



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2022  
OF THE CONDITION AND AFFAIRS OF THE

Blue Cross and Blue Shield of North Carolina

NAIC Group Code07580758NAIC Company Code54631Employer's ID Number56-0894904  
(Current)(Prior)

Organized under the Laws ofNorth Carolina, State of Domicile or Port of EntryNC

Country of DomicileUnited States of America

Licensed as business type:HMDI

Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized01/01/1968Commenced Business01/01/1968

Statutory Home Office4705 University Drive, Building 700Durham, NC, US 27707-3460  
(Street and Number)(City or Town, State, Country and Zip Code)

Main Administrative Office4613 University DriveDurham, NC, US 27707-3460  
(Street and Number)(City or Town, State, Country and Zip Code)

919-489-7431  
(Area Code) (Telephone Number)

Mail AddressPO Box 2291Durham, NC, US 27702-2291  
(Street and Number or P.O. Box)(City or Town, State, Country and Zip Code)

Primary Location of Books and Records4705 University Drive, Building 700Durham, NC, US 27707-3460  
(Street and Number)(City or Town, State, Country and Zip Code)

919-489-7431  
(Area Code) (Telephone Number)

Internet Website Addresswww.bcbsnc.com

Statutory Statement ContactElizabeth Marie Lindsey502-210-8328  
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OFFICERS

President & Chief Executive Officer	Babatunde Sotayo Sotunde	SVP, Chief Financial Officer	Mitchell Wade Perry
SVP, Chief Legal Officer & Corporate Secretary	Santiago Martin Estrada	SVP, Commercial Markets	Gerald Allan Petkau

OTHER

Stephen Gerald Friedhoff	Sameet Yalish Goyal	Karla Doble Mizelle
Francesca Deborah Gary	Jogenia Harrell Abernathy	Tracy Rudolph Bennett
Richard Allen Chilton	Amber Melissa Dreyer	Christine Ann Evans
Lauren Claire O'Brien	Michael Authur O'Connor	Rejean Boivin #
Jesse Lee Thomas	Mark Eric Werner	Melissa Kyle Williams
Roy Edward Watson Jr. #	Kelly Lucas Calabria #	Marcus Wallace #
Latisha Hamilton-Williams #		

DIRECTORS OR TRUSTEES

Edward Lloyd Curran Jr.	Babatunde Sotayo Sotunde	Roberta Bromberg Bowman
William Hardy Bryan	Walter Conaway Davenport	John Davis Kimberly
Harold Lee Martin Sr.	Frank Brown Holding Jr.	Jimmie Watkins Phillips Jr
Margaret Booth Powell	Lisa Anne Carey	Anita Rose Brown-Graham
Larry Bernard Wooten	Jeffrey Thompson Barber	Willie Arthur Deese #

State ofNorth CarolinaSS

County ofDurham

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Babatunde Sotayo Sotunde President & Chief Executive Officer	Santiago Martin Estrada SVP, Chief Legal Officer & Corporate Secretary	Mitchell Wade Perry SVP, Chief Financial Officer
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Subscribed and sworn to before me this

day of

a. Is this an original filing? ..... Yes [ X ] No [ ]

