MUTUAL OF OMAHA INSURANCE COMPANY
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Audited Financial Report

Mutual of Omaha Insurance Company

Statutory Financial Statements as of and for the Years Ended December 31, 2022 and 2021
Supplemental Schedules as of and for the Year Ended December 31, 2022, and
Independent Auditor's Report

MUTUAL OF OMAHA INSURANCE COMPANY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mutual of Omaha Insurance Company
Omaha, Nebraska

Opinions

We have audited the statutory financial statements of Mutual of Omaha Insurance Company (the "Company"), which comprise the statutory statements of admitted assets, liabilities, and surplus as of December 31, 2022 and 2021, and the related statutory statements of operations, changes in surplus, and cash flows for the years then ended, and the related notes to the statutory financial statements (collectively referred to as the "statutory financial statements").

Unmodified Opinion on Statutory-Basis of Accounting

In our opinion, the accompanying statutory financial statements present fairly, in all material respects, the admitted assets, liabilities, 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, in accordance with the accounting practices prescribed or permitted by the State of Nebraska Department of Insurance described in Note 1.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America section of our report, the statutory 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 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 Auditor’s Responsibilities for the Audit of the Statutory 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 Accounting Principles Generally Accepted in the United States of America

As described in Note 1 to the statutory financial statements, the statutory financial statements are prepared by the Company using the accounting practices prescribed or permitted by the State of Nebraska Department of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Nebraska

Department of Insurance. The effects on the statutory financial statements of the variances between the statutory-basis of accounting 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 Statutory Financial Statements

Management is responsible for the preparation and fair presentation of the statutory financial statements in accordance with the accounting practices prescribed or permitted by the State of Nebraska Department of Insurance. 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 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.

- 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.

Deloitte & Touche LLP

March 22, 2023

MUTUAL OF OMAHA INSURANCE COMPANY

STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND SURPLUS AS OF DECEMBER 31, 2022 AND 2021

	2022	2021
ADMITTED ASSETS		
CASH AND INVESTED ASSETS:		
Bonds	$ 4,930,425,543	$ 4,724,444,886
Preferred stocks	14,245,603	8,505,919
Common stocks—unaffiliated	82,310,592	158,557,955
Common stocks—affiliated	2,474,399,445	2,467,406,691
Mortgage loans	437,644,631	447,594,507
Real estate occupied by the Company—net of accumulated depreciation of $34,670,927 and $49,531,792, respectively	40,753,050	25,992,627
Real estate held for sale by the Company—net of accumulated depreciation of $15,689,905 and $—, respectively	9,646,600	—
Investment real estate—net of accumulated depreciation of $577,815 and $552,481, respectively	4,906,555	4,886,989
Cash and cash equivalents	(16,157,775)	(13,348,837)
Short—term investments	84,400,000	239,400,000
Securities lending and repurchase agreement cash collateral	281,644,682	309,800,564
Other invested assets	596,150,349	632,876,165
Total cash and invested assets	8,940,369,275	9,006,117,466
INVESTMENT INCOME DUE AND ACCRUED	50,883,802	46,553,668
PREMIUMS UNCOLLECTED	207,172,256	210,020,379
RECEIVABLE FROM SUBSIDIARIES	212,584,573	202,302,177
FEDERAL INCOME TAXES RECOVERABLE	21,093,785	37,430,542
NET DEFERRED TAX ASSETS	79,018,152	80,165,930
COMPANY—OWNED LIFE INSURANCE	614,977,207	712,943,758
OTHER ASSETS	45,079,027	46,255,115
TOTAL ADMITTED ASSETS	$ 10,171,178,077	$ 10,341,789,035
LIABILITIES AND SURPLUS		
LIABILITIES:		
Reserves for policies and contracts	$ 3,777,676,074	$ 3,381,994,101
Policy and contract claim reserves	1,277,593,426	1,254,596,043
Premiums received in advance	48,003,977	49,451,752
Asset valuation reserve	129,832,288	160,955,020
Drafts outstanding	10,232,163	8,579,341
Amounts held as agent or trustee	105,796,207	110,093,423
General expenses and taxes due or accrued	167,521,786	161,812,409
Liability for benefits for employees and agents	163,961,700	392,202,241
Borrowings	49,104,260	342,907,505
Payable for securities lending	281,644,682	309,800,564
Other liabilities	148,221,882	172,799,614
Total liabilities	6,159,588,445	6,345,192,013
SURPLUS:		
Surplus notes	710,997,741	710,797,574
Unassigned surplus	3,300,591,891	3,285,799,448
Total surplus	4,011,589,632	3,996,597,022
TOTAL LIABILITIES AND SURPLUS	$ 10,171,178,077	$ 10,341,789,035

See notes to statutory financial statements.

MUTUAL OF OMAHA INSURANCE COMPANY

STATUTORY STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND, 2021

	2022	2021
INCOME:		
Net health and accident premiums	$ 3,843,098,763	$ 3,779,081,159
Net investment income and amortization of IMR	208,714,269	267,704,353
Commissions and expense allowances on reinsurance ceded	45,070,262	48,600,827
Other income	22,403,218	108,199,547
Total income	4,119,286,512	4,203,585,886
BENEFITS AND EXPENSES:		
Policyholder benefits	2,823,935,386	2,693,385,258
Net change in reserves	278,104,693	298,077,439
Commissions	683,741,302	709,505,113
Operating expenses	408,692,642	292,866,346
Total benefits and expenses	4,194,474,023	3,993,834,156
NET INCOME (LOSS) FROM OPERATIONS BEFORE FEDERAL INCOME TAX (BENEFIT) AND NET REALIZED CAPITAL GAIN (LOSS)	(75,187,511)	209,751,730
FEDERAL INCOME TAX (BENEFIT)	(5,448,331)	18,281,905
NET INCOME (LOSS) FROM OPERATIONS BEFORE NET REALIZED CAPITAL GAIN (LOSS)	(69,739,180)	191,469,825
NET REALIZED CAPITAL GAIN (LOSS)—Net of federal income tax (benefit) of ($1,050,284) and $2,141,581, and transfers to (from) IMR of ($2,889,237) and $13,915,009, respectively	(7,487,242)	28,474,476
NET INCOME (LOSS)	$ (77,226,422)	$ 219,944,301

See notes to statutory financial statements.

MUTUAL OF OMAHA INSURANCE COMPANY

STATUTORY STATEMENTS OF CHANGES IN SURPLUS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Surplus Note	Unassigned Surplus	Total Surplus
BALANCE—December 31, 2020	$ 710,610,861	$2,912,842,615	$ 3,623,453,476
Net income (loss)	—	219,944,301	219,944,301
Change in:			
Net unrealized capital gain (loss)—net of federal income tax (benefit) of $(2,476,956)	—	76,049,195	76,049,195
Net deferred income tax (benefit)	—	(28,483,322)	(28,483,322)
Nonadmitted assets	—	33,917,824	33,917,824
Asset valuation reserve	—	(55,668,201)	(55,668,201)
Surplus note	186,713	—	186,713
Benefit plan amount not yet recognized in periodic benefit costs	—	128,899,424	128,899,424
Savings from consolidated tax filings	—	2,238,286	2,238,286
Unrealized capital gain (loss)—deferred gain (loss) on affiliate exchanges	—	(3,940,674)	(3,940,674)
BALANCE—December 31, 2021	710,797,574	3,285,799,448	3,996,597,022
Net income (loss)	—	(77,226,422)	(77,226,422)
Change in:			
Net unrealized capital gain (loss)—net of income tax (benefit) of $10,443,853	—	(20,318,974)	(20,318,974)
Net deferred income tax (benefit)	—	(24,333,721)	(24,333,721)
Nonadmitted assets	—	(13,766,826)	(13,766,826)
Asset valuation reserve	—	31,122,732	31,122,732
Surplus note	200,167	—	200,167
Benefit plan amount not yet recognized in periodic benefit costs	—	198,554,743	198,554,743
Savings from consolidated tax filings	—	6,859,210	6,859,210
Reserve on account of change in valuation basis	—	(89,192,289)	(89,192,289)
Prior year adjustments	—	(6,058,186)	(6,058,186)
Unrealized capital gain (loss)—deferred gain (loss) on affiliate exchanges	—	9,152,176	9,152,176
BALANCE—December 31, 2022	$ 710,997,741	$3,300,591,891	$ 4,011,589,632

See notes to statutory financial statements.

MUTUAL OF OMAHA INSURANCE COMPANY

STATUTORY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FROM (USED FOR) OPERATIONS:		
Net health and accident premiums	$ 3,844,548,125	$ 3,775,337,665
Net investment income	208,861,851	265,923,665
Other income	68,257,328	70,106,438
Benefit and loss related payments	(2,779,249,592)	(2,646,009,917)
Commissions and operating expenses	(1,007,750,558)	(994,740,462)
Dividends paid to policyholders	(16,467)	(17,501)
Federal income taxes paid (recovered)	13,788,849	(16,200,470)
Net cash from (used for) operations	348,439,536	454,399,418
CASH FROM (USED FOR) INVESTMENTS:		
Proceeds from investments sold, matured, or repaid:		
Bonds	576,458,169	555,732,171
Stocks	165,989,653	137,095,301
Mortgage loans	39,744,778	38,287,698
Other invested assets	70,687,594	46,553,198
Miscellaneous proceeds	31,281	2,076,752
Cost of investments acquired:		
Bonds	(805,865,996)	(818,366,728)
Stocks	(90,309,839)	(162,613,490)
Mortgage loans	(29,814,264)	(188,762,000)
Other invested assets	(74,553,707)	(249,232,719)
Miscellaneous applications	(30,173,068)	(1,729,720)
Net cash from (used for) investments	(177,805,399)	(640,959,537)
CASH FROM (USED FOR) FINANCING AND MISCELLANEOUS SOURCES:		
Borrowed funds received (paid)	(293,939,100)	321,626,800
Amounts from (due to) affiliates	(10,282,397)	23,933,748
Other cash provided (applied)	(24,221,578)	(9,302,013)
Net cash from (used for) financing and miscellaneous sources	(328,443,075)	336,258,535
NET CHANGE IN CASH, CASH EQUIVALENTS, AND SHORT—TERM INVESTMENTS	(157,808,938)	149,698,416
CASH, CASH EQUIVALENTS, AND SHORT—TERM INVESTMENTS:		
Beginning of year	226,051,163	76,352,747
End of year	$ 68,242,225	$ 226,051,163

(Continued)

MUTUAL OF OMAHA INSURANCE COMPANY

STATUTORY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED December 31, 2022 AND 2021

		2022		2021
NON—CASH TRANSACTIONS:				
Stock conversions	$	113,249,099	$	133,638,499
Change in securities lending	$	28,155,882	$	47,501,036
Capital contribution through payable to subsidiary	$	5,500,000	$	—
Mortgage loans transfer value	$	4,341,736	$	—
Bond conversions	$	1,556,299	$	78,889,728
Other invested asset contribution to charity	$	—	$	37,000,006
Stock charitable contribution	$	—	$	3,000,000

See notes to statutory financial statements. (Concluded)

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Within this report, the following abbreviations are used for company and affiliate names, if applicable.

Legal Name	Abbreviation	Legal Name	Abbreviation
Mutual of Omaha Insurance Company	("the Company")	Mutual of Omaha Holdings, Inc.	("Mutual of Omaha Holdings")
Mutual of Omaha Insurance Company	("Mutual of Omaha")	Mutual of Omaha Structured Settlement Company	("Mutual Structured Settlement")
Omaha Insurance Company	("Omaha Insurance")	Cloverlay Sports Assets SPV L.P.	("Cloverlay")
Mutual of Omaha Medicare Advantage Company	("Omaha Medicare Advantage")	Fulcrum Growth Partners III, L.L.C.	("Fulcrum")
Omaha Health Insurance Company	("Omaha Health")	Boston Financial Opportunity Zone Fund I LP	("Boston Fund")
Omaha Supplemental Insurance Company	("Omaha Supplemental")	East Campus Realty, LLC	("East Campus")
United of Omaha Life Insurance Company	("United of Omaha")	Turner Park North, LLC	("Turner Park")
Companion Life Insurance Company	("Companion")	MGG Rated Debt Feeder Fund LP	("MGG Fund")
Omaha Reinsurance Company	("Omaha Re")	MHEG OZ Fund 1, LP	("MHEG Fund")
Medicare Advantage Insurance Company of Omaha	("Medicare Advantage Company")	Mutual of Omaha Opportunities Fund, L.P.	("MOOF Fund")
United World Life Insurance Company	("United World")	UM Holdings, LLC	("UM Holdings")
Omaha Financial Holdings, Inc.	("OFHI")	Mutual DMLT Holdings, LLC	("Mutual DMLT Trust")
Mutual of Omaha Mortgage, Inc.	("Mutual of Omaha Mortgage")	United DMLT Holdings, LLC	("United DMLT Trust")
Discovery Mortgage Loan Trust	("DMLT Trust")	Mutual of Omaha Investor Services, Inc.	("Mutual of Omaha Investor Services")
Endeavor Mortgage Loan Trust (M)	("EMLT-M")	Endeavor Mortgage Loan Trust (U)	("EMLT-U")
* Mutual Community Development Company	("MCDC")	Review Counsel LLC	("Review Counsel")
Legacy Benefits Origination Trust	("Legacy Trust")		

*Nebraska Secretary of State approved dissolution of MCDC effective January 5, 2022

Nature of Operations—The Company is a mutual life, accident and health insurance company, domiciled in the State of Nebraska. The following are wholly owned insurance subsidiaries of the Company as of December 31, 2022: United of Omaha, Omaha Health, and Omaha Supplemental. The Company owns 100% of the outstanding common stock of Mutual of Omaha Holdings and OFHI. Affiliated joint ventures include 100% ownership interest in East Campus and Turner Park; and 100% other ownership in Mutual DMLT Trust, DMLT Trust, and EMLT-M. The Company owns 16.95% of Boston Fund and 8.74% of MHEG Fund, non-guaranteed federal low income housing tax credits ("LIHTC"). All affiliated joint ventures, excluding EMLT-M, were also held as of December 31, 2021.

The Company provides a wide array of financial products and services to a broad range of institutional and individual customers and is licensed in all 50 states in the United States ("U.S."), the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Principal products and services provided include individual and group accident and health insurance with a focus on Medicare supplement and long-term care.

Basis of Presentation—The Company has prepared the accompanying statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Nebraska Department of Insurance ("NDOI"). The state of Nebraska has adopted the National Association of Insurance

Commissioners' ("NAIC") statutory accounting principles ("NAIC SAP") as the basis of its statutory accounting practices. The Director of the NDOI has the right to permit other specific practices that may deviate from NAIC SAP. The Company does not utilize any permitted practices and there are not any prescribed practices applicable.

The accompanying statutory financial statements vary in some respects from those that would be presented in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The most significant differences include:

a. Bonds are stated at amortized cost using the effective yield method, except for certain bonds with an NAIC designation of 6, which are stated at lower of amortized cost or fair value, while under GAAP, they may be stated at amortized cost or fair value. Exchange Traded Funds, eligible for bond reporting by the NAIC Securities Valuation Office ("SVO Identified Funds-ETFs"), captured within the scope of Statement of Statutory Accounting Principles ("SSAP") No. 26R, Bonds ("SSAP No. 26"), are stated at fair value and classified as bonds, while under GAAP, they are stated at fair value and classified as equity.

b. An other-than-temporary impairment ("OTTI") exists for NAIC SAP on a loan-backed or structured security if fair value is less than the amortized cost basis and the Company has the intent to sell, does not have the intent and ability to retain the investment for a period of time sufficient to recover the amortized cost basis, or the Company does not expect to recover the entire amortized cost basis. For all other securities on an NAIC SAP basis, an OTTI is recognized if it is probable that the reporting entity will be unable to collect all amounts due according to the contractual terms of the security in effect at the date of acquisition or since the last OTTI. An OTTI exists for GAAP if a security's fair value is less than amortized cost and if the Company has the intent to sell, it is more likely than not that the Company will be required to sell before the recovery of the amortized cost basis, or if the Company does not expect to recover the entire amortized cost of the security.

c. Perpetual preferred stocks are stated at fair value with changes in fair value recognized in unrealized gains and losses while under GAAP, perpetual preferred stocks are generally stated at their fair value with changes in fair value recognized in net income. Certain investments in perpetual preferred stocks and other equity investments without readily determinable fair values for which the Company has elected a measurement alternative are stated at cost adjusted for price changes in observable transactions in the same or similar instruments of the same issuer and for impairments. Redeemable preferred stocks are stated at amortized cost; except for redeemable preferred stocks that are NAIC rated 4 through 6, which are stated at lower of amortized cost or fair value. Under GAAP, preferred stocks that are redeemable mandatorily or at the option of the holder are generally stated at their fair value with changes in fair value recognized in other comprehensive income in equity.

d. Limited partnerships are stated at the underlying audited GAAP equity value with the change in valuation reflected in unassigned surplus on an NAIC SAP basis. Income distributions from the limited partnerships are reported as net investment income and included in net investment income and amortization of interest maintenance reserve ("IMR") on the statutory statements of operations on an NAIC SAP basis. Under GAAP, the change in valuation as well as the income distributions are reflected in either net investment income or as a realized capital gain or loss depending on the underlying investments.

e. Under NAIC SAP, derivative instruments that meet the criteria of an effective hedge are valued and reported in a manner that is consistent with the hedged asset or liability. The change in fair value of derivative instruments that do not meet the criteria of an effective hedge are recorded as a change in net unrealized capital gains (losses), a component of unassigned surplus. Under GAAP, all derivatives are reported on the balance sheet at fair value. Changes in fair value of derivatives qualifying for hedge accounting are recorded through either income or equity, depending on the nature of the hedge, which changes in fair value of derivatives not qualifying for hedge accounting are recorded through income.

f. Acquisition costs, such as commissions and other costs directly related to acquiring new business, are charged to operations as incurred, while under GAAP, to the extent associated with successful sales and recoverable from future policy revenues, are deferred and amortized to income as premiums are earned or in relation to estimated gross profits.

g. NAIC SAP requires an amount to be recorded for deferred taxes as a component of surplus; however, there are limitations as to the amount of deferred tax assets ("DTA") that may be reported as admitted assets that are not applicable under GAAP. Federal income tax provision is required on a current basis for the statutory statements of operations, the same as for GAAP.

h. NAIC SAP policy reserves for health insurance contracts are calculated using prescribed mortality and interest assumptions, and the morbidity and lapse assumptions are Company estimates within statutory limitations. The effect on reserves, if any, due to a change in valuation basis, is recorded directly to unassigned surplus rather than included in the determination of net income (loss) from operations. GAAP policy reserves are based on the Company's estimates of morbidity, mortality, lapse, and interest assumptions.

i. The asset valuation reserve ("AVR") and IMR are established only on the statutory financial statements.

j. Assets are reported under NAIC SAP at admitted asset value and nonadmitted assets are excluded through a charge to surplus, while under GAAP, nonadmitted assets are reinstated to the balance sheet, net of any valuation allowance.

k. Reinsurance recoverables on unpaid losses are reported as a reduction of policy reserves under NAIC SAP, while under GAAP, they are reported as an asset.

l. Comprehensive income and its components are not presented on the statutory financial statements.

m. Subsidiaries included as common stocks are stated under the equity method, with the equity in the operating results of subsidiaries credited or charged directly to the Company's surplus for NAIC SAP. Dividends received from subsidiaries are recorded in net investment income and included in net investment income and amortization of IMR on the statutory statements of operations. GAAP requires either consolidation or equity method reporting with operating results of subsidiaries reflected on the statutory statements of operations.

n. For loss contingencies, when no amount within management's estimate of the range is a better estimate than any other amount, the midpoint of the range is accrued. Under GAAP, the minimum amount in the range is accrued.

o. Gains on economic transactions with related parties, defined as arm's-length transactions, resulting in the transfer of the risks and rewards of ownership, are transferred at fair value and the gain is deferred until the assets are sold to third party under NAIC SAP. While under GAAP, the transaction and any related gain is eliminated in consolidation.

p. Surplus notes are reported as surplus for NAIC SAP while under GAAP, they are reported as long-term debt.

