Delta Dental of Wisconsin, Inc.

Statutory Financial Statements

December 31, 2023 and 2022

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STROHM BALLWEG

INDEPENDENT AUDITOR'S REPORT
ON THE STATUTORY FINANCIAL STATEMENTS

To the Board of Directors
Delta Dental of Wisconsin, Inc.
Stevens Point, Wisconsin

Report on the Audit of the Statutory Financial Statements

Opinions

We have audited the statutory financial statements of Delta Dental of Wisconsin, Inc. (the Company), which are comprised of the statutory balance sheets as of December 31, 2023 and 2022, and the related statutory statements of income, changes in surplus, and cash flows for the years then ended, and the related notes to the statutory financial statements.

In our opinion, the accompanying statutory financial statements present fairly, in all material respects, the statutory financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in accordance with the accounting practices prescribed or permitted by the Office of the Commissioner of Insurance of the State of Wisconsin described in Note 1.

Basis for Opinions

We draw attention to Note 1 of the statutory financial statements, which describes the basis of accounting. As described in Note 1 to the statutory financial statements, the statutory financial statements are prepared by the Company in conformity with accounting practices prescribed or permitted by the Office of the Commissioner of Insurance of the State of Wisconsin, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the statutory financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Transactions with Affiliated Companies

As explained in Note 4 to the statutory financial statements, the Company is part of an affiliated group of companies and has entered into transactions with the group members. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Statutory Financial Statements

Management is responsible for the preparation and fair presentation of these statutory financial statements in accordance with the accounting practices prescribed or permitted by the Office of the Commissioner of Insurance of the State of Wisconsin. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of statutory financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the statutory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the statutory financial statements are issued.

Auditor's Responsibilities for the Audit of the Statutory Financial Statements

Our objectives are to obtain reasonable assurance about whether the statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Unites State of America (GAAS) will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the statutory financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the statutory financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the statutory financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the statutory financial statements.

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- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Restriction of Use

This report is intended solely for the information and use of the management of the Company and the Office of the Commissioner of Insurance of the State of Wisconsin and is not intended to be, and should not be, used by anyone other than these specified parties.

Strohm Ballweg, LLP

Madison, Wisconsin
March 15, 2024

	2023	2022
ADMITTED ASSETS		
Cash and invested assets:		
Bonds	$ 161,104,800	$ 154,579,172
Common stocks	119,608,141	97,933,368
Real estate	19,405,747	18,763,220
Cash and cash equivalents	30,601,790	30,184,759
Other invested assets	1,469,042	2,830,164
Cash and invested assets	332,189,520	304,290,683
Investment income due and accrued	1,050,130	835,229
Uncollected premiums	1,564,828	1,038,665
Amounts receivable – administrative-services-only (ASO)	5,655,702	707,938
Accrued retrospective premiums	576,662	-
Receivable from subsidiaries and affiliates	1,266,428	1,450,630
Other assets	1,535,869	2,331,725
Total admitted assets	$ 343,839,139	$ 310,654,870
LIABILITIES AND SURPLUS		
Liabilities:		
Claims unpaid (net of reinsurance of $124,000 in 2023 and $199,000 in 2022)	$ 13,333,000	$ 12,577,000
Unpaid claims adjustment expenses	842,000	767,000
Aggregate health policy reserves	264,000	503,000
Premiums received in advance	9,174,597	9,117,218
Advances received – ASO	1,332,010	1,063,943
Supplemental retirement plan liability	6,733,396	5,221,424
Amounts retained for the account of others	34,457,490	29,820,934
Payable to subsidiaries and affiliates	2,888,766	3,875,352
Deferred gain on transfer of software	4,239,125	4,239,125
Accounts payable and accrued expenses	8,632,994	8,677,545
Total liabilities	81,897,378	75,862,541
Surplus:		
Unassigned surplus	261,941,761	234,792,329
Total surplus	261,941,761	234,792,329
Total liabilities and surplus	$ 343,839,139	$ 310,654,870

See Notes to the Statutory Financial Statements.

	2023	2022
UNDERWRITING OPERATIONS		
Net premiums earned:		
Gross premiums earned	$ 339,090,107	$ 323,994,985
Reinsurance ceded	(3,964,999)	(5,688,762)
	335,125,108	318,306,223
Net claims incurred:		
Gross claims incurred	270,678,923	254,845,755
Reinsurance recoveries	(2,879,445)	(4,242,230)
	267,799,478	250,603,525
Increase (decrease) in aggregate health policy reserves	(239,000)	199,000
Operating expenses incurred:		
Claims adjustment expenses	28,575,746	26,465,926
General administrative expenses	67,734,384	64,504,386
ASO administrative fees	(31,228,453)	(29,614,751)
Administrative and other income	(1,242,827)	(1,403,577)
	63,838,850	59,951,984
Underwriting gain	3,725,780	7,551,714
INVESTMENT AND OTHER INCOME		
Investment income earned	7,592,486	6,288,289
Income from subsidiary	-	1,500,000
Investment expenses	(3,146,088)	(2,810,201)
Net realized capital gains (losses)	420,830	(2,480,264)
Investment and other income	4,867,228	2,497,824
Net income	$ 8,593,008	$ 10,049,538

	2023	2022
Surplus, beginning of year	$ 234,792,329	$ 254,865,170
Net income	8,593,008	10,049,538
Change in net unrealized capital gains (losses)	17,553,366	(16,285,319)
Change in nonadmitted assets	1,003,058	(13,837,060)
	27,149,432	(20,072,841)
Surplus, end of year	$ 261,941,761	$ 234,792,329

	2023	2022
Cash from operations:		
Net premiums collected	$ 333,719,494	$ 318,573,928
Net investment income received	5,634,155	6,226,042
Net claims paid	(266,804,478)	(250,723,025)
Net operating expenses paid	(68,676,198)	(60,264,656)
Net cash from operations	3,872,973	13,812,289
Cash from investments:		
Proceeds from investments sold, matured, or repaid:		
Bonds	26,262,658	18,841,136
Common stocks	25,716,796	32,568,099
Other invested assets	397	15,766
Miscellaneous	76,350	-
	52,056,201	51,425,001
Cost of investments acquired:		
Bonds	(33,103,658)	(30,911,756)
Common stocks	(27,992,860)	(28,572,623)
Real estate	(1,729,449)	(1,191,476)
Other invested assets	(411,000)	(1,015,254)
Miscellaneous	(538,337)	-
	(63,775,304)	(61,691,109)
Net cash from investments	(11,719,103)	(10,266,108)
Cash from financing and miscellaneous sources:		
Affiliate activity, net	-	(369,449)
Other cash provided	8,263,161	4,610,266
Net cash from financing and miscellaneous sources	8,263,161	4,240,817
Net change in cash and cash equivalents	417,031	7,786,998
Cash and cash equivalents:		
Beginning of year	30,184,759	22,397,761
End of year	$ 30,601,790	$ 30,184,759

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies

Nature of Business. Delta Dental of Wisconsin, Inc. (the Company) was organized in 1962 under Chapters 613 and 181 of the state of Wisconsin statutes as a service insurance corporation. The Company writes dental insurance in the state of Wisconsin on credit terms calling for payment of premium upon the effective date of the policy or billing term. The Company also has revenue from administrative-services-only (ASO) plans in which the respective groups are at risk for the claims incurred by the group and pay a fee to the Company for administrative expenses.

