Wisconsin Physicians Service Insurance Corporation

Statutory Financial Statements and
Supplementary Information

December 31, 2022 and 2021

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Independent Auditors' Report

The Board of Directors and Audit Committee of
Wisconsin Physicians Service Insurance Corporation

Opinions

We have audited the statutory financial statements of Wisconsin Physicians Service Insurance Corporation (the Company) which comprise the statutory statements of admitted assets, liabilities, capital and surplus of the Company as of December 31, 2022 and 2021, and the related statutory statements of revenues and expenses, changes in capital and surplus and cash flows for the years then ended, and the related notes to the statutory financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the admitted assets, liabilities, capital and surplus of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2022 and 2021, or the results of its operations or its cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, the financial statements are presented on the basis of accounting practices prescribed or permitted by the Wisconsin Office of the Commissioner of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these statutory accounting practices described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

In preparing the 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 financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 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 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 financial statements.

- 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The summary investment schedule, supplemental investment risks interrogatories, and supplemental schedule regarding reinsurance contracts with risk-limiting features are presented for purposes of additional analysis and to comply with the National Association of Insurance Commissioners' Annual Statement Instructions and the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual and are not a required part of the financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Baker Tilly US, LLP

Madison, Wisconsin
May 25, 2023

Wisconsin Physicians Service Insurance Corporation

Statements of Admitted Assets, Liabilities, Capital and Surplus ($000s)
December 31, 2022 and 2021

	2022	2021
Admitted Assets		
Cash and Invested Assets		
Bonds	$ 71,406	$ 69,362
Stocks	64,305	78,985
Real estate, less encumbrances of $0 in 2022 and 2021	17,847	18,630
Cash, cash equivalents and short-term investments	42,977	69,864
Total cash and invested assets	196,535	236,841
Investment income due and accrued	437	429
Uncollected premiums	1,929	1,594
Contracts subject to redetermination	1,843	2,637
Amounts recoverable from reinsurers	1,251	738
Amounts receivable relating to uninsured plans	45,333	63,669
Federal and foreign income tax recoverable and interest thereon	2,385	53
Net deferred tax assets	2,913	8,561
Electronic data processing equipment and software, net	4,502	3,827
Receivables from subsidiaries and affiliates	45	408
Health care and other amounts receivable	5,036	8,779
Aggregate write-ins for other than invested assets	18	759
Total admitted assets	$ 262,227	$ 328,295
Liabilities, Capital and Surplus		
Liabilities		
Claims unpaid	$ 48,109	$ 38,326
Unpaid claims adjustment expenses	1,337	1,087
Aggregate health policy reserves	11,034	12,508
Premiums received in advance	11,362	12,515
General expenses due or accrued	41,630	56,833
Ceded reinsurance premiums payable	415	124
Amounts withheld or retained for account of others	12	2
Remittances and items not allocated	1,226	1,604
Amounts due to parent, subsidiary or affiliate	183	-
Funds held under reinsurance treaties	1,431	1,013
Liability for amounts held under uninsured plans	2,834	5,010
Aggregate write-ins for other liabilities	191	410
Total liabilities	119,764	129,432
Capital and Surplus		
Unassigned funds (surplus)	142,463	198,863
Total liabilities, capital and surplus	$ 262,227	$ 328,295

See notes to statutory financial statements

Wisconsin Physicians Service Insurance Corporation

Statements of Revenues and Expenses ($000s)
Years Ended December 31, 2022 and 2021

	2022	2021
Underwriting Income		
Premiums earned, net	$ 376,104	$ 352,550
Expenses		
Hospital and medical benefits	246,026	213,121
Outside referrals	1,614	1,188
Emergency room and out-of-area	36,077	31,231
Prescription drugs	32,978	31,609
Incentive pool, withhold adjustments and bonus amounts	-	6
Net reinsurance recoveries	5,804	6,335
Claims adjustment expenses, including cost containment expenses of $9,560 in 2022 and $8,482 in 2021	14,340	12,253
General administrative expenses	64,343	62,306
Total underwriting deductions	401,182	358,049
Net underwriting (loss) income	(25,078)	(5,499)
Investment Income		
Net investment income earned	1,558	937
Net realized capital (loss) gain, net of tax effect	(751)	5,681
Net investment income	807	6,618
Other Income (Expense)	8,733	(22,631)
Net (loss) income before federal income taxes	(15,538)	(21,512)
Federal Income Tax (Benefit) Expense	(2,183)	(1,141)
Net (loss) income	$ (13,355)	$ (20,371)

See notes to statutory financial statements

Wisconsin Physicians Service Insurance Corporation

Statements of Changes in Capital and Surplus ($000s)
Years Ended December 31, 2022 and 2021

	2022	2021
Capital and Surplus, Beginning of Year	$ 198,863	$ 211,257
Net (loss) income for the year	(13,355)	(20,371)
Change in net unrealized capital gains, net of deferred income tax	(16,529)	(3,289)
Change in net deferred income tax	5,344	(2,876)
Change in non-admitted assets	(14,189)	2,103
Change in pension liability	(17,671)	12,039
Capital and Surplus, End of Year	$ 142,463	$ 198,863

See notes to statutory financial statements

Statements of Cash Flows ($000s)
Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities		
Premiums collected net of reinsurance	$ 373,822	$ 348,378
Net investment income	2,545	2,162
Total cash received	376,367	350,540
Benefits and loss related payments	312,735	280,190
Commissions, expenses paid and aggregate write-ins for deductions	78,989	87,856
Federal income taxes (refunded) paid	(53)	(2,140)
Total cash applied	391,671	365,906
Net cash flows from operating activities	(15,304)	(15,366)
Cash Flows From Investing Activities		
Proceeds from investments sold, matured or repaid:		
Bonds	27,450	28,563
Stocks	194	10,280
Real estate	-	11,265
Other invested assets	17	-
Total investment proceeds	27,661	50,108
Cost of investments acquired:		
Bonds	(30,828)	(39,404)
Stocks	(2,556)	(2,045)
Miscellaneous	(332)	(2,044)
Total investments acquired	(33,716)	(43,493)
Net cash flows from investing activities	(6,055)	6,615
Cash Flows From Financing Activities		
Other cash (applied) provided	(5,528)	(17,641)
Net change in cash, cash equivalents and short-term investments	(26,887)	(26,392)
Cash, Cash Equivalents and Short-Term Investments, Beginning	69,864	96,256
Cash, Cash Equivalents and Short-Term Investments, Ending	$ 42,977	$ 69,864

1. Summary of Significant Accounting Policies

Nature of Operations

Wisconsin Physicians Service Insurance Corporation (the Company) is a service insurance corporation offering hospitalization, surgical medical, major medical, drug and dental insurance to subscribers in various states with a concentration in Wisconsin. The Company's primary sources of revenue are providing health insurance to predominantly small and middle market businesses and individuals and processing health care claims for various governmental bodies and corporate entities.

A summary of the Company's significant accounting policies applied in the preparation of the accompanying statutory financial statements follows.

Insurance Accounting Practices

The statutory financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Wisconsin Office of the Commissioner of Insurance (OCI) for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual (NAIC SAP), has been adopted as a component of prescribed or permitted practices by the OCI. Such practices differ in certain respects from accounting principles generally accepted in the United States of America (U.S. GAAP). The more significant of these differences are as follows:

1. Certain assets designated as "non-admitted assets" are excluded from the statements of admitted assets, liabilities, capital and surplus, and the change in such assets is credited or charged directly to unassigned surplus. The Company's non-admitted assets consist of certain of its deferred tax assets, prepaid expenses, fixed assets (other than real estate) and receivable balances over 90 days past due.

2. The statements of cash flows differ in certain respects from the presentation required by U.S. GAAP, primarily in the presentation of certain cash flows between operating and financing activities.

3. Investments in bonds are reported at amortized cost or fair value based on their NAIC rating.

4. Stocks are carried at fair value with the resulting unrealized gains and losses, net of applicable taxes, recorded in surplus. Under GAAP, equity securities are carried at fair value, with unrealized gains and losses, net of applicable taxes, recorded in income.

5. Net income or loss from subsidiaries is recorded as a direct component of surplus.

6. Net revenue from uninsured plans is recorded as an offset to claims adjustment expenses and general administrative expenses, with significant net amounts recognized as other income or expense.

7. Net revenue from administrative services contracts for various governmental entities is recorded in other income (expense).

8. Changes in deferred income taxes are reported as a component of surplus and are subject to statutory limitations and admissibility tests.