Reclassifications—Certain amounts in the prior period statutory financial statements have been reclassified to conform to the presentation of the current period statutory financial statements. These reclassifications had no effect on the previously reported financial results.

Use of Estimates—The preparation of statutory financial statements in accordance with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the statutory financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates and assumptions include those used in determining investment valuation in the absence of quoted market values, impairments, reserves for policies and contracts, policy and contract claim reserves, the liability for pension and other postretirement defined-benefit plans, income tax expense, and deferred taxes.

The process of determining fair value and recoverability of an asset relies on projections of future cash flows, operating results, and market conditions. Projections are inherently uncertain, and accordingly, actual future cash flows may differ materially from projected cash flows. As a result, the Company's asset valuations are susceptible to the risk inherent in making such projections.

Due to the nature of health insurance contracts and the risks involved, reserves for policies and contracts are estimates. These reserves are calculated using Company estimated morbidity assumptions and prescribed mortality, and interest rate assumptions. Lapse assumptions are permitted in certain situations subject to limitations for certain products. Actual morbidity, mortality, interest rates, and lapse rates may differ from valuation assumptions.

Policy and contract claim reserves are estimated based upon the industry and/or company experience and other actuarial assumptions that consider the effects of current developments, anticipated trends, and risk management programs. Revisions of these estimates are reflected in operations in the year they are made.

Investments—Investments are reported according to valuation procedures prescribed by the NAIC.

Bonds are stated at amortized cost using the effective yield method, except for certain bonds with an NAIC designation of 6, which are stated at lower of amortized cost or fair value. SVO Identified Funds-ETFs, captured within the scope of SSAP No. 26R, are stated at fair value and classified as bonds.

Premiums and discounts on loan-backed bonds and structured securities are amortized using the prospective or retrospective method based on anticipated prepayments from the date of purchase.

Prepayment assumptions for loan-backed securities are based on information obtained from brokers or internal estimates based on original term sheets, offer memoranda, historical performance, or other forecasts. Changes in estimated cash flows due to changes in estimated prepayments are accounted for using the prospective method for impaired securities and securities valued based on an index, and the retrospective method for all other securities.

Redeemable preferred stocks are stated at amortized cost and perpetual preferred stock are stated at fair value; except for redeemable preferred stocks that are NAIC rated 4 through 6, which are stated at lower of amortized cost or fair value.

Common stocks of unaffiliated companies are generally stated at fair value, common stocks of affiliated insurance companies are stated at their audited statutory equity value. Medicare Advantage Company is stated at its respective statutory surplus and is 100% non-admitted as of December 31, 2022. Common stocks of affiliated non-insurance companies are stated at their GAAP equity value. The Federal Home Loan Bank ("FHLB") capital stocks are stated at cost. Changes in the carrying values are recorded as a change in net unrealized capital gain (loss), a component of unassigned surplus. Dividends are reported in net investment income and amortization of IMR on the statutory statements of operations.

Mortgage loans held for investment are stated at the aggregate unpaid principal balance adjusted for unamortized premium or discount, except impaired loans. Impaired loans are stated at the lower of the amortized cost or the fair value of the loan determined by the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's observable market price, or the fair value of the collateral less costs to sell if collateral dependent. Interest income is accrued on the unpaid principal balance based on the loan's contractual interest rate. The Company records a reserve for losses on mortgage loans as part of the AVR.

The Company calculates specific reserves on loans individually identified as impaired. Loans evaluated individually are considered impaired when, based on current information and events, it is probable that the Company will be unable to collect principal or interest amounts according to the contractual terms of the loan agreement.

Interest income earned on impaired loans is accrued on the principal amount of the loan based on the loan's contractual interest rate until the loans are on non-accrual status. Cash payments on loans where the accrual of interest has ceased are applied directly to the unpaid principal balance until such time as management determines that it is probable all principal amounts will be recovered.

Loans are reviewed on an individual basis to identify charge-offs. Charge-offs, net of recoveries, are deducted from the allowance. Mortgage loans are considered past due if the required principal and interest payments have not been received when contractually due. All mortgage loans are in non-accrual status when payments are determined to be uncollectible. Mortgage loans are returned to accrual status when all the principal and interest amounts contractually due have been brought current and future payments are reasonably assured.

A mortgage loan is considered a troubled debt restructuring ("TDR") if the borrower is experiencing financial difficulties and the Company has granted a concession it would not otherwise consider. A TDR typically involves a modification of terms such as a change of the interest rate to a below market rate, a forgiveness of principal or interest, an extended repayment period (maturity date) at a contractual interest rate lower than the current interest rate for new debt with similar risk, or capitalization and deferral of interest payments.

Real estate, excluding real estate held for sale, is stated at cost, less accumulated depreciation. Real estate held for the production of income, reported as investment real estate on the statutory statements of admitted assets, liabilities, and surplus, is comprised of real estate owned by the Company that is primarily leased to non-affiliated third parties. Depreciation is provided on the straight-line method over the estimated useful lives, generally forty years, of the related assets. Real estate held for sale is stated at the lower of depreciated cost or fair value less encumbrances and estimated costs to sell. Real estate held for sale consists of certain current home office properties that the Company plans on disposing of during 2023 as part of the new home office construction project. The Company is constructing a new home office building in downtown Omaha with construction expected to be completed in 2026. As part of this, the Company has entered into a redevelopment agreement with the City of Omaha as well as various construction and design related contracts. The Company expects to redevelop its existing home office location once the new home office is occupied. The Company did not have any impairment loss for investments in real estate during the period.

Cash equivalents are highly liquid debt securities whose remaining maturities at the time of acquisition is three months or less. Cash equivalents, including money market mutual funds, are stated at cost, which approximates fair value.

Short-term investments include related party notes, if applicable, and investments whose remaining maturities at the time of purchase are three months to one year and are stated at cost, which approximates fair value.

The Company has securities lending agreements whereby unrelated parties, primarily large brokerage firms, borrow securities from the Company. The Company requires a minimum of 102% of the fair value of the domestic securities, loaned at the outset of the contract as collateral. The Company continues to retain control over and receive interest on loaned securities, and accordingly, the loaned securities continue to be reported as bonds. The securities loaned are on open terms and can be returned to the Company on the next business day requiring a return of the collateral. Collateral received is invested in cash equivalents and securities, and the Company records a corresponding liability for the collateral which is included in payable for securities lending on the statutory statements of admitted assets, liabilities, and surplus. The Company cannot access the collateral unless the borrower fails to deliver loaned securities. To further minimize the credit risks related to this securities lending program, the Company regularly monitors the financial condition of counterparties to these agreements and also receives an indemnification from the financial intermediary who structures the transactions.

The Company has repurchase agreements whereby unrelated parties, primarily major brokerage firms, borrow securities from the Company. The Company requires a minimum of 95% of the fair value of the securities loaned at the outset of the contract as collateral. The Company continues to retain control over and receive interest on loaned securities, and accordingly, the repurchase agreement securities continue to be reported as bonds. Cash collateral received is invested in cash equivalents and securities, and the Company records a corresponding liability for the collateral which is included in payable for securities lending on the statutory statements of admitted assets, liabilities, and surplus.

Other invested assets include the Company's investments in derivatives, receivables for securities, affiliated and unaffiliated joint ventures, affiliated and unaffiliated LIHTC, and surplus notes.

Affiliated joint ventures are stated at their underlying GAAP equity, which approximates fair value, with a one-quarter lag adjusted for all capital distributions, cash distributions, and impairment charges for the quarter with charges recorded in net unrealized capital gains (losses), a component of unassigned surplus. Fair values of the affiliated joint ventures are determined using the underlying audited GAAP financial statements or audited trust statement value. Distributions of income from these affiliated joint ventures are recorded in net investment income and included in net investment income and amortization of IMR on the statutory statements of operations. The investment in Turner Park is stated at fair value and is 100% non-admitted as of December 31, 2022 and 2021.

As of December 31, 2022 and 2021, the Company's total investment in affiliated and unaffiliated federal and unaffiliated state LIHTCs, stated at proportional amortized cost, was $36,875,887 and $45,037,806, respectively. The number of remaining years of unexpired tax credits and the required holding period for the LIHTC investments as of December 31, 2022 are 9 and 14 years, respectively. The amount of LIHTC and other tax benefits recognized during 2022 and 2021 was $10,357,370 and $10,067,644, respectively.

Investments in surplus notes are stated at amortized cost. As of December 31, 2022 and 2021, the Company's investment in surplus notes was $45,049,893 and $27,791,178, respectively.

The Company uses derivative financial instruments to reduce exposure to market volatility associated with assets held or liabilities incurred and to change the characteristics of the Company's asset/liability mix, consistent with the Company's risk management activities. Derivatives generally include swaps-foreign exchange and purchase options-other call options and warrants. When derivative financial instruments meet specific criteria they may be designated as accounting hedges and accounted for on an amortized cost basis, in a manner consistent with the item hedged. Derivative financial instruments that are not designated as accounting hedges are accounted for on a fair value basis with changes recorded as a change in net unrealized capital gains (losses), a component of unassigned surplus, and nonadmitted. Interest on swaps-foreign exchange and purchase options-other call options and warrants is included in net investment income and amortization of IMR on the statutory statements of operations.

The Company uses swaps-foreign exchange to hedge the foreign currency risk on debt issues that are payable in a currency other than U.S. dollars. Swaps-foreign exchange transactions generally involve the exchange of funds received in the course of principal and interest collections on securities denominated in a foreign currency to U.S. dollars at a predetermined rate. The Company designates certain of its swaps-foreign exchange as cash flow hedges when they are highly effective in offsetting the exposure of variations in cash flows for the hedged item. Gains and losses resulting from early termination of swaps-foreign exchange transactions that use hedge accounting are deferred and amortized over the remaining period originally covered by the swap. Gains and losses resulting from changes in fair value on swaps-foreign exchange that do not use hedge accounting are reported as unrealized gains (losses), a component of unassigned surplus.

All derivatives' market values change along with the underlying assets and currencies. As the market value of swaps may be less than zero, the Company may be required to post collateral, often in the form of cash against swaps with negative values.

For swaps-foreign exchange, the Company is exposed to credit-related losses in the amount of the net currency differential in the event of nonperformance by the swap counterparty. Counterparty risk is continually monitored along with criteria related to collateral requirements that are specified in the credit support annex of the International Swaps and Derivatives Association ("ISDA"). Due to the investment grade rating of the counterparty, credit-related losses are considered to be very unlikely. Counterparty credit risk is further reduced by daily collateral postings.

Net investment income consists primarily of interest and dividends and is included in net investment income and amortization of IMR on the statutory statements of operations. Interest is recognized on an accrual basis and dividends are recorded as earned at the ex-dividend rate. Interest income on mortgage-backed securities ("MBS") and asset-backed securities ("ABS") is determined on the effective yield method based on estimated principal repayments. Accrual of income is suspended when securities are in default or when the receipt of interest payments is in doubt. Realized capital gains (losses) on the sale of investments are determined on the specific identification basis.

Investment income due or accrued for which it is probable the balance is uncollectible is written off and charged to net investment income and amortization of IMR on the statutory statements of operations. Investment income due or accrued deemed collectible on mortgage loans in default that is more than 180 days past due is nonadmitted. All other investment income due or accrued deemed collectible that is more than 90 days past due is nonadmitted. The Company accrues interest income on an impaired security to the extent it is deemed collectible and the security continues to perform under its restricted contractual terms. Interest income on a non-performing security is generally recognized on a cash basis.

Company-Owned Life Insurance—Company-owned life insurance (“COLI”) represents individual life insurance policies on the lives of certain officers and other key employees who have provided positive consent allowing the Company to be the beneficiary of such contracts. Certain contracts are stated at cash surrender value while others are stated at contract value as determined by third-party carriers. The cash surrender values of the policies were $614,977,207 and $712,943,758 as of December 31, 2022 and 2021, respectively. The Company paid no premiums in 2022 and 2021. The underlying investment characteristics at December 31, 2022 were 4% cash and short-term investments, 35% common stocks, and 61% bonds. The underlying investment characteristics at December 31, 2021 were 47% common stocks and 53% bonds. A loss of $95,758,468 and a gain of $87,322,429 in the surrender value of the policies was included in operating expenses and other income, respectively, on the statutory statements of operations for the years ended December 31, 2022 and 2021, respectively. The COLI policies are in compliance with Internal Revenue Code Section 7702.

Electronic Data Processing Equipment and Software—Electronic data processing (“EDP”) equipment and operating and non-operating-system software are stated at cost less accumulated depreciation or amortization and are included in other assets on the statutory statements of admitted assets, liabilities, and surplus. Depreciation expense is computed using the straight-line method over the lesser of the estimated useful life of the related asset or three years for EDP equipment and operating-system software. Depreciation expense for non-operating-system software is computed using the straight-line method over the lesser of its estimated useful life or five years. Costs incurred for the development of internal-use software are capitalized and amortized using the straight-line method over the lesser of the useful lives of the assets or five years.

Policy Reserves—Reserves for policies and contracts include health insurance contract reserves, unearned premium reserves, and premium deficiency reserve calculations.

Health insurance contract reserves provide amounts estimated to adequately discharge estimated future obligations in excess of estimated future net premiums on policies in force. Such reserves are based on statutory mortality and interest assumptions. Morbidity assumptions are either industry experience or a blend of industry and Company experience. Voluntary lapse assumptions, when applicable, are based on Company experience with statutory limitations. Such reserves are calculated on a net level premium method or on a one- or two-year preliminary term basis.

Unearned premium reserves reflect premiums paid or due to the Company prior to the statutory financial statement date, for the contract period subsequent to the statutory financial statement date.

The Company anticipates investment income as a factor in premium deficiency reserve calculations. As of December 31, 2022 and 2021, the Company had $10,519,113 and $11,021,244, respectively, of premium deficiency reserves related to its individual and discretionary group major medical lines of business.

Claim Reserves—Policy and contract claim reserves include disabled life reserves that reflect amounts that are either not yet due or yet to arise on claims incurred with a continuing loss. Such reserves are based on statutory interest and claim termination rates based on either industry or a blend of the Company and industry experience in compliance with statutory requirements. Revisions of these estimates are reflected in operations in the year they are made. Claim adjustment expenses are accrued and included in general expenses and taxes due or accrued on the statutory statements of admitted assets, liabilities, and surplus.

Unpaid claim liabilities include the amounts estimated for claims that have been reported but not settled and estimates for claims incurred but not reported. Such reserves are estimated based upon the Company's and affiliates' historical experience and other actuarial assumptions that consider the effects of current developments, payment patterns, membership patterns, anticipated trends, claim utilization, product changes, risk management programs, and other factors. The liabilities are continually reviewed and adjustments and changes are reflected in the year they are made.

Reinsurance—In the normal course of business, the Company assumes and cedes insurance business from its affiliates and unrelated third parties in order to limit its maximum loss, provide greater diversification of risk, minimize exposures on larger risks, expand certain business lines, and manage capital. The ceding of insurance business does not discharge an insurer from its primary legal liability to a policyholder. The Company remains liable to the extent that a reinsurer is unable to meet its obligations. Amounts recoverable from reinsurers are reviewed for collectability and length of time overdue on a quarterly basis. Amounts deemed uncollectible are written off through a charge to the statutory statements of operations when the uncollectibility of amounts recoverable from reinsurers is confirmed. Balances are included on the statutory statements of admitted assets, liabilities, and surplus and the statutory statements of operations, net of reinsurance, except for commissions and expense allowances on reinsurance ceded which are shown as income.

Amounts recoverable from reinsurers are based upon assumptions consistent with those used in establishing the liabilities related to the underlying reinsured contracts. Management believes the amounts recoverable are appropriately established.

Premiums due under reinsurance agreements are reported as negative uncollected premiums in premiums uncollected on the statutory statements of admitted assets, liabilities, and surplus. Experience refunds related to reinsurance are reported as reinsurance recoverables in other assets on the statutory statements of admitted assets, liabilities, and surplus.

Federal Income Taxes—The provision for income taxes includes amounts paid and accrued. The Company is subject to income tax in the U.S. and several state jurisdictions. Significant judgments and estimates are required in the determination of the Company's income tax expense, DTAs, and deferred tax liabilities ("DTL").

Deferred taxes are recognized to the extent there are differences between the statutory and tax basis of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on DTAs and DTLs is recognized in surplus in the period that includes the enactment date. Deferred taxes are also recognized for carryforward items including net operating loss, capital loss, and charitable contributions. NAIC SAP requires that temporary differences and carryforward items be identified and measured. Deductible temporary differences and carryforward amounts that generate tax benefits when they reverse or are utilized are tax affected in determining the DTA. Taxable temporary differences include items that will generate tax expense when they reverse and are tax affected in determining the DTL.

