



ANNUAL STATEMENT
For the Year Ended December 31, 2022
OF THE CONDITION AND AFFAIRS OF THE
BCS Insurance Company

NAIC Group Code 00023, NAIC Company Code 38245, Employer's ID Number 36-6033921, Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio, Country of Domicile United States, Incorporated/Organized 12/05/1950, Commenced Business 11/30/1952, Statutory Home Office 6740 North High Street, Main Administrative Office 2 Mid America Plaza, Suite 200, Oakbrook Terrace, IL, US 60181, Mail Address 2 Mid America Plaza, Suite 200, Oakbrook Terrace, IL, US 60181, Primary Location of Books and Records 2 Mid America Plaza, Suite 200, Oakbrook Terrace, IL, US 60181, Internet Web Site Address www.bcsins.com, Statutory Statement Contact David J. Burke, 630-472-7815, DBurke@bcscf.com

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Officers include Peter Lorin Costello (Chairman, President & Chief Executive Officer), Terry Michael Hackett (General Counsel & Secretary), Susan Ann Pickar (Chief Financial Officer & Treasurer).

OTHER OFFICERS

Table with 4 columns: Name, Title, Name, Title. Other officers include Christopher Scott Bailey (Senior Vice President Sales and Market Development), Mehboob Aziz Khoja (Chief Actuary).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Directors/Trustees include Peter Lorin Costello, Terry Michael Hackett, Christopher Scott Bailey, Mehboob Aziz Khoja.

State of Illinois

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.

Signatures of Peter Lorin Costello (Chairman, President & Chief Executive Officer), Terry Michael Hackett (General Counsel & Secretary), Susan Ann Pickar (Chief Financial Officer & Treasurer).

Subscribed and sworn to before me this 24th day of February, 2023

- a. Is this an original filing? Yes [X] No [ ]
b. If no:
1. State the amendment number 0
2. Date filed
3. Number of pages attached 0

Signature of Rochelle Roeske Rynes, Statutory Analyst, 12/10/24



**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE BCS Insurance Company**

**ASSETS**

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	208,069,921	0	208,069,921	203,497,058
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	12,674,726	0	12,674,726	16,194,296
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 (\$ .....(3,054,305) , Schedule E-Part 1), cash equivalents (\$ .....13,179,327 , Schedule E-Part 2) and short-term investments (\$ .....311,702 , Schedule DA).....	10,436,725	0	10,436,725	9,097,227
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) .....	17,977,672	0	17,977,672	17,742,308
9. Receivables for securities .....	2,694	0	2,694	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) .....	249,161,738	0	249,161,738	246,530,889
13. Title plants less \$ .....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued .....	1,640,137	0	1,640,137	1,491,471
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	25,640,278	763,820	24,876,458	22,961,083
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums).....	2,075,000	0	2,075,000	600,000
15.3 Accrued retrospective premiums (\$ .....10,872,399 ) and contracts subject to redetermination (\$ .....0 ) .....	10,872,399	0	10,872,399	7,775,385
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	10,019,691	0	10,019,691	9,021,192
16.2 Funds held by or deposited with reinsured companies .....	50,000	0	50,000	37,500
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.....	937,826	146,453	791,373	0
19. Guaranty funds receivable or on deposit .....	1,308,767	0	1,308,767	1,158,968
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 .....	589,653	0	589,653	555,641
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	302,295,489	910,273	301,385,216	290,132,129
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. Total (Lines 26 and 27)	302,295,489	910,273	301,385,216	290,132,129
<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. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Unapplied Claim Payments.....	447,342	0	447,342	190,465
2502. State Income Tax & Premium Tax Recoverable.....	115,671	0	115,671	260,458
2503. Miscellaneous Accounts Receivable.....	26,640	0	26,640	104,718
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	589,653	0	589,653	555,641

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE BCS Insurance Company**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	34,023,863	32,168,898
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) .....	5,376,314	4,758,510
4. Commissions payable, contingent commissions and other similar charges .....	131,987	0
5. Other expenses (excluding taxes, licenses and fees) .....	346,013	672,805
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	2,655,970	3,027,367
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses)) .....	3,111,683	1,818,580
7.2 Net deferred tax liability .....	0	71,057
8. Borrowed money \$ 8,000,000 and interest thereon \$ 9,784 .....	8,009,784	8,005,365
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 83,254,874 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) .....	6,588,760	8,289,154
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) .....	41,158,667	38,039,565
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20) .....	44,285,999	38,348,984
14. Amounts withheld or retained by company for account of others .....	0	0
15. Remittances and items not allocated .....	1,816,009	2,839,127
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 3, Column 78) .....	3,721,000	3,809,000
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 .....	7,048,026	4,859,148
20. Derivatives .....	0	0
21. Payable for securities .....	0	51,794
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 .....	1,658,363	1,952,909
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	159,932,438	148,712,263
27. Protected cell liabilities .....	0	0
28. Total liabilities (Lines 26 and 27) .....	159,932,438	148,712,263
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) .....	101,968,197	101,935,285
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) .....	141,452,778	141,419,866
38. Totals (Page 2, Line 28, Col. 3) .....	301,385,216	290,132,129
<b>DETAILS OF WRITE-INS</b>		
2501. Allowance for Doubtful Accounts .....	1,575,866	1,549,798
2502. Retroactive Reinsurance Reserve Assumed .....	82,461	103,111
2503. Escheat Liabilities .....	36	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	300,000
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	1,658,363	1,952,909
2901. ....	0	0
2902. ....	0	0
2903. ....	0	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	0
3202. ....	0	0
3203. ....	0	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 2022 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) .....	99,302,448	86,176,714
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7) .....	54,868,748	47,279,402
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	2,933,966	3,664,762
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	32,288,017	31,544,308
5. Aggregate write-ins for underwriting deductions .....	10	0
6. Total underwriting deductions (Lines 2 through 5) .....	90,090,741	82,488,472
7. Net income of protected cells .....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	9,211,707	3,688,242
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	6,691,706	5,465,491
10. Net realized capital gains (losses) less capital gains tax of \$ 17,028 (Exhibit of Capital Gains (Losses)) .....	541,619	1,238,080
11. Net investment gain (loss) (Lines 9 + 10) .....	7,233,325	6,703,571
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ ..... ) .....	0	0
13. Finance and service charges not included in premiums .....	0	0
14. Aggregate write-ins for miscellaneous income .....	(1,007,059)	(1,072,675)
15. Total other income (Lines 12 through 14) .....	(1,007,059)	(1,072,675)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....	15,437,973	9,319,138
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) .....	15,437,973	9,319,138
19. Federal and foreign income taxes incurred .....	3,065,768	1,856,127
20. Net income (Line 18 minus Line 19) (to Line 22) .....	12,372,205	7,463,011
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	141,419,866	146,408,072
22. Net income (from Line 20) .....	12,372,205	7,463,011
23. Net transfers (to) from Protected Cell accounts .....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (1,158,717) .....	(4,358,983)	1,530,689
25. Change in net unrealized foreign exchange capital gain (loss) .....	0	0
26. Change in net deferred income tax .....	(149,834)	347,452
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) .....	81,524	(158,358)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....	88,000	429,000
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 .....	(8,000,000)	(14,600,000)
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) .....	32,912	(4,988,206)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	141,452,778	141,419,866
<b>DETAILS OF WRITE-INS</b>		
0501. Other Expense .....	10	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) .....	10	0
1401. Miscellaneous Income .....	4,267	(110,556)
1402. Funds Held Interest Expense .....	(1,011,326)	(962,119)
1403. ....	0	0
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) .....	(1,007,059)	(1,072,675)
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 2022 OF THE BCS Insurance Company**

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	94,461,744	87,944,937
2. Net investment income.....	7,255,133	6,531,036
3. Miscellaneous income.....	(1,019,559)	(1,035,175)
4. Total (Lines 1 through 3).....	100,697,318	93,440,798
5. Benefit and loss related payments.....	54,012,282	41,897,609
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	35,317,260	32,633,529
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	1,789,693	2,511,544
10. Total (Lines 5 through 9).....	91,119,235	77,042,682
11. Net cash from operations (Line 4 minus Line 10).....	9,578,083	16,398,116
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	48,337,780	46,414,188
12.2 Stocks.....	1,841,696	1,739,138
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	5,348,233	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	23,010	40,948
12.7 Miscellaneous proceeds.....	1	510,756
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	55,550,719	48,705,030
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	54,713,710	41,500,148
13.2 Stocks.....	302,841	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	7,496,898	6,500,000
13.6 Miscellaneous applications.....	54,489	458,962
13.7 Total investments acquired (Lines 13.1 to 13.6).....	62,567,938	48,459,109
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).....	(7,017,219)	245,921
<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.....	4,419	(10,012,607)
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	8,000,000	14,600,000
16.6 Other cash provided (applied).....	6,774,215	(6,871,569)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(1,221,366)	(31,484,176)
<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).....	1,339,498	(14,840,139)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	9,097,227	23,937,366
19.2 End of year (Line 18 plus Line 19.1).....	10,436,725	9,097,227

