487
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	54,083,580	34,840,410	32,750,113	31,478,245	33,298,957
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	161,762,148	280,611,117	397,850,429	282,007,600	193,595,399
5. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
6. Total (Line 35) .....	420,778,012	431,431,291	663,918,817	472,404,332	358,379,304
<b>Net Premiums Written</b> (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) .....	18,078,581	16,421,618	15,306,088	13,452,818	16,088,833
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) .....	6,599,451	2,246,022	1,108,719	1,589,152	64,739
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	64,250,261	64,349,614	76,141,597	82,542,468	82,468,936
11. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
12. Total (Line 35) .....	88,928,293	83,017,254	92,556,404	97,584,438	98,622,508
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (loss) (Line 8) .....	3,688,242	5,028,049	8,029,028	7,148,137	13,190,691
14. Net investment gain (loss) (Line 11) .....	6,703,571	7,872,608	10,067,683	6,817,538	6,583,885
15. Total other income (Line 15) .....	(1,072,675)	(1,014,796)	(1,135,883)	(12,765)	143,186
16. Dividends to policyholders (Line 17) .....	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19) .....	1,856,127	2,178,083	3,456,216	2,700,089	5,980,508
18. Net income (Line 20) .....	7,463,011	9,707,778	13,504,612	11,252,821	13,937,254
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) .....	290,132,129	298,706,234	322,837,926	336,649,851	276,644,989
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1) .....	22,961,083	17,515,409	50,711,625	38,071,635	21,180,480
20.2 Deferred and not yet due (Line 15.2) .....	600,000	0	130,000	566,667	0
20.3 Accrued retrospective premiums (Line 15.3) .....	7,775,385	4,887,243	3,211,593	7,833,485	7,686,772
21. Total liabilities excluding protected cell business (Page 3, Line 26) .....	148,712,263	152,298,162	175,120,333	194,735,033	129,672,575
22. Losses (Page 3, Line 1) .....	32,168,898	27,299,909	23,304,687	19,082,874	24,941,067
23. Loss adjustment expenses (Page 3, Line 3) .....	4,758,510	4,251,640	3,450,303	3,838,828	4,626,444
24. Unearned premiums (Page 3, Line 9) .....	8,289,154	5,537,575	5,144,699	9,910,022	8,685,809
25. Capital paid up (Page 3, Lines 30 & 31) .....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37) .....	141,419,866	146,408,072	147,717,593	141,914,818	146,972,414
<b>Cash Flow</b> (Page 5)					
27. Net cash from operations (Line 11) .....	16,398,116	9,583,818	24,187,133	3,419,189	5,391,230
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital .....	141,419,866	146,408,072	147,717,593	141,914,818	146,972,414
29. Authorized control level risk-based capital .....	14,739,980	14,228,585	16,973,653	13,817,939	17,601,338
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b>					
(Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1) .....	82.5	80.6	89.5	84.3	80.4
31. Stocks (Lines 2.1 & 2.2) .....	6.6	5.8	5.4	4.9	6.6
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) .....	3.7	9.2	0.5	0.5	0.4
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) .....	7.2	4.3	4.6	10.3	12.6
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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1) .....	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1) .....	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1) .....	0	0	0	351,670	674,972
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 .....	0	0	0	0	0
47. All other affiliated .....	0	0	0	22,000,000	22,000,000
48. Total of above Lines 42 to 47 .....	0	0	0	22,351,670	22,674,972
49. Total Investment in parent included in Lines 42 to 47 above .....			0	0	0
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	15.8	15.4

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**FIVE-YEAR HISTORICAL DATA**