In the determination of the amount of the DTA that can be recognized and admitted, the NAIC SAP requires that DTAs be limited to an amount that is expected to be realized in the future based on an analysis of the Company's temporary differences, past financial history, and future earnings projections. The net admitted DTA shall not exceed the excess of the adjusted gross DTA over the gross DTL. The adjusted gross DTA shall be admitted based upon three separately determined components: i) an amount of taxes paid in prior years which may be recovered through loss carrybacks of existing temporary differences that are expected to reverse within three years from the reporting date; ii) an amount that is limited to the lesser of future deductible temporary differences and carryforward amounts that are expected to be realized within three years from the reporting date, or 15% of adjusted capital and surplus; and iii) an amount where the adjusted gross DTA equals the DTL.

The Company records uncertain tax positions in accordance with NAIC SAP for those instances where it determines that a tax loss contingency meets a more-likely-than-not threshold based on the technical merits. If the estimated loss contingency is greater than 50% of the tax benefit originally recognized, the entire benefit originally recognized is reported as the tax loss contingency. The Company recognizes interest accrued related to uncertain tax positions and penalties as federal income tax expense. The liability for uncertain tax positions and the associated interest liability, if any, are included in general expenses and taxes due or accrued on the statutory statements of admitted assets, liabilities, and surplus.

Asset Valuation Reserve and Interest Maintenance Reserve—The Company establishes certain reserves under NAIC guidelines. The AVR is determined by formula and is based on the Company's investments in bonds, preferred stocks, common stocks-affiliated, common stocks-unaffiliated, mortgage loans, real estate occupied by the Company, real estate held for sale by the Company, short-term investments, and other invested assets. This valuation reserve requires appropriation of surplus to provide for possible losses on these investments. Realized and unrealized capital gains (losses), other than those resulting from interest rate changes, are credited or charged to the AVR. The IMR, included in other liabilities on the statutory statements of admitted assets, liabilities, and surplus, is used to defer realized capital gains (losses), net of tax, on sales of bonds and certain other investments that result from interest rate changes. These gains (losses) are then amortized into net investment income, included in net investment income and amortization of IMR on the statutory statements of operations, over what would have been the remaining years to maturity of the underlying investments. Losses in excess of gains are recorded as an asset and nonadmitted.

Net Health and Accident Premiums and Related Commissions—Net health and accident premiums are recognized as income over the terms of the policies. Commissions and other expenses related to the acquisition of policies are charged to operations as incurred.

Nonadmitted Assets—Certain assets designated as nonadmitted assets, principally net deferred tax assets, EDP equipment and software, prepaid expenses, and suspense items, are excluded from the statutory statements of admitted assets, liabilities, and surplus. The net change in such assets is charged or credited directly to unassigned surplus.

Vulnerability Due to Certain Risks and Concentrations—The following is a description of the most significant risks facing health insurers and how the Company manages those risks:

Morbidity/mortality risk is the risk that experience is unfavorable compared to Company assumptions due to misestimation in setting assumption, catastrophic risk (e.g. pandemic), volatility, and changes in trend. The Company mitigates these risks through reinsurance programs, adherence to strict underwriting guidelines, monitoring underwriting exceptions, and a formal assumption review and approval process.

Legal/regulatory risk is the risk that changes in the legal or regulatory environment in which an insurer operates will occur and create additional costs or expenses not anticipated by the insurer in pricing its products. The Company monitors economic and regulatory developments that have the potential to impact its business.

Credit risk is the risk that issuers of securities owned by the Company will default, or that other parties, including reinsurers who owe the Company money, will not pay. The Company has policies regarding the financial stability and credit standing of its counterparties. The Company attempts to limit its credit risk by dealing with creditworthy counterparties and obtaining collateral where appropriate.

Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss, generate cash to meet funding requirements, or make a required profit. The Company has established an appropriate liquidity risk management framework to evaluate current and future funding and liquidity requirements. Future liquidity requirements are projected on a regular basis as part of the financial planning process.

Premiums Received in Advance—Premiums received in advance are those premiums that have been received by the Company prior to year-end but which were due after year-end. The total amount of advanced premiums is reported as a liability on the statutory financial statements and is not considered premium income until due.

Fair Value—Financial assets and liabilities have been categorized into a three-level fair value hierarchy, based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to valuation. The input levels are as follows:

Level 1—Fair value is based on unadjusted quoted prices in active markets that are accessible to the Company for identical assets or liabilities. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2—Fair value is based on significant inputs that are observable for the asset or liability, either directly or indirectly, through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets and liabilities, quoted market prices in markets that are not active for identical or similar assets or liabilities, and other market observable inputs. Valuations are generally obtained from third party pricing services for identical or comparable assets or liabilities and validated or determined through use of valuation methodologies using observable market inputs.

Level 3—Fair value is based on significant unobservable inputs for the asset or liability. These inputs reflect assumptions about what market participants would use in pricing the asset or liability. Prices are determined using valuation methodologies such as option pricing models, discounted cash flow models, and other similar techniques. Fair value for certain investment in qualifying investment funds is approximated by using the fund's net asset value ("NAV") per share.

Other-Than-Temporary Declines in Fair Value—The Company regularly reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other-than-temporary. Some factors considered in evaluating whether or not a decline in fair value is other-than-temporary include the Company's ability and intent to retain the investment for a period of time sufficient to allow for a recovery in value, the Company's intent to sell the investment at the reporting date, and the financial condition and prospects of the issuer.

The Company recognizes OTTI of bonds not backed by loans when it is either probable that the Company will not collect all amounts due according to the contractual terms of the bond in effect at the date of acquisition or when the Company has made a decision to sell the bond prior to its maturity at an amount below its amortized cost. When an OTTI is recognized, the bond is written down to fair value and the amount of the write down is recorded as a realized capital loss on the statutory statements of operations.

For loan-backed securities, OTTI is recognized when fair value is less than the amortized cost basis and the Company has the intent to sell or lacks the intent and ability to retain the investment until recovery. When an OTTI is recognized because the Company has the intent to sell or lacks the intent and ability to retain the investment until recovery, the amortized cost basis of the loan-backed security is written down to fair value and the amount of the write-down is recorded as a realized capital loss on the statutory statements of operations.

If the Company does not have the intent to sell and has the intent and ability to retain the investment until recovery, OTTI is recognized when the present value of future cash flows discounted at the security's effective interest rate is less than the amortized cost basis as of the statutory statements of admitted assets, liabilities, and surplus date. When an OTTI is recognized, the loan-backed security is written down to the discounted estimated future cash flows and is recorded as a realized capital loss on the statutory statements of operations.

The Company recognizes OTTI of stocks for declines in value that are other-than-temporary and reports those adjustments as a realized capital gain (loss) on the statutory statements of operations.

The Company recognizes OTTI of limited partnerships generally when the underlying GAAP equity of the partnership is less than 80% of amortized cost or the limited partnership reports realized capital losses on the statutory financial statements or the limited partnership shows other indicators of loss.

When an OTTI is recognized, the limited partnership is written down to fair value and the amount of the impairment is recorded as a realized capital gain (loss) on the statutory statements of operations.

The Company performs a monthly analysis of the prices received from third parties to assess if the prices represent a reasonable estimate of fair value. This process involves quantitative and qualitative analysis and is overseen by investment and accounting professionals.

Correction of Errors—During 2022, the Company discovered an error in a benefit period calculation within the disability income product and in the calculation of active life reserves within the long-term care product, resulting in a $1,200,000 overstatement and $7,258,187 understatement, respectively of the prior year reserves for policies and contracts on the statutory statement of admitted assets, liabilities, and surplus and increase in net change in reserves on the statutory statements of operations and a net $6,058,187 overstatement of unassigned surplus on the statutory statements of admitted assets, liabilities, and surplus as of December 31, 2021. In accordance with SSAP No. 3 Accounting Changes and Corrections of Errors, the impact of these errors were recorded as an adjustment to unassigned surplus on the statutory statements of admitted assets, liabilities, and surplus in 2022. The Company did not have any prior year adjustments recorded to surplus as of 2021.

Accounting Pronouncements—During 2022, the NAIC issued revisions to SSAP No. 86 Derivatives with issue 2021-20 that modifies the determination of hedge effectiveness, the guidance for qualifying hedging relationships, and the presentation of hedge results. The guidance is effective in January 1, 2023, with early adoption permitted, and the effects of its adoption will be reflected as of the date of initial application and is not expected to have material impact.

In September of 2022, the NAIC issued interpretation 2022-02 that permits entities not to assess valuation allowances and deferred tax asset impacts related to the new corporate alternative minimum tax in the Inflation Reduction Act, which was signed into law in August of 2022, for the third quarter of 2022 through the first quarter of 2023. The Company has determined that it will not be subject to the new corporate alternative tax for 2023.

2. INVESTMENTS

Bonds—The carrying value and fair value of investments in bonds, including loan-backed securities, by type, as of December 31, were as follows:

2022	Carrying Value	Gross Unrealized Capital Gains	Gross Unrealized Capital Losses	Fair Value
All other governments	$ 27,614,795	$ 131,424	$ 5,084,279	$ 22,661,940
Hybrid securities	149,652,837	135,519	15,437,354	134,351,002
Industrial and miscellaneous	4,067,696,988	35,463,449	558,278,522	3,544,881,915
Political subdivision	32,634,260	305,970	4,478,555	28,461,675
Special revenue/assessment obligations	349,750,635	2,275,413	63,065,904	288,960,144
States, territories, and possessions	3,282,907	176,426	—	3,459,333
SVO identified funds—ETFs	2,154,388	—	—	2,154,388
U.S. government	297,638,733	1,001,317	43,825,863	254,814,187
Total	$ 4,930,425,543	$ 39,489,518	$ 690,170,477	$ 4,279,744,584

2021	Carrying Value	Gross Unrealized Capital Gains	Gross Unrealized Capital Losses	Fair Value
All other governments	$ 25,615,043	$ 422,718	$ 372,362	$ 25,665,399
Hybrid securities	161,376,107	8,364,076	375,826	169,364,357
Industrial and miscellaneous	3,937,297,063	512,158,543	15,516,898	4,433,938,708
Political subdivision	16,036,089	951,660	336,091	16,651,658
Special revenue/assessment obligations	265,797,696	18,408,053	1,917,058	282,288,691
States, territories, and possessions	2,134,605	661,720	13,688	2,782,637
SVO identified funds—ETFs	2,366,003	—	—	2,366,003
U.S. government	313,822,280	25,933,559	234,040	339,521,799
Total	$ 4,724,444,886	$ 566,900,329	$ 18,765,963	$ 5,272,579,252

Bonds with an NAIC designation of 6 with carrying values of $1,368,767 and $1,920,300 as of December 31, 2022 and 2021, respectively, were stated at the lower of amortized cost or fair value.

The Company's bond portfolio was primarily comprised of investment grade securities. Based upon designations by the NAIC, investment grade bonds comprised 97% of the carrying value of the Company's total bond portfolio as of December 31, 2022 and 2021.

The carrying value and fair value of investment in bonds as of December 31, 2022, by contractual maturity, are shown below. Actual maturities may differ as a result of prepayments by the issuer. MBS and other ABS, which provide for periodic payments throughout their lives, are listed separately.

	Carrying Value	Fair Value
Due in one year or less	$ 49,513,976	$ 49,099,237
Due after one year through five years	378,253,556	359,239,552
Due after five years through ten years	585,839,679	533,328,913
Due after ten years	3,175,167,733	2,653,326,487
	4,188,774,944	3,594,994,189
MBS and other ABS	741,650,599	684,750,395
Total	$ 4,930,425,543	$ 4,279,744,584

Aging of unrealized capital losses on the Company's investments in bonds as of December 31, was as follows:

	Less than One Year		One Year or More		Total	
2022	**Fair Value**	**Gross Unrealized Capital Loss**	**Fair Value**	**Gross Unrealized Capital Loss**	**Fair Value**	**Gross Unrealized Capital Loss**
Industries and miscellaneous	$ 2,584,610,337	$ 431,762,326	$ 355,971,546	$ 126,516,196	$ 2,940,581,883	$ 558,278,522
Special revenue/assessment obligations	195,061,498	46,691,232	37,842,396	16,374,672	232,903,894	63,065,904
Political subdivision	13,085,032	2,406,554	2,277,713	2,072,001	15,362,745	4,478,555
U.S. government	208,782,105	40,829,453	7,702,710	2,996,410	216,484,815	43,825,863
All other governments	14,193,088	3,748,751	5,877,002	1,335,528	20,070,090	5,084,279
Hybrid securities	118,417,417	13,333,171	12,291,448	2,104,183	130,708,865	15,437,354
Total	$ 3,134,149,477	$ 538,771,487	$ 421,962,815	$ 151,398,990	$ 3,556,112,292	$ 690,170,477

	Less than One Year		One Year or More		Total	
2021	**Fair Value**	**Gross Unrealized Capital Loss**	**Fair Value**	**Gross Unrealized Capital Loss**	**Fair Value**	**Gross Unrealized Capital Loss**
Industries and miscellaneous	$ 547,123,214	$ 12,098,899	$ 65,772,304	$ 3,417,999	$ 612,895,518	$ 15,516,898
Special revenue/assessment obligations	57,870,249	1,917,058	—	—	57,870,249	1,917,058
Political subdivision	3,881,063	336,091	—	—	3,881,063	336,091
U.S. government	9,977,691	223,684	263,649	10,356	10,241,340	234,040
All other governments	8,775,681	372,362	—	—	8,775,681	372,362
States, territories, and possessions	339,138	13,688	—	—	339,138	13,688
Hybrid securities	35,684,063	265,069	3,079,697	110,757	38,763,760	375,826
Total	$ 663,651,099	$ 15,226,851	$ 69,115,650	$ 3,539,112	$ 732,766,749	$ 18,765,963

As described in Note 1, the Company regularly reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other-than-temporary. As of December 31, 2022, 322 securities were in an unrealized capital loss position one year or more with an average credit rating of Baa1 and were 92% investment grade. As of December 31, 2022, 1,039 securities were in an unrealized capital loss position less than one year with an average credit rating of A3 and were 98%

investment grade. Therefore, the Company does not believe the unrealized losses on investments represent an other-than-temporary impairment as of December 31, 2022.

Net realized capital losses for the years ended December 31, 2022 and 2021 include losses of $4,207,502 and $1,716,128, respectively, resulting from other-than-temporary declines in fair value of bonds or changes in expected cash flows, and are not included in the table above.

Proceeds and the gross realized capital gains (losses) from the sales or disposals of bonds and common stocks-unaffiliated resulting in gross realized capital gains (losses) for the years ended December 31, were as follows:

	2022	2021
Proceeds from sales or disposals:		
Bonds	$ 426,393,965	$ 442,294,680
Common stocks—unaffiliated	$ 92,276,838	$ 83,925,415
Net realized capital gain (loss):		
Bonds:		
Gross realized capital gain from sales or other disposals	$ 9,535,024	$ 20,682,717
Gross realized capital loss from sales or other disposals	(13,814,152)	(3,217,911)
OTTI gain (loss)	(4,207,502)	(1,716,128)
Net realized capital gain (loss) of bonds	$ (8,486,630)	$ 15,748,678
Common stocks—unaffiliated:		
Gross realized capital gain from sales or other	$ 704,283	$ 1,630,927
Gross realized capital loss from sales or other	(1,830,038)	(10,182,077)
OTTI gain (loss)	(344,130)	—
Net realized capital gain (loss) of common stocks—unaffiliated	$ (1,469,885)	$ (8,551,150)

Bond income due and accrued of $488,026 and $545,733 related to bonds in default was excluded from net investment income and amortization of IMR during the years ended December 31, 2022 and 2021, respectively.

Common Stocks-Unaffiliated—There was $344,130 unrealized capital losses and net realized capital losses resulting from other-than-temporary declines in fair value of common stocks-unaffiliated for the year ended December 31, 2022. There was no unrealized capital losses and no net realized capital losses resulting from other-than-temporary declines in fair value of common stocks-unaffiliated for the year ended December 31, 2021. Included within common stocks-unaffiliated as of December 31, 2022 and 2021 is FHLB capital stocks of $1,795,300 and $11,583,300, respectively. As of December 31, 2022 and 2021, $500,000 were classified as membership-class A stock and not eligible for redemption. There was activity FHLB capital stock of $1,295,000 and $10,899,800 which was classified as membership-class B stock as of December 31, 2022 and 2021, respectively. There was no excess membership-class A stock as of December 31, 2022 and 2021. There was excess membership-class B stock of $300 and $183,500 as of December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, there were no other common stocks-unaffiliated with restrictions.

Mortgage Loans—The Company invests in mortgage loans collateralized principally by commercial real estate throughout the United States ("U.S."). The Company's investments in mortgage loans are held through a participation agreement with United of Omaha. During 2022, the minimum and maximum lending rates for new commercial mortgage loans were 3.08% and 5.78%, respectively. During 2021, the minimum and maximum lending rates for commercial mortgage loans were 2.65% and 3.50%, respectively. During 2022 and 2021, the maximum percentage of any one commercial loan to the value of the collateral security at the time of the loan, exclusive of insured guaranteed or purchase money mortgages was 71% and 96%, respectively.

The Company participates or is a co-lender in mortgage loan agreements with other lenders for commercial mortgage loans. These amounts were $58,461,050 and $77,054,848 as of December 31, 2022 and 2021, respectively. The Company was not subject to a participant or co-lender mortgage loan agreement for which the Company is restricted from unilaterally foreclosing on the mortgage loan as of December 31, 2022 or 2021.

The Company's mortgage loan portfolio includes 33 and 35 loan originators as of December 31, 2022 and 2021, respectively. Mortgage loan participation purchased from one loan originator comprise of approximately 10% and 11% of the portfolio book value as of December 31, 2022 and 2021, respectively. The properties collateralizing mortgage loans are geographically dispersed throughout the U.S., with the largest concentration in California of approximately 29% and 30% of the portfolio book value as of December 31, 2022 and 2021, respectively.

Credit Quality Indicators—For purposes of monitoring the credit quality and risk characteristics, the Company considers the current debt service coverage, loan to value ratios, leasing status, average rollover, loan performance, guarantees, and current rents in relation to current markets. The debt service coverage ratio compares a property's cash flow to amounts needed to service the principal and interest due under the loan. The credit quality indicators are updated annually or more frequently if conditions warrant based on the Company's credit monitoring process. The Company monitors the credit quality for the insurance segment's residential loans by reviewing payment activity monthly.