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE BCS Insurance Company**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire .....	0	0	0	0
2.1	Allied lines .....	0	0	0	0
2.2	Multiple peril crop .....	0	0	0	0
2.3	Federal flood .....	0	0	0	0
2.4	Private crop .....	0	0	0	0
2.5	Private flood .....	0	0	0	0
3.	Farmowners multiple peril .....	0	0	0	0
4.	Homeowners multiple peril .....	0	0	0	0
5.1	Commercial multiple peril (non-liability portion) .....	0	0	0	0
5.2	Commercial multiple peril (liability portion) .....	5,838,095	3,210,542	1,897,245	7,151,392
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
13.1	Comprehensive (hospital and medical) individual .....	0	0	0	0
13.2	Comprehensive (hospital and medical) group .....	525,268	115	115	525,268
14.	Credit accident and health (group and individual) .....	0	0	0	0
15.1	Vision only .....	2,032,738	11,708	6,496	2,037,950
15.2	Dental only .....	9,581,841	35,244	19,793	9,597,292
15.3	Disability income .....	0	0	0	0
15.4	Medicare supplement .....	0	0	0	0
15.5	Medicaid Title XIX .....	0	0	0	0
15.6	Medicare Title XVIII .....	0	0	0	0
15.7	Long-term care .....	(1)	0	0	(1)
15.8	Federal employees health benefits plan .....	0	0	0	0
15.9	Other health .....	60,067,988	166,542	100,181	60,134,349
16.	Workers' compensation .....	0	0	0	0
17.1	Other liability-occurrence .....	9,137,289	0	0	9,137,289
17.2	Other liability-claims-made .....	9,966,831	4,737,662	4,456,626	10,247,867
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	Private passenger auto no-fault (personal protection) .....	0	0	0	0
19.2	Other private passenger auto liability .....	0	0	0	0
19.3	Commercial auto no-fault (personal injury protection) .....	0	0	0	0
19.4	Other commercial auto liability .....	0	0	0	0
21.1	Private passenger auto physical damage .....	0	0	0	0
21.2	Commercial 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 .....	452,005	127,341	108,304	471,042
35.	<b>TOTALS</b>	<b>97,602,054</b>	<b>8,289,154</b>	<b>6,588,760</b>	<b>99,302,448</b>
<b>DETAILS OF WRITE-INS</b>					
3401.	Special Risk .....	452,005	127,341	108,304	471,042
3402.	.....	0	0	0	0
3403.	.....	0	0	0	0
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)	452,005	127,341	108,304	471,042

**ANNUAL STATEMENT FOR THE YEAR 2022 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
2.1	Allied lines .....					0
2.2	Multiple peril crop .....					0
2.3	Federal flood .....					0
2.4	Private crop .....					0
2.5	Private flood .....					0
3.	Farmowners multiple peril .....					0
4.	Homeowners multiple peril .....					0
5.1	Commercial multiple peril (non-liability portion) .....					0
5.2	Commercial multiple peril (liability portion) .....	1,854,684	42,561		0	1,897,245
6.	Mortgage guaranty .....					0
8.	Ocean marine .....					0
9.	Inland marine .....	0	0		0	0
10.	Financial guaranty .....					0
11.1	Medical professional liability-occurrence .....					0
11.2	Medical professional liability-claims-made .....	0	0		0	0
12.	Earthquake .....					0
13.1	Comprehensive (hospital and medical) individual .....					0
13.2	Comprehensive (hospital and medical) group .....	115	0		0	115
14.	Credit accident and health (group and individual) .....					0
15.1	Vision only .....	6,496	0		0	6,496
15.2	Dental only .....	19,793	0		0	19,793
15.3	Disability income .....					0
15.4	Medicare supplement .....					0
15.5	Medicaid title XIX .....					0
15.6	Medicare title XVIII .....					0
15.7	Long-term care .....	0	0		0	0
15.8	Federal employees health benefits plan .....					0
15.9	Other health .....	100,181	0		0	100,181
16.	Workers' compensation .....					0
17.1	Other liability-occurrence .....	0	0		0	0
17.2	Other liability-claims-made .....	4,447,716	8,910		0	4,456,626
17.3	Excess workers' compensation .....					0
18.1	Products liability-occurrence .....					0
18.2	Products liability-claims-made .....					0
19.1	Private passenger auto no-fault (personal injury protection) .....					0
19.2	Other private passenger auto liability .....					0
19.3	Commercial auto no-fault (personal injury protection) .....					0
19.4	Other commercial auto liability .....					0
21.1	Private passenger auto physical damage .....					0
21.2	Commercial auto physical damage .....					0
22.	Aircraft (all perils) .....					0
23.	Fidelity .....	0	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 .....	105,183	3,121	0	0	108,304
35.	<b>TOTALS</b> .....	<b>6,534,168</b>	<b>54,592</b>	<b>0</b>	<b>0</b>	<b>6,588,760</b>
36.	Accrued retrospective premiums based on experience .....					
37.	Earned but unbilled premiums .....					
38.	Balance (Sum of Lines 35 through 37) .....					6,588,760
<b>DETAILS OF WRITE-INS</b>						
3401.	Special Risk .....	105,183	3,121		0	108,304
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) .....	105,183	3,121	0	0	108,304

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

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE BCS Insurance Company**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B - PREMIUMS WRITTEN**

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	Net Premiums Written Cols. 1+2+3-4-5
1. Fire						.0
2.1 Allied lines						.0
2.2 Multiple peril crop						.0
2.3 Federal flood						.0
2.4 Private crop						.0
2.5 Private flood						.0
3. Farmowners multiple peril						.0
4. Homeowners multiple peril						.0
5.1 Commercial multiple peril (non-liability portion)						.0
5.2 Commercial multiple peril (liability portion)	49,232,344	0	0	0	43,394,249	5,838,095
6. Mortgage guaranty						.0
8. Ocean marine						.0
9. Inland marine	234,156,611	0	0	0	234,156,611	.0
10. Financial guaranty						.0
11.1 Medical professional liability-occurrence						.0
11.2 Medical professional liability-claims-made	145,478	0	0	0	145,478	.0
12. Earthquake						.0
13.1 Comprehensive (hospital and medical) individual						.0
13.2 Comprehensive (hospital and medical) group	1,056,501	0	0	0	531,233	525,268
14. Credit accident and health (group and individual)						.0
15.1 Vision only	4,065,473	0	0	0	2,032,735	2,032,738
15.2 Dental only	15,793,532	0	0	0	6,211,691	9,581,841
15.3 Disability income						.0
15.4 Medicare supplement						.0
15.5 Medicaid Title XIX						.0
15.6 Medicare Title XVIII						.0
15.7 Long-term care	65,211	0	838	0	66,050	(1)
15.8 Federal employees health benefits plan						.0
15.9 Other health	133,581,737	0	23,850,977	36,274,680	61,090,046	60,067,988
16. Workers' compensation						.0
17.1 Other liability-occurrence	20,252,592	0	0	9,133,899	1,981,404	9,137,289
17.2 Other liability-claims-made	25,648,387	0	0	0	15,681,556	9,966,831
17.3 Excess workers' compensation						.0
18.1 Products liability-occurrence						.0
18.2 Products liability-claims-made						.0
19.1 Private passenger auto no-fault (personal injury protection)						.0
19.2 Other private passenger auto liability						.0
19.3 Commercial auto no-fault (personal injury protection)						.0
19.4 Other commercial auto liability						.0
21.1 Private passenger auto physical						.0
21.2 Commercial auto physical damage						.0
22. Aircraft (all perils)						.0
23. Fidelity	0	0	0	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	XXX					.0
32. Reinsurance-nonproportional assumed liability	XXX					.0
33. Reinsurance-nonproportional assumed financial lines	XXX					.0
34. Aggregate write-ins for other lines of business	2,932,877	0	0	0	2,480,872	452,005
35. TOTALS	486,930,743	0	23,851,815	45,408,579	367,771,925	97,602,054
<b>DETAILS OF WRITE-INS</b>						
3401. Special Risk	2,932,877	0	0	0	2,480,872	452,005
3402.						.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)	2,932,877	0	0	0	2,480,872	452,005

(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 2022 OF THE BCS Insurance Company**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire								
2.1 Allied lines								
2.2 Multiple peril crop								
2.3 Federal flood								
2.4 Private crop								
2.5 Private flood								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5.1 Commercial multiple peril (non-liability portion)								
5.2 Commercial multiple peril (liability portion)	22,833,482	0	19,188,098	3,645,384	3,289,758	2,306,818	4,628,324	64.7
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine	73,217,916	0	73,217,916					
10. Financial guaranty								
11.1 Medical professional liability-occurrence								
11.2 Medical professional liability-claims-made	0	0	0					
12. Earthquake								
13.1. Comprehensive (hospital and medical) individual								
13.2. Comprehensive (hospital and medical) group	1,321,152	0	653,160	667,992	385,146	833,778	219,360	41.8
14. Credit accident and health (group and individual)								
15.1. Vision only	738,407	0	369,203	369,204	73,237	92,184	350,257	17.2
15.2. Dental only	4,725,896	0	751,679	3,974,217	947,814	821,413	4,100,618	42.7
15.3. Disability income								
15.4. Medicare supplement								
15.5. Medicaid Title XIX								
15.6. Medicare Title XVIII								
15.7. Long-term care	135,630	8,160	143,790					
15.8. Federal employees health benefits plan								
15.9. Other health	88,491,114	9,141,661	60,269,671	37,363,104	16,509,162	16,349,557	37,522,709	62.4
16. Workers' compensation								
17.1 Other liability-occurrence	11,105,885	0	5,794,637	5,311,248	3,496,620	4,224,735	4,583,133	50.2
17.2 Other liability-claims-made	98,911,093	0	97,323,770	1,587,323	9,087,054	7,416,239	3,258,138	31.8
17.3 Excess workers' compensation								
18.1 Products liability-occurrence								
18.2 Products liability-claims-made								
19.1 Private passenger auto no-fault (personal injury protection)								
19.2 Other private passenger auto liability								
19.3 Commercial auto no-fault (personal injury protection)								
19.4 Other commercial auto liability								
21.1 Private passenger auto physical damage								
21.2 Commercial auto physical damage								
22. Aircraft (all perils)								
23. Fidelity	(6,061)	0	0	(6,061)	939	939	(6,061)	0.0
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-nonproportional assumed property	XXX							
32. Reinsurance-nonproportional assumed liability	XXX							
33. Reinsurance-nonproportional assumed financial lines	XXX							
34. Aggregate write-ins for other lines of business	711,683	0	610,311	101,372	234,133	123,235	212,270	45.1
35. TOTALS	302,186,197	9,149,821	258,322,235	53,013,783	34,023,863	32,168,898	54,868,748	55.3
<b>DETAILS OF WRITE-INS</b>								
3401. Special Risk	711,683	0	610,311	101,372	234,133	123,235	212,270	45.1
3402.								
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)	711,683	0	610,311	101,372	234,133	123,235	212,270	45.1