The Company has a wholly-owned subsidiary, Wyssta, Inc., which serves as a holding company. Wyssta, Inc. has three wholly-owned subsidiaries: Wyssta Insurance Company, Inc., Wyssta Services, Inc., and Wyssta Investments, Inc. Wyssta Insurance Company, Inc. writes group and individual vision insurance in the state of Wisconsin. Wyssta Services, Inc. is licensed as a Third-Party Administrator in various states and provides dental and vision administration and inside sales services to ten customers. The customers consist of other Delta Dental companies, including the Company. The Company also provides information technology (IT) programming and support to Encara Corporation. Wyssta Investments, Inc. holds minority interests in a dental analytics company and a company that performs marketing services for various Delta Dental companies, including the Company, with respect to their individual dental insurance products.

Delta Dental of Wisconsin Foundation, Inc. (the Foundation), is a non-stock, non-profit corporation primarily funded by the Company. The Foundation was created to initiate, collaborate with, and support programs that extend access to dental care, ensure a strong dental workforce, and improve the oral health of underserved and vulnerable populations in the state of Wisconsin.

A summary of the Company's significant accounting policies follows.

Basis of Presentation. The accompanying financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Office of the Commissioner of Insurance of the State of Wisconsin (the OCI). Prescribed statutory accounting practices include the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, which was adopted by the OCI, as well as state insurance laws, regulations, and general administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed. The Company had no such specifically permitted practices.

Statutory accounting practices vary in some respects from U.S. generally accepted accounting principles (GAAP). Such significant differences include the following:

- Investments in bonds are generally carried at amortized cost. Under GAAP, the Company's debt securities would be classified as available-for-sale and carried at fair value with a corresponding allowance for credit-related unrealized losses reported in net income and non-credit related unrealized holding gains and losses reported as a separate component of surplus.

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies (Continued)

- Investments in equity securities are generally carried at fair value with unrealized holding gains and losses reported as a direct charge or credit to surplus. Under GAAP, the Company's equity securities would be carried at fair value with the unrealized holding gains and losses reported in net income.

- Investments in the common stocks of privately held companies are accounted for using the equity method in which undistributed earnings are reported as unrealized gains and losses; under GAAP, undistributed earnings would be reported as part of net income.

- The investment in the Company's wholly-owned subsidiary is accounted for using the equity method in which undistributed earnings are reported as unrealized gains and losses; under GAAP, the financial statements of the subsidiary would be consolidated with those of the Company.

- For statutory accounting purposes, the Company records the investment in NorthWinds Technology Solutions, LLC (NorthWinds) (as described later in this note) at the underlying audited GAAP equity adjusted to a limited statutory basis of accounting; under GAAP, the investment would be held at underlying GAAP equity.

- Dividends received from the Company's wholly-owned subsidiary are recorded as income; under GAAP, the dividends would reduce the Company's investment in the wholly-owned subsidiary.

- Certain assets designated as "nonadmitted assets" (principally uncollected premiums over 90 days past due, non-collateralized loans, furniture and equipment, vehicles, prepaid expenses, and other invested assets adjusted to the limited statutory basis of accounting) are charged against surplus; under GAAP, uncollected premium and loans would be recorded as assets less allowances for uncollectible balances, furniture and equipment and vehicles would be recognized as assets net of accumulated depreciation and amortization, prepaid expenses would be recorded as assets net of amortization, and other invested assets would be recorded as assets at equity value.

- Under GAAP, allowances for credit losses are required to be assessed and recorded for certain financial assets measured at cost or amortized cost such as uncollected premium, commissions receivable, reinsurance recoverables, funds withheld, and certain off-balance credit exposures; under statutory accounting, no such allowance for credit losses would be recorded.

- Estimated reinsurance recoverables on claims unpaid are netted with the liability; under GAAP, this reinsurance balance would be shown as an asset.

- Deferred state income taxes are not provided for differences between the financial statement and the tax bases of assets and liabilities; under GAAP, deferred state income taxes would be recognized for these differences.

- An occupancy rental charge on real estate occupied by the Company is reflected as investment income and as an offsetting rental expense; under GAAP, no such rental charge would be recorded.

- ASO revenues and expenses are presented net and reported as an offset against operating expenses incurred; under GAAP, revenues and expenses related to ASO business would be presented on a gross basis.

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies (Continued)

- Gains on the transfer of computer hardware and software to NorthWinds are deferred until sold to an unrelated party; under GAAP, this gain would be reflected in income.
- All leases are accounted for as operating leases and are expensed as incurred. Under GAAP, leases would be classified separately as either finance or operating leases and recorded on the balance sheet as right-of-use assets and lease liabilities. For finance leases, the lessee would recognize amortization of the right-of-use asset and interest expense on the lease liability in separate line items on the statement of income. For operating leases, the lessee would recognize a single lease cost, which is generally amortized on a straight-line basis over the remaining lease term.
- Statutory financial statements are presented in a form using language and groupings substantially the same as the annual statement of the Company filed with the NAIC and the OCI, which differ from the presentation and disclosure of financial statements presented under GAAP.

Accounting Estimates. The preparation of statutory financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near-term relate to:

- Deferred tax assets that are more likely than not to be realized.
- The liabilities for claims unpaid and unpaid claims adjustment expenses.
- The assumptions regarding the other-than-temporary impairment (OTTI) analysis of the investment portfolio.
- The assumptions, including the discount rate, used to determine the benefit obligation for the supplemental retirement plan.
- Allocation of shared expenses with related parties.
- The assumptions used to determine the expense accrual and loss contingency related to the anti-trust lawsuit disclosed in Note 9.

Cash and Cash Equivalents. For purposes of reporting cash flows, the Company follows statutory accounting practices and considers cash in checking accounts and certain money market funds to be cash and cash equivalents. The Company occasionally has on deposit in a financial institution balances in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Company does not believe it is exposed to any significant credit risks on these accounts.