The recorded investment (defined as the aggregate unpaid principal balance adjusted for unamortized premium or discount) in commercial mortgage loans, by credit quality profile, as of December 31, was as follows:

	Debt Service Coverage Ratios			
2022	**>1.20x**	**1.00x-1.20x**	**<1.00x**	**Total**
Loan—to—value ratios:				
Less than 65%	$ 394,473,172	$ 11,330,420	$ 1,497,681	$ 407,301,273
65% to 75%	30,343,358	—	—	30,343,358
Greater than 75%	—	—	—	—
Total	$ 424,816,530	$ 11,330,420	$ 1,497,681	$ 437,644,631

	Debt Service Coverage Ratios			
2021	**>1.20x**	**1.00x-1.20x**	**<1.00x**	**Total**
Loan—to—value ratios:				
Less than 65%	$ 402,025,827	$ 8,955,511	$ 5,817,103	$ 416,798,441
65% to 75%	29,796,066	—	—	29,796,066
Greater than 75%	1,000,000	—	—	1,000,000
Total	$ 432,821,893	$ 8,955,511	$ 5,817,103	$ 447,594,507

Restricted Assets—Information related to the Company's investment in restricted assets as of December 31, was as follows:

2022	Gross Restricted Assets	Total Admitted Restricted Assets	Percentage: Gross Restricted to Total Assets	Percentage: Admitted Restricted to Total Admitted Assets
Collateral held under security lending agreements	$ 281,644,682	$ 281,644,682	2.69 %	2.77 %
FHLB capital stocks	1,795,300	1,795,300	0.02	0.02
On deposit with states	3,598,150	3,598,150	0.03	0.04
Pledged collateral to FHLB (including assets backing funding agreements)	706,970,464	706,970,464	6.75	6.95
Other	5,000	5,000	—	—
Total	$ 994,013,596	$ 994,013,596	9.49 %	9.77 %

2021	Gross Restricted Assets	Total Admitted Restricted Assets	Percentage: Gross Restricted to Total Assets	Percentage: Admitted Restricted to Total Admitted Assets
Collateral held under security lending agreements	$ 309,800,564	$ 309,800,564	2.91 %	2.99 %
FHLB capital stocks	11,583,300	11,583,300	0.11	0.11
On deposit with states	3,551,668	3,551,668	0.03	0.03
Pledged collateral to FHLB (including assets backing funding agreements)	626,797,402	626,797,402	5.89	6.06
Pledged as collateral not captured in other categories	60,000	60,000	—	—
Total	$ 951,792,934	$ 951,792,934	8.94 %	9.19 %

Net Investment Income and Amortization of IMR—The sources of net investment income (loss) and amortization of IMR for the years ended December 31, were as follows:

	2022	2021
Bonds	$ 202,914,507	$ 205,986,498
Preferred stocks	252,671	268,557
Common stocks—unaffiliated	1,582,488	2,144,539
Common stocks—affiliated	—	17,946,999
Mortgage loans	17,114,522	16,960,527
Real estate	11,784,580	11,341,770
Other invested assets	27,144,845	62,596,194
Other	1,934,562	1,781,933
Gross investment income	262,728,175	319,027,017
Amortization of IMR	2,018,511	2,301,698
Investment expenses	(56,032,417)	(53,624,362)
Net investment income and amortization of IMR	$ 208,714,269	$ 267,704,353

3. STRUCTURED SECURITIES

The carrying value and fair value of structured securities, by type, as of December 31, were as follows:

2022		**Carrying Value**		**Gross Unrealized Capital Gain**		**Gross Unrealized Capital Loss**		**Fair Value**
MBS:								
Commercial	$	190,037,215	$	2,715,598	$	8,617,261	$	184,135,551
Residential		281,819,386		2,041,514		33,086,853		250,774,047
		471,856,601		4,757,112		41,704,114		434,909,598
Other ABS		269,793,998		519,832		20,473,033		249,840,797
Total	$	741,650,599	$	5,276,944	$	62,177,147	$	684,750,395

2021		**Carrying Value**		**Gross Unrealized Capital Gain**		**Gross Unrealized Capital Loss**		**Fair Value**
MBS:								
Commercial	$	214,810,816	$	26,219,465	$	154,137	$	240,876,144
Residential		285,387,161		16,144,456		1,730,679		299,800,938
		500,197,977		42,363,921		1,884,816		540,677,082
Other ABS		331,267,091		7,808,210		1,740,581		337,334,720
Total	$	831,465,068	$	50,172,131	$	3,625,397	$	878,011,802

Aging of unrealized capital losses on the Company's structured securities as of December 31, was as follows:

2022	**Less than One Year** Fair Value	**Less than One Year** Gross Unrealized Capital Loss	**One Year or More** Fair Value	**One Year or More** Gross Unrealized Capital Loss	**Total** Fair Value	**Total** Gross Unrealized Capital Loss
MBS:						
Commercial	$ 113,251,926	$ 8,016,372	$ 2,999,004	$ 600,889	$ 116,250,930	$ 8,617,261
Residential	168,645,405	21,097,298	36,071,214	11,989,555	204,716,619	33,086,853
	281,897,331	29,113,670	39,070,218	12,590,444	320,967,549	41,704,114
Other ABS	158,861,787	12,817,102	73,686,387	7,655,931	232,548,174	20,473,033
Total	$ 440,759,118	$ 41,930,772	$ 112,756,605	$ 20,246,375	$ 553,515,723	$ 62,177,147

2021	**Less than One Year** Fair Value	**Less than One Year** Gross Unrealized Capital Loss	**One Year or More** Fair Value	**One Year or More** Gross Unrealized Capital Loss	**Total** Fair Value	**Total** Gross Unrealized Capital Loss
MBS:						
Commercial	$ 8,556,015	$ 154,137	$ —	$ —	$ 8,556,015	$ 154,137
Residential	47,319,722	1,720,323	263,649	10,356	47,583,371	1,730,679
	55,875,737	1,874,460	263,649	10,356	56,139,386	1,884,816
Other ABS	103,918,054	948,074	22,079,520	792,507	125,997,574	1,740,581
Total	$ 159,793,791	$ 2,822,534	$ 22,343,169	$ 802,863	$ 182,136,960	$ 3,625,397

A portion of the Commercial and Residential MBS portfolios are backed by collateral guaranteed or insured by a government agency. As of December 31, 2022 and 2021, 63% and 64%, respectively, of the carrying value of Residential MBS portfolio was guaranteed by a government agency. As of December 31, 2022 and 2021, 73% and 74%, respectively, of the carrying value of Commercial MBS portfolio was guaranteed by a government agency.

There was no OTTI on loan-backed and structured securities related to the intent to sell, inability or lack of intent to hold for a period of time sufficient to recover the amortized cost basis, or based on the present value of future cash flows expected to be less than amortized cost basis of the security during 2022. There was $1,653,718 OTTI as of December 31, 2021, on loan-backed and structured securities related to the intent to sell, inability or lack of intent to hold for a period of time sufficient to recover the amortized cost basis of the security. The Company's OTTI on loan-backed and structured securities based on the present value of future cash flows expected to be less than amortized cost basis of the security was $62,410 as of December 31, 2021, as shown in the following table.

	Amortized Cost Basis Before Current Period OTTI	**Present Value of Projected Cash Flows**	**Recognized OTTI**	**Amortized Cost Basis After OTTI**	**Fair Value at the Date of Impairment**	**Date of Financial Statement Reported**
CUSIP:						
G4301UAH7	$ 8,615,936	$ 6,962,218	$ 1,653,718	$ 6,962,218	$ 6,962,218	4/1/2021
64828MBB2	3,914,731	3,852,321	62,410	3,852,321	3,814,314	12/31/2021
Total	$ 12,530,667	$ 10,814,539	$ 1,716,128	$ 10,814,539	$ 10,776,532	

4. FAIR VALUE MEASUREMENTS

The categorization of fair value measurements determined on a recurring basis, by input level, as of December 31, was as follows:

2022	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV	Total
U.S. corporate	$ —	$ —	$ 316,421	$ —	$ 316,421
Common stocks—unaffiliated	35,266,605	1,795,300	—	44,573,786	81,635,691
Securities lending and repurchase agreement cash collateral	281,644,682	—	—	—	281,644,682
Asset—backed securities	—	—	816,846	—	816,846
All other governments	—	—	235,500	—	235,500
Preferred stocks	—	325,400	—	—	325,400
SVO identified funds—ETFs	2,154,388	—	—	—	2,154,388
Payable for securities lending	(281,644,682)	—	—	—	(281,644,682)
Derivative cash collateral held liability	(16,890,000)	—	—	—	(16,890,000)
Total	$ 20,530,993	$ 2,120,700	$ 1,368,767	$ 44,573,786	$ 68,594,246

2021	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV	Total
State and political subdivisions securities	$ —	$ 818,935	$ —	$ —	$ 818,935
Common stocks—unaffiliated	114,817,846	11,583,300	—	31,481,909	157,883,055
Securities lending and repurchase agreement cash collateral	309,800,564	—	—		309,800,564
Asset—backed securities	—	—	1,101,365		1,101,365
Preferred stocks	—	505,172	—		505,172
SVO identified funds—ETFs	2,366,003	—	—		2,366,003
Derivative cash collateral	60,000	—	—		60,000
Payable for securities lending	(309,800,564)	—	—		(309,800,564)
Derivative cash collateral held liability	(5,060,000)	—	—		(5,060,000)
Total	$ 112,183,849	$ 12,907,407	$ 1,101,365	$ 31,481,909	$157,674,530

A description of the significant inputs and valuation techniques used to determine fair value for level 2 and level 3 assets and liabilities on a recurring basis is as follows:

Level 2 Measurements

State and Political Subdivisions Securities—These securities are principally valued using the market approach, which uses prices and other relevant information generated by market transactions for similar assets. The valuation of these securities is based primarily on quoted prices in active markets, or through the use of matrix pricing or other similar techniques using standard market observable inputs such as the benchmark U.S. Treasury yield curve, the spread from the U.S. Treasury curve for the identical security and comparable securities that are actively traded.

Common Stocks-Unaffiliated—These FHLB capital stocks are only redeemable at par, so the fair value is presumed to be par.

Preferred Stocks—These securities are principally valued using the market approach. The valuation of these securities is based principally on observable inputs including quoted prices in markets that are not considered active.

Level 3 Measurements

In general, investments classified within Level 3 use many of the same valuation techniques and inputs as described above. However, if key inputs are unobservable, or if the investments are illiquid and there is very limited trading activity, the investments are generally classified as Level 3. The use of independent non-binding broker quotations to value investments generally indicates there is a lack of liquidity or the general lack of transparency to develop the valuation estimates, causing these investments to be classified in Level 3. During the years ended December 31, 2022 and 2021, there were no material transfers into/out of Level 3.

U.S. Corporate—These securities are principally valued using the market and income approaches with significant adjustments that utilize unobservable inputs or cannot be derived principally from, or corroborated by, observable market data, including additional spread adjustments to reflect industry trends or specific credit-related issues. Valuations may be based on independent non-binding broker quotations. The use of independent non-binding broker quotations to value investments generally indicates there is a lack of liquidity or the general lack of transparency to develop the valuation estimates generally causing these investments to be classified in Level 3. Generally, below investment grade privately placed or distressed securities included in this level are valued using discounted cash flow methodologies which rely upon significant, unobservable inputs and inputs that cannot be derived principally from, or corroborated by, observable market data.

Asset-Backed Securities and All Other Governments—These securities are principally valued using the market approach. The valuation of these securities is based primarily on matrix pricing or other similar techniques that utilize inputs that are unobservable or cannot be derived principally from, or corroborated by, observable market data, or are based on independent non-binding broker quotations.

NAV

The Company has one investment measured using the NAV as a practical expedient pursuant to SSAP No. 100R, Fair Value. As of December 31, 2022, the investment trust NAV per share is $4,219 and is a trust that makes real estate value added investments in the industrial sector. If there is a liquidation of the underlying assets, the period of time for assets to be liquidated will be longer than a year. The Company has no unfunded commitments related to the investment. An investor may redeem assets on a quarterly basis with a 90 day notice period. No other significant restrictions exist on the ability to sell investment at the measurement date.

Fair Value of Financial Instruments—The carrying value, fair value, and fair value hierarchy level of the Company's financial instruments as of December 31, were as follows:

2022	Carrying Value	Fair Value	Level 1	Level 2	Level 3	NAV	Not Practicable (Carrying Value)
Financial assets:							
Bonds	$4,930,425,543	$4,279,744,584	$ 2,154,388	$4,086,466,499	$191,123,697	$ —	$ —
Preferred stocks	$ 14,245,603	$ 14,075,538	$ —	$ 7,782,006	$ —	$ —	$ 6,293,532
Common stocks—unaffiliated	$ 82,310,592	$ 82,310,592	$ 35,266,606	$ 1,795,300	$ —	$44,573,786	$ 674,900
Mortgage loans	$ 437,644,631	$ 383,526,169	$ —	$ —	$383,526,169	$ —	
Other invested assets—surplus notes	$ 45,049,893	$ 33,756,250	$ —	$ 33,756,250	$ —	$ —	$ —
Cash and cash equivalents	$ (16,157,775)	$ (16,157,775)	$(16,157,775)	$ —	$ —	$ —	$ —
Short—term investments	$ 84,400,000	$ 84,400,000	$ —	$ 84,400,000	$ —	$ —	$ —
Securities lending and repurchase agreement cash collateral	$ 281,644,682	$ 281,033,979	$281,033,979	$ —	$ —	$ —	$ —
Other invested assets—derivative assets	$ 10,175,611	$ 16,147,854	$ —	$ 16,147,854	$ —	$ —	$ —
Financial liabilities:							
Borrowings	$ 39,932,250	$ 39,932,250	$ 39,932,250	$ —	$ —	$ —	$ —
Payable for securities lending	$ 281,644,682	$ 281,033,979	$281,033,979	$ —	$ —	$ —	$ —
Other liabilities—derivative cash collateral	$ 16,890,000	$ 16,890,000	$ 16,890,000	$ —	$ —	$ —	$ —

2021	Carrying Value	Fair Value	Level 1	Level 2	Level 3	NAV	Not Practicable (Carrying Value)
Financial assets:							
Bonds	$4,724,444,886	$5,272,579,252	$ 2,366,003	$4,988,862,028	$281,351,221	$ —	$ —
Preferred stocks	$ 8,505,919	$ 9,022,973	$ —	$ 7,147,974	$ —	$ —	$ 1,874,999
Common stocks—unaffiliated	$ 158,557,955	$ 158,557,955	$114,817,846	$ 11,583,300	$ —	$31,481,909	$ 674,900
Mortgage loans	$ 447,594,507	$ 465,024,337	$ —	$ —	$465,024,337	$ —	$ —
Other invested assets—surplus notes	$ 27,791,178	$ 28,431,127	$ —	$ 28,431,127	$ —	$ —	$ —
Cash and cash equivalents	$ (13,348,837)	$ (13,348,837)	$(13,348,837)	$ —	$ —	$ —	$ —
Short—term investments	$ 239,400,000	$ 239,400,000	$ —	$ 239,400,000	$ —	$ —	$ —
Securities lending and repurchase agreement cash collateral	$ 309,800,564	$ 309,800,564	$309,800,564	$ —	$ —	$ —	$ —
Other invested assets—derivative assets	$ 3,322,329	$ 5,805,062	$ —	$ 5,805,062	$ —	$ —	$ —
Financial liabilities:							
Borrowings	$ 333,876,576	$ 333,876,576	$248,375,047	$ 85,501,529	$ —	$ —	$ —
Payable for securities lending	$ 309,800,564	$ 309,800,564	$309,800,564	$ —	$ —	$ —	$ —
Other liabilities—derivative cash collateral	$ 5,060,000	$ 5,060,000	$ 5,060,000	$ —	$ —	$ —	$ —
Other liabilities—derivative liabilities	$ 3,273,841	$ 1,572,105	$ —	$ 1,572,105	$ —	$ —	$ —

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

Bonds—Fair values for bonds, including loan-backed securities, are based on quoted market prices, where available. For bonds for which market values are not readily available, fair values were estimated by the Company using projected future cash flows, current market rates, credit quality, and maturity date.

Preferred Stocks—Fair values for preferred stocks are based on market value, where available. For preferred stocks for which market values are not available, fair values were estimated by the Company using projected future cash flows, current market rates, credit quality, and maturity date. It is not practicable to measure the fair value in certain private preferred stocks and the carrying value approximates fair value.

Common Stocks-Unaffiliated—These securities are principally valued using the market approach. The valuation of these securities is based principally on observable inputs including quoted prices in active markets. It is not practicable to measure the fair value in certain common stocks-unaffiliated when using the equity method and when measuring fair value in certain private stock.

Mortgage Loans—Fair values for mortgage loans are estimated by discounting expected future cash flows using current interest rates for similar loans with similar credit risk.

Other Invested Assets-Surplus Notes—Fair values for other invested assets-surplus notes are based on quoted market prices for similar assets.

Cash and Cash Equivalents—The carrying value for cash and other cash equivalents approximates fair value.

Short-Term Investments—Fair values for short-term investments includes public bonds and short-term revolvers. The public bonds are valued using a discounted cash flow methodology using standard market observable inputs, and inputs derived from, or corroborated by, market observable data, including the market yield curve, duration, call provisions, observable prices, and spreads for similar publicly traded issues that incorporate the credit quality and industry sector of the issuer. The carrying value of short-term revolvers approximates fair value.

Securities Lending and Repurchase Agreement Cash Collateral, Other Liabilities-Derivative Cash Collateral, and Payable for Securities Lending—Comprised of U.S. Direct Obligation/Full Faith and Credit Exempt money market instruments, commercial paper, cash, and all highly-liquid debt securities purchased with an original maturity of less than three months. The money market instruments are valued using unadjusted quoted prices in active markets that are accessible for identical assets and are primarily classified as Level 1. If public quotations are not available for commercial paper or debt securities, because of the highly-liquid nature of these assets, the carrying amount may be used to approximate fair value.

Other Invested Assets-Derivative Assets and Other Liabilities-Derivative Liabilities—These derivatives consist of foreign currency swaps and are principally valued using an income approach. The valuation of these securities are based on option pricing models, which utilize significant inputs that may include the swap yield curve, LIBOR basis curves, currency spot rates, and cross currency basis curves.

Borrowings—Fair values of long-term FHLB borrowings are estimated by discounting expected future cash flows using current interest rates for debt with comparable terms and included in Level 2. Fair values of short-term FHLB borrowings approximates carrying value and thus is included in Level 1. The carrying value of short-term unsecured revolving credit notes approximates fair value and are included within Level 2 due to the internal nature and with no public market.