**(Continued)**

	1 2021	2 2020	3 2019	4 2018	5 2017
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24) .....	1,530,689	1,032,009	2,711,180	(2,040,005)	655,773
52. Dividends to stockholders (Line 35) .....	(14,600,000)	(14,450,000)	(14,000,000)	(14,500,000)	(15,500,000)
53. Change in surplus as regards policyholders for the year (Line 38) .....	(4,988,206)	(1,309,522)	5,802,775	(5,057,595)	(8,180,749)
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
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) .....	48,000,389	73,631,234	41,736,645	56,614,585	58,416,996
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	18,878,447	46,545,106	53,461,929	40,691,421	32,654,612
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	23,519,211	21,974,805	6,187,586	1,595,856	0
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	82,033,799	181,774,399	239,231,431	165,810,651	137,243,179
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
59. Total (Line 35) .....	172,431,846	323,925,544	340,617,591	264,712,513	228,314,787
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
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) .....	5,820,981	6,320,073	4,207,095	6,589,817	7,061,004
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) .....	2,328,362	1,559,306	50,042	0	0
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	34,261,070	32,385,806	44,888,800	53,025,366	54,596,400
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
65. Total (Line 35) .....	42,410,413	40,265,185	49,145,937	59,615,183	61,657,404
<b>Operating Percentages (Page 4)</b> (Item 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) .....	54.9	53.6	54.8	55.8	54.8
68. Loss expenses incurred (Line 3) .....	4.3	3.9	2.7	2.3	3.2
69. Other underwriting expenses incurred (Line 4) .....	36.6	36.5	34.2	34.5	27.9
70. Net underwriting gain (loss) (Line 8) .....	4.3	6.1	8.2	7.4	13.2
<b>Other Percentages</b>					
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) .....	36.7	37.5	37.2	34.1	29.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	59.1	57.4	57.5	58.1	57.9
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) .....	62.9	56.7	62.7	68.8	67.1
<b>One Year Loss Development (\$000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11) .....	(7,493)	(6,676)	(4,267)	(7,220)	(11,072)
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) .....	(5.1)	(4.5)	(3.0)	(4.9)	(7.1)
<b>Two Year Loss Development (\$000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....	(7,897)	(5,362)	(7,891)	(14,010)	(11,872)
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) .....	(5.3)	(3.8)	(5.4)	(9.0)	(7.4)