Investments. Investments are valued in accordance with the valuation methods prescribed by the NAIC, as follows:

- Investments in bonds not backed by loans are generally carried at amortized cost using the scientific interest method; however, bonds with an NAIC designation of 3 or lower are carried at the lower of amortized cost or fair value.

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies (Continued)

- Loan-backed (single class and multi-class mortgage-backed) securities are valued at amortized cost using the scientific interest method, including anticipated prepayments at the time of purchase; however, loan-backed securities with an initial NAIC designation of 3 or lower are carried at the lower of amortized cost or fair value. Prepayment assumptions are obtained from the investment manager. The retrospective adjustment method is used to value all such securities.

- Investments in common stocks of publicly traded companies are carried at fair value.

- Investments in common stocks of privately held companies are carried at the Company's proportional share of the investments' GAAP equity value from the most recent audited financial statements available.

- Investments in common stocks of the Company's wholly-owned subsidiary and NorthWinds are carried at the underlying audited GAAP equity with statutory adjustments made for insurance operations.

- Real estate consists of real estate occupied by the Company. Real estate occupied by the Company is carried at cost less accumulated depreciation and encumbrances. Depreciation is calculated by applying accelerated methods over the estimated useful lives, which range from 0 years to 40 years, and was $1,086,922 and $904,428 in 2023 and 2022, respectively.

Realized gains and losses on the sale of investments are recognized on the specific identification basis and are included in income. Unrealized gains and losses from changes in the fair value of common stocks are credited or charged directly to surplus.

Fair Value Measurements. Financial instruments are categorized in a fair value hierarchy based on the reliability of inputs to the valuation techniques, as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Company believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies (Continued)

Furniture and Equipment. Office furniture and equipment and automobiles are considered nonadmitted assets for statutory financial statement reporting purposes. Depreciation is calculated on these assets and charged to expense. The net change in book value (cost less depreciation) is charged or credited directly to surplus.

Depreciation is calculated by applying straight-line or accelerated methods over the estimated useful lives of the respective assets. Depreciation expense was $1,655,952 in 2023 and $1,365,368 in 2022.

Claims Unpaid and Unpaid Claims Adjustment Expenses. The liabilities for claims unpaid and unpaid claims adjustment expenses represent management's best estimate of the ultimate net cost of all claims which have been incurred but are unpaid at year end.

All estimates of claims unpaid and unpaid claims adjustment expenses are continually reviewed, and any adjustments determined to be necessary are reflected in current operations. Since these liabilities are based on estimates, the ultimate settlement of claims and related expenses may vary from the amounts included in the statutory financial statements. Although it is not possible to measure the degree of variability inherent in such estimates, management believes that the liabilities for claims unpaid and unpaid claims adjustment expenses are adequate.

Recognition of Premium. Premiums are recognized upon the effective date of the coverage. The liability for premiums received in advance represents cash received for coverage in the next fiscal year.

Administrative and Other Income. The Company provides actuarial services to other Delta Dental plans and has a reinsurance agreement that produces administrative and commission income.

Administrative-Services-Only Plans. Revenues and expenses from administering ASO plans are netted and reported as an offset against operating expenses incurred. The Company pays claims on behalf of ASO plans and is subsequently reimbursed; however, has no insurance risk with respect to these plans. For the years ended December 31, 2023 and 2022, the Company received reimbursement of $546,303,129 and $505,165,515, respectively, in claims paid on behalf of the ASO plans. In addition, the Company received $31,228,453 and $29,614,751 in administrative fees from ASO plans for the years ended December 31, 2023 and 2022, respectively.

Reinsurance. Reinsurance premiums and claim recoveries are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts.

Income Taxes. The Company is organized as a nonprofit dental care plan for federal income tax purposes under Section 501(c)(4) of the Internal Revenue Code, and is, therefore, exempt from federal income taxes. For Wisconsin income tax purposes, the Company is taxed as an insurance company and is included in a consolidated return with its subsidiary. Income taxes are allocated to each company of the consolidated group based on separate taxable income in accordance with a tax sharing agreement. Companies in the consolidated group are compensated for the use of net operating losses or tax credits in the year in which the loss or credit is actually used in the consolidated return to reduce income taxes. Intercompany tax balances are settled after the payments are made to the respective tax authorities. The Company recorded state income tax expense of $1,083,372 and $1,160,818 at December 31, 2023 and 2022, respectively.

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies (Continued)

Reclassifications. Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 classifications.

Subsequent Events. Subsequent events were evaluated through March 15, 2024, which is the date the financial statements were available to be issued.

Note 2 ~ Investments

The carrying value and fair value of investments in bonds at December 31, 2023 and 2022, were as follows:

	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
2023				
U.S. Treasury	$ 37,067,436	$ -	$ (3,116,332)	$ 33,951,104
Special revenue – issuer obligations	14,825,221	4,808	(613,003)	14,217,026
Industrial and miscellaneous	62,786,687	721,186	(3,266,930)	60,240,943
Loan-backed securities	46,425,456	137,971	(3,046,387)	43,517,040
Total bonds	$ 161,104,800	$ 863,965	$ (10,042,652)	$ 151,926,113
2022				
U.S. Treasury	$ 48,483,949	$ -	$ (4,228,772)	$ 44,255,177
Special revenue – issuer obligations	14,824,862	11,400	(807,746)	14,028,516
Industrial and miscellaneous	43,966,872	24,170	(4,633,989)	39,357,053
Loan-backed securities	47,303,489	64,438	(3,863,393)	43,504,534
Total bonds	$ 154,579,172	$ 100,008	$ (13,533,900)	$ 141,145,280

Note 2 ~ Investments (Continued)

The cost and fair value of investments in stocks at December 31, 2023 and 2022, were as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
2023				
Common stocks – publicly traded	$ 58,175,483	$ 28,432,510	$ (554,265)	$ 86,053,728
Common stocks – subsidiary	18,503,000	15,051,413	-	33,554,413
Total stocks	$ 76,678,483	$ 43,483,923	$ (554,265)	$ 119,608,141
2022				
Common stocks – publicly traded	$ 53,508,742	$ 17,141,095	$ (447,960)	$ 70,201,877
Common stocks – subsidiary	18,503,000	9,228,491	-	27,731,491
Total stocks	$ 72,011,742	$ 26,369,586	$ (447,960)	$ 97,933,368

Securities in an Unrealized Loss Position. The following tables show unrealized losses in the Company's portfolio sorted by security type and by length of time that the securities were in an unrealized loss position as of December 31, 2023 and 2022:

	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
2023						
U.S. Treasury	$ -	$ -	$ 33,951,104	$ (3,116,332)	$ 33,951,104	$ (3,116,332)
Special revenue – issuer obligations	1,496,205	(3,795)	9,242,077	(609,208)	10,738,282	(613,003)
Industrial and miscellaneous	-	-	32,695,960	(3,266,930)	32,695,960	(3,266,930)
Loan-backed securities	1,152,097	(11,994)	35,927,542	(3,034,393)	37,079,639	(3,046,387)
Total bonds	2,648,302	(15,789)	111,816,683	(10,026,863)	114,464,985	(10,042,652)
Common stocks – publicly traded	6,250,917	(519,987)	221,591	(34,278)	6,472,508	(554,265)
Total common stocks	6,250,917	(519,987)	221,591	(34,278)	6,472,508	(554,265)
	$ 8,899,219	$ (535,776)	$ 112,038,274	$ (10,061,141)	$ 120,937,493	$ (10,596,917)

Note 2 ~ Investments (Continued)

	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
2022						
U.S. Treasury	$ 32,361,280	$ (3,406,798)	$ 11,893,898	$ (821,974)	$ 44,255,178	$ (4,228,772)
Special revenue – issuer obligations	6,017,275	(56,318)	5,499,840	(751,428)	11,517,115	(807,746)
Industrial and miscellaneous	26,158,699	(2,200,068)	11,180,139	(2,433,921)	37,338,838	(4,633,989)
Loan-backed securities	30,546,340	(2,390,306)	9,226,888	(1,473,087)	39,773,228	(3,863,393)
Total bonds	95,083,594	(8,053,490)	37,800,765	(5,480,410)	132,884,359	(13,533,900)
Common stocks – publicly traded	9,554,530	(364,531)	766,785	(83,429)	10,321,315	(447,960)
Total common stocks	9,554,530	(364,531)	766,785	(83,429)	10,321,315	(447,960)
	$ 104,638,124	$ (8,418,021)	$ 38,567,550	$ (5,563,839)	$ 143,205,674	$ (13,981,860)

Maturity. The carrying value and fair value of bonds at December 31, 2023, by effective maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations.

	Carrying Value	Fair Value
Due in one year or less	$ 20,272,598	$ 19,649,516
Due after one year through five years	77,418,015	73,606,850
Due after five years through ten years	44,154,698	41,356,892
Due after ten years	19,259,489	17,312,855
	$ 161,104,800	$ 151,926,113

Gains and Losses on Investments Sold, Matured, or Repaid. The components of net realized capital gains (losses) were as follows:

	2023	2022
Gains	$ 3,597,505	$ 6,599,336
Losses	(1,130,116)	(3,957,838)
OTTI	(2,046,559)	(5,121,762)
Net realized capital gains (losses)	$ 420,830	$ (2,480,264)

Note 2 ~ Investments (Continued)

Declines in fair value that are determined to be OTTI are included in the statutory statements of income as realized capital losses. The Company determines a decline to be other than temporary by reviewing and evaluating relevant objective and subjective factors for each security, including the extent of the depressed value, the length of time the value has been depressed, the intent and ability to hold the security, a security's current performance, the current and projected financial condition of the issuer, the issuer's projected ability to service and repay its debt obligations, the industry in which the issuer operates, the estimated future cash flows of loan-backed securities, and the status of the market as a whole. Estimating the future cash flows of loan-backed securities also involves assumptions regarding the underlying collateral such as prepayment rates, default and recovery rates, existence of subordinated classes capable of absorbing losses, and third-party servicing abilities.

Summary of Significant Valuation Techniques for Financial Instruments. The following valuation techniques and inputs were used to estimate the fair value of each class of significant financial instruments:

Level 1 Measurements

Bonds: Comprised of actively traded U.S. Treasury notes. Valuation is based on unadjusted quoted prices for identical assets in active markets that are accessible to the Company at the measurement date.

Common stocks: Comprised of actively traded common stocks. Valuation is based on unadjusted quoted prices for identical assets in active markets that are accessible to the Company at the measurement date.

Cash equivalents: Comprised of actively traded money market mutual funds that have daily quoted net asset values.

Level 2 Measurements

Bonds: Comprised of government obligations, special revenue – issuer obligations, corporate debt, and residential and commercial mortgage-backed securities. Valuation is based on inputs including quoted prices for identical or similar assets in inactive markets. The Company uses a leading, nationally recognized provider of financial market data and analytics to price the Company’s bond holdings. However, because many fixed income securities do not trade on a daily basis, the provider’s evaluated pricing applications apply available information through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing to prepare evaluations.

Note 2 ~ Investments (Continued)

The following summarizes the assets and liabilities measured at fair value as of December 31, 2023 and 2022:

	Level 1	Level 2	Level 3	Total
2023				
Common stocks	$ 86,053,728	$ -	$ -	$ 86,053,728
Cash equivalents	3,357,957	-	-	3,357,957
	$ 89,411,685	$ -	$ -	$ 89,411,685
2022				
Common stocks	$ 70,201,877	$ -	$ -	$ 70,201,877
Cash equivalents	3,672,452	-	-	3,672,452
	$ 73,874,329	$ -	$ -	$ 73,874,329

The following is the aggregate fair value for all financial instruments as of December 31, 2023 and 2022:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3
2023					
Bonds	$ 151,926,113	$ 161,104,800	$ 33,951,104	$ 117,975,009	$ -
Common stocks	86,053,728	86,053,728	86,053,728	-	-
Cash equivalents	3,357,957	3,357,957	3,357,957	-	-
2022					
Bonds	$ 141,145,278	$ 154,579,172	$ 44,255,177	$ 96,890,101	$ -
Common stocks	70,201,877	70,201,877	70,201,877	-	-
Cash equivalents	3,672,452	3,672,452	3,672,452	-	-

The Company's investments in common stocks of the Company's wholly-owned subsidiary, Wyssta, Inc., privately held companies, and investments in NorthWinds and SpringRock Ventures (SpringRock) are not included above as they are accounted for under the equity method.

Investment in NorthWinds. In 2021, the Company and Delta Dental of Illinois (DDIL) each had a 50 percent share of NorthWinds, an IT service organization, which provides comprehensive IT solutions for both organizations.

Effective January 1, 2022, the joint venture with NorthWinds was amended to add Corvesta (parent company of Delta Dental of Virginia) as an owner, resulting in each company holding a one-third share. The Company contributed $9,250,000 on December 31, 2021, per the new agreement. The rate structure for operating and modernization has been established such that no further capital commitments will be required. In the agreement, KeySpring, software developed and owned by Corvesta, was transferred to NorthWinds and will eventually become the software used by the Company and DDIL.