5. DERIVATIVE FINANCIAL INSTRUMENTS

The following table summarizes the Company's derivative financial instruments as of December 31:

	Notional	Credit	Carrying Value		Fair Value	
2022	**Amount**	**Exposure**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Foreign currency swaps	$ 126,300,449	$ 1,579,013	$ 10,175,611	$ —	$ 16,147,854	$ —

	Notional	Credit	Carrying Value		Fair Value	
2021	**Amount**	**Exposure**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Foreign currency swaps	$ 126,300,449	$ 1,708,115	$ 3,322,329	$ 3,273,841	$ 5,805,062	$ 1,572,105

The changes in value of derivatives for the years ended December 31, were reported on the statutory financial statements as follows:

	Unassigned	Net Realized	Net Investment
2022	**Surplus**	**Capital Gain (Loss)**	**Income**
Foreign currency swaps	$ 10,127,123	$ —	$ 2,078,945

	Unassigned	Net Realized	Net Investment
2021	**Surplus**	**Capital Gain (Loss)**	**Income**
Foreign currency swaps	$ 5,887,622	$ —	$ 1,671,643

Certain of the Company's derivative instruments contain provisions requiring collateral against fair value subject to minimum transfer amounts. The aggregate fair value of all the derivative instruments with collateral features resulted in a net asset of $16,147,854 and $4,232,957 as of December 31, 2022 and 2021, respectively. The Company did not pledge collateral as of December 31, 2022. The Company pledged $60,000 of cash collateral as of December 31, 2021. The Company was holding $16,890,000 and $5,060,000 of cash collateral reflected as assets within the statutory financial statements as of December 31, 2022 and 2021, respectively.

6. INCOME TAXES

The Company is the parent corporation of an affiliated group of corporations that file a consolidated U.S. Corporate Income Tax Return. As of December 31, 2022, the Company's federal income tax return was consolidated with the following affiliates: Mutual DMLT Trust; Mutual of Omaha Holdings and its subsidiaries; Omaha Medicare Advantage; OFHI and certain of its subsidiaries including MCDC; Mutual of Omaha Mortgage and its subsidiary Review Counsel; Omaha Health; Omaha Supplemental; and United of Omaha and certain of its subsidiaries including Companion; Medicare Advantage Company;

Mutual Structured Settlement; Omaha Re; United DMLT Trust; and United World. The Company also files state income tax returns in certain jurisdictions.

Federal income tax is allocated between members of the consolidated return pursuant to a written agreement approved by the Board of Directors. Each member's provision for federal income tax incurred is based on a separate return calculation wherein the current tax benefit for net operating losses, capital losses, charitable contributions, and credits is not included until such would have been recognized on a separate return basis. An exception exists for Omaha Reinsurance Company, which is entitled to the benefit for losses, deductions, and credits when realized. Otherwise, the Company has the right to utilize any net operating loss, capital loss, charitable contribution, or credit realized in the consolidation. The difference between the Company's separate federal income tax incurred and the consolidated federal income tax incurred is reported as a charge or credit to surplus. As of December 31, 2022 and 2021, amounts (from) due to subsidiaries were $(2,994,692) and $24,295,052, respectively, and were included as federal income taxes recoverable and federal income taxes payable in other liabilities, respectively, on the statutory statements of admitted assets, liabilities, and surplus.

There were no deposits reported as admitted under Section 6603 of the Internal Revenue Service Code as of December 31, 2022 and 2021.

Federal income tax (benefit) incurred for the years ended December 31, consisted of the following major components:

	2022	2021
Federal income tax (benefit)	$ (5,448,331)	$ 18,281,905
Federal income tax (benefit) on net realized capital gain (loss)	(1,050,284)	2,141,581
Federal income tax (benefit)	(6,498,615)	20,423,486
Change in net deferred income tax (benefit)	24,333,721	28,483,322
Total federal income tax (benefit) incurred	$ 17,835,106	$ 48,906,808

Reconciliations between federal income tax (benefit) based on the federal corporate income tax rate and the effective tax rate for the years ended December 31, were as follows:

	2022	2021
Net income (loss) from operations before federal income tax (benefit) and net realized capital gain (loss)	$ (75,187,511)	$ 209,751,730
Net realized capital gain (loss) before federal income tax (benefit) and transfers to (from) IMR	(11,426,763)	44,531,066
Total pre—tax income (loss)	(86,614,274)	254,282,796
Statutory tax rate	21 %	21 %
Expected federal income tax (benefit) incurred	(18,188,998)	53,399,387
Prior year tax adjustments	1,787,413	(549,125)
Change in nonadmitted assets	(5,566,873)	2,355,989
Reserve adjustments to surplus	(20,002,600)	—
Amortization of IMR	(423,887)	(483,357)
Pension liability adjustments	41,696,496	27,068,879
Life insurance cash values	19,602,169	(18,337,710)
Income (loss) from disregarded entities	554,610	35,990
Dividends received deductions	—	(5,008,535)
Tax credit investment and realization	(1,668,285)	(1,752,792)
Contribution of appreciated property	—	(8,005,321)
Other	45,061	183,403
Total federal income tax (benefit) at effective tax rate	$ 17,835,106	$ 48,906,808

The Company has net operating loss carryforwards of $13,734,438 as of December 31, 2022.

The following income taxes incurred in the current and prior years that will be available for recoupment in the event of future losses:

Ordinary	Capital	Total	Year
XXX	$ —	$ —	2022
XXX	23,470,114	23,470,114	2021
XXX	22,996,523	22,996,523	2020
XXX	$ 46,466,637	$ 46,466,637	

As of December 31, 2022, there were no positions for which management believes it is reasonably possible that the total amounts of tax contingencies will significantly increase within twelve months of the reporting date.

The components of DTA and DTL as of December 31, were as follows:

	2022		
	Ordinary	Capital	Total
Gross DTA	$ 243,810,903	$ 23,859,557	$ 267,670,460
Nonadmitted DTA	(133,628,545)	(10,092,939)	(143,721,484)
Net admitted DTA	110,182,358	13,766,618	123,948,976
DTL	(31,882,413)	(13,048,411)	(44,930,824)
Net DTA (DTL)	$ 78,299,945	$ 718,207	$ 79,018,152

	2021		
	Ordinary	Capital	Total
Gross DTA	$ 259,550,563	$ 17,845,933	$ 277,396,496
Nonadmitted DTA	(149,907,267)	(6,556,308)	(156,463,575)
Net admitted DTA	109,643,296	11,289,625	120,932,921
DTL	(29,667,006)	(11,099,985)	(40,766,991)
Net DTA (DTL)	$ 79,976,290	$ 189,640	$ 80,165,930

The Company has admitted DTAs as of December 31, as follows:

	2022		
	Ordinary	Capital	Total
Federal income tax paid in prior years recoverable through loss carrybacks	$ —	$ 718,207	$ 718,207
Adjusted gross DTA expected to be realized (lesser of 1 or 2)	$ 78,299,945	$ —	$ 78,299,945
1. Adjusted gross DTA expected to be realized following the balance sheet date	$ 78,299,945	$ —	$ 78,299,945
2. Adjusted gross DTA allowed per limitation threshold	N/A	N/A	587,971,183
Adjusted gross DTA that can be offset against DTL	31,882,413	13,048,411	44,930,824
DTA admitted as the result of application of SSAP No. 101	$ 110,182,358	$ 13,766,618	$ 123,948,976

	2021		
	Ordinary	Capital	Total
Federal income tax paid in prior years recoverable through loss carrybacks	$ —	$ 189,640	$ 189,640
Adjusted gross DTA expected to be realized (lesser of 1 or 2)	$ 79,976,290	$ —	$ 79,976,290
1. Adjusted gross DTA expected to be realized following the balance sheet date	$ 79,976,290	$ —	$ 79,976,290
2. Adjusted gross DTA allowed per limitation threshold	N/A	N/A	552,843,253
Adjusted gross DTA that can be offset against DTL	29,667,006	11,099,985	40,766,991
DTA admitted as the result of application of SSAP No. 101	$ 109,643,296	$ 11,289,625	$ 120,932,921

The authorized control level risk-based capital ("RBC") ratio percentages used to determine recovery period and threshold limitation amounts were 924% and 958% as of December 31, 2022 and 2021, respectively. The amounts of adjusted capital and surplus used to determine recovery period and threshold limitations were $4,376,741,318 and $4,421,748,180 as of December 31, 2022 and 2021, respectively.

The Company has not utilized an income tax planning strategy for the realization of the DTA for 2022 or 2021.

The tax effects of temporary differences that give rise to significant portions of the DTA and DTL as of December 31, were as follows:

	2022	**2021**	**Change**
DTA:			
Ordinary:			
Policy reserves	$ 78,181,995	$ 74,117,559	$ 4,064,436
Deferred acquisition costs	77,815,353	70,236,491	7,578,862
Expense accruals and other prepaid income	56,068,975	55,548,123	520,852
Pension liability	—	33,211,768	(33,211,768)
Nonadmitted assets	89,431	5,360,895	(5,271,464)
Bonds and other invested assets	205,877	4,010,723	(3,804,846)
Net operation loss carryforwards	2,884,232	—	2,884,232
Depreciation and amortization	12,823,703	7,387,869	5,435,834
Other	15,741,337	9,677,135	6,064,202
Subtotal	243,810,903	259,550,563	(15,739,660)
Nonadmitted DTA	(133,628,545)	(149,907,267)	16,278,722
Admitted ordinary DTA	110,182,358	109,643,296	539,062
Capital:			
Investments	23,859,557	17,845,933	6,013,624
Nonadmitted	(10,092,939)	(6,556,308)	(3,536,631)
Admitted capital DTA	13,766,618	11,289,625	2,476,993
Admitted DTA	123,948,976	120,932,921	3,016,055
DTL:			
Ordinary:			
Investments	(3,488,848)	(3,457,809)	(31,039)
Policy reserves	(11,895,077)	(16,207,582)	4,312,505
Pension accruals	(5,303,777)	—	(5,303,777)
Other	(11,194,711)	(10,001,615)	(1,193,096)
Subtotal	(31,882,413)	(29,667,006)	(2,215,407)
Capital:			
Investments	(13,048,411)	(11,099,985)	(1,948,426)
DTL	(44,930,824)	(40,766,991)	(4,163,833)
Net admitted DTA	$ 79,018,152	$ 80,165,930	$ (1,147,778)

The Company's deferred tax liability does not include a deferred tax liability for investment in subsidiaries.

The change in net deferred income tax (benefit), exclusive of nonadmitted assets reported separately from the change in net deferred income tax (benefit) in surplus, during the years ended December 31, was comprised of the following:

	2022	2021	Change
DTA	$ 267,670,460	$ 277,396,496	$ (9,726,036)
DTL	(44,930,824)	(40,766,991)	(4,163,833)
Net DTA	$ 222,739,636	$ 236,629,505	(13,889,869)
Tax effect of unrealized capital gain (loss)			(10,443,852)
Change in net deferred income tax (benefit)			$ (24,333,721)

	2021	2020	Change
DTA	$ 277,396,496	$ 302,077,141	$ (24,680,645)
DTL	(40,766,991)	(39,441,270)	(1,325,721)
Net DTA	$ 236,629,505	$ 262,635,871	(26,006,366)
Tax effect of unrealized capital gain (loss)			(2,476,956)
Change in net deferred income tax (benefit)			$ (28,483,322)

7. RELATED PARTY INFORMATION

The Company's investments in non-insurance subsidiary, controlled, or affiliated entities' ("SCA") and related NAIC filing response information, as of December 31, were as follows:

	2022						
	Admitted	Nonadmitted	Type of NAIC Filing	Date of Filing to the NAIC	NAIC Valuation Amount	Response Received	Resubmission Required
OFHI	$171,619,608	$ —	S2	6/23/2022	$170,543,591	Yes	No
Mutual of Omaha Holdings	$ 3,195,706	$ —	S2	6/23/2022	$ 3,825,602	Yes	No

	2021						
	Admitted	Nonadmitted	Type of NAIC Filing	Date of Filing to the NAIC	NAIC Valuation Amount	Response Received	Resubmission Required
OFHI	$170,543,594	$ —	S2	8/19/2021	$136,166,948	Yes	No
Mutual of Omaha Investor Services	$ 3,825,598	$ —	S2	8/19/2021	$ 3,361,471	Yes	No

The Company utilizes the look-through approach in valuing its investment in Mutual of Omaha Holdings and OFHI. Mutual of Omaha Holdings and OFHI are not audited and in accordance with SSAP No. 97 Investment in Subsidiary, Controlled and Affiliated Entities, they are stated at the combined value of their audited subsidiaries. Mutual of Omaha Holdings is stated at the combined value of Mutual of Omaha Investor Services, valued at its audited GAAP equity of $3,195,706 and $3,825,598, as of December 31, 2022 and 2021, respectively, and Omaha Insurance, valued at its underlying statutory surplus of $50,096,901 and $52,683,766 as of December 31, 2022 and 2021, respectively. OFHI is stated at the value of Mutual of Omaha Mortgage, valued at its audited GAAP equity of $171,619,608 and

$170,543,594 as of December 31, 2022 and 2021, respectively. East Campus is stated at the underlying GAAP equity of $27,216,039 and $37,565,307 as of December 31, 2022 and 2021, respectively.

The carrying value of United of Omaha exceeds 10% of the admitted assets of the Company. The Company carries its investment in United of Omaha at its statutory surplus value of $1,959,899,780 as of December 31, 2022. Assets, liabilities, and results of operations for United of Omaha as of December 31, were as follows:

	2022	2021
Admitted assets	$ 33,225,078,218	$ 31,183,618,852
Liabilities	$ 31,265,178,438	$ 29,258,798,838
Net income (loss)	$ 11,473,357	$ (28,997,031)

The Company has the following bilateral unsecured revolving credit notes available from related parties as of December 31, 2022.

Lending Company	Date Credit Issued	Maximum Borrowing	Amount Outstanding
United of Omaha	03/25/2022	$ 500,000,000	$ —
Omaha Insurance	10/07/2022	$ 30,000,000	$ —
Companion	11/17/2022	$ 23,000,000	$ —
United World	03/25/2022	$ 20,000,000	$ —

The Company has the following borrowing agreements available to affiliates as of December 31, 2022, which are substantially similar to the agreements held in the prior year. All of the outstanding borrowings due to the Company are included in short-term investments on the statutory statements of admitted assets, liabilities, and surplus.

	2022						2021
Borrowing Company	Date Issued	Type of Borrowing	Interest Rates	Maximum Borrowing	Amount Outstanding		Amount Outstanding
United of Omaha	03/25/2022	Bilateral unsecured revolving credit note	0.19%-4.43%	$ 250,000,000	$ —		$ —
* Omaha Health	11/29/2022	Unsecured demand revolving credit note	1.90%-6.26%	$ 250,000,000	$ 64,500,000		$206,400,000
Omaha Insurance	10/7/2022	Bilateral unsecured revolving credit note	0.19%-4.43%	$ 30,000,000	$ 9,500,000		$ 16,200,000
Omaha Supplemental	7/22/2022	Unsecured demand revolving credit note	0.19%-4.43%	$ 30,000,000	$ 500,000		$ —
Omaha Re	9/23/2022	Unsecured demand revolving credit note	0.19%-4.43%	$ 30,000,000	$ —		$ —
Companion	11/17/2022	Bilateral unsecured revolving credit note	0.19%-4.43%	$ 23,000,000	$ —		$ —
United World	3/25/2022	Bilateral unsecured revolving credit note	0.19%-4.43%	$ 20,000,000	$ 9,900,000		$ 16,800,000
East Campus	11/21/2022	Unsecured demand revolving credit note	0.19%-4.43%	$ 5,000,000	$ —		$ —

* Note rate is based on one-month Term SOFR plus a spread instead of one-month LIBOR plus a spread, otherwise substantially similar to the agreement held in the prior year

The $10,000,000 unsecured demand revolving line of credit agreement available to Omaha Medicare Advantage matured on December 31, 2021 and was not renewed.

The Company had the following cash transactions with affiliates during the years ended December 31:

2022	Purchase	Return of Capital Received (Paid)	Capital Contribution Received (Paid)		Affiliate
December 27	$ —	$ 15,000,000	$ —		Omaha Medicare Advantage
Q4	—	—	(5,500,000)	*	Omaha Supplemental
Total	$ —	$ 15,000,000	$ (5,500,000)		

*As of December 31, 2022, the Company accrued a $5,500,000 capital contribution to Omaha Supplemental that was paid with cash on January 24, 2023.

2021	Purchase	Return of Capital Received (Paid)	Capital Contribution Received (Paid)	Affiliate
Q2—Q4	$ 75,359,024	$ —	$ —	Mutual DMLT Trust
December 22	—	—	(6,000,000)	Omaha Supplemental
Total	$ 75,359,024	$ —	$ (6,000,000)	

The Company is a member of a controlled group of companies and as such its results may not be indicative of those if it were to be operated on a stand-alone basis. Any amounts due to or from each affiliated company are presented on a net basis in the statutory financial statements.

The Company and certain of its direct and indirect subsidiaries, will make available to each other the services of certain employees, specialists, professionals, skill and experienced administrators, and specialized equipment as needed. The services made available under the agreement, may include, but are not limited to human resources, facilities, print and mail, payroll, finance and accounting, treasury and investments, internal audit, compliance, information technology infrastructure and personnel, marketing, legal, corporate services, broker dealer and investment advisory services, and other services as determined by the parties. Most of the expenses related to these services were paid by the Company and subject to allocation among the Company and its direct and indirect subsidiaries. Management believes the measures used to allocate expenses provide a reasonable allocation that conforms to NAIC guidelines. Additionally, certain amounts are paid or collected by the Company on behalf of its direct and indirect subsidiaries are generally settled within 30 days.

Certain amounts paid or collected by the Company, on behalf of its direct and indirect subsidiaries, are generally settled within 30 days. The net intercompany payments from subsidiaries were $2,304,291,568 and $2,112,148,690 for the years ended December 31, 2022 and 2021, respectively.

8. BORROWINGS AND SECURITIES LENDING

Effective December 29, 2022, the Company entered into an amendment to its senior unsecured five-year credit facility to extend the maturity date of the facility to December 29, 2027. The facility includes letter-of-credit and short-term sub-facilities that allow for an aggregate maximum borrowing of $300,000,000. The Company may elect to increase the commitment at any time in an amount not to exceed $100,000,000. As of December 31, 2022 and 2021, the Company had no outstanding borrowings under this agreement.