**ANNUAL STATEMENT FOR THE YEAR 2022 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 Net Losses Unpaid (Cols. 4+5+6-7)	9 Net Unpaid Loss Adjustment Expenses
	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	
2.1 Allied lines				.0				.0	
2.2 Multiple peril crop				.0				.0	
2.3 Federal flood				.0				.0	
2.4 Private crop				.0				.0	
2.5 Private flood				.0				.0	
3. Farmowners multiple peril				.0				.0	
4. Homeowners multiple peril				.0				.0	
5.1 Commercial multiple peril (non-liability portion)				.0				.0	
5.2 Commercial multiple peril (liability portion)	4,841,184	.0	4,026,214	814,970	21,531,558	.0	19,056,770	3,289,758	851,267
6. Mortgage guaranty				.0				.0	
8. Ocean marine				.0				.0	
9. Inland marine	.0	.0	.0	.0	32,701,580	.0	32,701,580	.0	.0
10. Financial guaranty				.0				.0	
11.1 Medical professional liability-occurrence				.0				.0	
11.2 Medical professional liability-claims-made	.0	.0	.0	.0	175,000	.0	175,000	.0	.0
12. Earthquake				.0				.0	
13.1 Comprehensive (hospital and medical) individual				.0				.0	
13.2 Comprehensive (hospital and medical) group	.0	.0	.0	.0	760,292	.0	375,146	(a) 385,146	42,356
14. Credit accident and health (group and individual)				.0				.0	
15.1 Vision only	.0	.0	.0	.0	146,474	.0	73,237	(a) 73,237	.0
15.2 Dental only	.0	.0	.0	.0	1,090,559	.0	142,745	(a) 947,814	6,090
15.3 Disability income				.0				(a) .0	
15.4 Medicare supplement				.0				(a) .0	
15.5 Medicaid Title XIX				.0				(a) .0	
15.6 Medicare Title XVIII				.0				(a) .0	
15.7 Long-term care	16,440	.0	16,440	.0	214,679	.0	214,679	(a) .0	.0
15.8 Federal employees health benefits plan				.0				(a) .0	
15.9 Other health	.0	10,478,469	10,478,469	.0	32,227,247	14,025,846	29,743,931	(a) 16,509,162	608,448
16. Workers' compensation				.0				.0	
17.1 Other liability-occurrence	.0	.0	.0	.0	7,746,620	.0	4,250,000	3,496,620	51,902
17.2 Other liability-claims-made	174,181,835	.0	171,859,959	2,321,876	78,496,604	.0	71,731,426	9,087,054	3,765,975
17.3 Excess workers' compensation				.0				.0	
18.1 Products liability-occurrence				.0				.0	
18.2 Products liability-claims-made				.0				.0	
19.1 Private passenger auto no-fault (personal injury protection)				.0				.0	
19.2 Other private passenger auto liability				.0				.0	
19.3 Commercial auto no-fault (personal injury protection)				.0				.0	
19.4 Other commercial auto liability				.0				.0	
21.1 Private passenger auto physical damage				.0				.0	
21.2 Commercial auto physical damage				.0				.0	
22. Aircraft (all perils)				.0				.0	
23. Fidelity	.0	.0	.0	.0	45,429	.0	44,490	939	116
24. Surety				.0				.0	
26. Burglary and theft				.0				.0	
27. Boiler and machinery				.0				.0	
28. Credit				.0				.0	
29. International				.0				.0	
30. Warranty				.0				.0	
31. Reinsurance-nonproportional assumed property	XXX			.0	XXX			.0	
32. Reinsurance-nonproportional assumed liability	XXX			.0	XXX			.0	
33. Reinsurance-nonproportional assumed financial lines	XXX			.0	XXX			.0	
34. Aggregate write-ins for other lines of business	304,842	.0	245,270	59,572	1,299,990	.0	1,125,429	234,133	50,160
35. TOTALS	179,344,301	10,478,469	186,626,352	3,196,418	176,436,032	14,025,846	159,634,433	34,023,863	5,376,314
<b>DETAILS OF WRITE-INS</b>									
3401. Special Risk	304,842	.0	245,270	59,572	1,299,990	.0	1,125,429	234,133	50,160
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)	304,842	.0	245,270	59,572	1,299,990	.0	1,125,429	234,133	50,160

(a) Including \$ ..... for present value of life indemnity claims reported in lines 13 and 15.

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 .....	7,415,952	0	0	7,415,952
1.2 Reinsurance assumed .....	0	0	0	0
1.3 Reinsurance ceded .....	6,252,785	0	0	6,252,785
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....	1,163,167	0	0	1,163,167
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....	0	26,196,160	0	26,196,160
2.2 Reinsurance assumed, excluding contingent .....	0	813,255	0	813,255
2.3 Reinsurance ceded, excluding contingent .....	0	40,446,239	0	40,446,239
2.4 Contingent-direct .....	0	131,987	0	131,987
2.5 Contingent-reinsurance assumed .....	0	0	0	0
2.6 Contingent-reinsurance ceded .....	0	0	0	0
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	(13,304,837)	0	(13,304,837)
3. Allowances to manager and agents .....				0
4. Advertising .....	11,798	153,677	3,228	168,703
5. Boards, bureaus and associations .....	583	7,945	199	8,727
6. Surveys and underwriting reports .....				0
7. Audit of assureds' records .....				0
8. Salary and related items:				
8.1 Salaries .....	1,010,434	12,497,410	318,458	13,826,302
8.2 Payroll taxes .....	59,795	767,994	19,434	847,223
9. Employee relations and welfare .....	248,274	2,904,879	73,781	3,226,934
10. Insurance .....	0	0	0	0
11. Directors' fees .....	269	2,692	68	3,029
12. Travel and travel items .....	63,681	740,288	18,831	822,800
13. Rent and rent items .....	72,118	855,397	21,766	949,281
14. Equipment .....	8,161	82,632	2,106	92,899
15. Cost or depreciation of EDP equipment and software .....	133,257	1,808,214	40,296	1,981,767
16. Printing and stationery .....	10,847	403,050	5,189	419,086
17. Postage, telephone and telegraph, exchange and express .....	4,345	50,383	61,618	116,346
18. Legal and auditing .....	144,910	2,073,681	434,913	2,653,504
19. Totals (Lines 3 to 18) .....	1,768,472	22,348,242	999,887	25,116,601
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....	0	8,584,400	0	8,584,400
20.2 Insurance department licenses and fees .....	0	545,428	0	545,428
20.3 Gross guaranty association assessments .....	0	124,572	0	124,572
20.4 All other (excluding federal and foreign income and real estate) .....	0	2,439,931	0	2,439,931
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	0	11,694,331	0	11,694,331
21. Real estate expenses .....				0
22. Real estate taxes .....				0
23. Reimbursements by uninsured plans .....				0
24. Aggregate write-ins for miscellaneous expenses .....	2,327	11,550,281	702	11,553,310
25. Total expenses incurred .....	2,933,966	32,288,017	1,000,589	36,222,572
26. Less unpaid expenses-current year .....	5,376,314	3,097,735	36,235	8,510,284
27. Add unpaid expenses-prior year .....	4,758,510	3,661,007	39,164	8,458,681
28. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year .....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	2,316,162	32,851,289	1,003,518	36,170,969
<b>DETAILS OF WRITE-INS</b>				
2401. Donations.....	2,327	27,375	702	30,404
2402. Group Service Administration.....	0	11,522,906	0	11,522,906
2403. ....				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)	2,327	11,550,281	702	11,553,310

(a) Includes management fees of \$ 23,679,546 to affiliates and \$ .....to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a).....523,487	.....562,507
1.1 Bonds exempt from U.S. tax	(a).....402,623	.....333,191
1.2 Other bonds (unaffiliated)	(a).....5,157,060	.....5,252,512
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)	.....182,049	.....182,049
2.21 Common stocks of affiliates	.....0	.....0
3. Mortgage loans	(c).....	.....
4. Real estate	(d).....	.....
5. Contract loans	.....	.....
6. Cash, cash equivalents and short-term investments	(e).....478,269	.....507,333
7. Derivative instruments	(f).....	.....
8. Other invested assets	.....915,340	.....969,903
9. Aggregate write-ins for investment income	.....0	.....0
10. Total gross investment income	7,658,828	7,807,495
11. Investment expenses		(g).....1,000,589
12. Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13. Interest expense		(h).....115,200
14. Depreciation on real estate and other invested assets		(i).....
15. Aggregate write-ins for deductions from investment income		.....0
16. Total deductions (Lines 11 through 15)		.....1,115,789
17. Net investment income (Line 10 minus Line 16)		6,691,706
<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
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes \$ 224,484 accrual of discount less \$ 939,507 amortization of premium and less \$ 121,569 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 \$ accrual of discount less \$ 18,976 amortization of premium and less \$ 769 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	7,881		7,881		
1.1 Bonds exempt from U.S. tax	(130,541)		(130,541)		
1.2 Other bonds (unaffiliated)	(488,251)		(488,251)	(477,136)	
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)	1,121,245	0	1,121,245	(3,101,960)	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	16,330		16,330	6,681	0
7. Derivative instruments			0		
8. Other invested assets	31,983	0	31,983	(1,945,284)	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	558,647	0	558,647	(5,517,699)	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 2022 OF THE BCS Insurance Company**

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	.0	.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.....	763,820	991,797	227,977
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.....	146,453	.0	(146,453)
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).....	910,273	991,797	81,524
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	910,273	991,797	81,524
<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
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. ....		.0	.0
2502. ....		.0	.0
2503. ....		.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

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.