Note 2 ~ Investments (Continued)

For statutory accounting purposes, the Company records the investment in NorthWinds at the underlying audited GAAP equity adjusted to a limited statutory basis of accounting. The Company recorded an OTTI of $2,046,559 and $1,221,886 in 2023 and 2022, respectively, on the investment.

The Company has a deferred gain on the initial formation of NorthWinds of $4,239,125 as of December 31, 2023 and 2022.

The Company holds the following investments accounted for under the equity method as of December 31, 2023 and 2022:

	Percentage of Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
2023				
SpringRock	6.1%	$ 2,581,456	$ 2,581,456	$ -
Previser	10.1	-	-	-
NorthWinds	33.3	8,359,465	(3,790,077)	12,149,542
		$ 10,940,921	$ (1,208,621)	$ 12,149,542
2022				
SpringRock	6.1%	$ 1,947,395	$ 1,947,395	$ -
Previser	10.1	-	-	-
NorthWinds	33.3	10,406,024	(1,256,557)	11,662,581
		$ 12,353,419	$ 690,838	$ 11,662,581

During 2022, Link DDS was liquidated and the Company recorded a gain upon liquidation of $337,142.

Investment Commitments. The Company has a commitment of $3,735,000 to SpringRock.

Repurchase Agreement. The Company has entered into a reverse repurchase agreement with WoodTrust Bank located in Wisconsin Rapids, Wisconsin, to earn additional yield on cash balances. The Company requires that at least 100 percent of the fair value of securities purchased under the reverse repurchase agreement be maintained as collateral.

The reverse repurchase agreement transactions are traded on a bi-lateral basis. The maturity time frame for which transactions occur are on an overnight basis. All transactions have been accounted for as secured borrowings. There were no sales or acquisitions during 2023 and 2022 that resulted in default.

All securities acquired during 2023 and 2022 as part of this agreement were U.S. government securities (which may include agencies and money market mutual funds) and had an NAIC designation of 1. The cash pledged as collateral for securities purchased is fully transacted on an overnight and open basis.

Note 2 ~ Investments (Continued)

The Company records the transactions on a net basis and does not record a receivable or liability for the return of collateral as a right of offset exists per *Statement of Statutory Accounting Principles No. 64 – Offsetting and Netting of Assets and Liabilities*.

The reverse repurchase agreement transactions accounted for as secured borrowings are listed below:

	2023		2022	
	Maximum	Ending Balance	Maximum	Ending Balance
4th Quarter				
Fair value of securities acquired	$ 48,933,962	$ 21,714,097	$ 49,096,729	$ 49,096,729
Cash collateral provided	48,933,962	21,714,097	49,096,729	49,096,729
3rd Quarter				
Fair value of securities acquired	$ 50,850,798	$ 27,363,962	$ 50,669,930	$ 35,564,930
Cash collateral provided	50,850,798	27,363,962	50,669,930	35,564,930
2nd Quarter				
Fair value of securities acquired	$ 51,998,380	$ 41,634,011	$ 43,938,928	$ 43,938,928
Cash collateral provided	51,998,380	41,634,011	43,938,928	43,938,928
1st Quarter				
Fair value of securities acquired	$ 56,146,729	$ 44,463,380	$ 43,850,005	$ 20,321,547
Cash collateral provided	56,146,729	44,463,380	43,850,005	20,321,547

Real Estate. In 2020, the Company started construction on a new corporate home office building and signed a loan to borrow up to $25,000,000 to fund the construction. The loan rate during the construction period was 2.75 percent. Collateral for the loan is the new corporate home office building, assignment of leases, and rents.

In 2022, the Company completed construction on the new home office building and reclassified the capital costs from construction in progress to real estate occupied by the Company when the building was placed in service. As part of this reclassification, the Company discovered, through more detailed construction invoices, that $5,154,139 was to be reclassified to furniture and equipment with service lives of 3 years to 15 years.

Upon completion of the new home office building, the loan rate was locked at 3.61 percent for a note of $20,000,000. The loan has a 10-year amortization schedule and repayment began on July 1, 2022. The loan can be paid at any point with no additional fees. The total interest paid and accrued on the loan was $678,019 and $558,792 as of December 31, 2023 and 2022, respectively.

Note 2 ~ Investments (Continued)

The cost, accumulated depreciation, encumbrances, and carrying value of real estate at December 31, were as follows:

	2023	2022
Cost	$ 38,993,614	$ 38,977,921
Accumulated depreciation	(1,995,552)	(908,630)
Encumbrances	(17,592,315)	(19,306,071)
Carrying value	$ 19,405,747	$ 18,763,220

Note 3 ~ Claims Unpaid

Activity in claims unpaid for the years ended December 31, 2023 and 2022, is summarized as follows:

	2023	2022
Balance, beginning of year	$ 12,776,000	$ 12,715,000
Less reinsurance recoverable	199,000	217,500
Net balance at January 1	12,577,000	12,497,500
Incurred related to:		
Current year	267,930,390	251,234,607
Prior years	(130,912)	(631,082)
Total incurred	267,799,478	250,603,525
Paid related to:		
Current year	254,597,390	238,657,607
Prior years	12,446,088	11,866,418
Total paid	267,043,478	250,524,025
Net balance at December 31	13,333,000	12,577,000
Plus reinsurance recoverables	124,000	199,000
Balance, end of year	$ 13,457,000	$ 12,776,000

The above schedule does not include claims adjustment expenses since these amounts represent an allocation of general expenses and, therefore, are not monitored on an incurred year basis.

As a result of changes in estimates of insured events in prior years, net claims incurred were decreased by $130,912 and $631,082 in 2023 and 2022, respectively.

Note 4 ~ Related Parties

The Company has a Services Agreement with its subsidiaries whereby it provides the subsidiaries administrative, managerial, and professional services, as well as a well-equipped space. Expense reimbursements are based on specific identification or apportioned based on pertinent factors or ratios as determined by internal studies. The Services Agreement was approved by the OCI. Expenses are generally settled on a monthly basis. Management believes that its transactions with subsidiaries and affiliate are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company. Expense reimbursements based on specific identification were $5,281,550 in 2023 and $7,791,777 in 2022. Expense reimbursements apportioned were $18,431,586 in 2023 and $14,766,116 in 2022.

The Company collects premiums on behalf of the Wyssta Insurance Company, Inc. and remits them to Wyssta Insurance Company, Inc. on a monthly basis. Total premiums collected were $38,342,461 in 2023 and $32,522,866 in 2022.

The Company also pays commissions on behalf of the Wyssta Insurance Company, Inc. and Wyssta Insurance Company, Inc. reimburses the Company on a monthly basis. Total commissions paid were $1,979,995 in 2023 and $1,636,346 in 2022.