b. If no,

1. State the amendment number.....

2. Date filed .....02/28/2023

3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	3,381,091,967		3,381,091,967	3,595,172,303
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	211,379,091		211,379,091	313,269,431
2.2 Common stocks .....	1,596,435,937	15,436,905	1,580,999,032	1,257,032,471
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 98,235,969 encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ 0 encumbrances) .....			0	0
4.3 Properties held for sale (less \$ 0 encumbrances) .....			0	0
5. Cash (\$ (151,544,315) , Schedule E - Part 1), cash equivalents (\$ 114,639,773 , Schedule E - Part 2) and short-term investments (\$ 2,300,122 , Schedule DA) .....	(34,604,420)		(34,604,420)	16,185,996
6. Contract loans, (including \$ premium notes) .....			0	0
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....	1,061,347,679	0	1,061,347,679	992,129,956
9. Receivables for securities .....	1,691,746		1,691,746	448,487
10. Securities lending reinvested collateral assets (Schedule DL) .....			0	0
11. Aggregate write-ins for invested assets .....	6,042	6,042	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	6,217,348,042	15,442,947	6,201,905,095	6,174,238,643
13. Title plants less \$ charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	29,202,132		29,202,132	30,090,627
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	364,441,208	42,756,900	321,684,308	329,089,044
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ ) and contracts subject to redetermination (\$ 31,120,916 ) .....	31,120,916		31,120,916	19,077,093
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	89,858,046	12,441,152	77,416,894	15,057,943
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	463,974,669	82,374,275	381,600,394	345,980,596
18.1 Current federal and foreign income tax recoverable and interest thereon ....			0	0
18.2 Net deferred tax asset .....	145,823,399		145,823,399	107,182,670
19. Guaranty funds receivable or on deposit .....	6,029,453		6,029,453	16,310,044
20. Electronic data processing equipment and software .....	428,359,129	415,323,116	13,036,013	16,388,296
21. Furniture and equipment, including health care delivery assets (\$ ) .....	17,466,829	17,466,829	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	43,053,860		43,053,860	39,929,475
24. Health care (\$ 199,111,796 ) and other amounts receivable .....	425,818,174	226,706,378	199,111,796	190,667,634
25. Aggregate write-ins for other than invested assets .....	344,267,648	90,874,928	253,392,720	220,630,026
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	8,606,763,505	903,386,525	7,703,376,980	7,504,642,091
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27)	8,606,763,505	903,386,525	7,703,376,980	7,504,642,091
DETAILS OF WRITE-INS				
1101. Goodwill .....	6,042	6,042	0	0
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	6,042	6,042	0	0
2501. Risk Adjustment Receivable .....	239,298,197		239,298,197	209,098,512
2502. Prepaid Expenses .....	81,860,344	81,860,344	0	0
2503. Renewable Energy Credits .....	10,981,355	8,990,742	1,990,613	150,270
2598. Summary of remaining write-ins for Line 25 from overflow page .....	12,127,752	23,842	12,103,910	11,381,244
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	344,267,648	90,874,928	253,392,720	220,630,026

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ ..... 112,500,886 reinsurance ceded) .....	931,194,639	28,799,834	959,994,473	861,338,438
2. Accrued medical incentive pool and bonus amounts .....	110,795,805		110,795,805	95,674,460
3. Unpaid claims adjustment expenses.....	20,489,812	633,706	21,123,518	20,908,330
4. Aggregate health policy reserves, including the liability of \$ .....0 for medical loss ratio rebate per the Public Health Service Act .....	220,267,598		220,267,598	303,683,672
5. Aggregate life policy reserves.....			0	0
6. Property/casualty unearned premium reserves.....			0	0
7. Aggregate health claim reserves.....	2,425,879		2,425,879	0
8. Premiums received in advance.....	108,677,316		108,677,316	102,037,558
9. General expenses due or accrued.....	585,731,545		585,731,545	791,726,069
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) ..	35,221,692		35,221,692	245,991,274
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable.....	99,490,384		99,490,384	82,871,144
12. Amounts withheld or retained for the account of others.....	40,515		40,515	1,632,513
13. Remittances and items not allocated.....	3,038,864		3,038,864	5,451,239
14. Borrowed money (including \$ ..... 23,979,087 current) and interest thereon \$ ..... (including \$ ..... current).....	529,271,881		529,271,881	137,557,567
15. Amounts due to parent, subsidiaries and affiliates.....			0	36,477,777
16. Derivatives.....			0	0
17. Payable for securities.....	3,568,563		3,568,563	28,456,033
18. Payable for securities lending .....			0	0
19. Funds held under reinsurance treaties (with \$ ..... 102,585,628 authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers).....	102,585,628		102,585,628	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
22. Liability for amounts held under uninsured plans.....	203,496,756		203,496,756	157,638,398
23. Aggregate write-ins for other liabilities (including \$ ..... 51,723,210 current).....	79,326,287	0	79,326,287	69,418,759
24. Total liabilities (Lines 1 to 23).....	3,035,623,164	29,433,540	3,065,056,704	2,940,863,231
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
29. Surplus notes.....	XXX	XXX	0	
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	1,503,894,095	1,390,648,559
31. Unassigned funds (surplus).....	XXX	XXX	3,134,426,181	3,173,130,301
32. Less treasury stock, at cost: 32.1 ..... shares common (value included in Line 26 \$ ..... ).....	XXX	XXX		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	4,638,320,276	4,563,778,860
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	7,703,376,980	7,504,642,091
DETAILS OF WRITE-INS				
2301. Accrued Other Retirement Benefits .....	15,569,419		15,569,419	33,243,576
2302. Accounts Payable .....	46,722,524		46,722,524	24,123,012
2303. Return of Premium .....	5,000,000		5,000,000	11,577,787
2398. Summary of remaining write-ins for Line 23 from overflow page .....	12,034,344	0	12,034,344	474,384
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	79,326,287	0	79,326,287	69,418,759
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001. Contingency Reserve .....	XXX	XXX	1,503,894,095	1,390,648,559
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	1,503,894,095	1,390,648,559