	SSAP #	F/S Page	F/S Line #	2022	2021
<b>Net Income</b>					
(1) BCS Insurance Company State Basis (Page 4, Line 20, Columns 1 & 2) State Prescribed Practices that increase/(decrease)				\$ 12,372,205	\$ 7,463,011
(2) NAIC SAP: None State Permitted Practices that increase/(decrease)				-	-
(3) NAIC SAP: None				-	-
(4) NAIC SAP (1-2-3=4)				<u>\$ 12,372,205</u>	<u>\$ 7,463,011</u>
<b>Surplus</b>					
(5) BCS Insurance Company State Basis (Page 3, Line 37, Columns 1 & 2) State Prescribed Practices that increase/(decrease)				\$ 141,452,778	\$ 141,419,866
(6) NAIC SAP: None State Permitted Practices that increase/(decrease)				-	-
(7) NAIC SAP: None				-	-
(8) NAIC SAP (5-6-7=8)				<u>\$ 141,452,778</u>	<u>\$ 141,419,866</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:

- Short-term investments are stated at cost, which approximates market.
- 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.
- Common Stocks, other than investments in stocks of subsidiaries and affiliates, are stated fair value.
- Preferred Stocks – Not Applicable
- Mortgage Loans – Not Applicable
- 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.
- Subsidiaries, Controlled and Affiliated Companies – Not Applicable
- 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.
- Derivatives - Not Applicable

## NOTES TO FINANCIAL STATEMENTS

10. Anticipated investment income is a factor for premium deficiency reserves.
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

D. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill

Not Applicable

4. Discontinued Operations

Not Applicable

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

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

## NOTES TO FINANCIAL STATEMENTS

expected to be collected was less than the amortized cost of the securities:

None

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	\$3,364,579
2. 12 Months or Longer	\$2,669,395

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

1. Less than 12 months	\$43,493,657
2. 12 Months or Longer	\$13,294,455

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.

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, 2022, 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 (1 plus 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	840,100	-	-	-	840,100	990,700	(150,600)	-	840,100	0.3%	0.3%
j. On deposit with states	4,749,509	-	-	-	4,749,509	4,754,281	(4,772)	-	4,749,509	1.6%	1.6%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	14,946,784	-	-	-	14,946,784	16,536,417	(1,589,633)	-	14,946,784	4.9%	4.9%
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-	-	-	-	-	-
<b>o. Total restricted assets</b>	<b>\$ 20,536,393</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,536,393</b>	<b>\$ 22,281,398</b>	<b>\$ (1,745,005)</b>	<b>\$ -</b>	<b>\$ 20,536,393</b>	<b>6.8%</b>	<b>6.8%</b>

(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

## 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

None

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

Not Applicable

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

**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 2022 and 2021:

	12/31/2022		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 1,151,669	\$ 420,294	\$ 1,571,963
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	1,151,669	420,294	1,571,963
(d) Deferred Tax Assets Nonadmitted	146,453	-	146,453
(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	1,005,216	420,294	1,425,510
(f) Deferred Tax Liabilities	61,745	572,392	634,137
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	\$ 943,471	\$ (152,098)	\$ 791,373

	12/31/2021		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 1,320,304	\$ 109,693	\$ 1,429,997
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	1,320,304	109,693	1,429,997
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	1,320,304	109,693	1,429,997
(f) Deferred Tax Liabilities	178,455	1,322,599	1,501,054
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	\$ 1,141,849	\$ (1,212,906)	\$ (71,057)

	Change		
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ (168,635)	\$ 310,601	\$ 141,966
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	(168,635)	310,601	141,966
(d) Deferred Tax Assets Nonadmitted	146,453	-	146,453
(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	(315,088)	310,601	(4,487)
(f) Deferred Tax Liabilities	(116,710)	(750,207)	(866,917)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	\$ (198,378)	\$ 1,060,808	\$ 862,430

**NOTES TO FINANCIAL STATEMENTS**

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

	12/31/2022		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 767,032	\$ 1,325	\$ 768,357
(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	23,016	-	23,016
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	23,016	-	23,016
(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	21,099,208
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	215,168	418,969	634,137
	<u>\$ 1,005,216</u>	<u>\$ 420,294</u>	<u>\$ 1,425,510</u>

	12/31/2021		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(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
	<u>\$ 1,320,304</u>	<u>\$ 109,693</u>	<u>\$ 1,429,997</u>

	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	\$ (106,750)	\$ (95,057)	\$ (201,807)
(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	(17,577)	-	(17,577)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	(17,577)	-	(17,577)
(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	(113,771)
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	(190,761)	405,658	214,897
	<u>\$ (315,088)</u>	<u>\$ 310,601</u>	<u>\$ (4,487)</u>

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

	2022	2021
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	1155%	959%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	\$ 140,661,405	\$ 141,419,866

NOTES TO FINANCIAL STATEMENTS

4. Disclose the impact of tax-planning strategies:

	12/31/2022	
	(1)	(2)
	Ordinary Percent	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)	1,151,669	420,294
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)	1,005,216	420,294
4. Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Admitted because of the Impact of Tax Planning Strategies	0%	0%

	12/31/2021	
	(3)	(4)
	Ordinary Percent	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%

	Change	
	(5)	(6)
	(Col 1-3) Ordinary Percent	(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)	(168,635)	310,601
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)	(315,088)	310,601
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

NOTES TO FINANCIAL STATEMENTS

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

	(1) 12/31/2022	(2) 12/31/2021	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 3,065,768	\$ 1,856,127	\$ 1,209,641
(b) Foreign	-	-	-
(c) Subtotal	3,065,768	1,856,127	1,209,641
(d) Federal income tax on net capital gains	17,028	446,939	(429,911)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	<u>\$ 3,082,796</u>	<u>\$ 2,303,066</u>	<u>\$ 779,730</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 383,608	\$ 369,024	\$ 14,584
(2) Unearned premium reserve	276,728	348,144	(71,416)
(3) Policyholder reserves	-	-	-
(4) Investments	-	69,401	(69,401)
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	491,333	533,735	(42,402)
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	-	-	-
(99) Subtotal	1,151,669	1,320,304	(168,635)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	146,453	-	146,453
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	1,005,216	1,320,304	(315,088)
(e) Capital:			
(1) Investments	420,294	109,693	310,601
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	420,294	109,693	310,601
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 -2f -2g)	420,294	109,693	310,601
(i) Admitted deferred tax assets (2d + 2h)	<u>1,425,510</u>	<u>1,429,997</u>	<u>(4,487)</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	-	-	-
(b) Capital			
(1) Investments	634,137	1,501,054	(866,917)
(2) Real estate	-	-	-
(3) Other (including items <5% of total ordinary tax liabilities)	-	-	-
(99) Subtotal	634,137	1,501,054	(866,917)
(c) Deferred tax liabilities (3a99 + 3b99)	634,137	1,501,054	(866,917)
4. Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 791,373</u>	<u>\$ (71,057)</u>	<u>\$ 862,430</u>

NOTES TO FINANCIAL STATEMENTS

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

	December 31, 2022	Effective Tax Rate
Provision computed at statutory rate	\$ 3,245,550	21%
Tax exempt interest	(52,103)	0%
Change in nonadmitted balances	47,875	0%
Provision to actual adjustment	(8,692)	0%
Total income tax reported	<u>\$ 3,232,630</u>	<u>21%</u>
Federal and foreign income taxes incurred	\$ 3,065,768	20%
Realized capital gains (losses) tax	17,028	0%
Change in net deferred income taxes	149,834	1%
Total income tax	<u>\$ 3,232,630</u>	<u>21%</u>

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

- As of December 31, 2022 and December 31, 2021, the Company did not have any unused operating loss carry forwards available to offset against future taxable income.
- The income tax expense of \$3,058,316 from 2022 and \$2,410,883 from 2021 is available for recoupment in the event of future net losses.
- 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

- The Company's federal income tax return is consolidated with its parent, BCS Financial Corporation ("BCSF").
- 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 \$8,000,000 and \$14,600,000 in 2022 and 2021, 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, 2022, the Company reported \$ 7,048,26 due to affiliates and no receivables from affiliates. This is comprised of \$6,677,235, \$254,903, \$106,500 and \$9,388 payable to BCSF, BCS Re Inc., Medical Risk Managers Inc. ("MRM"), and 4 Ever Life Insurance Company, respectively.

## 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 2022.

BCSI entered into an underwriting management agreement (the "Agreement") with MRM. MRM will provide services to BCSI in support of BCSI's employer medical stop loss business. MRM's services under this agreement is to help acquire business for BCSI and provide advice on the pricing of that business. The Ohio Department of Insurance approved the Agreement on February 15, 2022.

Effective August 1, 2022, the Company entered into a managing general underwriting agreement (the "MGU Agreement") with MRM. MRM will provide services to acquire business, perform risk selection, issue policies, and adjudicate claims for the Company's medical stop loss business in exchange for 10% of gross premiums written subject to the MGU Agreement. The Ohio Department of Insurance approved the MGU Agreement on August 2, 2022.

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 \$13,040,594. The Company calculated this amount in accordance with its investment in FHLB capital stock and pledged collateral.