	2023	2022
IT services billed by NorthWinds	$ 19,140,125	$ 20,063,042
Overhead and payroll allocated to NorthWinds	443,361	275,166

The Company made contributions without donor restrictions of $4,500,000 to the Foundation in both 2023 and 2022.

Related-party amounts receivable from (payable to) the Company consist of the following for the years ended December 31:

	2023	2022
Wyssta, Inc.	$ -	$ 3,011
Wyssta Investments, Inc.	1,596	5,857
Wyssta Services, Inc.	1,158,649	1,362,376
The Foundation	35,341	79,386
NorthWinds	70,842	-
Total receivable from subsidiaries and affiliates	$ 1,266,428	$ 1,450,630
Wyssta, Inc.	$ (1,066)	$ -
Wyssta Insurance Company, Inc.	(2,887,700)	(2,597,166)
NorthWinds	-	(1,278,186)
Total payable to subsidiaries and affiliates	$ (2,888,766)	$ (3,875,352)

The Company received a non-cumulative, ordinary dividend of $0 and $1,500,000 from Wyssta, Inc. in 2023 and 2022, respectively.

Note 5 ~ Retirement Plans

Qualified Retirement Plan. The Company sponsors a defined contribution plan, the Delta Dental of Wisconsin, Inc. Retirement Plan. The plan requires annual contributions to be made to eligible participants' accounts equal to 6.5 percent of total compensation. Employees may elect to contribute from 1 percent to 75 percent of their pre-tax salary up to Internal Revenue Service limits. In 2023 and 2022, the Company matched 100 percent of the employees' contributions up to $4,250 per employee. The Company's contribution expenses were $2,887,890 for 2023 and $2,603,933 for 2022.

Supplemental Executive Retirement Plan (SERP). The Company has entered into SERP arrangements with members of senior management. Participants in the plan will receive a lump sum benefit representing the present value of an annuity due. The present value benefit will be based on a percentage of base compensation at the date of their retirement or an agreed upon date in the future and for a stated number of years. The plan is unfunded.

The following tables provide reconciliations of the changes in the benefit obligation, funded status, costs, and assumptions of the SERP at December 31:

	2023	2022
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 5,221,424	$ 4,417,082
Interest cost	259,505	111,310
Service cost	1,597,364	1,003,108
Actuarial gain (loss)	79,934	(310,076)
Benefits paid	(424,831)	-
Benefit obligation at end of year	$ 6,733,396	$ 5,221,424
Funded status (amount recognized on statutory balance sheets)	$ (6,733,396)	$ (5,221,424)
Components of net periodic benefit cost:		
Service cost	$ 1,597,364	$ 1,003,108
Interest cost	259,505	111,310
Total net periodic benefit cost	$ 1,856,869	$ 1,114,418
Assumptions used to determine benefit obligation and net periodic benefit cost:		
Discount rate	4.65%	4.97%
Rate of compensation increase	3.50	3.50

Note 5 ~ Retirement Plans (Continued)

Projected benefit payments are as follows:

2024	$ 877,272
2025	1,640,362
2026	143,847
2027	1,297,533
2028	2,050,496
After	723,886

The expenses related to these plans were allocated to claims adjustment, general administrative, and investment expenses consistent with the Company's method of allocating salaries to these items.

Note 6 ~ Reinsurance Assumed

The Company has an agreement with other Delta Dental plans, called the Federal Marketing Group, to pool resources for the purpose of promoting and supporting a coordinated effort to secure contracts for dental programs with federal agencies; implement and govern the administration of resources; and define the opportunity for the allocation and sharing of risk among the participants, in the event a federal contract is entered into by any of the participants with the use and support of the Federal Marketing Group's resources or funding. The Company participated in three federal contracts as of December 31, 2023 and 2022. The Company's portion of profits and losses is recorded as assumed premiums and claims.

The amounts included in the statutory financial statements as a result of reinsurance assumed were as follows, as of, and for, the years ended, December 31:

	2023	2022
Gross premiums earned	$ 16,539,908	$ 16,383,264
Gross claims incurred	14,516,695	14,409,706
Funds held by reinsured company (other liabilities)	754,858	633,254

Note 7 ~ Lease Commitments

The Company leases office space, software, and equipment under various operating leases. The original terms of the leases vary from 3 years to 10 years.

Future minimum lease payments under these leases are as follows:

Years Ending December 31,	
2024	$ 215,075
2025	85,332
2026	87,565
2027	23,735
2028	2,724
	$ 414,431

The Company enters into leases on behalf of their wholly-owned subsidiary, Wyssta Services, Inc. The lease commitments have been included above; however, lease payments are made by Wyssta Services, Inc. The Company's leased software is mainly used by NorthWinds. The lease commitments have been included above; however, lease payments are reimbursed by NorthWinds.

Total rental expense paid by the Company net of reimbursements described above was $90,741 and $218,828 for the years ended December 31, 2023 and 2022, respectively.

Note 8 ~ Surplus

The Company is required to maintain minimum surplus established by the OCI. The Company is also subject to risk-based capital (RBC) requirements promulgated by the NAIC and adopted by the OCI. The RBC standards establish uniform minimum requirements for insurance companies. The RBC formula applies various weighting factors to financial balances or various levels of activities based on the perceived degree of risk. At December 31, 2023 and 2022, the Company's surplus exceeded the minimum levels required by the OCI and RBC standards.

The Company's surplus was increased (decreased) by the following cumulative amounts at December 31, 2023 and 2022, respectively:

	2023	2022
Nonadmitted assets	$ (21,994,811)	$ (22,997,869)
Net unrealized capital gains	43,183,867	25,630,501

Note 9 ~ Contingencies

The Company, along with the Delta Dental Plans Association (DDPA), DeltaUSA, and the other independent DDPA member companies, is defending a multidistrict litigation consolidated before a single federal district court for pretrial proceedings. The plaintiffs, representing purported classes of dental providers, allege that various association member company licensing standards violate federal antitrust laws. The Company believes the claims are meritless and continues to vigorously defend the case. At this point in the proceedings, the Company cannot reasonably estimate the range or amount of any potential loss.

STROHM BALLWEG

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
Delta Dental of Wisconsin, Inc.
Stevens Point, Wisconsin

Our audit was conducted for the purpose of forming an opinion on the statutory financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the statutory financial statements. The supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. This information is presented in a format consistent with the Annual Statement filed by the Company with the OCI. Such information has been subjected to the auditing procedures applied in the audit of the statutory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the statutory financial statements as a whole.