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	27,720,847	22,943,604
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	10,248,223,778	9,277,097,782
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	(3,776,257)	131,377,639
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	0	
5. Risk revenue .....	XXX	0	
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	30,889,932	59,889,415
8. Total revenues (Lines 2 to 7) .....	XXX	10,275,337,453	9,468,364,836
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		5,859,226,546	5,273,410,440
10. Other professional services .....	308,661,491	750,830,381	528,556,594
11. Outside referrals .....		0	
12. Emergency room and out-of-area .....	42,528,026	534,978,249	605,064,369
13. Prescription drugs .....		2,635,615,544	2,229,917,992
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		64,593,675	94,384,571
16. Subtotal (Lines 9 to 15) .....	351,189,517	9,845,244,396	8,731,333,965
<b>Less:</b>			
17. Net reinsurance recoveries .....		958,549,685	464,790,150
18. Total hospital and medical (Lines 16 minus 17) .....	351,189,517	8,886,694,711	8,266,543,815
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ .....249,913,339 cost containment expenses ....		469,637,266	414,512,527
21. General administrative expenses .....		1,213,095,903	933,164,078
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		(85,496,212)	(127,469,715)
23. Total underwriting deductions (Lines 18 through 22).....	351,189,517	10,483,931,668	9,486,750,704
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(208,594,215)	(18,385,868)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		170,211,690	206,785,207
26. Net realized capital gains (losses) less capital gains tax of \$ .....		8,820,872	91,973,442
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	179,032,562	298,758,649
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			
29. Aggregate write-ins for other income or expenses .....	0	29,983,107	26,618,434
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	421,454	306,991,215
31. Federal and foreign income taxes incurred .....	XXX	(203,327,007)	44,295,579
32. Net income (loss) (Lines 30 minus 31)	XXX	203,748,461	262,695,636
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701. Loss on Fixed Assets .....	XXX	(611,577)	(776,773)
0702. North Carolina State Tax Credits .....	XXX	31,501,509	60,666,188
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	30,889,932	59,889,415
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901. BlueCard Access Fees .....		29,983,107	26,618,434
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	29,983,107	26,618,434

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	4,563,778,857	4,042,156,009
34. Net income or (loss) from Line 32 .....	203,748,461	262,695,636
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... (78,240,702) .....	(228,927,793)	164,732,980
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....	(32,748,797)	79,769,349
39. Change in nonadmitted assets .....	197,678,183	(122,549,278)
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	0	0
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....	(65,208,635)	136,974,161
48. Net change in capital and surplus (Lines 34 to 47) .....	74,541,419	521,622,848
49. Capital and surplus end of reporting period (Line 33 plus 48)	4,638,320,276	4,563,778,857
DETAILS OF WRITE-INS		
4701. Additional Liability for Pension Benefits .....	(4,913,749)	39,353,433
4702. Correction of Prior Depreciation .....	(76,322,641)	0
4703. Correction of Prior Depreciation – Tax Impact .....	16,027,755	0
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	97,620,728
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	(65,208,635)	136,974,161