FHLB—The Company is a member of the FHLB of Topeka. The Company has an agreement with the FHLB under which the Company pledges FHLB approved collateral in return for extensions of credit. It is part of the Company's strategy to utilize these funds for operations or other long-term projects. Balances outstanding under this agreement are included in borrowings on the statutory statements of admitted assets, liabilities, and surplus. The Company holds FHLB stock as part of the borrowing agreement, which is included in common stocks-unaffiliated included on the statutory statements of admitted assets, liabilities, and surplus. The Company and United of Omaha have been authorized by their Boards of Directors to obtain extensions of credit under their agreements with the FHLB on a combined basis in an amount not to exceed $2,500,000,000. As of December 31, 2022, the Company has no long-term outstanding borrowings and $39,887,700 short-term outstanding borrowings from the FHLB. As of December 31, 2021, the Company has no long-term outstanding borrowings and $253,326,800 short-term outstanding borrowings from the FHLB. The maximum amount borrowed by the Company under this agreement was $233,461,800 and $345,591,700 during the years ended December 31, 2022 and 2021, respectively.

The general account collateral pledged to FHLB as of December 31, was as follows:

	2022	2021
Fair value	$ 609,643,793	$ 664,406,300
Carrying value	$ 706,970,464	$ 626,797,402
Aggregate total borrowing	$ 39,887,700	$ 253,326,800

The general account maximum collateral pledged during the years ended December 31, was as follows:

	2022	2021
Fair value	$ 618,057,652	$ 664,406,300
Carrying value	$ 710,662,341	$ 626,797,402
Amount borrowed at time of maximum collateral	$ 78,877,000	$ 253,326,800

As of December 31, 2022 and 2021, there were no debt subject to prepayment penalties.

Transfer and Servicing of Financial Assets—The Company has an agreement to sell and repurchase securities. The fair value and cash collateral liability of securities on loan as of December 31, were as follows:

	2022		2021	
	Fair Value	Collateral Liability	Fair Value	Collateral Liability
Securities lending	$ 268,922,921	$ 281,644,682	$ 292,173,842	$ 299,667,250
Bilateral repurchase lending	—	—	10,061,330	10,133,314
Total securities on loan	$ 268,922,921	$ 281,644,682	$ 302,235,172	$ 309,800,564

The transfers of financial assets accounted for as secured borrowings as of December 31, were as follows:

	2022	2021
Assets:		
Cash	$ 37,500,779	$ 33,499,716
Cash equivalents	108,784,250	83,769,483
Short—term investments	31,548,222	114,549,042
Bonds	103,811,431	77,982,323
Total securities lending cash collateral	$ 281,644,682	$ 309,800,564
Liabilities:		
Securities lending cash collateral	$ 281,644,682	$ 309,800,564

The Company has accepted collateral that it is permitted to sell or repledge under the Company's security lending program. The Company receives primarily cash collateral in an amount in excess of the fair value of the securities lent. The Company reinvests the cash collateral into higher-yielding securities than the securities which the Company has lent to other entities under the arrangement. The fair value of the Company's contractually obligated collateral positions, securities which the borrower may request the return on demand, as of December 31, were as follows:

	2022	2021
30 days or less	$ 93,580,693	$ 87,635,297
31 to 60 days	43,829,865	20,760,611
61 to 90 days	8,879,094	62,965,293
Greater than 90 days	134,744,327	138,465,411
Total collateral received	$ 281,033,979	$ 309,826,612

The amortized cost and fair value of the Company's collateral reinvested as of December 31, were as follows:

2022	Amortized Cost	Fair Value
Less than 30 days	$ 93,582,855	$ 93,580,693
31 to 60 days	43,830,178	43,829,865
61 to 90 days	8,877,813	8,879,094
91 to 120 days	10,409,142	10,396,329
121 to 180 days	35,896,617	35,829,164
181 to 365 days	52,412,509	52,382,292
1 to 2 years	32,335,396	31,894,621
2 to 3 years	4,300,172	4,241,921
Total collateral reinvested	$ 281,644,682	$ 281,033,979

2021	Amortized Cost	Fair Value
Less than 30 days	$ 87,635,297	$ 87,635,297
31 to 60 days	20,759,325	20,760,611
61 to 90 days	62,965,293	62,965,293
91 to 120 days	6,899,223	6,902,555
121 to 180 days	24,524,714	24,524,714
181 to 365 days	53,708,836	53,712,990
1 to 2 years	27,451,691	27,442,825
2 to 3 years	7,697,549	7,690,107
Greater than 3 years	18,158,636	18,192,220
Total collateral reinvested	$ 309,800,564	$ 309,826,612

The Company has securities of $281,033,979 and $309,826,612 at fair value in response to the possible $275,812,220 and $309,928,558 collateral that could be called within one day's notice as of December 31, 2022 and 2021, respectively. Excess liquidity at the enterprise level would be used to fulfill any remaining obligation due to the Company's lending/repurchase counterparties. Of the collateral received, the Company has $36,635,568 in collateral for securities lending that extended beyond one year from December 31, 2022.

The maximum amount and ending balance for repurchase agreements accounted for as secured borrowings, by maturity, during the years ended December 31, were as follows:

	2022	2021
Maximum amount:		
Overnight	$ 9,900,000	$ 10,275,000
1 week to 1 month	$ —	$ 5,441,463
Ending balance:		
Overnight	$ —	$ 10,137,500
1 week to 1 month	$ —	$ —

The maximum amount and ending balance for securities sold under repurchase agreements accounted for as secured borrowings, during the years ended December 31, were as follows:

	2022	2021
Maximum amount:		
Carrying value	$ 9,951,267	$ 14,083,803
Fair value	$ 9,817,190	$ 15,272,188
Ending balance:		
Bonds—NAIC 1:		
Carrying value	$ —	$ 9,947,169
Fair value	$ —	$ 10,061,330

The maximum amount and ending balance of cash collateral received was $9,900,000 and there was no liability to return collateral as of December 31, 2022. The maximum amount and ending balance of cash collateral received and liability to return collateral under secured borrowings was $15,253,963 and $10,137,500 as of December 31, 2021, respectively. All cash collateral was not NAIC rated with overnight and continuous remaining contractual maturity as of December 31, 2022 and there was no non-cash collateral received under such transactions as of December 31, 2022 and 2021.

The Company had no outstanding repurchase agreements as of December 31, 2022. The Company's amortized cost and fair value of the allocation of aggregate collateral reinvested under repurchase agreements, by remaining contractual maturity, as of December 31, 2021, was as follows:

	Amortized Cost	Fair Value
30 days or less	$ 2,866,476	$ 2,866,476
31 to 60 days	679,020	679,062
61 to 90 days	2,059,541	2,059,541
91 to 120 days	225,668	225,777
121 to 180 days	802,183	802,183
181 to 365 days	1,756,770	1,756,906
1 to 2 years	897,922	897,632
2 to 3 years	251,780	251,537
Greater than 3 years	593,954	595,052
Total collateral reinvested	$ 10,133,314	$ 10,134,166

9. REINSURANCE

The Company has reinsurance agreements with affiliate entities to assume certain individual health business. The Company assumes 90% of individual health business from Omaha Insurance and Omaha Supplemental, and 100% from United World. The Company also assumes 100% of long-term care policies and 100% of certain Medicare supplement policies from United of Omaha.

10. EMPLOYEE BENEFIT PLANS

The Company is both the sponsor and administrator of a non-contributory defined-benefit plan ("Pension Plan") covering all United States employees meeting certain minimum requirements. Retirement benefits are based upon years of credited service and final average earnings history. Effective January 1, 2005, the Pension Plan was amended to freeze plan benefits for participants under 40 years of age. No benefits are available under the Pension Plan for employees hired on or after January 1, 2005. The Company also sponsors and administers a supplemental defined-benefit plan covering certain former employees. The Company also provides certain postretirement medical and life insurance benefits (other benefits) to retired employees hired before January 1, 1995. Other benefits are based upon hire date, age, and years of service. The Company uses the accrual method of accounting for other benefits.

Projected Benefit Obligations and Plan Assets—The Company does not have pension or other benefit plans in which projected benefit obligations are overfunded as of December 31, 2022 and 2021. The changes in the projected benefit obligation and plan assets for the Company's underfunded plans as of December 31, the measurement date, were as follows:

	Pension Benefits		Other Benefits	
	2022	**2021**	**2022**	**2021**
Change in benefit obligations:				
Benefit obligations at beginning of year	$1,324,729,756	$1,430,567,128	$ 35,237,253	$ 46,119,345
Service costs	3,720,113	5,499,831	38,647	127,537
Interest costs	39,371,805	36,376,196	1,017,467	1,145,812
Actuarial (gain) loss	(296,412,112)	(87,155,899)	(5,814,729)	(7,956,950)
Benefits paid	(62,395,354)	(60,557,500)	(4,622,919)	(4,198,491)
Plan amendments	—	—	(2,871,783)	—
Benefit obligations at end of year	$1,009,014,208	$1,324,729,756	$ 22,983,936	$ 35,237,253
Change in plan assets:				
Fair value at beginning of year	$1,113,020,769	$1,090,800,355	$ 6,583,428	$ 7,633,722
Actual return of plan assets	(60,246,973)	79,300,255	145,732	158,944
Employer contributions	3,448,672	3,477,659	—	—
Benefits paid	(62,395,354)	(60,557,500)	(1,125,621)	(1,209,238)
Fair value at end of year	$ 993,827,114	$1,113,020,769	$ 5,603,539	$ 6,583,428

As of December 31, 2022 and 2021, the amount of the accumulated benefit obligation for defined-benefit pension plans was $1,001,177,744 and $1,314,980,091, respectively.

The funded status and components of net periodic benefit costs for the years ended December 31, were as follows:

	Pension Benefits		Other Benefits	
	2022	2021	2022	2021
Overfunded:				
Prepaid benefit costs	$ 115,168,547	$ 109,150,748	$ —	$ —
Total assets (nonadmitted)	$ 115,168,547	$ 109,150,748	$ —	$ —
Underfunded:				
Accrued benefit costs	30,739,135	31,214,014	30,226,968	32,974,868
Liability for pension benefits	(15,552,041)	180,494,973	(12,846,571)	(4,321,043)
Total liabilities recognized	$ 15,187,094	$ 211,708,987	$ 17,380,397	$ 28,653,825
Components of net periodic benefit costs:				
Service costs	$ 3,720,113	$ 5,499,831	$ 38,647	$ 127,537
Interest costs	39,371,805	36,376,196	1,017,467	1,145,812
Expected return on plan assets	(54,045,256)	(58,357,871)	(121,601)	(277,952)
Amount of recognized gain (loss)	7,909,332	12,963,199	(185,115)	—
Total net periodic benefit costs	$ (3,044,006)	$ (3,518,645)	$ 749,398	$ 995,397

The amounts in unassigned funds (surplus) recognized as components of net periodic benefit costs for the years ended December 31, were as follows:

	Pension Benefits		Other Benefits	
	2022	2021	2022	2021
Items not yet recognized in net periodic costs at the beginning of year	$ 289,645,721	$ 410,707,203	$ (4,321,043)	$ 3,516,899
Net prior service cost or credit arising during the period	—	—	(2,871,783)	—
Net gain or loss arising during the year	(182,119,883)	(108,098,283)	(5,838,860)	(7,837,942)
Amortization of actuarial loss	(7,909,332)	(12,963,199)	185,115	—
Items not yet recognized in net periodic costs at the end of year	$ 99,616,506	$ 289,645,721	$ (12,846,571)	$ (4,321,043)

The following benefit payments are expected to be paid as of December 31:

	2023	2024	2025	2026	2027	2028—2032
Pension benefits	$ 69,926,220	$ 73,226,381	$ 76,039,189	$ 78,480,927	$ 80,278,116	$404,628,728
Other postretirement benefits	$ 3,425,231	$ 3,171,667	$ 2,906,068	$ 2,678,831	$ 2,447,313	$ 9,037,714

The Pension Plan assets and fair value as of December 31, included the following:

2022	Level 1	Level 2	Level 3	Total
General asset account	$ —	$ —	$ 648,909,155	$ 648,909,155
Separate Account K equity securities	—	16,704,655	—	16,704,655
Separate Account IIF equity securities	105,463,094	—	—	105,463,094
Equity securities—domestic	55,477,289	—	—	55,477,289
Equity securities—foreign	50,328,953	—	—	50,328,953
Limited partnerships	—	—	116,943,968	116,943,968
Total	$ 211,269,336	$ 16,704,655	$ 765,853,123	$ 993,827,114

2021	Level 1	Level 2	Level 3	Total
General asset account	$ —	$ —	$ 848,353,121	$ 848,353,121
Separate Account K equity securities	—	19,143,062	—	19,143,062
Separate Account IIF equity securities	76,877,505	—	—	76,877,505
Equity securities—foreign	59,345,007	—	—	59,345,007
Limited partnerships	—	—	109,302,074	109,302,074
Total	$ 136,222,512	$ 19,143,062	$ 957,655,195	$1,113,020,769

Limited partnerships are valued at fair value based on the proportionate share of the partnership's capital balance. Equity securities-domestic and equity securities-foreign consist of mutual funds and collective investment trusts valued at fair value based on the proportionate share of the underlying net assets. The assets consist of securities traded on organized exchanges and over-the-counter markets.

Investments in the group annuity contract include the General Asset Account, which is valued at contract value, Separate Account K and Separate Account IIF. The Separate Account K and Separate Account IIF funds are recorded at the fair value of the defined-benefit pension plan's proportionate share of the underlying net assets. The underlying net assets of the Separate Account K consist primarily of small cap common stocks traded on organized exchanges and over-the-counter markets. Separate account II is an index mutual fund based on the S&P 500 index.

The investment objective of the Pension Plan is to produce current income and long-term capital growth through a combination of equity and fixed income investments that, together with appropriate employer contributions, will be adequate to provide for the payment of the plan's benefit obligations. The assets of the Pension Plan may be invested in both fixed income and equity investments. Fixed income investments may include group annuity contracts, cash and short-term instruments, corporate bonds, mortgages, and other fixed income investments. Equity investment may include large cap, mid cap and small cap stocks, and venture capital.

The Company has various regulated investment advisors that monitor investments in the Pension Plan to ensure they are in compliance with the Company's investment policy and guidelines. The use of derivative instruments as direct investments is prohibited. The Company's Retirement Plans Investment Committee periodically reviews the performance of the Pension Plan's investments and asset allocation. The current allocation strategy is 65% fixed income and 35% equity investments and other as of December 31, 2022. The Company, subject to general guidelines set by the Retirement Plans Investment Committee, makes all investment decisions.

The Company determines its expected long-term rate of return on assets based primarily on the Company's expectations of future returns for the Pension Plan's investments, based on target allocations of the defined-benefit plan's investments. Additionally, the Company considers historical returns on comparable fixed income investments and equity investments and adjusts its estimate as deemed appropriate.

The Company does not expect to make a contribution to its qualified pension plan in 2023.

The Company funds a portion of its defined-benefit pension plans with group annuity contracts and certain other separate account funds purchased from its affiliate, United of Omaha. As of December 31, 2022, the value of the group annuity contracts funding the defined-benefit pension plan and other postretirement benefit plan were $526,713,286 and $5,603,539, respectively. The value of the separate account investments funding the defined-benefit pension plan was $122,167,749 as of December 31, 2022. There were no separate account investments funding the other postretirement benefit plan as of December 31, 2022. As of December 31, 2021, the value of the group annuity contracts funding the defined-benefit pension plan and other postretirement benefit plan were $566,393,180 and $6,583,428, respectively, and the value of the separate account investments funding the defined-benefit pension plan was $96,020,567. There were no separate account investments funding the other postretirement benefit plan as of and December 31, 2021. The Company did not use an alternative method to amortize prior service amounts or net gains and losses.

The accumulated benefit obligation, projected benefit obligation, and fair value of the plan assets as of December 31, 2022 are as follows:

	Pension Benefits	**Postretirement Benefits**
Projected benefit obligations/accumulated postretirement benefits	$ 1,009,014,208	$ 22,983,936
Fair value of plan assets	993,827,114	5,603,539
Total underfunded	$ 15,187,094	$ 17,380,397

Actuarial Assumptions—Actuarial assumptions used to calculate the projected benefit obligation and net periodic pension cost for the plans as of and for the years ended December 31, are set forth in the following table:

	Pension Benefits		**Other Benefits**	
	2022	**2021**	**2022**	**2021**
Projected benefit obligations:				
Discount rate	5.71 %	3.05 %	5.71 %	3.05 %
Rate of increase in compensation levels	3.50 %	2.50 %	N/A	N/A
Net periodic pension costs:				
Discount rate	3.05 %	2.60 %	3.05 %	2.60 %
Rate of increase in compensation levels	2.50 %	3.40 %	N/A	N/A
Expected long—term rate of return on plan assets	5.00 %	5.50 %	2.00 %	4.00 %

Actuarial gains in 2022 and 2021 are the result of an increase in the discount rate partially offset by plan asset losses.

The assumed health care cost trend rates used in measuring the accumulated postretirement benefit obligation was 6.50% in 2022 and 2021, then gradually declining to 5.00% in 2031 and remain at that level thereafter.

Savings and Investment Plans—The Company sponsors savings and investment plans under which the Company matches a portion of employee contributions. The expense for this plan was $7,566,389 and $6,751,028 in 2022 and 2021, respectively.

The Company also provides deferred compensation benefits for certain key executive officers. As of December 31, 2022 and 2021, the liability for deferred compensation benefits included in liability for benefits for employees and agents in the liabilities, surplus and other funds annual statement was $27,537,092 and $25,859,840, respectively.

11. SURPLUS AND SURPLUS NOTES

The portion of unassigned surplus represented by each item below as of December 31, was as follows:

	2022	2021
Unrealized capital gain (loss)	$ 1,070,390,153	$ 1,090,709,126
Nonadmitted assets	$ (300,384,562)	$ (286,617,736)
AVR	$ (129,832,288)	$ (160,955,020)

On July 17, 2014, the Company issued $300,000,000 in surplus notes (2014 notes) due July 15, 2054, at par. Interest on the 2014 notes is fixed at 4.297% and payable semiannually excluding July 15, 2024, at which time interest resets quarterly to a variable rate payable quarterly. The 2014 notes are callable under a make-whole provision calculated as the present value of the remaining principal and interest payments any time prior to July 15, 2024 or at any time on or after July 15, 2024 at par.

On October 12, 2010, the Company issued $300,000,000 in surplus notes (2010 notes) due October 15, 2040, at a discount of $10,095,000 with 6.95% interest due semiannually.

On June 15, 2006, the Company issued $300,000,000 in surplus notes (2006 notes) due June 15, 2036, at a discount of $6,255,000 with 6.80% interest due semiannually.