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	232,106	232,106	-
(c) Activity Stock	360,000	360,000	-
(d) Excess Stock	247,994	247,994	-
(e) Aggregate Total (a+b+c)	840,100	840,100	-
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	13,040,594	XXX	XXX
2. Prior Year-end 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

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	232,106	232,106	-	-	-	-

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)	13,785,952	14,946,784	8,000,000
2. Current Year General Account Total Collateral Pledged	13,785,952	14,946,784	8,000,000
3. Current Year Protected Cell Accounts Total Collateral Pledged	-	-	-
4. Prior Year-end Total General and Separate Accounts Total Collateral Pledged	17,590,622	16,536,417	8,000,000

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)

**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)	17,148,708	16,384,247	8,000,000
2. Current Year General Account Maximum Collateral Pledged	17,148,708	16,384,247	8,000,000
3. Current Year Separate Accounts Maximum Collateral Pledged	-	-	-
4. Prior year-end Total General and Separate Accounts Maximum Collateral Pledged	21,914,089	20,143,347	13,000,000

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	8,000,000	8,000,000	-	-
(d) Aggregate Total (a+b+c)	8,000,000	8,000,000	-	XXX

b. Maximum Amount during Reporting Period (Current Year)

	1 Total 2+3	2 General Account	3 Separate Account
1. Debt	8,000,000	8,000,000	-
2. Funding	-	-	-
3. Other	-	-	-
4. Aggregate Total (Lines 1+2+3)	8,000,000	8,000,000	-

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

## 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 ("Pension Plan"), a postretirement healthcare benefit plan and a 401(k) Plan covering substantially all 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 2022, the Company incurred expenses of \$2,381,674 relating to these plans. The Company has no legal obligation for benefits under these plans.

An Amendment to the Pension Plan was made during 2019 and notice was distributed to all employees on December 17, 2019, communicating changes to the Pension Plan. As of June 30, 2020, the Pension Plan was frozen to all participants; as of that date, no additional benefits were eligible to be accrued under the Pension Plan. Effective December 31, 2019, newly hired employees were not eligible to participate in the Pension Plan. Employees hired on or before December 31, 2019 were allowed to become participants after satisfying eligibility requirements; the benefits to these employees froze effective June 30, 2020. Effective July 1, 2020, the vesting service was reduced from 5 years to 3 years.

In 2022, BCSF made the decision to terminate the Pension Plan and arrange for full satisfaction of these obligations to participants. BCSF submitted filings to regulatory agencies in 2022 with the anticipation that the Pension Plan will be terminated in 2023. As of December 31, 2022, the required regulatory approvals for the Pension Plan termination had not been received.

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 \$14,145,278. The Company paid ordinary dividends totaling \$8,000,000 to its stockholders during 2022.

F. Surplus Restriction

None

G. Mutual Surplus Advances

None

H. Company Stock Held for Special Purposes

None

**NOTES TO FINANCIAL STATEMENTS**

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 \$389,310 at December 31, 2022.

K. Surplus Notes

None

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 \$376,864 at December 31, 2022. 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	\$ 1,158,968
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	\$ -
	Re-evaluation increase	\$ 149,799
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	\$ 1,308,767

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

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

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

## NOTES TO FINANCIAL STATEMENTS

## E. Product Warranties

None

## F. Joint and Several Liabilities

None

## G. All Other Contingencies

None

## 15. Leases

None

## 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, 2022 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	\$ 252,681,597
Planned Administrators, Inc. 8906 Two Notch Road, Suite 200 Columbia, SC 29223	57-0718839	N	Accident & Health Dental, AD & D Disability	C, CA, P	69,434,145
Risk Placement Services, Inc. 2850 Golf Road, 5th Floor Rolling Meadows, IL 60008	36-3110841	N	Other Liability	P, U, B	47,595,696
All Other TPA Premium					10,643,258
Total					<u>\$ 380,354,696</u>

## NOTES TO FINANCIAL STATEMENTS

## 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.

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, 2022. 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	-	54,352	-	-	54,352
Asset-backed	-	-	-	-	-
Corporate	-	4,455,506	-	-	4,455,506
Total bonds	-	4,509,858	-	-	4,509,858
Common stock					
Vanguard	6,579,719	-	-	-	6,579,719
Artisan	5,254,907	-	-	-	5,254,907
Federal Home Loan Bank	-	840,100	-	-	840,100
Total common stock	11,834,626	840,100	-	-	12,674,726
Total assets measured at fair value/NAV	\$ 11,834,626	\$ 5,349,958	\$ -	\$ -	\$ 17,184,584

## NOTES TO FINANCIAL STATEMENTS

Bonds measured at fair value are those bonds that were determined to be other-than-temporarily impaired at December 31, 2022 and bonds valued at the lower of cost or fair value at December 31, 2022. 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, 2022.

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.

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	\$ 21,271,798	\$ 23,044,871	\$ -	\$ 21,271,798	\$ -	\$ -	\$ -
States, territories, and possessions	25,301,324	26,370,803	-	25,301,324	-	-	-
Mortgage-backed	51,853,064	56,633,023	-	51,853,064	-	-	-
Asset-backed	13,647,316	14,696,838	-	13,647,316	-	-	-
Corporate	79,748,136	87,324,386	-	79,748,136	-	-	-
Total bonds	191,821,638	208,069,921	-	191,821,638	-	-	-
<b>Common stock</b>							
Vanguard	6,579,719	6,579,719	6,579,719	-	-	-	-
Artisan	5,254,907	5,254,907	5,254,907	-	-	-	-
Federal Home Loan Bank	840,100	840,100	-	840,100	-	-	-
Total common stock	12,674,726	12,674,726	11,834,626	840,100	-	-	-
Cash, cash equivalents and short-term investments	10,443,336	10,436,725	(3,054,305)	318,313	-	13,179,328	-
<b>Total assets</b>	<b>\$ 214,939,700</b>	<b>\$ 231,181,372</b>	<b>\$ 8,780,321</b>	<b>\$ 192,980,051</b>	<b>\$ -</b>	<b>\$ 13,179,328</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

NOTES TO FINANCIAL STATEMENTS

C. Other Disclosures

Premium production for the Company’s travel block of business experienced tremendous growth during 2022. Travel direct written premium increased by approximately \$75 million compared to prior year. As the Covid-19 pandemic subsided and individuals became more comfortable to travel, a positive impact occurred within this inland marine line of business. Along with the increase in direct written premium, we also had a corresponding increase in direct unearned premium reserves. Because this business is 100% ceded, there was no impact to net written premium and net unearned premium reserves. All ceded reinsurance recoverables for this travel business have been adequately collateralized at December 31, 2022.

D. Business Interruption Insurance Recoveries

None

E. State Transferable and Non-transferable Tax Credits

None

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, 2022:

Investment Type	Actual Cost	Book Adjusted Carrying Value (excluding interest)	Fair Value	Other-than-Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 599,821	\$ 595,573	\$ 580,574	
b. Commercial mortgage backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investments in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	\$ 599,821	\$ 595,573	\$ 580,574	\$ -

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, 2023 for the statutory statement issued on March 1, 2023.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through February 24, 2023 for the statutory statement issued on March 1, 2023.

23. Reinsurance

A. Unsecured Reinsurance Recoverable

NOTES TO FINANCIAL STATEMENTS

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

Individual Reinsurers Who Are Not Members of a Group:

FEIN	Reinsurer	Unsecured Amount
AA-1120156	LLOYD'S SYNDICATE NUMBER 1686	\$ 28,143,000
AA-1340125	HANNOVER RUECK SE	26,100,000
AA-1120337	ASPEN INS UK LTD	24,376,000
AA-1126006	LLOYD'S SYNDICATE NUMBER 4472	17,625,000
AA-1128001	LLOYD'S SYNDICATE NUMBER 2001	14,288,000
AA-1128003	LLOYD'S SYNDICATE NUMBER 2003	14,234,000
AA-3194130	ENDURANCE SPECIALTY INS LTD	11,713,000
AA-1128987	LLOYD'S SYNDICATE NUMBER 2987	11,476,000
AA-1126435	LLOYD'S SYNDICATE NUMBER 435	11,269,000
13-2918573	TOA RE INS CO OF AMER	9,284,000
AA-1127084	LLOYD'S SYNDICATE NUMBER 1084	9,167,000
AA-1120075	LLOYD'S SYNDICATE NUMBER 4020	8,558,000
AA-1128791	LLOYD'S SYNDICATE NUMBER 2791	8,376,000
AA-1120102	LLOYD'S SYNDICATE NUMBER 1458	5,295,000
AA-1127861	LLOYD'S SYNDICATE NUMBER 1861	4,369,000

Individual Reinsurers Who Are Members of a Group:

Group Code	FEIN	Reinsurer	Unsecured Amount
00023	36-2149353	4 EVER LIFE INS CO	\$ 17,641,000
00501	13-5616275	TRANSATLANTIC REINS CO	14,271,000
00181	13-1675535	SWISS REINS AMER CORP	8,720,000
00796	23-1641984	QBE REINS CORP	5,140,000

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

Group Code	FEIN	Reinsurer	Unsecured Amount
00023	36-2149353	4 EVER LIFE INS CO	\$ 17,641,000
Total 00023			17,641,000
00501	13-5616275	TRANSATLANTIC REINS CO	14,271,000
Total 00501			14,271,000
00181	13-1675535	SWISS REINS AMER CORP	8,720,000
Total 00181			8,720,000
00796	23-1641984	QBE REINS CORP	5,140,000
Total 00796			5,140,000

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

- The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2022:

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium	Commission	Premium	Commission	Premium	Commission
a. Affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. All Other	-	-	83,254,874	8,365,304	(83,254,874)	(8,365,304)
c. Total (a+b)	\$ -	\$ -	\$ 83,254,874	\$ 8,365,304	\$ (83,254,874)	\$ (8,365,304)
d. Direct Unearned Premium Reserves			\$ 89,843,634			

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

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	<u>131,987</u>	<u>5,990</u>	<u>5,990</u>	<u>131,987</u>
d. Total (a+b+c)	<u>\$ 131,987</u>	<u>\$ 5,990</u>	<u>\$ 5,990</u>	<u>\$ 131,987</u>

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

None

D. Uncollectible Reinsurance

The Company has written off in the current year reinsurance balances due from Lumbermens Mutual Casualty Company in the amount of \$149,000, which is reflected as losses incurred.