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 BCS Insurance Company**

**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 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior	XXX	XXX	XXX	(8)	1	7	7	0	0	9	(9)	XXX	
2. 2012	295,879	186,915	108,964	342,110	277,685	14,928	8,114	6,515	1,847	0	75,907	XXX	
3. 2013	344,207	218,075	126,132	204,865	131,206	5,343	.897	4,714	1,677	0	81,142	XXX	
4. 2014	370,533	237,682	132,851	183,320	114,058	7,019	1,347	4,131	1,295	0	77,770	XXX	
5. 2015	325,508	219,565	105,943	169,825	105,596	4,704	2,968	3,403	1,135	0	68,233	XXX	
6. 2016	362,232	260,611	101,621	205,498	142,333	928	364	2,743	778	0	65,694	XXX	
7. 2017	355,722	255,790	.99,932	205,525	145,287	2,840	2,039	4,594	2,465	0	63,168	XXX	
8. 2018	454,333	357,973	.96,360	251,029	195,637	3,296	2,391	3,626	1,420	0	58,503	XXX	
9. 2019	650,911	553,589	.97,322	328,241	279,203	1,147	384	3,583	1,738	0	51,646	XXX	
10. 2020	459,228	376,603	.82,625	234,524	194,681	789	262	3,899	2,063	14	42,206	XXX	
11. 2021	412,928	326,751	86,177	89,197	59,811	98	11	2,826	1,206	0	31,093	XXX	
12. Totals	XXX	XXX	XXX	2,214,126	1,645,498	41,099	18,784	40,034	15,624	23	615,353	XXX	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1.	.700	.700	.7,211	.7,211	.0	.0	1,258	1,258	.33	.33	0	0	XXX
2.	.231,361	231,361	.6,497	.6,497	.130	.130	768	768	.148	.148	0	0	XXX
3.	.788	.780	.12,702	.12,302	.19	.0	233	233	.58	.58	0	.427	XXX
4.	.100	.100	.5,887	.5,887	.71	.71	.331	.331	.82	.82	0	0	XXX
5.	.17,644	.17,644	.13,522	.13,522	.35	.35	655	655	.40	.40	0	0	XXX
6.	.175	.175	.8,854	.8,854	.0	.0	733	733	.344	.344	0	0	XXX
7.	.10,705	.10,690	.6,555	.6,555	.433	.422	.874	.874	.189	.189	0	.26	XXX
8.	.103	.0	.3,704	.3,683	.1,284	.1,188	.703	.698	.291	.291	0	.225	XXX
9.	.11,373	.9,490	.1,965	.1,264	.248	.138	.522	.240	.76	.29	0	.3,023	XXX
10.	.2,278	.2,032	.10,519	.6,155	.594	.360	.1,761	.795	.174	.114	0	.5,870	XXX
11.	.7,492	.6,187	.90,619	.67,496	.348	.71	.6,379	.4,641	.1,507	.594	0	.27,356	XXX
12.	282,719	279,159	168,035	139,426	3,162	2,415	14,217	11,226	2,942	1,922	0	36,927	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)				Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	35 Losses Unpaid	36 Loss Expenses Unpaid		
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense	Direct and Assumed	Ceded		
1.	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	XXX	.0	.0	0
2.	.602,457	.526,550	.75,907	.203.6	.281.7	.69.7	.0	.0	.0	.0	.0	0
3.	.228,722	.147,153	.81,569	.66.4	.67.5	.64.7	.0	.0	.0	.0	.408	.19
4.	.200,941	.123,171	.77,770	.54.2	.51.8	.58.5	.0	.0	.0	.0	.0	0
5.	.209,828	.141,595	.68,233	.64.5	.64.5	.64.4	.0	.0	.0	.0	.0	0
6.	.219,275	.153,581	.65,694	.60.5	.58.9	.64.6	.0	.0	.0	.0	.0	0
7.	.231,715	.168,521	.63,194	.65.1	.65.9	.63.2	.0	.0	.0	.0	.15	.11
8.	.264,036	.205,308	.58,728	.58.1	.57.4	.60.9	.0	.0	.0	.0	.124	.101
9.	.347,155	.292,486	.54,669	.53.3	.52.8	.56.2	.0	.0	.0	.0	.2,584	.439
10.	.254,538	.206,462	.48,076	.55.4	.54.8	.58.2	.0	.0	.0	.0	.4,610	.1,260
11.	.198,466	.140,017	.58,449	.48.1	.42.9	.67.8	.0	.0	.0	.0	.24,428	.2,928
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	32,169	4,758	

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.

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**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	4,691	4,919	4,890	4,679	4,414	4,383	4,230	4,185	4,135	4,126	(9)	(59)
2. 2012	68,889	70,957	73,200	71,868	71,458	71,558	71,405	71,405	71,279	71,239	(40)	(166)
3. 2013	XXX	83,344	80,101	78,783	78,041	78,287	78,286	78,236	78,283	78,532	249	296
4. 2014	XXX	XXX	90,024	81,100	77,103	75,301	75,251	75,275	75,232	74,934	(298)	(341)
5. 2015	XXX	XXX	XXX	71,628	68,077	66,657	66,433	66,431	66,410	65,965	(445)	(466)
6. 2016	XXX	XXX	XXX	XXX	74,448	66,283	63,926	64,021	63,945	63,729	(216)	(292)
7. 2017	XXX	XXX	XXX	XXX	XXX	66,695	62,413	61,720	61,360	61,065	(295)	(655)
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX	61,048	57,452	56,986	56,522	(464)	(930)
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	58,061	52,480	52,777	297	(5,284)
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	52,452	46,180	(6,272)	XXX
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	55,916	XXX	XXX
										12. Totals	(7,493)	(7,897)