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	10,225,564,087	9,297,583,528
2. Net investment income .....	190,863,412	233,272,220
3. Miscellaneous income .....	85,257,286	19,510,095
4. Total (Lines 1 through 3) .....	10,501,684,785	9,550,365,843
5. Benefit and loss related payments .....	8,926,361,195	8,175,538,481
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	1,855,490,487	1,133,321,980
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	591,399	41,316,310
10. Total (Lines 5 through 9) .....	10,782,443,080	9,350,176,771
11. Net cash from operations (Line 4 minus Line 10) .....	(280,758,296)	200,189,072
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	848,316,080	1,288,089,886
12.2 Stocks .....	556,799,851	524,820,919
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	51,652,163	134,903,983
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(75,169)	3,373
12.7 Miscellaneous proceeds .....	0	6,245,257
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	1,456,692,925	1,954,063,419
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	713,732,835	1,207,606,515
13.2 Stocks .....	1,039,797,102	516,139,271
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	7,180,589	5,593,490
13.5 Other invested assets .....	80,320,423	128,201,335
13.6 Miscellaneous applications .....	26,130,729	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	1,867,161,678	1,857,540,611
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(410,468,753)	96,522,808
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	391,714,314	13,620,809
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	248,722,318	(282,510,481)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	640,436,632	(268,889,672)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(50,790,417)	27,822,208
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	16,185,993	(11,636,215)
19.2 End of year (Line 18 plus Line 19.1) .....	(34,604,424)	16,185,993

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Charitable foundation contributions .....	336,804	1,840,000
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## ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical) individual .....	3,535,766,008		397,784	3,535,368,224
2.	Comprehensive (hospital and medical) group .....	2,595,230,527		761,292	2,594,469,235
3.	Medicare Supplement .....	385,490,080			385,490,080
4.	Dental only .....	90,883,526			90,883,526
5.	Vision only .....	20,192,882			20,192,882
6.	Federal Employees Health Benefits Plan .....	1,338,721,881			1,338,721,881
7.	Title XVIII - Medicare .....	991,008,025			991,008,025
8.	Title XIX - Medicaid .....	2,075,081,645		1,037,049,240	1,038,032,405
9.	Credit A&H .....				0
10.	Disability Income .....				0
11.	Long-Term Care .....	784,775			784,775
12.	Other health .....	276,549,753		23,277,008	253,272,745
13.	Health subtotal (Lines 1 through 12) .....	11,309,709,102	0	1,061,485,324	10,248,223,778
14.	Life .....	0			0
15.	Property/casualty .....	0			0
16.	Totals (Lines 13 to 15)	11,309,709,102	0	1,061,485,324	10,248,223,778



ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13	14
		2	3											
	Total	Individual	Group	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Payments during the year:														
1.1 Direct .....	9,696,588,503	2,971,489,877	2,235,153,978	278,711,513	66,098,077	11,158,279	1,221,352,594	861,058,130	1,813,542,755			1,618,897	236,404,403	
1.2 Reinsurance assumed .....	0													
1.3 Reinsurance ceded .....	819,699,640								819,699,640					
1.4 Net .....	8,876,888,863	2,971,489,877	2,235,153,978	278,711,513	66,098,077	11,158,279	1,221,352,594	861,058,130	993,843,115	0	0	1,618,897	236,404,403	0
2. Paid medical incentive pools and bonuses .....	49,472,330	21,934,981	14,932,120				6,872,758	5,732,471						
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct .....	1,072,495,359	288,745,443	223,175,922	45,571,266	5,484,034	535,355	140,625,311	116,380,651	225,001,772	0	0	1,412,427	25,563,178	0
3.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded .....	112,500,886	0	0	0	0	0	0	0	112,500,886	0	0	0	0	0
3.4 Net .....	959,994,473	288,745,443	223,175,922	45,571,266	5,484,034	535,355	140,625,311	116,380,651	112,500,886	0	0	1,412,427	25,563,178	0
4. Claim reserve December 31, current year from Part 2D:														
4.1 Direct .....	2,425,879											2,425,879		
4.2 Reinsurance assumed .....	0													
4.3 Reinsurance ceded .....	0													
4.4 Net .....	2,425,879	0	0	0	0	0	0	0	0	0	0	2,425,879	0	0
5. Accrued medical incentive pools and bonuses, current year .....	110,795,806	40,984,742	23,535,328				7,555,565	37,253,252	1,466,919					
6. Net health care receivables (a) .....	81,069,639	28,064,654	31,916,541	7,218			0	18,624,812	390,401	0	0	0	2,066,013	
7. Amounts recoverable from reinsurers December 31, current year .....	89,858,046		740,000						72,164,002				16,954,044	
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct .....	909,789,384	296,690,071	204,722,460	30,904,377	4,325,100	430,640	124,700,243	68,032,803	156,833,245			3,414,417	19,736,028	0
8.2 Reinsurance assumed .....	0			0	0	0	0	0	0				0	0
8.3 Reinsurance ceded .....	48,450,944			0	0	0	0	0	48,450,944				0	0
8.4 Net .....	861,338,440	296,690,071	204,722,460	30,904,377	4,325,100	430,640	124,700,243	68,032,803	108,382,301	0	0	3,414,417	19,736,028	0
9. Claim reserve December 31, prior year from Part 2D:														
9.1 Direct .....	0													
9.2 Reinsurance assumed .....	0													
9.3 Reinsurance ceded .....	0													
9.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year .....	95,674,460	28,402,118	18,877,784				5,682,323	39,792,657	2,919,578					
11. Amounts recoverable from reinsurers December 31, prior year .....	15,057,943								15,057,943					
12. Incurred Benefits:														
12.1 Direct .....	9,780,650,718	2,935,480,595	2,221,690,899	293,371,184	67,257,011	11,262,994	1,237,277,662	890,781,166	1,881,320,881	0	0	2,042,786	240,165,540	0
12.2 Reinsurance assumed .....	0	0		0	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded .....	958,549,685	0	740,000	0	0	0	0	0	940,855,641	0	0	0	16,954,044	0
12.4 Net .....	8,822,101,033	2,935,480,595	2,220,950,899	293,371,184	67,257,011	11,262,994	1,237,277,662	890,781,166	940,465,240	0	0	2,042,786	223,211,496	0
13. Incurred medical incentive pools and bonuses .....	64,593,676	34,517,605	19,589,664	0	0	0	8,746,000	3,193,066	(1,452,659)	0	0	0	0	0

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13	14
		2	3											
	Total	Individual	Group	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:														
1.1 Direct .....	326,763,815	109,343,651	84,513,438	17,257,168			53,252,736	44,071,640	18,325,182					
1.2 Reinsurance assumed .....	0													
1.3 Reinsurance ceded .....	0													
1.4 Net .....	326,763,815	109,343,651	84,513,438	17,257,168	0	0	53,252,736	44,071,640	18,325,182	0	0	0	0	0
2. Incurred but Unreported:														
2.1 Direct .....	745,731,544	179,401,792	138,662,484	28,314,098	5,484,034	535,355	87,372,575	72,309,011	206,676,590			1,412,427	25,563,178	
2.2 Reinsurance assumed .....	0													
2.3 Reinsurance ceded .....	112,500,886		0						112,500,886	0				
2.4 Net .....	633,230,658	179,401,792	138,662,484	28,314,098	5,484,034	535,355	87,372,575	72,309,011	94,175,704	0	0	1,412,427	25,563,178	0
3. Amounts Withheld from Paid Claims and Capitations:														
3.1 Direct .....	0													
3.2 Reinsurance assumed .....	0													
3.3 Reinsurance ceded .....	0													
3.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. TOTALS:														
4.1 Direct .....	1,072,495,359	288,745,443	223,175,922	45,571,266	5,484,034	535,355	140,625,311	116,380,651	225,001,772	0	0	1,412,427	25,563,178	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	112,500,886	0	0	0	0	0	0	0	112,500,886	0	0	0	0	0
4.4 Net	959,994,473	288,745,443	223,175,922	45,571,266	5,484,034	535,355	140,625,311	116,380,651	112,500,886	0	0	1,412,427	25,563,178	0