Strohm Ballweg, LLP

Madison, Wisconsin
March 15, 2024

1. Reporting entity's total admitted assets as reported on page two of the annual statement. $ 343,839,139

2. Ten largest exposures to a single issuer/borrower/investment.

	Issuer	Description of Exposure	Amount	Percentage of Total Admitted Assets
2.01	Wyssta, Inc.	Equity	$ 33,554,413	9.8%
2.02	Federal National Mortgage Association	Bonds, CMO, MBS	$ 27,665,889	8.0%
2.03	Federal Home Loan Mortgage Corporation	Bonds, MBS	$ 22,470,917	6.5%
2.04	Federal Home Loan Banks	Bonds	$ 5,600,000	1.6%
2.05	Federal Farm Credit Banks Funding Corporation	Bonds	$ 5,472,596	1.6%
2.06	Armata Pharmaceuticals	Equity	$ 5,277,941	1.5%
2.07	Lowe's Companies, Inc.	Bonds, Equity	$ 4,139,829	1.2%
2.08	Texas Instruments Incorporated	Bonds, Equity	$ 3,151,213	0.9%
2.09	JPMorgan Chase & Co.	Bonds, Equity	$ 2,715,069	0.8%
2.10	Morgan Stanley	Bonds, Equity	$ 2,664,006	0.8%

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating.

Bonds			Preferred Stocks		
3.01 NAIC – 1	$ 134,438,615	39.1%	3.07 NAIC – 1	$	%
3.02 NAIC – 2	$ 26,666,185	7.8%	3.08 NAIC – 2	$	%
3.03 NAIC – 3	$	%	3.09 NAIC – 3	$	%
3.04 NAIC – 4	$	%	3.10 NAIC – 4	$	%
3.05 NAIC – 5	$	%	3.11 NAIC – 5	$	%
3.06 NAIC – 6	$	%	3.12 NAIC – 6	$	%

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [X]

4.02	Total admitted assets held in foreign investments	$ 8,925,881	2.6%
4.03	Foreign-currency-denominated investments	$	%
4.04	Insurance liabilities denominated in that same foreign currency	$	%

(If response to 4.01 above is yes, responses are not required for Interrogatories 5-10.)

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:

5.01	Countries rated NAIC – 1	$ 8,925,881	2.6%
5.02	Countries rated NAIC – 2	$	%
5.03	Countries rated NAIC – 3 or below	$	%

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign rating:

Countries rated NAIC – 1		
6.01 Ireland	$ 3,120,991	0.9%
6.02 Bermuda	$ 1,855,784	0.5%
Countries rated NAIC – 2		
6.03	$	%
6.04	$	%
Countries rated NAIC – 3 or below		
6.05	$	%
6.06	$	%

7. Aggregate unhedged foreign currency exposure $ %

8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign rating:

8.01	Countries rated NAIC – 1	$	%
8.02	Countries rated NAIC – 2	$	%
8.03	Countries rated NAIC – 3 or below	$	%

9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign rating:

Countries rated NAIC – 1		
9.01	$	%
9.02	$	%
Countries rated NAIC – 2		
9.03	$	%
9.04	$	%
Countries rated NAIC – 3 or below		
9.05	$	%
9.06	$	%

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

Issuer	NAIC Rating	Amount	Percent
10.01 Arch Capital Group Ltd.		$ 1,855,784	0.5%
10.02 Pfizer Investment Enterprises Pte. Ltd.	1FE	$ 1,742,927	0.5%
10.03 Alcon Inc.		$ 1,131,412	0.3%
10.04 Accenture plc		$ 1,113,087	0.3%
10.05 Medtronic plc		$ 1,013,274	0.3%
10.06 AerCap Ireland Capital Designated Activity Company	2FE	$ 994,631	0.3%
10.07 Ferguson plc		$ 640,992	0.2%
10.08 Allergan Funding SCS	2FE	$ 433,774	0.1%
10.09		$	%
10.10		$	%

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]
(If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.)

11.02 Total admitted assets held in Canadian investments	$	%
11.03 Canadian-currency-denominated investments	$	%
11.04 Canadian-denominated insurance liabilities	$	%
11.05 Unhedged Canadian currency exposure	$	%

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restriction:

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]
(If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.)

12.02 Aggregate statement value of investments with contractual sales restrictions	$	%
Largest 3 investments with contractual sales restrictions:		
12.03	$	%
12.04	$	%
12.05	$	%

13. Amounts and percentages of admitted assets held in the largest 10 equity interests:

13.01 Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [X]
(If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.)

Assets held in equity interests:

13.02	Wyssta, Inc.	$ 33,554,413	9.8%
13.03	Armata Pharmaceuticals	$ 5,277,941	1.5%
13.04	Alphabet Inc.	$ 2,395,669	0.7%
13.05	Lowe's Companies, Inc.	$ 2,134,922	0.6%
13.06	Gartner, Inc.	$ 2,096,308	0.6%
13.07	Texas Instruments Incorporated	$ 1,933,357	0.6%
13.08	SPDR Series Trust - SPDR S&P Dividend ETF	$ 1,874,550	0.5%
13.09	Ross Stores, Inc.	$ 1,862,453	0.5%
13.10	Arch Capital Group Ltd.	$ 1,855,784	0.5%
13.11	Arista Networks, Inc.	$ 1,640,798	0.5%

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]
(If response to 14.01 above is yes, responses are not required for 14.02 through 14.05.)

14.02 Aggregate statement value of investments held in nonaffiliated, privately placed equities $ %

Largest 3 investments held in nonaffiliated, privately placed equities:

14.03		$	%
14.04		$	%
14.05		$	%

Ten Largest Fund Managers:

	1 Fund Manager	2 Total Invested	3 Diversified	4 Non-Diversified
14.06	Goldman Sachs Trust – Goldman Sachs Financial Square Government Fund	$ 3,357,956	$	$ 3,357,956
14.07	SPDR Series Trust - SPDR S&P Dividend ETF	$ 1,874,550	$ 1,874,550	$
14.08	SPDR S&P 500 ETF Trust	$ 903,089	$ 903,089	$
14.09		$	$	$

14.10		$	$	$
14.11		$	$	$
14.12		$	$	$
14.13		$	$	$
14.14		$	$	$
14.15		$	$	$

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]
(If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.)

15.02 Aggregate statement value of investments held in general partnership interests $ %

Largest 3 investments held in general partnership interests:

15.03		$	%
15.04		$	%
15.05		$	%

16. Amounts and percentages of the reporting entity's total admitted assets held in the largest 10 mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]
(If response to 16.01 above is yes, responses are not required for the remainder of Interrogatories 16 and 17.)