**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 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021		
1. Prior	000	3,102	3,886	4,259	4,248	4,218	4,200	4,165	4,135	4,126	XXX	XXX
2. 2012	42,054	65,151	69,496	70,521	71,039	71,155	71,202	71,215	71,238	71,239	XXX	XXX
3. 2013	XXX	50,179	74,597	76,421	77,117	77,806	78,038	78,056	78,081	78,105	XXX	XXX
4. 2014	XXX	XXX	50,036	69,867	73,534	74,484	74,791	74,973	74,932	74,934	XXX	XXX
5. 2015	XXX	XXX	XXX	40,575	63,749	64,898	65,993	65,988	65,971	65,965	XXX	XXX
6. 2016	XXX	XXX	XXX	XXX	47,648	63,330	63,589	63,751	63,721	63,729	XXX	XXX
7. 2017	XXX	XXX	XXX	XXX	XXX	44,714	60,874	61,076	61,079	61,039	XXX	XXX
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX	42,335	55,789	56,194	56,297	XXX	XXX
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	36,034	48,839	49,801	XXX	XXX
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	27,808	40,370	XXX	XXX
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,473	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)										10 2021
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021	
1. Prior	1,981	652	88	.50	.50	.50	.0	0	0	0	0
2. 2012	23,187	1,434	.260	0	0	0	0	0	0	0	0
3. 2013	XXX	29,225	2,807	730	150	150	150	150	150	150	400
4. 2014	XXX	XXX	.30,763	.5,260	1,779	300	300	300	300	300	0
5. 2015	XXX	XXX	XXX	29,267	2,953	668	300	304	300	300	0
6. 2016	XXX	XXX	XXX	XXX	26,163	2,596	168	158	150	150	0
7. 2017	XXX	XXX	XXX	XXX	XXX	21,230	1,270	354	1	0	0
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX	18,181	1,084	.543	26	
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.21,063	.2,542	.983	
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.23,588	.5,330	
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24,861	

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE BCS Insurance Company**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