9. The presentation of the statements of admitted assets, liabilities, capital and surplus is not in conformity with U.S. GAAP with respect to the reporting of other comprehensive income. Comprehensive income and its components are not separately presented in the statutory financial statements. Under GAAP it is a requirement to present comprehensive income and its components in the financial statements.

The OCI requires that insurance companies domiciled in the State of Wisconsin prepare their statutory financial statements in accordance with the NAIC SAP, subject to any deviations prescribed or permitted by the OCI. The Company does not use any prescribed or permitted accounting practices that deviate from NAIC SAP.

Cash and Invested Assets

The Company considers all highly liquid debt instruments purchased with original maturities of one year or less and commercial paper to be short-term investments. Cash overdraft balances of $13,331 and $10,452 as of December 31, 2022 and 2021, respectively, are recorded as a reduction to cash, whereas under U.S. GAAP cash overdraft balances would be classified as liabilities. The Company carries its financial instruments included in cash at cost, which approximates fair value because of the short maturities for the instruments held. The Company carries its financial instruments included in short-term investments at amortized cost.

Investments in debt and equity securities are stated in accordance with valuations prescribed by the NAIC. Debt securities are reported at the lower of amortized cost or fair value based on their NAIC rating, and equity securities are reported at fair market values, as determined by independent pricing sources. Unrealized investment gains and losses on equity securities arising from market value fluctuations are credited or charged to unassigned surplus. Realized gains and losses are credited or charged to operations. Premiums and discounts on debt securities purchased are amortized and accreted, respectively, using the effective interest method. The cost of securities sold is determined using the first-in, first-out method.

The Company's investments in its wholly owned subsidiaries, The EPIC Life Insurance Company (EPIC) and WPS Health Plan, Inc. (HPI), are stated at cost plus recognized equity in undistributed net earnings and losses since dates of inception. The Company's interest in EPIC and HPI was determined based on statutory financial statements prepared on the basis of accounting practices prescribed or permitted by the OCI.

During 2022, the Company invested in a wholly owned subsidiary, Kairos Technologies LLC (Kairos). Kairos is a software development company, domiciled in the State of Wisconsin, and the Company's interest in Kairos was determined by financial statements prepared on the basis of accounting practices prescribed or permitted by the OCI. The carrying value of the net equity interest in Kairos has been non-admitted as the investment has not met admissibility requirements.

Administrative Service Contracts

The Company processes health care claims as an administrative agent for various governmental and corporate entities under both administrative services only (ASO) and administrative services contracts (ASC). The administrative fees for processing these claims are netted against the related expenses to process the claims and are included in other income (expense) in the accompanying statements of revenues and expenses. Claims paid are excluded from operations because they are paid, or fully reimbursed, with governmental or corporate funds.

Amounts receivable relating to uninsured plans primarily relate to claim servicing fees from government agencies and administrative services-only contracts.

Incurred Claims

Unpaid claims for health care services are reflected as a liability based on the date the health care services are rendered. Claims unpaid are based on estimates of the ultimate claims incurred, including an estimate of incurred but not reported claims.

The reserve for claims unpaid is calculated using either the development method or the loss ratio method. The development method is used for blocks of business with sufficient volume to generate credible data for calculation of completion factors. In addition, case reserves for known high-dollar health cases are established as necessary. The adequacy of completion factors is monitored separately for each reserve segment that is calculated using the development method.

Aggregate Health Policy Reserves

Aggregate health policy reserves primarily include premiums collected for a coverage period that has started but for the portion that has not yet occurred. Also included are contract reserves, which includes the liability for the medical loss ratio rebate.

Premiums Received in Advance

Premiums received in advance are premiums received prior to the start of the respective coverage period.

General Expenses Due or Accrued

General expenses due or accrued primarily include payroll and amounts payable to vendors.

Revenue and Expense Recognition

Income from premiums is recorded as earned during the coverage period on a pro rata basis. Premiums collected in advance are reflected as liabilities. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

Reported and estimated claims are recognized as an expense when incurred. 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 adequate, the ultimate liability may be in excess or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

Uncollected Premiums and Amounts Receivable

The Company considers uncollected premiums and amounts receivable less than 60 days old to be fully collectible. If non-governmental amounts become 60 days old, they will be charged to surplus at the end of the reporting period.

Depreciation and Amortization

Depreciation and amortization of real estate and electronic data processing (EDP) equipment and software are provided in amounts sufficient to relate the cost of the related assets to operations over their estimated service lives by straight-line and accelerated methods.

Notes to Statutory Financial Statements ($000s)

The Company had the following balances of EDP equipment and software at December 31:

	2022	2021
EDP equipment	$ 15,131	$ 13,472
Software	244,257	243,878
	259,388	257,350
Accumulated depreciation and amortization	(253,003)	(250,561)
EDP equipment and software before being non-admitted	6,385	6,789
Less non-admitted EDP	1,883	2,962
Net EDP equipment and software	$ 4,502	$ 3,827

The Company recorded depreciation and amortization expense of $11,159 and $14,038 related to EDP equipment and software for the years ended December 31, 2022 and 2021, respectively.

Depreciation and amortization of non-admitted furniture, fixtures and equipment are provided in amounts sufficient to relate the cost of the related assets to operations over their estimated service lives by straight-line and accelerated methods.

The Company recorded depreciation and amortization expense of $609 and $1,034 related to non-admitted furniture, fixtures and equipment for the years ended December 31, 2022 and 2021, respectively.

Income Taxes

Deferred income tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and their amounts reported in the statutory financial statements, using statutory tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as a change in surplus in the period that includes the enactment date. Deferred income tax assets are subject to certain admissibility limitations based on risk-based capital calculations.

The Company recognizes the financial statement benefit of a tax position after determining that the relevant tax authority would more likely than not sustain the position following an audit, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. Interest and penalties, if incurred, are recognized in the statements of revenues and expenses as federal income tax expense. The Company has not recognized any interest, penalties or income tax contingencies for the years ended December 31, 2022 and 2021.

Concentration of Credit Risk

The Company maintains deposits in financial institutions that consistently exceed the Federal Deposit Insurance Corporation limit. In addition, the Company has accounts receivable related to government contracts of $36,224 and $47,703 at December 31, 2022 and 2021, respectively. The Company has not experienced any credit-related losses in such accounts and management believes it is not exposed to any significant credit risks.

Recent Accounting Pronouncements

Recent accounting pronouncements issued by the NAIC did not have, nor does the Company expect such pronouncements to have, a significant impact to the Company's present or future statutory financial statements.

Estimates

In preparing statutory financial statements on the basis of accounting practices prescribed or permitted by the OCI, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the statutory financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Claims unpaid and the related unpaid claims adjustment expenses consist of unpaid claims reported to the Company and an estimated liability for health care claims incurred on or before December 31, which have not been reported to the Company by that date (estimated claims payable). Estimated claims payable are based on historical trends and current cost projections, which are reviewed by an independent actuary as of the date of the statutory financial statements. It is reasonably possible that the claims and related expenses presented for payment may not follow past trends and therefore may be more or less than the $49,446 and $39,413 recorded in the statutory financial statements as of December 31, 2022 and 2021, respectively. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in the period determined.

Notes to Statutory Financial Statements ($000s)

2. Investments

The amortized cost or cost and fair market value, together with unrealized gains and losses of investments, are as follows at December 31:

	2022			
	Amortized Cost or Cost	Estimated Market Value	Unrealized Gains	Unrealized Losses
Debt securities:				
U.S. Treasury securities and obligations of U.S. government agencies	$ 25,244	$ 22,532	$ 46	$ (2,758)
Issued by foreign governments	153	131	-	(22)
Corporate securities	21,976	19,345	20	(2,651)
Mortgage-backed securities	24,033	22,105	108	(2,036)
Total bonds	71,406	64,113	174	(7,467)
Equity securities:				
Domestic	20,462	27,619	7,228	(71)
Equity in subsidiaries:				
EPIC(1)	16,466	16,466	-	-
HPI(1)	20,220	20,220	-	-
Total equity in subsidiaries	36,686	36,686	-	-
Total stocks	57,148	64,305	7,228	(71)
	$ 128,554	$ 128,418	$ 7,402	$ (7,538)

(1) Statutory carrying amount

Notes to Statutory Financial Statements ($000s)

	2021			
	Amortized Cost or Cost	**Estimated Market Value**	**Unrealized Gains**	**Unrealized Losses**
Debt securities:				
U.S. Treasury securities and obligations of U.S. government agencies	$ 34,163	$ 34,987	$ 1,032	$ (208)
Issued by foreign governments	153	187	34	-
Corporate securities	17,546	19,125	1,598	(19)
Mortgage-backed securities	17,500	17,661	278	(117)
Total bonds	69,362	71,960	2,942	(344)
Equity securities:				
Domestic	19,907	33,467	13,560	-
Equity in subsidiaries:				
EPIC(1)	17,191	17,191	-	-
HPI(1)	28,327	28,327	-	-
Total equity in subsidiaries	45,518	45,518	-	-
Total stocks	65,425	78,985	13,560	-
	$ 134,787	$ 150,945	$ 16,502	$ (344)

(1) Statutory carrying amount

The amortized cost and fair market value of debt securities, by contractual maturities, are as follows at December 31, 2022:

	Amortized Cost or Cost	**Fair Market Value**
In one year or less	$ 1,279	$ 1,269
After one year through five years	15,742	14,769
After five years through 10 years	14,352	12,889
After 10 years	16,000	13,081
	47,373	42,008
Mortgage-backed securities	24,033	22,105
	$ 71,406	$ 64,113

Expected maturities for mortgage-backed securities may differ from contractual maturities because borrowers may have the right to prepay obligations without penalty.