Total admitted assets held in Mortgage Loans:

16.02	$	%
16.03	$	%
16.04	$	%
16.05	$	%
16.06	$	%
16.07	$	%
16.08	$	%
16.09	$	%
16.10	$	%
16.11	$	%

Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:

16.12 Construction loans	$	%
16.13 Mortgage loans over 90 days past due	$	%
16.14 Mortgage loans in the process of foreclosure	$	%
16.15 Mortgage loans foreclosed	$	%
16.16 Restructured mortgage loans	$	%

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

Loan-to-Value	Residential		Commercial		Agricultural	
17.01 Above 95%	$	%	$	%	$	%
17.02 91% to 95%	$	%	$	%	$	%
17.03 81% to 90%	$	%	$	%	$	%
17.04 71% to 80%	$	%	$	%	$	%
17.05 below 70%	$	%	$	%	$	%

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]
(If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.)

Assets held in the 5 Largest Real Estate Holdings:

18.02	$	%
18.03	$	%
18.04	$	%
18.05	$	%
18.06	$	%

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]
(If response to 19.01 above is yes, responses are not required for the remainder of Interrogatory 19.)

19.02	Aggregate statement value of investments held in mezzanine loans	$	%

Largest three investments held in mezzanine real estate loans:

19.03		$	%
19.04		$	%
19.05		$	%

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

	At Year-End		At End of Each Quarter 1st Qtr	2nd Qtr	3rd Qtr
20.01 Securities lending agreements (do not include assets held as collateral for such transactions)	$	%	$	$	$
20.02 Repurchase agreements	$	%	$	$	$
20.03 Reverse repurchase agreements	$ 21,714,097	6.3%	$ 44,463,380	$ 41,634,011	$ 27,363,962
20.04 Dollar repurchase agreements	$	%	$	$	$
20.05 Dollar reverse repurchase agreements	$	%	$	$	$

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:

	Owned		Written	
21.01 Hedging	$	%	$	%
21.02 Income generation	$	%	$	%
21.03 Other	$	%	$	%

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

	At Year-End		At End of Each Quarter 1st Qtr	2nd Qtr	3rd Qtr
22.01 Hedging	$	%	$	$	$
22.02 Income generation	$	%	$	$	$
22.03 Replications	$	%	$	$	$
22.04 Other	$	%	$	$	$

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

	At Year-End		At End of Each Quarter 1st Qtr	2nd Qtr	3rd Qtr
23.01 Hedging	$	%	$	$	$
23.02 Income generation	$	%	$	$	$
23.03 Replications	$	%	$	$	$
23.04 Other	$	%	$	$	$

	Gross Investment Holdings		Admitted Assets as Reported In the Annual Statement*	
	Amount	Percentage	Amount	Percentage
1. Long-Term Bonds (Schedule D, Part 1):				
1.01 U.S. Governments	$ 37,108,711	10.771%	$ 37,108,711	11.171%
1.02 All Other Governments	$	%	$	%
1.03 U.S. States, Territories and Possessions, etc. Guaranteed	$	%	$	%
1.04 U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed	$	%	$	%
1.05 U.S. Special Revenue and Special Assessment Obligations, etc. Non-Guaranteed	$ 61,209,402	17.766%	$ 61,209,402	18.426%
1.06 Industrial and Miscellaneous	$ 62,786,687	18.223%	$ 62,786,687	18.901%
1.07 Hybrid Securities	$	%	$	%
1.08 Parent, Subsidiaries, and Affiliates	$	%	$	%
1.09 SVO-Identified Funds	$	%	$	%
1.10 Bank Loans	$	%	$	%
1.11 Unaffiliated Certificates of Deposit	$	%	$	%
1.12 Total Long-Term Bonds	$ 161,104,800	46.760%	$ 161,104,800	48.498%
2. Preferred Stocks (Schedule D, Part 2, Section 1):				
2.01 Industrial and Miscellaneous (Unaffiliated)	$	%	$	%
2.02 Parent, Subsidiaries, and Affiliates	$	%	$	%
2.03 Total Preferred Stocks	$	%	$	%
3. Common Stocks (Schedule D, Part 2, Section 2):				
3.01 Industrial and Miscellaneous Publicly Traded (Unaffiliated)	$ 83,276,089	24.170%	$ 83,276,089	25.069%
3.02 Industrial and Miscellaneous Other (Unaffiliated)	$	%	$	%
3.03 Parent, Subsidiaries, and Affiliates Publicly Traded	$	%	$	%
3.04 Parent, Subsidiaries, and Affiliates Other	$ 33,554,413	9.739%	$ 33,554,413	10.101%
3.05 Mutual Funds	$	%	$	%
3.06 Unit Investment Trusts	$	%	$	%
3.07 Closed-end Funds	$	%	$	%
3.08 Exchange-Traded Funds	$ 2,777,639	0.806%	$ 2,777,639	0.836%
3.09 Total Common Stocks	$ 119,608,141	34.715%	$ 119,608,141	36.006%
4. Mortgage Loans (Schedule B):				
4.01 Farm Mortgages	$	%	$	%
4.02 Residential Mortgages	$	%	$	%
4.03 Commercial Mortgages	$	%	$	%
4.04 Mezzanine Real Estate Loans	$	%	$	%
4.05 Total Valuation Allowance	$	%	$	%
4.06 Total Mortgage Loans	$	%	$	%

	Gross Investment Holdings		Admitted Assets as Reported In the Annual Statement*	
	Amount	Percentage	Amount	Percentage
5. Real Estate (Schedule A):				
5.01 Properties Occupied by Company	$ 19,405,747	5.632%	$ 19,405,747	5.842%
5.02 Properties Held for Production of Income	$	%	$	%
5.03 Properties Held for Sale	$	%	$	%
5.04 Total Real Estate	$ 19,405,747	5.632%	$ 19,405,747	5.842%
6. Cash, Cash Equivalents, and Short-Term Investments:				
6.01 Cash (Schedule E, Part 1)	$ 27,243,834	7.907%	$ 27,243,834	8.201%
6.02 Cash Equivalents (Schedule E, Part 2)	$ 3,357,956	0.975%	$ 3,357,956	1.011%
6.03 Short-Term Investments (Schedule DA)	$	%	$	%
6.04 Total Cash, Cash Equivalents, and Short-Term Investments	$ 30,601,790	8.882%	$ 30,601,790	9.212%
7. Contract Loans	$	%	$	%
8. Derivatives (Schedule DB)	$	%	$	%
9. Other Invested Assets (Schedule BA)	$ 11,140,922	3.234%	$ (1,208,620)	(0.364%)
10. Receivables for Securities	$	%	$	%
11. Securities Lending (Schedule DL, Part 1)	$	%	$	%
12. Other Invested Assets	$ 2,677,662	0.777%	$ 2,677,662	0.806%
13. Total Invested Assets	$ 344,539,062	100.000%	$ 332,189,520	100.000%

*The Company has no admitted assets in securities lending reinvested collateral.