**Allocated By States And Territories**

States, etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	20,296,751	20,274,822	0	24,692,463	16,304,425	13,440,632	0	
2. Alaska	AK	190,831	151,386	0	7,590	50,425	56,697	0	
3. Arizona	AZ	2,602,578	2,617,392	0	1,349,006	1,510,196	670,615	0	
4. Arkansas	AR	2,607,759	2,518,462	0	3,596,215	(7,558,869)	11,383,402	0	
5. California	CA	95,202,341	94,571,575	0	14,811,119	15,961,379	39,160,934	0	
6. Colorado	CO	3,839,644	3,732,774	0	1,047,150	1,131,962	1,071,760	0	
7. Connecticut	CT	1,145,790	1,177,946	0	507,781	572,889	440,922	0	
8. Delaware	DE	830,728	960,892	0	141,499	248,443	179,125	0	
9. Dist. Columbia	DC	579,786	528,643	0	59,547	340,109	346,806	0	
10. Florida	FL	7,585,510	7,380,211	0	2,306,216	2,697,279	1,245,909	0	
11. Georgia	GA	9,051,257	8,916,643	0	2,424,053	3,275,430	2,365,130	0	
12. Hawaii	HI	229,420	197,427	0	12,938	58,122	63,128	0	
13. Idaho	ID	1,077,923	1,047,158	0	228,863	(88,237)	243,785	0	
14. Illinois	IL	16,749,197	14,617,320	0	8,980,202	9,615,716	25,893,257	0	
15. Indiana	IN	6,388,700	6,010,004	0	2,634,608	12,602,033	32,434,354	0	
16. Iowa	IA	2,627,111	2,235,106	0	1,409,619	1,520,379	856,825	0	
17. Kansas	KS	2,689,386	2,634,878	0	1,567,647	2,194,578	1,139,826	0	
18. Kentucky	KY	2,223,016	2,255,051	0	605,355	984,158	802,728	0	
19. Louisiana	LA	15,120,323	15,060,275	0	6,176,410	10,878,957	15,374,110	0	
20. Maine	ME	1,023,196	982,447	0	460,153	499,952	224,069	0	
21. Maryland	MD	2,803,446	2,537,534	0	1,257,593	2,210,471	19,244,486	0	
22. Massachusetts	MA	5,767,859	5,464,349	0	2,614,239	3,641,007	18,349,409	0	
23. Michigan	MI	10,923,026	10,802,584	0	3,140,614	2,332,911	11,031,507	0	
24. Minnesota	MN	3,357,872	3,275,742	0	3,315,354	400,517	2,778,951	0	
25. Mississippi	MS	2,596,414	2,675,322	0	590,910	992,200	2,291,260	0	
26. Missouri	MO	5,924,544	5,543,765	0	2,874,617	2,420,502	21,433,222	0	
27. Montana	MT	256,724	245,759	0	56,297	99,440	69,575	0	
28. Nebraska	NE	4,472,763	4,357,293	0	3,817,779	2,802,955	11,014,532	0	
29. Nevada	NV	1,047,359	981,156	0	280,008	544,702	431,509	0	
30. New Hampshire	NH	899,973	835,160	0	249,899	388,536	245,311	0	
31. New Jersey	NJ	6,396,915	6,020,851	0	2,709,655	3,659,215	9,472,399	0	
32. New Mexico	NM	2,237,376	2,241,269	0	1,952,413	2,533,221	739,266	0	
33. New York	NY	61,291,680	60,871,580	0	8,966,907	12,857,523	34,431,452	0	
34. No. Carolina	NC	7,300,456	7,526,302	0	2,392,052	2,267,330	53,493,214	0	
35. No. Dakota	ND	239,266	171,874	0	24,279	57,152	1,713,827	0	
36. Ohio	OH	9,387,472	9,354,307	0	3,849,478	5,092,346	2,117,506	0	
37. Oklahoma	OK	3,136,493	3,071,373	0	1,308,454	2,579,401	2,545,785	0	
38. Oregon	OR	1,889,207	1,839,679	0	626,254	718,237	1,994,022	0	
39. Pennsylvania	PA	18,116,321	17,911,707	0	20,700,058	10,087,544	15,032,803	0	
40. Rhode Island	RI	1,465,534	1,393,781	0	71,858	42,316	1,969,710	0	
41. So. Carolina	SC	6,145,735	6,095,909	0	4,714,568	3,421,751	22,060,636	0	
42. So. Dakota	SD	385,093	346,479	0	51,779	(50,584)	99,391	0	
43. Tennessee	TN	7,706,350	7,395,001	0	1,951,916	1,731,087	3,842,878	0	
44. Texas	TX	20,488,954	20,231,464	0	7,966,597	5,735,410	4,559,535	0	
45. Utah	UT	2,306,043	2,291,741	0	727,013	767,394	387,745	0	
46. Vermont	VT	1,259,929	1,259,756	0	1,030,404	690,799	8,786,775	0	
47. Virginia	VA	9,841,964	9,769,035	0	4,342,561	16,317,938	13,497,690	0	
48. Washington	WA	3,649,183	3,528,795	0	1,133,011	914,650	18,113,065	0	
49. West Virginia	WV	561,247	527,092	0	206,584	286,066	136,845	0	
50. Wisconsin	WI	3,720,237	3,593,374	0	1,628,701	2,090,005	1,127,891	0	
51. Wyoming	WY	2,826,161	2,571,912	0	1,656,657	2,509,887	1,332,855	0	
52. American Samoa	AS	0	0	0	0	0	0	0	
53. Guam	GU	0	0	0	0	0	0	0	
54. Puerto Rico	PR	899,991	899,991	0	103,507	129,398	124,550	0	
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	
57. Canada	CAN	N	0	0	0	0	0	0	
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Totals		XXX	401,362,834	393,502,348	0	159,330,450	163,070,653	431,863,616	0

(a) Active Status Counts

L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG ..... 52 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 lines in the state of domicile ..... 0 N – None of the above – Not allowed to write business in the state ..... 5

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

See below footnote for allocation explanation.

For group accident and health business, BCS Insurance Company allocates premium by either the group situs state or by the insured member state depending upon the specific type of accident and health business. The group entity, usually an employer, that the policy is issued to and the insured member is the participant, usually an employee, to whom a certificate is issued to. For travel accident business, the premium is allocated by state based upon the insured state of residence. The insured is the individual that purchases the travel accident coverage through a particular entity. For professional liability business the premium is allocated by the group situs state. The group is a corporate entity that purchases the policy.

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

## PART 1 – ORGANIZATIONAL CHART