The 2014 notes, 2010 notes, and 2006 notes, (collectively the surplus notes) were all offered in the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933 or to institutional investors that are accredited investors within the meaning of Rule 501(a) (1), (2), (3), or (7) under the Securities Act, and, outside the United States to certain non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. The 2014 notes and 2010 notes were underwritten by Goldman, Sachs & Co. and J.P. Morgan Securities LLC, and are administered by US Bank, NA as registrar/paying agent. The 2006 notes were underwritten by Goldman, Sachs & Co. and Merrill Lynch & Co., and are administered by US Bank, NA as registrar/paying agent. All of the surplus notes are held by bank custodians for unaffiliated investors and may hold 10% or more of the outstanding notes at any time, no amounts are held by affiliates, and did not include any guarantees.

The surplus notes do not have payments that are contractually linked nor are any of the payments subject to administrative offsetting provisions. Additionally, the surplus note proceeds were not used to purchase an asset directly from the holder of the surplus note. The surplus note holders and issuers are not related parties.

Any payment of interest or repayment of principal on any outstanding surplus note may be made either in full or in part, only from available surplus funds of the Company, when the amount of the surplus of the Company over all liabilities is double that of the amount of the principal or interest then proposed to be paid and with the prior approval of the NDOI. If payment restrictions are not satisfied, the applicable interest payment date or maturity date will be extended until such time, if any, at which such restrictions are satisfied. Interest will continue to accrue on any unpaid principal amount of the notes, but not on unpaid interest the payment of which has not been so approved, during the period of such extension. If the payment restrictions are thereafter satisfied and payment has not been made, to the extent permitted by law, interest will accrue on any unpaid interest from the date of satisfaction of the payment restrictions.

The surplus notes are unsecured obligations of the Company and are expressly subordinated in right of payment to all present and future claims and senior indebtedness of the Company. This includes all insurance policies and existing or future indebtedness issued, incurred or guaranteed by the Company, other than any future surplus notes or similarly subordinated obligations, any indebtedness that is expressly subordinate to, or ranks equal in all respects with the notes, and any premium refunds on assessable policies of the Company. The notes are subject to the provisions of Nebraska Section 44-4842, which establishes the priority of distribution in the event of the reorganization, rehabilitation, liquidation or conservation of an insurance company under the Liquidation Act.

As of December 31, 2022 and 2021, there was not any unapproved interest or principal or principal paid during the year. Carrying value of the surplus notes, year to date and life to date interest expense and life to date principal paid as of December 31, were as follows:

2022

Year	Date Issued	Interest Rate	Carrying Value	Current Year Interest Expense Recognized	Life—To—Date Interest Expense Recognized	Life—To—Date Principal Paid
2014	07/17/2014	4.30%	$ 300,000,000	$ 12,891,000	$ 103,056,383	$ —
2010	10/12/2010	6.95%	152,459,783	10,892,735	168,768,132	143,270,000
2006	06/15/2006	6.80%	258,537,958	17,711,280	313,223,459	39,540,000
			$ 710,997,741	$ 41,495,015	$ 585,047,974	$182,810,000

2021

Year	Date Issued	Interest Rate	Carrying Value	Current Year Interest Expense Recognized	Life—To—Date Interest Expense Recognized	Life—To—Date Principal Paid
2014	07/17/2014	4.30%	$ 300,000,000	$ 12,891,000	$ 90,165,383	$ —
2010	10/12/2010	6.95%	152,344,280	10,892,735	157,875,397	143,270,000
2006	06/15/2006	6.80%	258,453,294	17,711,280	295,512,179	39,540,000
			$ 710,797,574	$ 41,495,015	$ 543,552,959	$182,810,000

12. COMMITMENTS AND CONTINGENCIES

The Company has commitments for additional investments as of December 31, as follows:

	2022	2021
Limited partnership investments	$ 77,059,702	$ 146,553,124
Bonds	49,500,000	3,250,000
Mortgage lending	4,000,000	8,100,000
Total	$ 130,559,702	$ 157,903,124

As a condition of doing business, all states and jurisdictions have adopted laws requiring membership in life and health insurance guaranty funds. Member companies are subject to assessments each year based on life, health or annuity premiums collected in the state. The Company estimated its costs related to past insolvencies and had a liability for guaranty fund assessments of $3,581,453 and $3,753,955 as of December 31, 2022 and 2021, respectively, and are included in general expenses and taxes due or accrued on the statutory statements of admitted assets, liabilities, and surplus. The Company estimated premium tax credits that it will receive related to guaranty funds of $7,107,205 and $7,963,821 as of December 31, 2022 and 2021, respectively, and are included in other assets on the statutory statements of admitted assets, liabilities, and surplus.

The Company recognizes discounted and undiscounted amounts relating to Penn Treaty Network America and its subsidiaries (together "Penn Treaty") insolvency. As of December 31, 2022, the discounted and undiscounted liabilities and receivables were $3,158,754 and $9,981,312, and $2,415,141 and $7,695,475, respectively. As of December 31, 2021, the discounted and undiscounted liabilities and receivables were $3,351,725 and $10,177,791, and $2,595,451 and $7,878,228, respectively. There are 50 jurisdictions for liabilities and 39 jurisdictions for premium tax credits by insolvency as of December 31, 2022. Amounts used for the Penn Treaty accruals are the discounted amounts, using a 4.25% discount rate, reported by the National Organization of Life and Health Insurance Guaranty Association.

The Company has the following guarantees for affiliates as of December 31, 2022. The initial liability recognition for all guarantees was exempted under SSAP No. 5R 18.g, Liabilities, Contingencies and Impairments of Assets*.*

The Company has adopted resolutions to guarantee and maintain Omaha Insurance, a wholly owned indirect subsidiary, capital and surplus at or above Iowa Insurance Division statutory minimum levels of $5,000,000 or RBC, whichever is greater, at or above Maine Bureau of Insurance statutory minimum levels of $1,000,000 capital and $1,000,000 surplus or regulatory action RBC, whichever is greater, and at or above New Jersey Department of Banking and Insurance statutory minimum levels of $3,500,000 for a minimum of 10 years beginning April 25, 2012, the date the Omaha Insurance's New Jersey Certificate of Authority was issued. The maximum potential amount of future payments can not be estimated because the agreement is to maintain the affiliate's capital and surplus which is continuously changing. There were no amounts paid under this agreement as of December 31, 2022 or 2021. Risk of performance is remote as the capital and surplus of Omaha Insurance is well above the required state minimum levels.

The Company has adopted resolutions to guarantee and maintain Omaha Medicare Advantage, a wholly owned subsidiary, capital and surplus at or above Ohio Department of Insurance statutory minimum levels of $1,700,000 or the Company Action Level RBC, whichever is greater. The maximum potential amount of future payments for the guarantee cannot be estimated because the agreement is to maintain the subsidiary's capital and surplus which is continuously changing. There were no amounts paid under this agreement as of December 31, 2022 or 2021. Risk of performance is remote as the capital and surplus of Omaha Medicare Advantage is well above the required state minimum levels.

The Company has a Portfolio Maintenance Agreement with Omaha Re, a wholly owned indirect subsidiary. Under the Portfolio Maintenance Agreement, to the extent there are any realized capital losses, net of amounts transferred to interest maintenance reserve, during any calendar quarter on any of the assets credited to certain funds withheld accounts established by United of Omaha, the Company will contribute equity capital in the form of cash or assets to Omaha Re. The maximum potential amount of future payments can not be estimated because it is unlimited to the extent that Omaha Re sustains capital losses on certain funds withheld account assets. There were no amounts paid under this agreement as of December 31, 2022 or 2021. Risk of performance is based on market conditions.

The Company has guaranteed the performance and payment by Medicare Advantage Company, a wholly owned indirect subsidiary, of all of its obligations arising under a reinsurance agreement with an unaffiliated insurer. The maximum potential amount of future payments can not be estimated because it is unlimited to the extent that Medicare Advantage Company is unable to meet its obligations under the reinsurance agreement. There were no amounts paid under this agreement as of December 31, 2022 or 2021. Risk of performance is remote as Medicare Advantage Company holds a trust for the payment of the reinsurance and the balance in the trust is more than the assumed reserves.

Various lawsuits have arisen in the ordinary course of the Company’s business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

13. LEASES

The Company leases certain property to house home office operations in Omaha, Nebraska, from United of Omaha. The current lease expires December 31, 2035. The Company and United of Omaha jointly enter into agreements for the rental of office space, equipment, and computer software under non-cancelable operating leases. The Company’s allocated rent expense for the years ended December 31, 2022 and 2021, was $14,766,690 and $13,363,125, respectively.

Future required minimum rental payments under leases as of December 31, 2022, were as follows:

2023	$ 12,149,329
2024	10,116,321
2025	6,608,738
2026	4,930,678
2027	3,259,288
Thereafter	4,067,279
Total	$ 41,131,633

For the years ended December 31, 2022 and 2021, the total minimum rentals to be received in the future under non-cancelable subleases was $10,233,384 and $10,640,366, respectively.

14. THIRD—PARTY ADMINISTRATORS

The Company's direct premium written by third-party administrators during the years ended December 31, was as follows:

Name and Address of Managing General Agent or Third—Party Administrator	FEIN Number	Exclusive Contract	Type of Business Written	Type of Authority Granted	2022	2021
LTCG 11000 Prairie Lakes Dr., Suite 600 Eden Prairie, MN 55344	95-4604537	No	Long—term care	Premium administration and collection; policyholder service; claims administration and payment	$ 399,758,404	$ 414,438,766
Maxon Company 76 N. Broadway Irvington, NY 10533	52-1080377	No	Group health	Premium administration and collection; claims administration and payment	28,787,386	23,299,919
Health Special Risks, Inc. 880 Sibley Memorial Hwy, Suite 101 Mendota Heights, MN 55118	41-1365449	No	Special risk	Premium collection; claims administration	5,665,743	5,620,453
All Companies under $1 Million		No	Critical illness	Premium administration and collection, policyholder service, claims administration and payment	2,088	—
				Total	$ 434,213,621	$ 443,359,138

15. LIABILITY FOR POLICY AND CONTRACT CLAIMS—HEALTH

A reconciliation of the liability for policy and contract claims–health as of December 31, was as follows:

	2022	2021
Health balance at January 1	$ 1,309,431,772	$ 1,245,005,458
Reinsurance recoverable	54,835,729	53,104,636
Net balance at January 1	1,254,596,043	1,191,900,822
Incurred related to:		
Current year	2,848,396,866	2,736,008,778
Prior years	(46,807,985)	(28,095,473)
Total incurred	2,801,588,881	2,707,913,305
Paid related to:		
Current year	2,119,209,436	2,044,419,388
Prior years	659,382,060	600,798,696
Total paid	2,778,591,496	2,645,218,084
Net balance at December 31	1,277,593,426	1,254,596,043
Reinsurance recoverable	59,592,549	54,835,729
Balance at December 31	$ 1,337,185,975	$ 1,309,431,772

During 2022, incurred claims related to prior years were favorable on a non-interest adjusted basis primarily due to favorable runout within Medicare supplement, group STD , group LTD, and other group health coverages. Special risk was favorable on a non-interest adjusted basis. Individual and group LTD had favorable run out on a non-interest basis primarily due to updated termination and utilization rates. The runout for other health products was in line with expectations. During 2021, incurred claims related to prior years were favorable on a non-interest adjusted basis due to favorable runout within Medicare supplement, long-term care, special risk, group short-term disability, and other group health coverages that were in line with expectations. Group LTD had favorable run out on a non-interest basis due to updated termination rates.

In 2022, the Company updated claim termination and utilization assumptions using actual historical experience for long-term care disabled life reserves and IBNP which resulted in a decrease of $31,216,181 and $7,699,984, respectively, and a corresponding increase to income.

A roll forward of the liability for claim adjustment expenses, included in general expenses and taxes due or accrued on the statutory statements of admitted assets, liabilities, and surplus, as of December 31, was as follows:

	2022	2021
Prior year accrual	$ 24,607,835	$ 24,543,323
Incurred claim adjustment expenses	33,249,064	33,269,755
Paid claim adjustment expenses	(34,901,813)	(33,205,243)
Total	$ 22,955,086	$ 24,607,835

16. ELECTRONIC DATA PROCESSING EQUIPMENT AND SOFTWARE

EDP equipment and operating and non-operating-system software included in other assets as of December 31, consisted of the following:

	2022	2021
EDP equipment	$ 81,525,939	$ 90,530,154
Operating—system software	7,344,044	12,844,032
Non—operating—system software	260,251,715	283,205,657
Accumulated depreciation	(265,548,106)	(308,391,821)
Nonadmitted assets	(70,809,996)	(61,752,378)
Total	$ 12,763,596	$ 16,435,644

Depreciation expense related to EDP equipment and operating and non-operating-system software totaled $28,744,758 and $25,446,994 for the years ended December 31, 2022 and 2021, respectively.

17. SUBSEQUENT EVENTS

The Company has evaluated events subsequent to December 31, 2022 through March 22, 2023, the date these financial statements were available to be issued.

Type I-Recognized Subsequent Event:

As referenced in Note 7, the Company paid a $5,500,000 cash capital contribution to Omaha Supplemental that was reported as a payable to subsidiary included in other liabilities on the statutory statements of admitted assets, liabilities, and surplus as of December 31, 2022 and subsequently settled in cash on January 24, 2023.

Type II-Nonrecognized Subsequent Events:

On February 21, 2023, the Omaha Health's Board of Directors declared an extraordinary cash return of capital effective on March 8, 2023, in the amount of $100,000,000 expected to be paid to the Company by April 14, 2023.

Effective March 17, 2023, the Company entered into a $550,000,000 senior unsecured credit agreement that is available for purposes of funding the new home office building. There were no borrowings outstanding as of the subsequent event date.

The Company continues to evaluate its exposure to the banking sector and will follow its existing processes for determining any potential investment impairments. The Company does not currently expect any investment impairments in this sector to be material.

No other material subsequent events have been identified.

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SUPPLEMENTAL SCHEDULES

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL SCHEDULES

To the Board of Directors
Mutual of Omaha Insurance Company
Omaha, Nebraska

Our 2022 audit was conducted for the purpose of forming an opinion on the 2022 statutory financial statements as a whole. The supplemental schedule of selected financial data, the supplemental summary investment schedule, and the supplemental investment risks interrogatories as of and for the year ended December 31, 2022, are presented for purposes of additional analysis and are not a required part of the 2022 statutory financial statements. These schedules are the responsibility of Mutual of Omaha Insurance Company's management and were derived from and relate directly to the underlying accounting and other records used to prepare the statutory financial statements. Such schedules have been subjected to the auditing procedures applied in our audit of the 2022 statutory financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the statutory financial statements or to the statutory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedules are fairly stated in all material respects in relation to the 2022 statutory financial statements as a whole.

Deloitte & Touche LLP

March 22, 2023

MUTUAL OF OMAHA INSURANCE COMPANY

SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL DATA
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

Investment income earned:	
U.S. government bonds	$ 10,445,714
Other bonds (unaffiliated)	192,468,793
Bonds of affiliates	—
Preferred stocks (unaffiliated)	252,671
Preferred stocks of affiliates	—
Common stocks (unaffiliated)	1,582,488
Common stocks of affiliates	—
Mortgage loans	17,114,522
Real estate	11,784,580
Contract loans	—
Cash and cash equivalents	59,059
Short—term investments	1,875,503
Other invested assets	23,796,175
Derivative instruments	2,078,945
Aggregate write—ins for investment income	1,269,725
Gross investment income	$ 262,728,175
Real estate owned—book value less encumbrances	$ 55,306,205
Farm mortgages—book value	$ —
Residential mortgages—book value	$ —
Commercial mortgages—book value	$ 437,644,631
Mortgage loans by standing—book value:	
Good standing	$ 435,767,086
Good standing with restructured terms	$ 1,877,545
Interest overdue more than 90 days, not in foreclosure	$ —
Foreclosure in process	$ —
Other long—term assets—statement value	$ 581,607,661
Collateral loans	$ —

(Continued)

MUTUAL OF OMAHA INSURANCE COMPANY

SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL DATA
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

Bonds and stocks of subsidiaries and affiliates—book value:	
Bonds	$ —
Preferred stocks	$ —
Common stocks	$ 2,474,399,445
Bonds and short—term investments by NAIC designation and maturity:	
Bonds by maturity—statement value:	
Due within one year or less	$ 235,148,635
Over 1 year and through 5 years	681,057,307
Over 5 years through 10 years	753,291,263
Over 10 years through 20 years	875,947,677
Over 20 years	2,467,226,273
No Maturity Date	2,154,388
Total by maturity	$ 5,014,825,543
Bonds and short—term investments by NAIC designation—statement value:	
NAIC 1	$ 2,826,974,927
NAIC 2	2,056,073,801
NAIC 3	121,910,375
NAIC 4	6,049,477
NAIC 5	2,448,196
NAIC 6	1,368,767
Total by NAIC designation	$ 5,014,825,543
Total bonds publicly traded	$ 2,751,190,693
Total bonds privately placed	$ 2,263,634,850
Preferred stocks—statement value	$ 14,245,603
Common stocks	$ 2,556,710,037
Short—term investments—book value	$ 84,400,000
Options, caps, and floors owned—statement value	$ —
Options, caps, and floors written and in force—statement value	$ —
Collar, swap, and forward agreements open—current value	$ 10,175,611
Future contracts open—current value	$ —
Cash on deposit	$ (16,157,877)

(Continued)

MUTUAL OF OMAHA INSURANCE COMPANY

SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL DATA
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

Life insurance in force (in thousands):	
Industrial	$ —
Ordinary	$ —
Credit life	$ —
Group life	$ —
Amount of accidental death insurance in force under ordinary policies (in thousands):	$ —
Life insurance with disability provisions in force (in thousands):	
Industrial	$ —
Ordinary	$ —
Credit life	$ —
Group life	$ —
Supplementary contracts in force:	
Ordinary—not involving life contingencies:	
Amount on deposit	$ —
Income payable	$ —
Ordinary—involving life contingencies:	
Income payable	$ —
Group—not involving life contingencies:	
Amount on deposit	$ —
Income payable	$ —
Group—involving life contingencies:	
Income payable	$ —
Annuities:	
Ordinary—immediate:	
Income payable	$ —
Ordinary—deferred:	
Fully paid account balance	$ —
Not fully paid account balance	$ —
Group:	
Income payable	$ —
Fully paid account balance	$ —
Not fully paid account balance	$ —

(Continued)

MUTUAL OF OMAHA INSURANCE COMPANY

SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL DATA
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