Mortgage-backed securities are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.

Notes to Statutory Financial Statements ($000s)

Realized gains and losses from sales of unrelated investments were as follows for the years ended December 31:

	2022	2021
Proceeds	$ 27,644	$ 38,902
Gains	253	6,957
Losses	(1,207)	(295)
	(954)	6,662
Federal income tax (benefit) expense on realized capital gains (losses)	(203)	981
Net gain (loss)	$ (751)	$ 5,681

The following summary of the Company's investments, by category, in an unrealized loss position at December 31, indicates the length of time these individual securities have been in a continuous unrealized loss position.

	2022					
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses
Debt securities:						
U.S. Treasury securities and obligations of U.S. government agencies	$ 8,796	$ (891)	$ 8,706	$ (1,867)	$ 17,502	$ (2,758)
Issued by foreign governments	130	(22)	-	-	130	(22)
Corporate securities	13,986	(1,433)	4,496	(1,218)	18,482	(2,651)
Mortgage-backed securities	10,950	(737)	7,195	(1,299)	18,145	(2,036)
Total	$ 33,862	$ (3,083)	$ 20,397	$ (4,384)	$ 54,259	$ (7,467)

	2021					
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses
Debt securities:						
U.S. Treasury securities and obligations of U.S. government agencies	$ 14,296	$ (100)	$ 12,059	$ (108)	$ 26,355	$ (208)
Issued by foreign governments	-	-	-	-	-	-
Corporate securities	1,025	(11)	821	(8)	1,846	(19)
Mortgage-backed securities	8,861	(101)	8,332	(16)	17,193	(117)
Total	$ 24,182	$ (212)	$ 21,212	$ (132)	$ 45,394	$ (344)

The Company reviews its investment portfolio to ensure that investments that may be other than temporarily impaired are identified and that any impairment is charged against earnings in the proper period.

Management reviews several factors to determine whether a loss is other-than-temporary, such as the length of time a security is in an unrealized loss position, the extent to which fair value is less than amortized cost, the impact of changing interest rates in the short and long term, the financial condition and near term prospects of the issuer and the Company's intent and ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value.

Holdings have been reviewed and the Company has concluded that there were no other-than-temporary impairments as of December 31, 2022 and 2021. Issuers have continued to satisfy all contractual obligations and are expected to continue to do so. As such, the Company believes that the securities in an unrealized loss status are temporarily impaired and the Company intends to hold such securities until recovery. Issuers of equity securities continue to pay out dividends consistent with historical experience.

At December 31, 2022 and 2021, the Company has securities valued at $1,947 and $1,715, respectively, in trusts. The assets are held in the trusts pursuant to certain provisions of various state statutes.

At December 31, 2022 and 2021, the Company has securities in Federal Home Loan Bank (FHLB) valued at $32 and $20, respectively. The Company also has pledged collateral to FHLB of $31,800 and $15,855 as of December 31, 2022 and 2021, respectively.

3. Fair Value of Financial Instruments

The fair values presented represent management's best estimates and may not be substantiated by comparisons to independent markets and, in many cases, could not be realized in immediate settlement of the instruments. Certain instruments and all non-financial instruments are not required to be disclosed.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate fair value.

Corporate and Other Debt Securities

When quoted prices are available in an active market, corporate debt securities are classified within Level 1 of the fair value hierarchy. Quoted prices in inactive markets are classified within Level 2. If quoted market prices are not available or accessible, then fair values are estimated using pricing models, matrix pricing or discounted cash flow models. The fair values of corporate debt securities estimated using pricing models or matrix pricing based on observable prices of corporate debt securities that trade in inactive markets are generally classified within Level 2 of the fair value hierarchy.

Mortgage-Backed Securities

Fair values for Level 2 mortgage-backed securities are estimated using a market approach, including a pricing model with observable inputs. Mortgage-backed securities are classified within Level 3 when market activity is significantly limited or when there is less transparency around inputs to the valuation.

Equity Securities

When quoted market prices are available in an active market, securities are classified within Level 1 of the fair value hierarchy. If quoted market prices are not available or accessible, then fair values are estimated using pricing models, matrix pricing or discounted cash flow models. The fair value of securities estimated using pricing models or matrix pricing are generally classified within Level 2 of the fair value hierarchy. The significant inputs include the yield and expected maturity date. Securities are classified within Level 3 when there is limited activity or less transparency around inputs to the valuation.

Cash, Cash Equivalents and Short-Term Investments

The carrying amount for cash, cash equivalents and short-term investments is cost or amortized cost which approximates fair value based on the short maturities for the investments held. The Company carries its financial instruments included in short-term investments at amortized cost.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Notes to Statutory Financial Statements ($000s)

The following tables summarize the Company's financial assets (exclusive of pension assets) as of December 31, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	2022			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Estimated Market Value
Debt securities:				
U.S. Treasury securities and obligations of U.S. government agencies	$ 17,053	$ 5,479	$ -	$ 22,532
Issued by foreign governments	-	131	-	131
Corporate securities	-	19,345	-	19,345
Mortgage-backed securities	-	22,105	-	22,105
Equity securities:				
Domestic	27,550	-	69	27,619
	$ 44,603	$ 47,060	$ 69	$ 91,732

	2021			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Estimated Market Value
Debt securities:				
U.S. Treasury securities and obligations of U.S. government agencies	$ 27,246	$ 7,741	$ -	$ 34,987
Issued by foreign governments	-	187	-	187
Corporate securities	-	19,125	-	19,125
Mortgage-backed securities	-	17,661	-	17,661
Equity securities:				
Domestic	33,410	-	57	33,467
	$ 60,656	$ 44,714	$ 57	$ 105,427

Notes to Statutory Financial Statements ($000s)

The following tables summarize the fair value of the WPS Pension Plan's investments, other than cash and unsettled trades of $5,849 and $7,205 for 2022 and 2021, respectively, according to its classification in the fair value hierarchy as of December 31:

	2022			
	Level 1	Level 2	Level 3	Total
Government securities:				
U.S. Treasury securities and obligations of U.S. government agencies	$ 70,013	$ 889	$ -	$ 70,902
Corporate bonds and notes	-	120,170	-	120,170
Mutual funds	83,492	-	-	83,492
Total investments at fair value	$ 153,505	$ 121,059	$ -	
Investment, at net asset value (a)				39,540
Total investments				$ 314,104

	2021			
	Level 1	Level 2	Level 3	Total
Government securities:				
U.S. Treasury securities and obligations of U.S. government agencies	$ 106,234	$ 1,249	$ -	$ 107,483
Corporate bonds and notes	-	154,406	-	154,406
Mutual funds	118,019	-	-	118,019
Total investments at fair value	$ 224,253	$ 155,655	$ -	
Investment, at net asset value (a)				49,624
Total investments				$ 429,532

(a) The Martingale Investment Trust Series 1: US Low Volatility LargeCap+ employs a low volatility equity strategy with the objective of earning equity market returns over the long term with lower volatility than the market index. The investment universe consists of US large cap equity securities that trade in the US. Investors are admitted to the trust on the first business day of any given month. Investors wishing to redeem their interests will be permitted to do so as of the close of the calendar month subject to certain requirements in the trust's agreement.

4. Related-Party Transactions

Transactions between the Company and its wholly owned subsidiaries and affiliate include the following:

1. The Company contributed $2,000 to Kairos during 2022.

2. The Company provides office space, health insurance, claims processing, billing administration, data processing, accounting, financial, marketing and certain management services to EPIC, HPI, and Kairos. The total amount charged to these subsidiaries and affiliate for these reimbursable expenses was $5,511 and $7,489 in 2022 and 2021, respectively. In connection with these services:

   a. These transactions with HPI resulted in accounts receivable from HPI of $7 and $214 at December 31, 2022 and 2021, respectively.

   b. These transactions with EPIC resulted in accounts payable to EPIC of $183 at December 31, 2022 and accounts receivable from EPIC of $194 at December 31, 2021.

   c. These transactions with Kairos resulted in accounts receivable from Kairos of $38 at December 31, 2022.