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical) individual .....	183,670,725	2,787,819,155	4,585,886	284,159,558	188,256,612	296,690,071
2. Comprehensive (hospital and medical) group .....	120,278,013	2,114,135,965	2,963,938	220,211,983	123,241,951	204,722,460
3. Medicare Supplement .....	27,750,324	250,961,188	75,139	45,496,127	27,825,463	30,904,376
4. Dental Only .....	4,129,345	61,968,732	4,442	5,479,592	4,133,787	4,325,100
5. Vision Only .....	421,660	10,736,619		535,355	421,660	430,640
6. Federal Employees Health Benefits Plan .....	128,857,139	1,092,495,455	2,968,564	137,656,746	131,825,703	124,700,243
7. Title XVIII - Medicare .....	17,648,708	843,409,422	1,203,842	115,176,809	18,852,550	68,032,803
8. Title XIX - Medicaid .....	71,413,691	865,323,365	685,145	111,815,741	72,098,836	108,382,301
9. Credit A&H .....					0	
10. Disability Income .....					0	
11. Long-Term Care .....		1,618,897		3,838,307	0	3,414,417
12. Other health .....	(27,964,037)	247,414,395	2,000,000	23,563,178	(25,964,037)	19,736,028
13. Health subtotal (Lines 1 to 12) .....	526,205,568	8,275,883,193	14,486,956	947,933,396	540,692,525	861,338,439
14. Health care receivables (a) .....	2,927,885	368,241,823			2,927,885	290,100,069
15. Other non-health .....					0	0
16. Medical incentive pools and bonus amounts .....	47,417,436	2,054,893	25,541,390	85,254,415	72,958,826	95,674,459
17. Totals (Lines 13 - 14 + 15 + 16)	570,695,119	7,909,696,263	40,028,346	1,033,187,811	610,723,466	666,912,829

(a) Excludes \$ loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	.....378,476	.....386,184	.....386,554	.....386,554	.....386,554
2.	2018 .....	.....4,332,170	.....4,708,781	.....4,713,078	.....4,713,554	.....4,713,401
3.	2019 .....	.....XXX	.....4,570,359	.....5,027,883	.....5,030,772	.....5,031,921
4.	2020 .....	.....XXX	.....XXX	.....4,584,868	.....4,904,041	.....4,916,694
5.	2021 .....	.....XXX	.....XXX	.....XXX	.....5,108,661	.....5,398,960
6.	2022 .....	.....XXX	.....XXX	.....XXX	.....XXX	.....4,901,955

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	.....387,458	.....386,186	.....386,554	.....386,554	.....386,554
2.	2018 .....	.....4,891,484	.....4,735,494	.....4,713,078	.....4,713,554	.....4,713,401
3.	2019 .....	.....XXX	.....5,186,099	.....5,034,299	.....5,030,772	.....5,031,921
4.	2020 .....	.....XXX	.....XXX	.....5,232,364	.....4,923,373	.....4,916,694
5.	2021 .....	.....XXX	.....XXX	.....XXX	.....5,686,416	.....5,406,510
6.	2022 .....	.....XXX	.....XXX	.....XXX	.....XXX	.....5,406,327

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2018 .....	.....6,494,882	.....4,713,401	.....43,809	.....0.9	.....4,757,210	.....73.2	.....	.....	.....4,757,210	.....73.2
2.	2019 .....	.....6,244,007	.....5,031,921	.....46,782	.....0.9	.....5,078,703	.....81.3	.....	.....	.....5,078,703	.....81.3
3.	2020 .....	.....6,191,065	.....4,916,694	.....311,742	.....6.3	.....5,228,436	.....84.5	.....	.....2	.....5,228,438	.....84.5
4.	2021 .....	.....6,085,925	.....5,406,510	.....319,091	.....5.9	.....5,725,601	.....94.1	.....7,550	.....163	.....5,733,314	.....94.2
5.	2022 .....	.....6,129,837	.....5,406,327	.....532,434	.....9.8	.....5,938,761	.....96.9	.....568,892	.....11,227	.....6,518,880	.....106.3