E. Commutation of Ceded Reinsurance

None

F. Retroactive Reinsurance

1. Reported Company

As: December 31, 2022

	<u>Assumed</u>	<u>Ceded</u>
a. Reserves Transferred:		
1. Initial Reserves	\$ (316,695)	\$ -
2. Adjustments - Prior Year(s)	213,584	-
3. Adjustments - Current Year	<u>20,650</u>	<u>-</u>
4. Current Total (1+2+3)	<u>(82,461)</u>	<u>-</u>
b. Consideration (Paid) or Received:		
1. Initial Consideration	316,695	-
2. Adjustments - Prior Year(s)	10,219	-
3. Adjustments - Current Year	<u>-</u>	<u>-</u>
4. Current Total (1+2+3)	<u>326,914</u>	<u>-</u>
c. Paid Losses (Reimbursed) or Recovered:		
1. Prior Year(s)	(1,101,000)	-
2. Current Year	<u>(24,000)</u>	<u>-</u>
3. Current Total (1+2)	<u>(1,125,000)</u>	<u>-</u>
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	-	-
2. Adjustments - Prior Year(s)	(214,362)	-
3. Adjustments - Current Year	<u>-</u>	<u>-</u>
4. Current Year Restricted Surplus	<u>(214,362)</u>	<u>-</u>
5. Cumulative Total Transferred to Unassigned Funds (1+2+3+4)	<u>\$ (880,547)</u>	<u>\$ -</u>

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

<u>Company</u>	<u>Assumed Amount</u>	<u>Ceded Amount</u>
Allianz Life Insurance Company of North America	\$ (82,461)	\$ -
Total	<u>\$ (82,461)</u>	<u>\$ -</u>

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

## NOTES TO FINANCIAL STATEMENTS

1. Authorized Reinsurers

None

2. Unauthorized Reinsurers

None

3. Certified Reinsurers

None

4. Reciprocal Jurisdiction 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

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

NOTES TO FINANCIAL STATEMENTS

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 \$8.9 million for the twelve months ending December 31, 2022, as shown in the chart below. This is -24.1% of unpaid losses and loss adjustment expenses of \$36.9 million as of December 31, 2021. The decrease occurred predominantly in the Company's accident and health and medical stop loss lines of business because ultimate claim costs were lower than expected. This decrease was offset by unfavorable experience in the cybersecurity line of business.

Line of Business	2022 Calendar Year Losses and LAE Incurred (\$000's)	2022 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)
Group Accident and Health	\$ 43,123	\$ 47,761	\$ (4,638)	\$ (4,283)	\$ (355)
Commercial Multi-Peril	5,767	5,463	304	90	214
Medical Malpractice-Claims Made	-	-	-	-	-
Other Liability-Occurrence	4,659	7,369	(2,710)	(2,643)	(67)
Other Liability-Claims Made	4,166	6,046	(1,880)	(1,957)	77
Fidelity	(6)	-	(6)	(6)	-
Inland Marine/Other	94	70	24	-	24
Total	\$ 57,803	\$ 66,709	\$ (8,906)	\$ (8,799)	\$ (107)

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 \$99,750 through New York Life Insurance Company under which the claimant is the payee.

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
\$ 99,750	\$ -

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

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 9, 2023. The Company does anticipate investment income when evaluating the need for a premium deficiency reserve.

- Liability carried for premium deficiency reserves \$ -
- Date of the most recent evaluation of this liability 2/9/2023
- Was anticipated investment income utilized in the calculation? Yes  No

31. High Deductibles

Not Applicable

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

A. Tabular Basis

Not Applicable

## NOTES TO FINANCIAL STATEMENTS

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 2022 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 [ X ] No [ ]  
 If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ X ] No [ ] N/A [ ]
- 1.3 State Regulating? Ohio.....
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [ ] No [ X ]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/2018
- 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 [ X ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ X ] 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 [ X ]
- 4.12 renewals? Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [ ] No [ X ]
- 4.22 renewals? Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]  
 If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [ X ]
- 6.2 If yes, give full information .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [ X ]
- 7.2 If yes, .....0.0 %
- 7.21 State the percentage of foreign control .....
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

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

- 8.1 Is the company a subsidiary of a 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 depository institution holding company? 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 [ ] No [ X ]

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE BCS Insurance Company**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes  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., P.O. Box 506, 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
- 12.11 Name of real estate holding company .....
- 12.12 Number of parcels involved .....0
- 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?  
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
c. Compliance with applicable governmental laws, rules and regulations;  
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes  No
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
Language was added regarding training and included a requirement to comply with all applicable company policies.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes  No
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes  No
- 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  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  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  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
- 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
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
- 21.22 Borrowed from others \$.....
- 21.23 Leased from others \$.....
- 21.24 Other \$.....
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes  No
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....
- 22.22 Amount paid as expenses \$.....252,841
- 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
- 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
- 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)

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE BCS Insurance Company**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**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 ]
- 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 \$.....840,100
- 26.28 On deposit with states \$.....4,749,509
- 26.29 On deposit with other regulatory bodies \$.....
- 26.30 Pledged as collateral – excluding collateral pledged to an FHLB \$.....
- 26.31 Pledged as collateral to FHLB – including assets backing funding agreements \$.....14,946,784
- 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.....

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

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE BCS Insurance Company**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
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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.....	549300YHP12TEZNLX41.....	Securities Exchange Commission.....	NO.....
104751.....	Zazove Associates, LLC.....	FCPMTJRV55D8DXSXH56.....	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
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

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.....	208,381,622	192,139,950	(16,241,672)
31.2 Preferred Stocks.....	0		0
31.3 Totals	208,381,622	192,139,950	(16,241,672)

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

See Attachment.....

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

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

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

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

33.2 If no, list exceptions:

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

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

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

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

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as 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

Yes [ ] No [ X ]

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE BCS Insurance Company**  
**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**

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?

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 ]

38.1 Does the reporting entity directly hold cryptocurrencies?

Yes [ ] No [ X ]

38.2 If the response to 38.1 is yes, on what schedule are they reported? .....

39.1 Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies?

Yes [ ] No [ X ]

39.2 If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?

39.21 Held directly

Yes [ ] No [ ]

39.22 Immediately converted to U.S. dollars

Yes [ ] No [ ]

39.3 If the response to 38.1 or 39.1 is yes, list all cryptocurrencies accepted for payments of premiums or that are held directly.

1 Name of Cryptocurrency	2 Immediately Converted to USD, Directly Held, or Both	3 Accepted for Payment of Premiums

**OTHER**

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

\$ .....93,417

40.2 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
A.M. Best Rating Services, Inc.....	\$.....40,800
Independent Statistical Service, Inc.....	\$.....30,500

41.1 Amount of payments for legal expenses, if any?

\$ .....111,882

41.2 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
Frost & Pearlman, LLC.....	\$.....42,997

42.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any? \$ .....373

42.2 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
Self-Insurance Institute of America Inc.....	\$.....373
.....	\$.....
.....	\$.....

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 2022 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? ..... \$ .....

1.3.1 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:

1.6.1 Total premium earned ..... \$ .....0  
 1.6.2 Total incurred claims ..... \$ .....0  
 1.6.3 Number of covered lives ..... 0

All years prior to most current three years:

1.6.4 Total premium earned ..... \$ .....0  
 1.6.5 Total incurred claims ..... \$ .....0  
 1.6.6 Number of covered lives ..... 0

1.7 Group policies:

Most current three years:

1.7.1 Total premium earned ..... \$ .....0  
 1.7.2 Total incurred claims ..... \$ .....0  
 1.7.3 Number of covered lives ..... 0

All years prior to most current three years:

1.7.4 Total premium earned ..... \$ .....0  
 1.7.5 Total incurred claims ..... \$ .....0  
 1.7.6 Number of covered lives ..... 0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$ .....45,933,923	\$	.....35,661,549
2.2	Premium Denominator	\$ .....99,302,448	\$	.....86,176,714
2.3	Premium Ratio (2.1/2.2)	.....0.463		.....0.414
2.4	Reserve Numerator	\$ .....15,291,723	\$	.....19,137,814
2.5	Reserve Denominator	\$ .....45,988,937	\$	.....45,216,562
2.6	Reserve Ratio (2.4/2.5)	.....0.333		.....0.423

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 no-participating policies during the calendar year:

3.2.1 Participating policies..... \$ .....  
 3.2.2 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:

5.2.1 Out of Attorney's-in-fact compensation..... Yes [ ] No [ ] N/A [ X ]  
 5.2.2 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

**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?..... Yes [ ] No [ X ]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophe 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)?..... Yes [ ] No [ X ]
- 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 noncancellable by the reporting entity during the contract term;  
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
 (c) Aggregate stop loss reinsurance coverage;  
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity..... Yes [ ] No [ 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,..... Yes [ ] No [ X ]  
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or..... Yes [ ] No [ X ]  
 (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 ]
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 [ ]

**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..... \$ 14,930,522  
 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?..... \$ 10,872,399
- 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): ..... \$ 2,150,000
- 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. .... 2
- 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:

**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 2022 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 2022	2 2021	3 2020	4 2019	5 2018
<b>Gross Premiums Written</b> (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11, 16, 17, 18 & 19)	46,046,457	45,786,602	37,683,278	35,622,497	47,610,203
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	234,156,611	159,145,682	78,296,486	197,695,778	111,308,284
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	49,232,344	54,083,580	34,840,410	32,750,113	31,478,245
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	181,347,146	161,762,148	280,611,117	397,850,429	282,007,600
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	510,782,558	420,778,012	431,431,291	663,918,817	472,404,332
<b>Net Premiums Written</b> (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11, 16, 17, 18, & 19)	19,104,120	18,078,581	16,421,618	15,306,088	13,452,818
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)	5,838,095	6,599,451	2,246,022	1,108,719	1,589,152
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	72,659,839	64,250,261	64,349,614	76,141,597	82,542,468
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	97,602,054	88,928,293	83,017,254	92,556,404	97,584,438
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (loss) (Line 8)	9,211,707	3,688,242	5,028,049	8,029,028	7,148,137
14. Net investment gain (loss) (Line 11)	7,233,325	6,703,571	7,872,608	10,067,683	6,817,538
15. Total other income (Line 15)	(1,007,059)	(1,072,675)	(1,014,796)	(1,135,883)	(12,765)
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	3,065,768	1,856,127	2,178,083	3,456,216	2,700,089
18. Net income (Line 20)	12,372,205	7,463,011	9,707,778	13,504,612	11,252,821
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	301,385,216	290,132,129	298,706,234	322,837,926	336,649,851
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	24,876,458	22,961,083	17,515,409	50,711,625	38,071,635
20.2 Deferred and not yet due (Line 15.2)	2,075,000	600,000	0	130,000	566,667
20.3 Accrued retrospective premiums (Line 15.3)	10,872,399	7,775,385	4,887,243	3,211,593	7,833,485
21. Total liabilities excluding protected cell business (Page 3, Line 26)	159,932,438	148,712,263	152,298,162	175,120,333	194,735,033
22. Losses (Page 3, Line 1)	34,023,863	32,168,898	27,299,909	23,304,687	19,082,874
23. Loss adjustment expenses (Page 3, Line 3)	5,376,314	4,758,510	4,251,640	3,450,303	3,838,828
24. Unearned premiums (Page 3, Line 9)	6,588,760	8,289,154	5,537,575	5,144,699	9,910,022
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)	141,452,778	141,419,866	146,408,072	147,717,593	141,914,818
<b>Cash Flow</b> (Page 5)					
27. Net cash from operations (Line 11)	9,578,083	16,398,116	9,583,818	24,187,133	3,419,189
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	141,452,778	141,419,866	146,408,072	147,717,593	141,914,818
29. Authorized control level risk-based capital	12,176,562	14,739,980	14,228,585	16,973,653	13,817,939
<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)	83.5	82.5	80.6	89.5	84.3
31. Stocks (Lines 2.1 & 2.2)	5.1	6.6	5.8	5.4	4.9
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)	4.2	3.7	9.2	0.5	0.5
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	7.2	4.3	4.6	10.3
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	0	351,670
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	0	22,000,000
48. Total of above Lines 42 to 47	0	0	0	0	22,351,670
49. Total Investment in parent included in Lines 42 to 47 above	0	0	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	0.0	15.8

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE BCS Insurance Company**

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2022	2 2021	3 2020	4 2019	5 2018
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24) .....	(4,358,983)	1,530,689	1,032,009	2,711,180	(2,040,005)
52. Dividends to stockholders (Line 35) .....	(8,000,000)	(14,600,000)	(14,450,000)	(14,000,000)	(14,500,000)
53. Change in surplus as regards policyholders for the year (Line 38) .....	32,912	(4,988,206)	(1,309,522)	5,802,775	(5,057,595)
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
54. Liability lines (Lines 11, 16, 17, 18, & 19) .....	110,016,978	48,000,389	73,631,234	41,736,645	56,614,585
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	73,217,916	18,878,447	46,545,106	53,461,929	40,691,421
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	22,833,482	23,519,211	21,974,805	6,187,586	1,595,856
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	105,267,642	82,033,799	181,774,399	239,231,431	165,810,651
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
59. Total (Line 35) .....	311,336,018	172,431,846	323,925,544	340,617,591	264,712,513
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
60. Liability lines (Lines 11, 16, 17, 18, & 19) .....	6,898,571	5,820,981	6,320,073	4,207,095	6,589,817
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) .....	3,645,384	2,328,362	1,559,306	50,042	0
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	42,469,828	34,261,070	32,385,806	44,888,800	53,025,366
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
65. Total (Line 35) .....	53,013,783	42,410,413	40,265,185	49,145,937	59,615,183
<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) .....	55.3	54.9	53.6	54.8	55.8
68. Loss expenses incurred (Line 3) .....	3.0	4.3	3.9	2.7	2.3
69. Other underwriting expenses incurred (Line 4) .....	32.5	36.6	36.5	34.2	34.5
70. Net underwriting gain (loss) (Line 8) .....	9.3	4.3	6.1	8.2	7.4
<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) .....	34.1	36.7	37.5	37.2	34.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	58.2	59.1	57.4	57.5	58.1
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) .....	69.0	62.9	56.7	62.7	68.8
<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) .....	(8,799)	(7,493)	(6,676)	(4,267)	(7,220)
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) .....	(6.2)	(5.1)	(4.5)	(3.0)	(4.9)
<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) .....	(11,918)	(7,897)	(5,362)	(7,891)	(14,010)
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) .....	(8.1)	(5.3)	(3.8)	(5.4)	(9.0)

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

Yes [ ] No [ ]

If no, please explain

**ANNUAL STATEMENT FOR THE YEAR 2022 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							10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	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					
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior	XXX	XXX	XXX	93,545	93,402	336	336	0	0	6	143	XXX	
2. 2013	344,207	218,075	126,132	204,865	131,206	5,022	901	4,714	1,677	0	80,817	XXX	
3. 2014	370,533	237,682	132,851	183,319	114,058	7,026	1,355	4,131	1,295	0	77,768	XXX	
4. 2015	325,508	219,565	105,943	168,655	104,421	5,299	3,556	3,700	1,432	0	68,245	XXX	
5. 2016	362,232	260,611	101,621	205,478	142,324	938	374	2,743	778	0	65,683	XXX	
6. 2017	355,722	255,790	99,932	205,565	145,309	2,856	2,054	4,595	2,465	0	63,188	XXX	
7. 2018	454,333	357,973	96,360	251,026	195,623	3,404	2,491	3,638	1,429	0	58,525	XXX	
8. 2019	650,911	553,589	97,322	329,300	279,922	1,369	574	3,655	1,801	0	52,027	XXX	
9. 2020	459,228	376,603	82,625	236,022	196,038	1,214	476	4,068	2,168	14	42,622	XXX	
10. 2021	412,928	326,751	86,177	153,409	108,829	426	236	4,645	2,261	0	47,154	XXX	
11. 2022	462,175	362,872	99,303	152,176	115,002	174	93	2,455	1,096	0	38,614	XXX	
12. Totals	XXX	XXX	XXX	2,183,360	1,626,134	28,064	12,446	38,344	16,402	20	594,786	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 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	139,338	139,338	11,800	11,800	122	122	2,026	2,026	181	181	0	0	XXX
2.	780	780	12,302	12,302	0	0	233	233	58	58	0	0	XXX
3.	80	80	5,887	5,887	70	70	331	331	82	82	0	0	XXX
4.	21,864	21,864	13,522	13,522	0	0	655	655	40	40	0	0	XXX
5.	175	175	8,854	8,854	0	0	733	733	344	344	0	0	XXX
6.	238	223	6,555	6,555	20	10	872	872	169	169	0	25	XXX
7.	94	17	4,828	4,808	1,184	1,163	683	678	709	709	0	123	XXX
8.	10,055	8,550	1,469	1,284	313	137	300	278	58	26	0	1,920	XXX
9.	395	317	4,285	2,688	370	260	1,292	653	49	45	0	2,428	XXX
10.	2,279	1,722	20,627	15,845	709	515	3,893	2,654	187	150	0	6,809	XXX
11.	14,525	13,560	100,333	76,090	326	225	5,420	3,409	1,354	579	0	28,095	XXX
12.	189,823	186,626	190,462	159,635	3,114	2,502	16,438	12,522	3,231	2,383	0	39,400	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
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
2.	227,974	147,157	80,817	66.2	67.5	64.1	0	0		0	0
3.	200,926	123,158	77,768	54.2	51.8	58.5	0	0		0	0
4.	213,735	145,490	68,245	65.7	66.3	64.4	0	0		0	0
5.	219,265	153,582	65,683	60.5	58.9	64.6	0	0		0	0
6.	220,870	157,657	63,213	62.1	61.6	63.3	0	0		15	10
7.	265,566	206,918	58,648	58.5	57.8	60.9	0	0		97	26
8.	346,519	292,572	53,947	53.2	52.9	55.4	0	0		1,690	230
9.	247,695	202,645	45,050	53.9	53.8	54.5	0	0		1,675	753
10.	186,175	132,212	53,963	45.1	40.5	62.6	0	0		5,339	1,470
11.	276,763	210,054	66,709	59.9	57.9	67.2	0	0		25,208	2,887
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	34,024	5,376