4. The Company pays life insurance premiums directly to EPIC for life benefits. In addition, EPIC provides administrative services for disability benefits. EPIC charges to the Company were $1,560 in 2021, which was the last year of this arrangement. These transactions resulted in accounts payable to EPIC of $20 at December 31, 2021.

5. The Company has an agreement with EPIC to reinsure 100% of EPIC's direct written health insurance in the CORE states (as defined by the reinsurance agreement).

   The premiums assumed by the Company were $7,490 and $3,601 in 2022 and 2021, respectively. The claims paid by the Company were $5,665 and $2,544 in 2022 and 2021, respectively. At December 31, 2022 and 2021, the Company recorded reserves of $1,205 and $460 respectively, related to reinsurance agreements with EPIC.

6. In accordance with the intercompany tax allocation agreement described in Note 8, there is a net payable to HPI and EPIC for federal income taxes totaling $1,327 and $0 at December 31, 2022 and 2021, respectively.

7. The Company has a line of credit agreement with EPIC and HPI. The line of credit allows for a maximum outstanding balance of $5,000 and bears an interest rate of LIBOR plus 1.50%. The line of credit automatically renews for additional one year periods unless the parties agree to a notice of non-renewal. As of December 31, 2022 and 2021, the Company had no amounts outstanding or due to it under the agreement.

5. Reinsurance

Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company.

The Company has reinsurance agreements in place to limit its exposure on larger risks. The coinsurance agreement stipulated under a single layer of coverage that the Company was responsible for all claims up to $500 and $1,000 in 2022 and 2021, respectively. The reinsurer was responsible for 100% over $500 and $1,000 in 2022 and 2021, respectively.

Total reinsurance premiums ceded, which are deducted from premiums earned, were $5,385 and $1,307 in 2022 and 2021, respectively. Total ceded claims incurred, which are deducted from hospital and medical claims, were $4,594 and $1,045 in 2022 and 2021, respectively.

The Company is a reinsurer of certain services provided under various health insurance policies issued by other companies, including EPIC. Reinsurance premiums assumed, which are included in premiums earned, were $13,399 and $9,586 in 2022 and 2021, respectively. Reinsurance benefits incurred, which are included in hospital and medical benefits, were $10,398 and $7,380 in 2022 and 2021, respectively.

Administrative expenses and commissions incurred related to reinsurance were $2,189 and $1,560 in 2022 and 2021, respectively.

6. Administrative Services Contracts

Claim payments and administrative expenses charged to governmental units are subject to governmental audit and possible adjustment. Any possible adjustments are not expected to have a material effect on the Company's financial position.

During 2022 and 2021, the Company made no adjustment to revenues as a result of audits of Medicare, Department of Veterans Affairs or TRICARE receivables recorded in the previous period.

Revenue from the Company's Medicare contracts for the years ended December 31, 2022 and 2021 consisted of $113,801 and $109,577, respectively, for administrative expenses. Revenues are included in other income on the statements of revenues and expenses.

Revenues from the Company's Department of Veterans Affairs contract for the years ended December 31, 2022 and 2021 were $6,265 and $35,120, respectively, for administrative expenses. Revenues are included in other income on the statements of revenues and expenses. The Company's Department of Veterans Affairs subcontractor agreement ended in June of 2021. The Company has in place a subcontract which covers transition out activities, which has been primarily completed as of December 31, 2022.

Revenue from the Company's TRICARE contracts for the years ended December 31, 2022 and 2021 consisted of $173,042 and $172,058, respectively, for administrative expenses. Revenues are included in other income on the statements of revenues and expenses.

As of December 31, 2022 and 2021, the Company had account balances that are greater than 10% of the Company's accounts receivable from uninsured accident and health plans. These were accounts receivable of $36,224 and $47,703, as of December 31, 2022 and 2021, respectively, related to its Medicare, Department of Veterans Affairs and TRICARE contracts.

Notes to Statutory Financial Statements ($000s)

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2022:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$ 176	$ -	$ 176
b. Total net other income or expenses (including interest paid or received from plans)	-	-	-
c. Net gain or (loss) from operations	176	-	176
d. Total claim payment volume	1,685,217	-	1,685,217

The gain from operations from Administrative Services Contracts (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2022:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	$ 330,676	$ -	$ 330,676
b. Gross administrative fees accrued	14,518	-	14,518
c. Other income or expenses (including interest paid to or received from plans)	926	-	926
d. Gross expenses incurred (claims and administrative)	374,838	-	374,838
e. Total net gain or loss from operations	(1,281)	-	(1,281)

Notes to Statutory Financial Statements ($000s)

7. Claims Unpaid and Unpaid Claims Adjustment Expenses

The following table provides a reconciliation of claims unpaid and unpaid claims adjustment expenses for the years ended December 31:

	2022	2021
Balance at January 1	$ 39,413	$ 37,920
Incurred related to:		
Current year	340,079	301,311
Prior years	(3,240)	(6,014)
Total incurred	336,839	295,297
Paid related to:		
Current year	(291,743)	(263,280)
Prior years	(35,063)	(30,524)
Total paid	(326,806)	(293,804)
Balance at December 31	$ 49,446	$ 39,413

The liability for reported and estimated claims at January 1, 2022 developed favorably in 2022 due primarily to lower than anticipated health claims. The liability for reported and estimated claims at January 1, 2021 developed favorably as of the result of decreased services during 2021.

8. Income Taxes

The Company is taxed as an insurance company. The Company files consolidated income tax returns with its wholly owned subsidiaries, EPIC, HPI and Kairos. In accordance with an intercompany tax allocation agreement: (a) the subsidiaries reimburse WPS for federal and state income taxes that would be payable had the subsidiaries filed separate federal and state tax returns; and (b) WPS reimburses the subsidiaries for income tax assets of the subsidiaries that are utilized by WPS.

The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled monthly.

Notes to Statutory Financial Statements ($000s)

The Company has deferred tax assets and liabilities that consist of the following components as of December 31:

	2022		
	Ordinary	Capital	Total
Total gross deferred tax assets (admitted and non-admitted)	$ 27,911	$ 198	$ 28,109
Total gross deferred tax liabilities	(2,986)	(1,503)	(4,489)
	$ 24,925	$ (1,305)	23,620
Total deferred tax assets non-admitted			(20,707)
Net admitted deferred tax assets			$ 2,913

	2021		
	Ordinary	Capital	Total
Total gross deferred tax assets (admitted and non-admitted)	$ 23,619	$ -	$ 23,619
Total gross deferred tax liabilities	(4,038)	(2,848)	(6,886)
	$ 19,581	$ (2,848)	16,733
Total deferred tax assets non-admitted			(8,172)
Net admitted deferred tax assets			$ 8,561

	2022	2021
Ratio percentage used to determine recovery period and threshold limitation amount	690%	945%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation	$ 139,550	$ 191,203

There are no tax planning strategies that have an impact on the determination of adjusted gross deferred tax assets and net admitted deferred tax assets. The use of reinsurance is not included in the Company's tax planning strategies

The components of federal income taxes were as follows for the years ended December 31:

	2022	2021
Federal income tax (benefit) expense	$ (2,183)	$ (1,141)
Current tax (benefit) expense on realized capital (losses) gains	(202)	981
Federal income tax incurred	$ (2,385)	$ (160)

Notes to Statutory Financial Statements ($000s)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of December 31 were as follows:

	2022	2021
Deferred tax assets:		
Ordinary:		
Accruals and allowances	$ 2,755	$ 2,592
Premiums collected in advance	929	1,025
Discounted unpaid losses	112	92
Retirement plans	1,547	1,476
Sales tax audit and interest	132	139
Deferred policy acquisition costs	13,871	12,202
Rate guarantee reserve	46	131
Long-term incentive plan	-	285
Wisconsin Insurance Security Fund	177	294
Net operating loss carryforward	2,949	2,040
Non-admitted assets	5,332	3,343
Other	259	-
Total deferred tax assets	28,109	23,619
Non-admitted deferred tax assets	(20,707)	(8,172)
Net admitted deferred tax assets	7,402	15,447
Deferred tax liabilities:		
Ordinary:		
Fixed assets	1,609	1,082
Bond accretion	30	12
Salvage recoverable	1	2
Retirement plans	1,189	2,941
Partnership income difference	157	1
	2,986	4,038
Capital:		
Unrecognized gains on stocks	1,503	2,848
Unrecognized gains on bonds	-	-
	1,503	2,848
Total deferred tax liabilities	4,489	6,886
Net deferred tax assets	$ 2,913	$ 8,561