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Medicare Supplement

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	26,993	26,992	26,992	26,994	26,994
2.	2018 .....	260,479	287,386	287,385	287,385	287,384
3.	2019 .....	XXX	265,641	297,146	297,145	296,931
4.	2020 .....	XXX	XXX	244,910	271,072	271,301
5.	2021 .....	XXX	XXX	XXX	265,109	292,844
6.	2022 .....	XXX	XXX	XXX	XXX	250,961

Section B - Incurred Health Claims - Medicare Supplement

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	27,005	26,992	26,992	26,994	26,994
2.	2018 .....	295,124	287,459	287,385	287,385	287,384
3.	2019 .....	XXX	300,455	297,237	297,145	296,931
4.	2020 .....	XXX	XXX	284,968	271,470	271,301
5.	2021 .....	XXX	XXX	XXX	295,615	292,920
6.	2022 .....	XXX	XXX	XXX	XXX	296,457

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Medicare Supplement

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2018 .....	382,057	287,384	2,796	1.0	290,180	76.0			290,180	76.0
2. 2019 .....	391,862	296,931	3,091	1.0	300,022	76.6			300,022	76.6
3. 2020 .....	395,492	271,301	19,503	7.2	290,804	73.5			290,804	73.5
4. 2021 .....	389,686	292,920	20,305	6.9	313,225	80.4	75	2	313,302	80.4
5. 2022 .....	385,490	296,457	30,132	10.2	326,589	84.7	45,496	930	373,015	96.8

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ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Dental Only

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	2,709	2,682	2,681	2,682	2,682
2.	2018 .....	44,913	47,273	47,314	47,314	47,319
3.	2019 .....	XXX	50,099	53,357	53,382	53,376
4.	2020 .....	XXX	XXX	43,137	46,580	46,641
5.	2021 .....	XXX	XXX	XXX	53,379	57,449
6.	2022 .....	XXX	XXX	XXX	XXX	61,969

Section B - Incurred Health Claims - Dental Only

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	2,708	2,681	2,681	2,682	2,682
2.	2018 .....	48,048	47,273	47,314	47,314	47,319
3.	2019 .....	XXX	53,719	53,380	53,382	53,376
4.	2020 .....	XXX	XXX	47,624	46,593	46,641
5.	2021 .....	XXX	XXX	XXX	57,692	57,453
6.	2022 .....	XXX	XXX	XXX	XXX	67,448

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Dental Only

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2018 .....	70,611	47,319	2,549	5.4	49,868	70.6			49,868	70.6
2.	2019 .....	71,584	53,376	277	0.5	53,653	75.0			53,653	75.0
3.	2020 .....	69,674	46,641	2,363	5.1	49,004	70.3			49,004	70.3
4.	2021 .....	82,689	57,453	2,206	3.8	59,659	72.1	4	0	59,663	72.2
5.	2022 .....	90,884	67,448	5,525	8.2	72,973	80.3	5,480	87	78,540	86.4

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Vision Only

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	553	553	552	552	552
2.	2018 .....	4,660	4,860	4,860	4,860	4,860
3.	2019 .....	XXX	7,176	7,423	7,423	7,423
4.	2020 .....	XXX	XXX	7,220	7,593	7,593
5.	2021 .....	XXX	XXX	XXX	9,311	9,733
6.	2022 .....	XXX	XXX	XXX	XXX	10,737

Section B - Incurred Health Claims - Vision Only

Year in Which Losses Were Incurred			Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
			1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior	.....	552	552	552	552	552
2.	2018	.....	4,879	4,860	4,860	4,860	4,860
3.	2019	.....	xxx	7,446	7,423	7,423	7,423
4.	2020	.....	xxx	xxx	7,593	7,594	7,593
5.	2021	.....	xxx	xxx	xxx	9,738	9,733
6.	2022	.....	xxx	xxx	xxx	xxx	11,272