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 2022 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	2	3	4	5	6	7	8	9	10	11	12	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	One Year	Two Year	
1. Prior	7,623	9,837	8,294	7,619	7,688	7,382	7,337	7,161	7,112	7,255	143	94	
2. 2013	83,344	80,101	78,783	78,041	78,287	78,286	78,236	78,283	78,532	77,780	(752)	(503)	
3. 2014	XXX	90,024	81,100	77,103	75,301	75,251	75,275	75,232	74,934	74,932	(2)	(300)	
4. 2015	XXX	XXX	71,628	68,077	66,657	66,433	66,431	66,410	65,965	65,977	12	(433)	
5. 2016	XXX	XXX	XXX	74,448	66,283	63,926	64,021	63,945	63,729	63,718	(11)	(227)	
6. 2017	XXX	XXX	XXX	XXX	66,695	62,413	61,720	61,360	61,065	61,083	18	(277)	
7. 2018	XXX	XXX	XXX	XXX	XXX	61,048	57,452	56,986	56,522	56,439	(83)	(547)	
8. 2019	XXX	XXX	XXX	XXX	XXX	XXX	58,061	52,480	52,777	52,061	(716)	(419)	
9. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	52,452	46,180	43,146	(3,034)	(9,306)	
10. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	55,916	51,542	(4,374)	XXX	
11. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	64,575	XXX	XXX	
											12. Totals	(8,799)	(11,918)

**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	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
1. Prior	000	5,129	6,527	7,034	7,120	7,149	7,127	7,120	7,112	7,255	XXX	XXX
2. 2013	50,179	74,597	76,421	77,117	77,806	78,038	78,056	78,081	78,105	77,780	XXX	XXX
3. 2014	XXX	50,036	69,867	73,534	74,484	74,791	74,973	74,932	74,934	74,932	XXX	XXX
4. 2015	XXX	XXX	40,575	63,749	64,898	65,993	65,988	65,971	65,965	65,977	XXX	XXX
5. 2016	XXX	XXX	XXX	47,648	63,330	63,589	63,751	63,721	63,729	63,718	XXX	XXX
6. 2017	XXX	XXX	XXX	XXX	44,714	60,874	61,076	61,079	61,039	61,058	XXX	XXX
7. 2018	XXX	XXX	XXX	XXX	XXX	42,335	55,789	56,194	56,297	56,316	XXX	XXX
8. 2019	XXX	XXX	XXX	XXX	XXX	XXX	36,034	48,839	49,801	50,173	XXX	XXX
9. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	27,808	40,370	40,722	XXX	XXX
10. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,473	44,770	XXX	XXX
11. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	37,255	XXX	XXX

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1. Prior	2,086	348	50	50	50	0	0	0	0	0
2. 2013	29,225	2,807	730	150	150	150	150	150	400	0
3. 2014	XXX	30,763	5,260	1,779	300	300	300	300	0	0
4. 2015	XXX	XXX	29,267	2,953	668	300	304	300	0	0
5. 2016	XXX	XXX	XXX	26,163	2,596	168	158	150	0	0
6. 2017	XXX	XXX	XXX	XXX	21,230	1,270	354	1	0	0
7. 2018	XXX	XXX	XXX	XXX	XXX	18,181	1,084	543	26	25
8. 2019	XXX	XXX	XXX	XXX	XXX	XXX	21,063	2,542	983	207
9. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	23,588	5,330	2,236
10. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24,861	6,021
11. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26,254

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE BCS Insurance Company**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

**Allocated By States And Territories**

States, etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9	
		Active Status (a)	2							3
1. Alabama	AL	L	17,826,127	17,757,687	0	25,405,463	25,923,591	13,958,760	0	0
2. Alaska	AK	L	140,830	175,244	0	247,430	247,230	56,497	0	0
3. Arizona	AZ	L	4,604,234	4,470,916	0	1,511,023	1,705,778	865,369	0	0
4. Arkansas	AR	L	3,536,557	3,205,256	0	9,410,552	671,095	2,643,946	0	0
5. California	CA	L	112,453,431	91,173,766	0	25,843,131	32,584,903	45,902,707	0	0
6. Colorado	CO	L	5,343,369	4,861,164	0	1,559,412	2,015,793	1,528,139	0	0
7. Connecticut	CT	L	1,591,881	1,478,392	0	715,611	813,246	538,557	0	0
8. Delaware	DE	L	880,505	742,034	0	202,274	172,086	148,936	0	0
9. Dist. Columbia	DC	L	669,896	626,917	0	75,540	260,912	532,177	0	0
10. Florida	FL	L	12,256,607	10,632,254	0	4,810,079	7,014,176	3,450,005	0	0
11. Georgia	GA	L	8,551,780	8,511,956	0	3,401,747	3,610,658	2,574,041	0	0
12. Hawaii	HI	L	537,999	455,376	0	1,438,062	1,696,238	321,304	0	0
13. Idaho	ID	L	1,397,564	1,279,159	0	424,421	596,353	415,718	0	0
14. Illinois	IL	L	16,729,311	18,160,253	0	20,193,434	7,557,944	13,257,767	0	0
15. Indiana	IN	L	5,816,656	6,233,002	0	8,354,699	(7,474,823)	16,604,834	0	0
16. Iowa	IA	L	2,114,507	2,553,907	0	955,484	1,005,686	907,027	0	0
17. Kansas	KS	L	3,945,468	3,784,879	0	2,431,134	2,688,471	1,397,162	0	0
18. Kentucky	KY	L	2,489,700	2,454,915	0	784,440	677,674	695,962	0	0
19. Louisiana	LA	L	15,389,137	15,453,320	0	12,104,366	8,344,596	11,614,340	0	0
20. Maine	ME	L	1,654,519	1,435,559	0	1,390,265	1,626,521	460,325	0	0
21. Maryland	MD	L	3,801,043	3,584,911	0	5,615,691	948,358	14,577,152	0	0
22. Massachusetts	MA	L	7,644,888	7,217,412	0	11,501,739	6,048,030	12,895,699	0	0
23. Michigan	MI	L	13,359,544	13,034,009	0	4,015,149	4,203,590	11,219,948	0	0
24. Minnesota	MN	L	4,209,217	3,898,760	0	1,536,015	2,330,331	3,573,266	0	0
25. Mississippi	MS	L	2,682,933	2,837,684	0	1,091,873	806,982	2,006,369	0	0
26. Missouri	MO	L	5,887,781	6,188,651	0	4,001,154	3,746,390	21,178,459	0	0
27. Montana	MT	L	276,621	254,640	0	52,914	51,408	68,070	0	0
28. Nebraska	NE	L	6,332,623	6,077,932	0	2,588,907	2,070,431	10,496,055	0	0
29. Nevada	NV	L	1,268,816	1,181,985	0	708,850	1,010,920	733,579	0	0
30. New Hampshire	NH	L	1,356,782	1,191,409	0	770,653	890,165	364,824	0	0
31. New Jersey	NJ	L	7,516,531	7,606,819	0	6,762,365	8,178,480	10,888,514	0	0
32. New Mexico	NM	L	2,504,229	2,387,854	0	1,198,575	824,852	365,541	0	0
33. New York	NY	L	95,207,283	76,120,332	0	41,337,378	40,039,997	33,134,071	0	0
34. No. Carolina	NC	L	11,639,441	11,077,307	0	5,129,758	5,932,214	54,295,671	0	0
35. No. Dakota	ND	L	345,823	299,144	0	55,908	271,166	1,929,085	0	0
36. Ohio	OH	L	10,335,581	9,774,788	0	6,424,868	6,649,383	2,342,022	0	0
37. Oklahoma	OK	L	3,405,067	3,432,047	0	5,102,538	3,829,976	1,273,223	0	0
38. Oregon	OR	L	2,872,304	2,475,465	0	813,595	1,086,099	2,266,526	0	0
39. Pennsylvania	PA	L	18,844,914	17,608,583	0	15,369,763	7,111,738	6,774,778	0	0
40. Rhode Island	RI	L	2,150,128	1,899,666	0	388,781	535,360	2,116,288	0	0
41. So. Carolina	SC	L	6,589,956	6,323,062	0	21,910,306	2,950,677	3,101,007	0	0
42. So. Dakota	SD	L	1,188,464	1,179,264	0	755,496	902,725	246,622	0	0
43. Tennessee	TN	L	9,425,386	8,572,603	0	2,191,925	2,905,144	4,556,098	0	0
44. Texas	TX	L	22,421,193	22,300,485	0	12,014,893	12,125,660	4,670,302	0	0
45. Utah	UT	L	2,055,880	2,040,322	0	502,865	461,547	346,427	0	0
46. Vermont	VT	L	1,017,490	964,040	0	367,561	(400,328)	8,018,887	0	0
47. Virginia	VA	L	9,880,003	9,362,085	0	5,600,283	5,057,180	12,954,586	0	0
48. Washington	WA	L	6,077,666	5,166,037	0	17,557,804	8,509,545	9,064,807	0	0
49. West Virginia	WV	L	791,111	743,000	0	238,338	260,827	159,334	0	0
50. Wisconsin	WI	L	5,296,803	5,278,478	0	2,052,724	2,754,632	1,829,799	0	0
51. Wyoming	WY	L	2,299,282	2,536,993	0	3,158,566	2,200,318	374,607	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico	PR	L	315,882	245,798	0	110,394	70,988	85,144	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Totals	XXX		486,930,743	438,307,521	0	302,186,196	226,102,913	355,780,333	0	0
<b>DETAILS OF WRITE-INS</b>										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Sum. of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX		0	0	0	0	0	0	0	0

(a) Active Status Counts

1. L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG	52	4. Q – Qualified – Qualified or accredited reinsurer	0
2. R – Registered – Non-domiciled RRGs	0	5. D – Domestic Surplus Lines Insurer (DSLII) – Reporting entities authorized to write surplus lines in the state of domicile	0
3. E – Eligible – Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSLII)	0	6. 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