Notes to Statutory Financial Statements ($000s)

The changes in net deferred income taxes from December 31, 2021 to December 31, 2022, were as follows:

	2022	2021	Change
Total gross deferred tax assets	$ 28,109	$ 23,619	$ 4,490
Total gross deferred tax liabilities	(4,489)	(6,886)	2,397
Net deferred tax assets	$ 23,620	$ 16,733	6,887
Tax effect of unrealized gains			(1,345)
Change in net deferred income tax assets			$ 5,542

The provision for federal income taxes incurred and change in deferred income tax assets is different from that which would be obtained by applying the statutory federal income tax rate to income before taxes. The significant items causing this difference are as follows for the years ended December 31:

	2022		2021	
	Tax Effect	Effective Tax Rate	Tax Effect	Effective Tax Rate
Provision computed at statutory rate	$ (3,306)	21.0 %	$ (4,312)	21.0 %
Pension	(3,894)	24.7	2,482	(12.1)
Fixed assets and non-admitted assets	(981)	6.2	3,468	(16.9)
Tax credits	(128)	0.8	-	-
Accrual adjustments	(17)	0.1	115	(0.6)
Compensation limit	381	(2.4)	1,017	(5.0)
Meals and entertainment	20	(0.1)	27	(0.1)
Tax free bond interest	(32)	0.2	(35)	0.2
Other	30	(0.1)	(46)	0.3
Total	$ (7,927)	50.4 %	$ 2,716	(13.2) %
Federal income tax (benefit) expense	$ (2,183)	13.9 %	$ (1,141)	5.6 %
Current tax (benefit) expense on realized capital (losses) gains	(202)	1.3	981	(4.8)
Change in net deferred income taxes	(5,542)	35.2	2,876	(14.0)
Total statutory income tax (benefit) expense	$ (7,927)	50.4 %	$ 2,716	(13.2) %

At December 31, 2022, the Company had $14,041 of unused operating loss carryforwards available to offset against future taxable income.

The Company did not use any tax planning strategies in determining the gross and admitted deferred tax assets as of December 31, 2022 and 2021.

In addition, as of December 31, 2022 and 2021, the Company had no tax loss contingencies which meet the more-likely-than-not and reasonably estimated criterion for recognition as described in Statement of Statutory Accounting Principles No. 5R, *Liabilities, Contingencies and Impairments of Assets*.

There are no incurred taxes for 2022 and 2021 available for recoupment in the event of future losses, subject to carryback limitations as provided for in the income tax regulations.

The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

9. Employee Benefit Plans

Defined Benefit Pension and Supplemental Executive Retirement Plans

The Company sponsored defined benefit pension plans covering employees who were 21 years or older who had completed at least one year of continuous service. The Wisconsin Physicians Service Insurance Corporation Employees' Pension Plan (WPS Employees' Pension Plan) covered bargaining unit employees. The WPS Managerial Pension Plan covered non-bargaining unit employees. The WPS Employees' Pension Plan was merged into the WPS Managerial Pension Plan effective December 31, 2012, and the merged plans were renamed the WPS Pension Plan (the Plan).

The Company froze the benefits of the WPS Managerial Pension Plan effective December 31, 2009, for participants with less than 10 years of credited service as of January 1, 2009. The Company froze the benefits of the WPS Managerial Pension Plan effective December 31, 2012, for all remaining participants. The Company elected to freeze the benefits for all previous participants of the WPS Employees' Pension Plan effective December 31, 2013.

The Company's funding policy is to make annual contributions to the Plan as deemed necessary on an actuarial basis in accordance with minimum funding requirements and maximum deductible limitations. The Company expects to make contributions of $440 to the Plan in 2023. The Company has additional Supplemental Executive Retirement Plans (SERP) for eligible executives that are unfunded.

Company contributions to these plans totaled $446 and $454 in 2022 and 2021, respectively. There were no employee contributions in 2022 and 2021. Total benefits paid from these plans were $19,867 and $19,046 in 2022 and 2021, respectively.

The Company amortizes the unrecognized gains and losses in excess of a corridor (10% of the greater of the projected benefit obligation or the fair value of assets) into expense using an amortization period based on the average future service period of active employees.

Notes to Statutory Financial Statements ($000s)

A summary of the funded status of the Company's defined benefit plans is as follows as of December 31, 2022:

	Projected Benefit Obligation	Fair Value of Plan Assets	Over/ (Underfunded)
WPS Pension Plan	$ 312,237	$ 319,953	$ 7,716
SERP Plans	4,043	-	(4,043)
Total	$ 316,280	$ 319,953	$ 3,673

A summary of the funded status of the Company's defined benefit plans is as follows as of December 31, 2021:

	Projected Benefit Obligation	Fair Value of Plan Assets	Over/ (Underfunded)
WPS Pension Plan	$ 420,654	$ 436,737	$ 16,083
SERP Plans	5,027	-	(5,027)
Total	$ 425,681	$ 436,737	$ 11,056

The Company's defined benefit plans weighted average asset allocations by asset category were as follows at December 31:

	2022	2021
Equity securities	38 %	38 %
Fixed income securities	60	60
Cash and cash equivalents	2	2
Total	100 %	100 %

The Company has an investment policy that dictates which asset types are permissible, investment objectives, delegation of specific duties and risk management goals. The Company's overall investment strategy is to achieve a mix of 98% of investments for long-term growth and 2% for near-term benefit payments, with a wide diversification of asset types, fund strategies and fund managers. The target asset allocation percentages for plan assets were as follows:

	Minimum	Maximum
Equity securities	28.0 %	38.0 %
Fixed income securities	62.0	72.0

Equity securities primarily include investments in companies principally located in the United States. Fixed income securities include corporate bonds of companies in diversified industries, mortgage-backed securities and U.S. Treasury securities. Investment goals include the preservation of capital and attaining investment return benchmarks over a market cycle.

The basis used to determine the overall expected long-term rate of return on assets is developed from historical returns on the investment types held by the Company, current operating results of issuers of equity securities, current interest rates available on fixed-income securities and other current economic conditions.

Notes to Statutory Financial Statements ($000s)

Assumptions used to determine the benefit obligations, which are used to determine the WPS Pension Plan funded status as of December 31, 2022 and 2021, and to compute pension expense for the period, were as follows:

	2022	2021
Discount rate	5.75 %	3.00 %
Expected long-term rate of return on plan assets	5.50	5.50
Rate of increase in compensation levels	N/A	N/A

The following tables set forth the plans' benefit obligations, components of and change in prepaid pension cost, change in the plans' assets, funded status and components of net periodic benefit cost for the years ended December 31:

	2022	2021
Accumulated benefit obligation for vested employees	$ (316,280)	$ (425,681)
Fair value of plan assets	319,953	436,737
Underfunded accumulated benefits	$ 3,673	$ 11,056

	2022	2021
Projected benefit obligation	$ (316,280)	$ (425,681)
Fair value of plan assets	319,953	436,737
Items not yet recognized in earnings:		
Unrecognized net loss	64,051	46,380
Prepaid pension cost as of December 31	$ 67,724	$ 57,436

	2022	2021
Prepaid pension cost at beginning of year	$ 57,436	$ 47,603
Net periodic pension benefit	9,842	9,379
Employer contributions	446	454
Prepaid pension cost as of December 31	$ 67,724	$ 57,436

	2022	2021
Projected benefit obligation at beginning of period	$ 425,681	$ 435,283
Interest cost	13,443	12,761
Actuarial (gain) loss	(102,977)	(3,317)
Benefits paid	(19,867)	(19,046)
Projected benefit obligation at end of period	$ 316,280	$ 425,681

Notes to Statutory Financial Statements ($000s)

	2022	2021
Fair value of plan assets at beginning of period	$ 436,737	$ 424,467
Actual return on plan assets	(97,363)	30,862
Employer contributions	446	454
Benefits paid	(19,867)	(19,046)
Fair value of plan assets at end of period	$ 319,953	$ 436,737

Components of net periodic benefit cost include the following for the years ended December 31:

	2022	2021
Interest cost on projected benefit obligation	$ 13,443	$ 12,761
Return on plan assets recognized	(23,462)	(22,808)
Net amortization and deferral	177	669
Net periodic pension cost (benefit)	$ (9,842)	$ (9,378)

The following table summarizes expected future benefit payments, which reflect expected future service, as of December 31, 2022:

Years ending December 31:	
2023	$ 21,047
2024	21,480
2025	22,013
2026	22,412
2027	22,918
2028-2032	118,187

WPS 401(k) Savings Plan and Bargaining Unit 401(k) Plan

The WPS 401(k) Savings Plan covers the Company's non-bargaining unit employees. The Company makes matching contributions equal to 100% of the employee's individual contributions up to a percentage of compensation ranging from 0% to 6%.