Accident and health insurance—premiums in force:	
Other	$ 3,657,061,513
Group	$ 201,887,681
Credit	$ —
Deposit funds:	
Account balance	$ —
Dividend accumulations:	
Account balance	$ —
Claim payments 2022:	
Group accident and health—year ended December 31, 2022:	
2022	$ 53,124,445
2021	$ 24,474,703
2020	$ 6,014,510
2019	$ 4,708,618
2018	$ 2,497,789
2017 and prior	$ 16,434,634
Claim payments 2022:	
Other accident and health—year ended December 31, 2022:	
2022	$ 2,066,084,991
2021	$ 497,399,784
2020	$ 31,379,748
2019	$ 22,250,108
2018	$ 17,747,617
2017 and prior	$ 36,474,549
Other coverages that use developmental methods to calculate claim reserves—year ended December 31, 2022:	
2022	$ —
2021	$ —
2020	$ —
2019	$ —
2018	$ —
2017 and prior	$ —

(Concluded)

SUMMARY INVESTMENT SCHEDULE

	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1	2	3	4	5	6
Investment Categories	Amount	Percentage of Column 1 Line 13	Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3 + 4) Amount	Percentage of Column 5 Line 13
1. Long-Term Bonds (Schedule D, Part 1):						
1.01 U.S. governments	297,638,734	3.327	297,638,734	0	297,638,734	3.329
1.02 All other governments	27,614,795	0.309	27,614,795	0	27,614,795	0.309
1.03 U.S. states, territories and possessions, etc. guaranteed	3,282,907	0.037	3,282,907	0	3,282,907	0.037
1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed	32,634,260	0.365	32,634,260	0	32,634,260	0.365
1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed	349,750,635	3.910	349,750,635	0	349,750,635	3.912
1.06 Industrial and miscellaneous	4,067,696,988	45.471	4,067,696,988	103,811,431	4,171,508,419	46.659
1.07 Hybrid securities	149,652,837	1.673	149,652,837	0	149,652,837	1.674
1.08 Parent, subsidiaries and affiliates	0	0.000	0	0	0	0.000
1.09 SVO identified funds	2,154,388	0.024	2,154,388	0	2,154,388	0.024
1.10 Unaffiliated bank loans	0	0.000	0	0	0	0.000
1.11 Unaffiliated certificates of deposit	0	0.000	0	0	0	0.000
1.12 Total long-term bonds	4,930,425,543	55.115	4,930,425,543	103,811,431	5,034,236,974	56.309
2. Preferred stocks (Schedule D, Part 2, Section 1):						
2.01 Industrial and miscellaneous (Unaffiliated)	14,245,603	0.159	14,245,603	0	14,245,603	0.159
2.02 Parent, subsidiaries and affiliates	0	0.000	0	0	0	0.000
2.03 Total preferred stocks	14,245,603	0.159	14,245,603	0	14,245,603	0.159
3. Common stocks (Schedule D, Part 2, Section 2):						
3.01 Industrial and miscellaneous Publicly traded (Unaffiliated)	1,795,300	0.020	1,795,300	0	1,795,300	0.020
3.02 Industrial and miscellaneous Other (Unaffiliated)	45,248,686	0.506	45,248,686	0	45,248,686	0.506
3.03 Parent, subsidiaries and affiliates Publicly traded	0	0.000	0	0	0	0.000
3.04 Parent, subsidiaries and affiliates Other	2,476,876,499	27.688	2,474,399,445	0	2,474,399,445	27.677
3.05 Mutual funds	0	0.000	0	0	0	0.000
3.06 Unit investment trusts	0	0.000	0	0	0	0.000
3.07 Closed-end funds	0	0.000	0	0	0	0.000
3.08 Exchange traded funds	35,266,605	0.394	35,266,605	0	35,266,605	0.394
3.09 Total common stocks	2,559,187,091	28.608	2,556,710,037	0	2,556,710,037	28.597
4. Mortgage loans (Schedule B):						
4.01 Farm mortgages	0	0.000	0	0	0	0.000
4.02 Residential mortgages	0	0.000	0	0	0	0.000
4.03 Commercial mortgages	437,644,631	4.892	437,644,631	0	437,644,631	4.895
4.04 Mezzanine real estate loans	0	0.000	0	0	0	0.000
4.05 Total valuation allowance	0	0.000	0	0	0	0.000
4.06 Total mortgage loans	437,644,631	4.892	437,644,631	0	437,644,631	4.895
5. Real estate (Schedule A):						
5.01 Properties occupied by company	40,753,050	0.456	40,753,050	0	40,753,050	0.456
5.02 Properties held for production of income	4,906,555	0.055	4,906,555	0	4,906,555	0.055
5.03 Properties held for sale	9,646,600	0.108	9,646,600	0	9,646,600	0.108
5.04 Total real estate	55,306,205	0.618	55,306,205	0	55,306,205	0.619
6. Cash, cash equivalents and short-term investments:						
6.01 Cash (Schedule E, Part 1)	(16,157,877)	(0.181)	(16,157,877)	37,500,779	21,342,902	0.239
6.02 Cash equivalents (Schedule E, Part 2)	102	0.000	102	108,784,250	108,784,351	1.217
6.03 Short-term investments (Schedule DA)	84,400,000	0.943	84,400,000	31,548,222	115,948,222	1.297
6.04 Total cash, cash equivalents and short-term investments	68,242,225	0.763	68,242,225	177,833,251	246,075,476	2.752
7. Contract loans	0	0.000	0	0	0	0.000
8. Derivatives (Schedule DB)	10,175,611	0.114	10,175,611	0	10,175,611	0.114
9. Other invested assets (Schedule BA)	584,443,749	6.533	581,607,661	0	581,607,661	6.505
10. Receivables for securities	4,367,077	0.049	4,367,077	0	4,367,077	0.049
11. Securities Lending (Schedule DL, Part 1)	281,644,682	3.148	281,644,682	XXX	XXX	XXX
12. Other invested assets (Page 2, Line 11)	0	0.000	0	0	0	0.000
13. Total invested assets	8,945,682,416	100.000	8,940,369,275	281,644,682	8,940,369,275	100.000

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SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

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

Of The Mutual of Omaha Insurance Company

ADDRESS (City, State and Zip Code) Omaha , NE 68175

NAIC Group Code 0261 NAIC Company Code 71412 Federal Employer's Identification Number (FEIN) 47-0246511

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. $ 10,171,178,077.10

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	United of Omaha Life Insurance Company	Equity	$ 1,959,899,779.90	19.3 %
2.02	OMAHA HEALTH INSURANCE CO	Equity	$ 267,012,459.40	2.6 %
2.03	Omaha Financial Holdings, Inc.	Equity	$ 171,619,607.67	1.7 %
2.04	MCCARTHY GP LLC	Sch BA-Joint Venture	$ 122,359,390.00	1.2 %
2.05	Federal Home Loan Mortgage Corporation	CMO, MBS	$ 84,886,249.39	0.8 %
2.06	OMHL Revolver	Bank Loan	$ 64,500,000.00	0.6 %
2.07	SFR3 LLC	Sch BA-Joint Venture	$ 56,469,993.00	0.6 %
2.08	Mutual of Omaha Holdings, Inc.	Equity	$ 53,292,607.23	0.5 %
2.09	Invesco Real Estate	Sch BA-All Other	$ 49,048,240.75	0.5 %
2.10	Lion Industrial Trust	Equity	$ 44,573,786.42	0.4 %

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	$ 2,826,974,927.26	27.8 %	3.07	NAIC 1	$ 7,626,671.02	0.1 %
3.02	NAIC 2	$ 2,056,073,801.10	20.2 %	3.08	NAIC 2	$ 325,400.00	0.0 %
3.03	NAIC 3	$ 121,910,374.98	1.2 %	3.09	NAIC 3	$ 0.00	0.0 %
3.04	NAIC 4	$ 6,049,477.12	0.1 %	3.10	NAIC 4	$ 0.00	0.0 %
3.05	NAIC 5	$ 2,448,196.13	0.0 %	3.11	NAIC 5	$ 0.00	0.0 %
3.06	NAIC 6	$ 1,368,766.90	0.0 %	3.12	NAIC 6	$ 6,293,531.75	0.1 %

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]

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	$ 735,410,604.86	7.2 %
4.03	Foreign-currency-denominated investments	$ 0.00	0.0 %
4.04	Insurance liabilities denominated in that same foreign currency	$ 0.00	0.0 %

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

		1	2
5.01	Countries designated NAIC-1	$ 677,780,250.31	6.7 %
5.02	Countries designated NAIC-2	$ 42,417,235.08	0.4 %
5.03	Countries designated NAIC-3 or below	$ 15,213,119.47	0.1 %

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: United Kingdom	$ 157,992,102.97	1.6 %
6.02	Country 2: Australia	$ 123,755,418.06	1.2 %
	Countries designated NAIC - 2:		
6.03	Country 1: Mexico	$ 10,090,396.12	0.1 %
6.04	Country 2: Indonesia	$ 7,644,460.03	0.1 %
	Countries designated NAIC - 3 or below:		
6.05	Country 1: Bahamas	$ 5,405,749.00	0.1 %
6.06	Country 2: Virgin Islands, British	$ 3,688,725.44	0.0 %

		1	2
7.	Aggregate unhedged foreign currency exposure	$ 0.00	0.0 %

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

		1	2
8.01	Countries designated NAIC-1	$ 0.00	0.0 %
8.02	Countries designated NAIC-2	$ 0.00	0.0 %
8.03	Countries designated NAIC-3 or below	$ 0.00	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:	$ 0.00	0.0 %
9.02	Country 2:	$ 0.00	0.0 %
	Countries designated NAIC - 2:		
9.03	Country 1:	$ 0.00	0.0 %
9.04	Country 2:	$ 0.00	0.0 %
	Countries designated NAIC - 3 or below:		
9.05	Country 1:	$ 0.00	0.0 %
9.06	Country 2:	$ 0.00	0.0 %

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

	1 Issuer	2 NAIC Designation	3	4
10.01	Perth Airport Pty Ltd	2, 2FE	$ 17,000,000.00	0.2 %
10.02	Compass Group PLC	1	$ 15,000,000.00	0.1 %
10.03	Owl Rock CLO II Ltd	1FE	$ 15,000,000.00	0.1 %
10.04	Temasek Financial (I) Limited	1FE	$ 12,850,250.63	0.1 %
10.05	Oldendorff Drybulk GmbH & Co. KG	2	$ 12,000,000.00	0.1 %
10.06	HSBC Holdings plc	2FE	$ 11,899,819.21	0.1 %
10.07	Golub Capital Partners Clo 47M LP	1FE	$ 11,190,000.00	0.1 %
10.08	Stockland Trust Management Limited	1FE	$ 11,000,000.00	0.1 %
10.09	Cerberus Loan Funding XXVIII L P	1FE	$ 10,925,460.33	0.1 %
10.10	Inchcape PLC	2	$ 10,887,300.00	0.1 %

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	$	0.00	0.0 %
11.03	Canadian-currency-denominated investments	$	0.00	0.0 %
11.04	Canadian-denominated insurance liabilities	$	0.00	0.0 %
11.05	Unhedged Canadian currency exposure	$	0.00	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	$	0.00	0.0 %
	Largest three investments with contractual sales restrictions:			
12.03		$	0.00	0.0 %
12.04		$	0.00	0.0 %
12.05		$	0.00	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	United of Omaha Life Insurance Company	$	1,959,899,779.90	19.3 %
13.03	OMAHA HEALTH INSURANCE CO	$	267,012,459.40	2.6 %
13.04	Omaha Financial Holdings, Inc.	$	171,619,607.67	1.7 %
13.05	MCCARTHY GP LLC	$	122,359,390.00	1.2 %
13.06	SFR3 LLC	$	56,469,993.00	0.6 %
13.07	Mutual of Omaha Holdings, Inc.	$	53,292,607.23	0.5 %
13.08	Invesco Real Estate	$	49,048,240.75	0.5 %
13.09	Lion Industrial Trust	$	44,573,786.42	0.4 %
13.10	Discovery Mortgage Loan Trust	$	36,701,864.51	0.4 %
13.11	Pretium Partners, LLC	$	32,086,593.00	0.3 %

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 [ ] No [X]

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	$	510,310,373.93	5.0 %
	Largest three investments held in nonaffiliated, privately placed equities:			
14.03	MCCARTHY GP LLC	$	122,359,390.00	1.2 %
14.04	SFR3 LLC	$	56,469,993.00	0.6 %
14.05	Invesco Real Estate	$	49,048,240.75	0.5 %

Ten largest fund managers:

	1 Fund Manager	2 Total Invested	3 Diversified	4 Nondiversified
14.06	Vanguard Index Funds - Vanguard Large-Cap ETF	$ 13,549,450.20	$ 13,549,450.20	$ 0.00
14.07	Vanguard Index Funds - Vanguard Small-Cap ETF	$ 8,167,713.54	$ 8,167,713.54	$ 0.00
14.08	Vanguard Index Funds - Vanguard Mid-Cap ETF	$ 7,914,961.35	$ 7,914,961.35	$ 0.00
14.09	Vanguard STAR Funds - Vanguard Total International Stock ETF	$ 5,634,480.24	$ 5,634,480.24	$ 0.00
14.10	Vanguard Bond Index Funds - Vanguard Intermediate-Term Bond ETF	$ 2,154,388.16	$ 2,154,388.16	$ 0.00
14.11	Federal Home Loan Bank of Topeka	$ 204,226.49	$ 0.00	$ 204,226.49
14.12	Wells Fargo Funds Trust - Treasury Plus Money Market Fund	$ 94.03	$ 94.03	$ 0.00
14.13	First American Funds, Inc. - U.S. Treasury Money Market Fund	$ 7.43	$ 7.43	$ 0.00
14.14		$ 0.00	$ 0.00	$ 0.00
14.15		$ 0.00	$ 0.00	$ 0.00

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	$	0.00	0.0 %
	Largest three investments in general partnership interests:			
15.03		$	0.00	0.0 %
15.04		$	0.00	0.0 %
15.05		$	0.00	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 [ ] No [X]

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	Commercial - DEVILLE PROPERTIES LTD	$ 15,905,657.84	0.2 %
16.03	Commercial - STEPHEN D TEBO DBA TEBO DEVELOPMENT COMPANY	$ 11,328,428.68	0.1 %
16.04	Commercial - HS ATLANTA PORTFOLIO INVESTORS LLC	$ 10,000,000.00	0.1 %
16.05	Commercial - PLAZA DEL AMO PROPERTIES LLC	$ 8,744,206.08	0.1 %
16.06	Commercial - WORTHY BROTHERS DEVELOPMENT COMPANY INC	$ 8,626,227.59	0.1 %
16.07	Commercial - SUNSET LAND COMPANY LLC	$ 8,200,916.68	0.1 %
16.08	Commercial - WESTHAVEN I LLC	$ 8,052,000.00	0.1 %
16.09	Commercial - PK INVESTMENT ASSOCIATES LLC	$ 7,683,698.38	0.1 %
16.10	Commercial - SUMMERFIELD ASSOCIATES LLC	$ 7,272,704.13	0.1 %
16.11	Commercial - IMPERIAL LEGACY ENTERPRISES LLC	$ 7,102,384.17	0.1 %

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

		Loans	
16.12	Construction loans	$ 0.00	0.0 %
16.13	Mortgage loans over 90 days past due	$ 0.00	0.0 %
16.14	Mortgage loans in the process of foreclosure	$ 0.00	0.0 %
16.15	Mortgage loans foreclosed	$ 0.00	0.0 %
16.16	Restructured mortgage loans	$ 1,877,545.02	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%	$ 0.00	0.0 %	$ 0.00	0.0 %	$ 0.00	0.0 %
17.02	91 to 95%	$ 0.00	0.0 %	$ 0.00	0.0 %	$ 0.00	0.0 %
17.03	81 to 90%	$ 0.00	0.0 %	$ 0.00	0.0 %	$ 0.00	0.0 %
17.04	71 to 80%	$ 0.00	0.0 %	$ 7,268,859.02	0.1 %	$ 0.00	0.0 %
17.05	below 70%	$ 0.00	0.0 %	$ 430,375,771.77	4.2 %	$ 0.00	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		$ 0.00	0.0 %
18.03		$ 0.00	0.0 %
18.04		$ 0.00	0.0 %
18.05		$ 0.00	0.0 %
18.06		$ 0.00	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:	$ 0.00	0.0 %
	Largest three investments held in mezzanine real estate loans:		
19.03		$ 0.00	0.0 %
19.04		$ 0.00	0.0 %
19.05		$ 0.00	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	At End of Each Quarter 2nd Quarter 4	At End of Each Quarter 3rd Quarter 5
20.01	Securities lending agreements (do not include assets held as collateral for such transactions)	$ 339,563,841.89	3.3 %	$ 433,943,450.32	$ 322,975,313.81	$ 309,479,382.16
20.02	Repurchase agreements	$ 0.00	0.0 %	$ 9,948,676.53	$ 9,950,219.02	$ 0.00
20.03	Reverse repurchase agreements	$ 0.00	0.0 %	$ 0.00	$ 0.00	$ 0.00
20.04	Dollar repurchase agreements	$ 0.00	0.0 %	$ 0.00	$ 0.00	$ 0.00
20.05	Dollar reverse repurchase agreements	$ 0.00	0.0 %	$ 0.00	$ 0.00	$ 0.00

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	$ 0.00	0.0 %	$ 0.00	0.0 %
21.02	Income generation	$ 0.00	0.0 %	$ 0.00	0.0 %
21.03	Other	$ 0.00	0.0 %	$ 0.00	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	At End of Each Quarter 2nd Quarter 4	At End of Each Quarter 3rd Quarter 5
22.01	Hedging	$ 1,579,013.49	0.0 %	$ 1,677,372.58	$ 1,645,602.00	$ 1,612,723.19
22.02	Income generation	$ 0.00	0.0 %	$ 0.00	$ 0.00	$ 0.00
22.03	Replications	$ 0.00	0.0 %	$ 0.00	$ 0.00	$ 0.00
22.04	Other	$ 0.00	0.0 %	$ 0.00	$ 0.00	$ 0.00

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	At End of Each Quarter 2nd Quarter 4	At End of Each Quarter 3rd Quarter 5
23.01	Hedging	$ 0.00	0.0 %	$ 0.00	$ 0.00	$ 0.00
23.02	Income generation	$ 0.00	0.0 %	$ 0.00	$ 0.00	$ 0.00
23.03	Replications	$ 0.00	0.0 %	$ 0.00	$ 0.00	$ 0.00
23.04	Other	$ 0.00	0.0 %	$ 0.00	$ 0.00	$ 0.00