The WPS Bargaining Unit Employees 401(k) Plan covers bargaining unit employees. The Company makes matching contributions equal to 100% of the employee's individual contributions up to a percentage of compensation ranging from 0% to 6%, depending on the employee's completed years of service. In addition, non-matching contributions will be made by the Company to certain employees who participated in the WPS Employees' Pension Plan as of October 1, 2008. Non-matching contribution percentages range from 3% to 6%, depending on the completed years of service.

Company contributions to these plans totaled $8,899 and $9,351 in 2022 and 2021, respectively.

Other Post-Retirement Employee Benefits

The Company has a long-term deferred compensation plan (DCP) covering certain key employees. The DCP allows these key employees to defer a portion of their base pay into a nonqualified investment trust. The assets of the investment trust were $1,151 and $1,512 as of December 31, 2022 and 2021, respectively. These are held by the Company and are included in cash, cash equivalents and short-term investments on the statements of admitted assets, liabilities, capital and surplus. There were no amounts due to these key employees as of December 31, 2022 and 2021. Payments under the plan occur to the individuals in accordance with the plan document. Effective December 31, 2012, there are no individuals contributing to the DCP.

Notes to Statutory Financial Statements ($000s)

Long-Term Incentive Plan

The Company has a long-term incentive plan (LTIP) for certain key employees. The LTIP includes ladders of three-year performance periods, starting with the 2018 to 2020 performance period payable in 2021 based on goal achievement. The Company has accrued $0 and $1,400 at December 31, 2022 and 2021, respectively, related to the payout of the LTIP in general expenses due or accrued on the statements of assets, liabilities, capital and surplus.

10. Lease Commitments

The Company leases data processing and office equipment, automobiles, and certain office facilities. Total rent expense charged to operations was $10,249 and $13,887 in 2022 and 2021, respectively.

The following is a schedule by year of future minimum payments under leases as of December 31, 2022:

Years ending December 31:		
2023	$	7,797
2024		4,765
2025		2,572
2026		1,923
2027		566
Thereafter		-
	$	17,623

11. Commitments and Contingencies

Legal Matters

The Company is subject to pending and threatened legal actions in the ordinary course of business, principally related to the defense of various liability and other claims related to its business as an insurer. Amounts are established by management to cover estimated losses and related expenses associated with these matters.

It is the opinion of management that the ultimate resolution of these matters will not have a material effect on the Company's financial position or results of operations.

Other

In March 2017, the Company received notification of the insolvency of Penn Treaty Insurance Company. It is expected that the insolvency will result in a retrospective premium-based guaranty fund assessment against the Company. There was a $557 and $154 benefit charged to operations in 2022 and 2021, respectively, resulting in a liability of $1,239 and $1,796 at December 31, 2022 and 2021, respectively, recognized using a discount rate of 4.2%.

Line of Credit

At December 31, 2022 and 2021, the Company has $0 outstanding under a line of credit agreement with Associated Bank. The maximum borrowing capacity was $30,000 at December 31, 2022 and 2021. Interest on the line of credit for 2021, was at one-month LIBOR plus 1.5% (effective rate 1.60% at December 31, 2021). For 2022, interest on the line of credit is at CME Term SOFR plus 2.00%. The line of credit is unsecured and borrowings, if any, are due May 27, 2023. Management intends to renew this agreement prior to the expiration date at comparable terms.

Notes to Statutory Financial Statements ($000s)

At December 31, 2022 and 2021, the Company has $0 outstanding under the line of credit agreement with Federal Home Loan Bank. The maximum borrowing capacity was $15,000 at December 31, 2022 and 2021. Interest on the line of credit is a one-month fixed rate advance (effective rate of 4.25% and 0.22% at December 31, 2022 and 2021, respectively). The line of credit is collateralized by certain securities.

12. Health Care Receivables

The Company's pharmaceutical rebates receivables are based on current month actuals processed to date and an estimate for the remainder of the month. The estimate is based on paid claims and the underlying pharmaceutical rebate contract provisions. The Company had the following pharmaceutical rebates activity during 2022, 2021 and 2020:

Quarter	Estimated Pharmacy Rebates as Reported by Financial Statements	Pharmacy Rebates as Invoiced/ Confirmed	Actual Rebates Collected Within 90 Days of Invoicing/ Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Actual Rebates Collected More Than 180 Days After Invoicing/ Confirmation
December 31, 2022	$ 4,088	$ -	$ -	$ -	$ -
September 30, 2022	3,894	-	4,131	-	-
June 30, 2022	3,775	-	4,099	563	-
March 31, 2022	3,494	-	3,482	649	-
December 31, 2021	3,967	-	-	-	-
September 30, 2021	3,379	-	-	-	-
June 30, 2021	3,470	-	-	4,110	-
March 31, 2021	2,450	-	-	3,857	(6)
December 31, 2020	2,721	-	-	4,189	(27)
September 30, 2020	2,722	-	-	3,979	10
June 30, 2020	2,709	-	-	3,868	21
March 31, 2020	2,952	-	-	3,720	96

13. Risk Based Capital Requirements

Health insurance companies are subject to certain risk-based capital (RBC) requirements specified by the NAIC. Under those requirements, the amount of capital and surplus maintained by a health insurance company is to be determined based on various factors related to it. At December 31, 2022 and 2021, the management of the Company believes that the Company is in compliance with the RBC requirements.

In its administrative code, the OCI has established compulsory and security levels of surplus. As of December 31, 2022 and 2021, the Company has surplus which management believes are in compliance with these established compulsory and security levels of surplus. The laws of the State of Wisconsin limit dividends to shareholders without prior approval from the OCI. Within these limitations, there are no restrictions placed on the Company's profits that may be paid as ordinary dividends to shareholders. There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

14. Risks and Uncertainties

The Company's operating results and financial conditions are affected by numerous factors and circumstances unique to the insurance industry, some of which it can neither predict nor control. Among them are (1) statutorily-imposed regulatory capital requirements can limit an insurer's ability to underwrite new business or retain otherwise desirable risks; (2) an insurer's ability to enter into suitable reinsurance agreements is subject to prevailing conditions in reinsurance markets; (3) fluctuations in interest rates affect the value and income yield of an insurer's investment portfolio in the short-term and often affect default and prepayment rates over time; and (4) inflationary pressures and medical costs affect the magnitude of claims and claims adjustment expenses.

The Company has several contracts to process claims for various governmental entities. The contracts expire at various dates through 2028 and are subject to standard termination for convenience provisions by the contracting agency. The Company is in the process of or has completed bidding on several different new contracts for which final award decisions are not yet known. The Company is not assured of maintaining any of its existing contracts upon expiration, and loss of these contracts could have a material effect on the future operations of the Company.

15. Health Care Reform

The Patient Protection and Affordable Care Act (ACA) established risk-spreading premium stabilization programs applicable to certain commercial medical insurance products. These programs, formerly referred to as the 3Rs, included a permanent risk adjustment program, a transitional reinsurance program, and a temporary risk corridors program. The transitional reinsurance and temporary risk corridors programs were for years 2014 through 2016, with potential for additional reinsurance recoveries through 2018 to the extent funds are available.

The Company estimates and recognizes adjustments to premiums revenue for the risk adjustment provision by projecting the ultimate premium for the calendar year separately for individual and group plans. Estimated calendar-year settlement amounts are recognized ratably during the year and are revised each period to reflect current experience, including changes in risk scores derived from medical diagnoses submitted by providers. The Company records receivables or payables at the individual or group level.

Notes to Statutory Financial Statements ($000s)

Risk adjustment calculations will be completed, and the U.S. Department of Health and Human Services (HHS) will notify the Company of recoveries due or payments owed to/from the Company under the permanent risk adjustment program by June 30 of the year following the benefit year. Payments due to HHS under the permanent risk adjustment program must be remitted within 30 days of notification and will be collected prior to the distribution of recoveries by HHS. All other ACA receivables are included in contracts subject to redetermination on the statements of admitted assets, liabilities, capital and surplus.

The impact of risk sharing provision of the ACA on admitted assets, liabilities and revenue as of and for the year ended December 31, 2022, were as follows:

Permanent ACA Risk Adjustment Program:		
Assets:		
1. Premium adjustments receivable due to ACA Risk Adjustment	$	1,843
Liabilities:		
2. Risk adjustment user fees payable for ACA Risk Adjustment		(7)
3. Premium adjustments payable due to ACA Risk Adjustment		(65)
Operations (Revenue and Expenses):		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment		2,987
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)		7

The following table is a roll forward of the 2021 asset and liability balances related to the ACA risk-sharing provisions.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		(Received) Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payment (Col 1-3)	Prior Year Accrued Less Payment (Col 2-4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance From Prior Years (Col 1-3+7)	Cumulative Balance From Prior Years (Col 2-4+8)
	1 Receivable	2 (Payable)	3 Receivable	4 (Payable)	5 Receivable	6 (Payable)	7 Receivable	8 (Payable)	9 Receivable	10 (Payable)
Permanent ACA Risk Adjustment Programs										
1 Premium adjustments receivable	$ 3,126	$ -	$ 4,215	$ -	$ (1,089)	$ -	$ 1,089	$ -	$ -	$ -
2 Premium adjustments	-	(489)	-	(369)	-	(120)	-	95	-	(25)
Total for ACA Risk Sharing Provisions	$ 3,126	$ (489)	$ 4,215	$ (369)	$ (1,089)	$ (120)	$ 1,089	$ 95	$ -	$ (25)

17. Subsequent Events

The Company evaluated its December 31, 2022 statutory financial statements for subsequent events through May 25, 2023, the date the statutory financial statements were available to be issued. The Company is not aware of any subsequent events which would require recognition or disclosure in these statutory financial statements.

Supplementary Information

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage of Column 1 Line 13	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage of Column 5 Line 13
1. Long-Term Bonds (Schedule D, Part 1):						
1.01 U.S. governments	21,327,638	10.770	21,327,638		21,327,638	10.852
1.02 All other governments		0.000			0	0.000
1.03 U.S. states, territories and possessions, etc. guaranteed		0.000			0	0.000
1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed		0.000			0	0.000
1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed	21,210,571	10.711	21,210,571		21,210,571	10.792
1.06 Industrial and miscellaneous	28,867,537	14.577	28,867,537		28,867,537	14.688
1.07 Hybrid securities		0.000			0	0.000
1.08 Parent, subsidiaries and affiliates		0.000			0	0.000
1.09 SVO identified funds		0.000			0	0.000
1.10 Unaffiliated bank loans		0.000			0	0.000
1.11 Unaffiliated certificates of deposit		0.000			0	0.000
1.12 Total long-term bonds	71,405,746	36.057	71,405,746	0	71,405,746	36.332
2. Preferred stocks (Schedule D, Part 2, Section 1):						
2.01 Industrial and miscellaneous (Unaffiliated)		0.000			0	0.000
2.02 Parent, subsidiaries and affiliates		0.000			0	0.000
2.03 Total preferred stocks	0	0.000	0	0	0	0.000
3. Common stocks (Schedule D, Part 2, Section 2):						
3.01 Industrial and miscellaneous Publicly traded (Unaffiliated)	5,162,365	2.607	5,162,365		5,162,365	2.627
3.02 Industrial and miscellaneous Other (Unaffiliated)	36,978	0.019	36,978		36,978	0.019
3.03 Parent, subsidiaries and affiliates Publicly traded	0	0.000			0	0.000
3.04 Parent, subsidiaries and affiliates Other	37,530,144	18.951	36,686,583		36,686,583	18.667
3.05 Mutual funds	22,419,405	11.321	22,419,405		22,419,405	11.407
3.06 Unit investment trusts		0.000			0	0.000
3.07 Closed-end funds		0.000			0	0.000
3.08 Exchange traded funds		0.000			0	0.000
3.09 Total common stocks	65,148,892	32.898	64,305,331	0	64,305,331	32.720
4. Mortgage loans (Schedule B):						
4.01 Farm mortgages	0	0.000			0	0.000
4.02 Residential mortgages	0	0.000			0	0.000
4.03 Commercial mortgages	0	0.000			0	0.000
4.04 Mezzanine real estate loans	0	0.000			0	0.000
4.05 Total valuation allowance		0.000			0	0.000
4.06 Total mortgage loans	0	0.000	0	0	0	0.000
5. Real estate (Schedule A):						
5.01 Properties occupied by company	17,846,802	9.012	17,846,802		17,846,802	9.081
5.02 Properties held for production of income	0	0.000	0		0	0.000
5.03 Properties held for sale	0	0.000	0		0	0.000
5.04 Total real estate	17,846,802	9.012	17,846,802	0	17,846,802	9.081
6. Cash, cash equivalents and short-term investments:						
6.01 Cash (Schedule E, Part 1)	(13,331,017)	(6.732)	(13,331,017)		(13,331,017)	(6.783)
6.02 Cash equivalents (Schedule E, Part 2)	56,307,838	28.433	56,307,838		56,307,838	28.650
6.03 Short-term investments (Schedule DA)		0.000	0		0	0.000
6.04 Total cash, cash equivalents and short-term investments	42,976,821	21.702	42,976,821	0	42,976,821	21.867
7. Contract loans	0	0.000	0		0	0.000
8. Derivatives (Schedule DB)	0	0.000	0		0	0.000
9. Other invested assets (Schedule BA)	656,671	0.332	0		0	0.000
10. Receivables for securities	0	0.000	0		0	0.000
11. Securities Lending (Schedule DL, Part 1)	0	0.000	0	XXX	XXX	XXX
12. Other invested assets (Page 2, Line 11)	0	0.000	0		0	0.000
13. Total invested assets	198,034,932	100.000	196,534,700	0	196,534,700	100.000

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For The Year Ended December 31, 2022
(To Be Filed by April 1)

Of The Wisconsin Physicians Service Insurance Corporation

ADDRESS (City, State and Zip Code) Madison , WI 53713-1895

NAIC Group Code 0068 NAIC Company Code 53139 Federal Employer's Identification Number (FEIN) 39-1268299

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U.S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. $ 262,226,823

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

	1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2.01	JP MORGAN CHASE CMBS 2014-C20	Bond	$ 481,219	0.2 %
2.02	GUARDIAN LIFE INS CO AMER	Bond	$ 377,000	0.1 %
2.03	JPMORGAN CHASE & CO	Bond	$ 371,267	0.1 %
2.04	BK OF AMERICA CORP	Bond	$ 357,416	0.1 %
2.05	T MOBILE USA INC	Bond	$ 353,197	0.1 %
2.06	UNIVERSITY ALASKA UNIV REVS	Bond	$ 345,000	0.1 %
2.07	NATIONWIDE MUT INS CO	Bond	$ 337,437	0.1 %
2.08	UPMC HEALTH SYS	Bond	$ 334,370	0.1 %
2.09	ERAC USA FINANCE COMPANY	Bond	$ 331,828	0.1 %
2.10	PFS FINANCING CORP 2020-G	Bond	$ 327,387	0.1 %

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

	Bonds	1	2		Preferred Stocks	3	4
3.01	NAIC 1	$ 56,355,446	21.5 %	3.07	NAIC 1	$	0.0 %
3.02	NAIC 2	$ 15,050,300	5.7 %	3.08	NAIC 2	$	0.0 %
3.03	NAIC 3	$ 0	0.0 %	3.09	NAIC 3	$	0.0 %
3.04	NAIC 4	$ 0	0.0 %	3.10	NAIC 4	$	0.0 %
3.05	NAIC 5	$ 0	0.0 %	3.11	NAIC 5	$	0.0 %
3.06	NAIC 6	$ 0	0.0 %	3.12	NAIC 6	$	0.0 %

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 [X] No [ ]

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

4.02	Total admitted assets held in foreign investments	$ 153,260	0.1 %
4.03	Foreign-currency-denominated investments	$	0.0 %
4.04	Insurance liabilities denominated in that same foreign currency	$	0.0 %

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

		1	2
5.01	Countries designated NAIC-1	$	0.0 %
5.02	Countries designated NAIC-2	$	0.0 %
5.03	Countries designated NAIC-3 or below	$	0.0 %

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

		1	2
	Countries designated NAIC - 1:		
6.01	Country 1:	$	0.0 %
6.02	Country 2:	$	0.0 %
	Countries designated NAIC - 2:		
6.03	Country 1:	$	0.0 %
6.04	Country 2:	$	0.0 %
	Countries designated NAIC - 3 or below:		
6.05	Country 1:	$	0.0 %
6.06	Country 2:	$	0.0 %

		1	2
7.	Aggregate unhedged foreign currency exposure	$	0.0 %

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

		1	2
8.01	Countries designated NAIC-1	$	0.0 %
8.02	Countries designated NAIC-2	$	0.0 %
8.03	Countries designated NAIC-3 or below	$	0.0 %

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

		1	2
	Countries designated NAIC - 1:		
9.01	Country 1:	$	0.0 %
9.02	Country 2:	$	0.0 %
	Countries designated NAIC - 2:		
9.03	Country 1:	$	0.0 %
9.04	Country 2:	$	0.0 %
	Countries designated NAIC - 3 or below:		
9.05	Country 1:	$	0.0 %
9.06	Country 2:	$	0.0 %

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

	1 Issuer	2 NAIC Designation	3	4
10.01			$	0.0 %
10.02			$	0.0 %
10.03			$	0.0 %
10.04			$	0.0 %
10.05			$	0.0 %
10.06			$	0.0 %
10.07			$	0.0 %
10.08			$	0.0 %
10.09			$	0.0 %
10.10			$	0.0 %

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.

		1	2
11.02	Total admitted assets held in Canadian investments	$ 752,153	0.3 %
11.03	Canadian-currency-denominated investments	$	0.0 %
11.04	Canadian-denominated insurance liabilities	$	0.0 %
11.05	Unhedged Canadian currency exposure	$	0.0 %

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

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.

	1	2	3
12.02	Aggregate statement value of investments with contractual sales restrictions	$	0.0 %
	Largest three investments with contractual sales restrictions:		
12.03		$	0.0 %
12.04		$	0.0 %
12.05		$	0.0 %

13. Amounts and percentages of admitted assets held in the ten largest 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.

	1 Issuer	2	3
13.02	ISHARES TR MSCI USA MIN VOL FA ETF	$ 4,667,707	1.8 %
13.03	TIAA-CREF L/C VAL INDX-INST	$ 7,162,455	2.7 %
13.04	VANGUARD GROWTH INDEX FDS INSTL	$ 3,490,955	1.3 %
13.05	VANGUARD S&P SMALL CAP 600 INDEX	$ 5,055,918	1.9 %
13.06	FIRST BUSINESS FINANCIAL SERVICES	$ 16,000	0.0 %
13.07	FEDERAL HOME LOAN BANK CLASS B2	$ 31,800	0.0 %
13.08		$	0.0 %
13.09		$	0.0 %
13.10		$	0.0 %
13.11		$	0.0 %

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.

	1	2	3
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities	$	0.0 %
	Largest three investments held in nonaffiliated, privately placed equities:		
14.03		$	0.0 %
14.04		$	0.0 %
14.05		$	0.0 %

Ten largest fund managers:

	1 Fund Manager	2 Total Invested	3 Diversified	4 Nondiversified
14.06		$ 0	$	$
14.07		$ 0	$	$
14.08		$ 0	$	$
14.09		$ 0	$	$
14.10		$ 0	$	$
14.11		$ 0	$	$
14.12		$ 0	$	$
14.13		$ 0	$	$
14.14		$ 0	$	$
14.15		$ 0	$	$

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.

	1	2	3
15.02	Aggregate statement value of investments held in general partnership interests	$	0.0 %
	Largest three investments in general partnership interests:		
15.03		$	0.0 %
15.04		$	0.0 %
15.05		$	0.0 %

16. Amounts and percentages of the reporting entity's total admitted assets held in 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 Interrogatory 16 and Interrogatory 17.

	1 Type (Residential, Commercial, Agricultural)	2	3
16.02		$	0.0 %
16.03		$	0.0 %
16.04		$	0.0 %
16.05		$	0.0 %
16.06		$	0.0 %
16.07		$	0.0 %
16.08		$	0.0 %
16.09		$	0.0 %
16.10		$	0.0 %
16.11		$	0.0 %

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

		Loans	
16.12	Construction loans	$	0.0 %
16.13	Mortgage loans over 90 days past due	$	0.0 %
16.14	Mortgage loans in the process of foreclosure	$	0.0 %
16.15	Mortgage loans foreclosed	$	0.0 %
16.16	Restructured mortgage loans	$	0.0 %

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

		Residential		Commercial		Agricultural	
	Loan to Value	1	2	3	4	5	6
17.01	above 95%	$	0.0 %	$	0.0 %	$	0.0 %
17.02	91 to 95%	$	0.0 %	$	0.0 %	$	0.0 %
17.03	81 to 90%	$	0.0 %	$	0.0 %	$	0.0 %
17.04	71 to 80%	$	0.0 %	$	0.0 %	$	0.0 %
17.05	below 70%	$	0.0 %	$	0.0 %	$	0.0 %

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.

Largest five investments in any one parcel or group of contiguous parcels of real estate.

	Description 1	2	3
18.02		$	0.0 %
18.03		$	0.0 %
18.04		$	0.0 %
18.05		$	0.0 %
18.06		$	0.0 %

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 is yes, responses are not required for the remainder of Interrogatory 19.

	1	2	3
19.02	Aggregate statement value of investments held in mezzanine real estate loans:	$	0.0 %
	Largest three investments held in mezzanine real estate loans:		
19.03		$	0.0 %
19.04		$	0.0 %
19.05		$	0.0 %

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

		At Year End 1	At Year End 2	At End of Each Quarter 1st Quarter 3	2nd Quarter 4	3rd Quarter 5
20.01	Securities lending agreements (do not include assets held as collateral for such transactions)	$	0.0 %	$	$	$
20.02	Repurchase agreements	$	0.0 %	$	$	$
20.03	Reverse repurchase agreements	$	0.0 %	$	$	$
20.04	Dollar repurchase agreements	$	0.0 %	$	$	$
20.05	Dollar reverse repurchase agreements	$	0.0 %	$	$	$

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 1	Owned 2	Written 3	Written 4
21.01	Hedging	$	0.0 %	$	0.0 %
21.02	Income generation	$	0.0 %	$	0.0 %
21.03	Other	$	0.0 %	$	0.0 %

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

		At Year End 1	At Year End 2	At End of Each Quarter 1st Quarter 3	2nd Quarter 4	3rd Quarter 5
22.01	Hedging	$ 0	0.0 %	$ 0	$ 0	$ 0
22.02	Income generation	$ 0	0.0 %	$ 0	$ 0	$ 0
22.03	Replications	$ 0	0.0 %	$ 0	$ 0	$ 0
22.04	Other	$ 0	0.0 %	$ 0	$ 0	$ 0

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

		At Year End 1	At Year End 2	At End of Each Quarter 1st Quarter 3	2nd Quarter 4	3rd Quarter 5
23.01	Hedging	$ 0	0.0 %	$ 0	$ 0	$ 0
23.02	Income generation	$	0.0 %	$	$	$
23.03	Replications	$	0.0 %	$	$	$
23.04	Other	$	0.0 %	$	$	$

Wisconsin Physicians Service Insurance Corporation

FOR THE YEAR ENDED DECEMBER 31, 2022

SUPPLEMENTAL SCHEDULE REGARDING REINSURANCE CONTRACTS WITH RISK-LIMITING FEATURES

Reinsurance contracts subject to *Appendix A-791—Life and Health Reinsurance Agreements* of the *NAIC Accounting Practices and Procedures Manual:*

The Company has no reinsurance contracts subject to Appendix A-791 – *Life and Health Reinsurance Agreements* ("A-791") that includes a provision which limits the reinsurer's assumption of significant risk.

Reinsurance contracts NOT subject to *Appendix A-791—Life and Health Reinsurance Agreements* of the *NAIC Accounting Practices and Procedures Manual:*

The Company has no reinsurance contracts not subject to A-791, for which reinsurance accounting was applied and which include a provision that limits the reinsurer's assumption of risk.

Payments to reinsurers (excluding reinsurance contracts with a federal or state facility):

The Company's reinsurance contracts do not contain features which result in delays in payment in form or in fact.

Reinsurance contracts NOT subject to *Appendix A-791—Life and Health Reinsurance Agreements* of the *NAIC Accounting Practices and Procedures Manual* and NOT yearly-renewable term that meet the risk transfer requirements under SSAP No. 61R*:*

The Company has not reflected a reinsurance accounting credit for any contracts not subject to Appendix A-791 and not yearly renewable term, which meet the risk transfer requirements of SSAP No. 61R, *Life, Deposit-Type, and Accident and Health Reinsurance* ("SSAP No. 61R").

The Company did not cede any risk which is not subject to A-791 and not yearly renewable term reinsurance, under any reinsurance contract during the period covered by these financial statements, for which the statutory accounting treatment and GAAP accounting treatment were not the same.

The Company's ceded reinsurance contract which are not subject to A-791 and not yearly renewable term reinsurance, is treated the same for GAAP and statutory accounting principles.