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Vision Only

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2018	8,274	4,860	6	0.1	4,866	58.8			4,866	58.8
2.	2019	11,032	7,423	19	0.3	7,442	67.5			7,442	67.5
3.	2020	13,869	7,593	20	0.3	7,613	54.9			7,613	54.9
4.	2021	16,498	9,733	177	1.8	9,910	60.1			9,910	60.1
5.	2022	90,884	11,272	1,029	9.1	12,301	13.5	535	7	12,843	14.1

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	112,132	263,346	263,346	263,346	263,346
2.	2018 .....	919,477	1,070,470	1,074,393	1,074,393	1,074,450
3.	2019 .....	XXX	1,002,255	1,157,484	1,157,368	1,157,929
4.	2020 .....	XXX	XXX	1,023,602	1,122,077	1,126,159
5.	2021 .....	XXX	XXX	XXX	1,137,376	1,261,533
6.	2022 .....	XXX	XXX	XXX	XXX	1,092,495

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	113,243	263,346	263,346	263,346	263,346
2.	2018 .....	1,044,631	1,073,367	1,074,393	1,074,393	1,074,450
3.	2019 .....	XXX	1,170,291	1,161,727	1,157,368	1,157,929
4.	2020 .....	XXX	XXX	1,156,447	1,125,293	1,126,159
5.	2021 .....	XXX	XXX	XXX	1,258,860	1,264,501
6.	2022 .....	XXX	XXX	XXX	XXX	1,230,152

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2018 .....	1,145,004	1,074,450	87,109	8.1	1,161,559	101.4			1,161,559	101.4
2. 2019 .....	1,258,165	1,157,929	16,870	1.5	1,174,799	93.4			1,174,799	93.4
3. 2020 .....	1,466,063	1,126,159	93,849	8.3	1,220,008	83.2			1,220,008	83.2
4. 2021 .....	1,188,267	1,264,501	98,254	7.8	1,362,755	114.7	2,969	64	1,365,788	114.9
5. 2022 .....	1,338,722	1,230,152	125,721	10.2	1,355,873	101.3	145,212	3,075	1,504,160	112.4



ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred			Cumulative Net Amounts Paid				
			1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....		51,095	51,095	51,095	51,094	51,094
2.	2018 .....		600,927	638,452	638,452	638,452	638,266
3.	2019 .....		XXX	590,275	624,560	624,560	624,414
4.	2020 .....		XXX	XXX	604,572	636,870	636,761
5.	2021 .....		XXX	XXX	XXX	660,348	678,438
6.	2022 .....		XXX	XXX	XXX	XXX	843,409

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred			Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
			1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior	.....	51,246	51,095	51,095	51,094	51,094
2.	2018	.....	665,826	638,481	638,452	638,452	638,266
3.	2019	.....	XXX	651,015	624,671	624,560	624,414
4.	2020	.....	XXX	XXX	674,800	637,145	636,761
5.	2021	.....	XXX	XXX	XXX	728,107	679,642
6.	2022	.....	XXX	XXX	XXX	XXX	958,586

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2018	.....792,362	.....638,266	.....61,814	.....9.7	.....700,080	.....88.4	.....	.....	.....700,080	.....88.4
2.	2019	.....737,100	.....624,414	.....941	.....0.2	.....625,355	.....84.8	.....	.....	.....625,355	.....84.8
3.	2020	.....771,283	.....636,761	.....38,414	.....6.0	.....675,175	.....87.5	.....	.....	.....675,175	.....87.5
4.	2021	.....788,569	.....679,642	.....38,718	.....5.7	.....718,360	.....91.1	.....1,204	.....25	.....719,589	.....91.3
5.	2022	.....991,008	.....958,586	.....85,581	.....8.9	.....1,044,167	.....105.4	.....152,430	.....2,241	.....1,198,838	.....121.0

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	0	0	0	0	
2.	2018 .....					
3.	2019 .....	XXX				
4.	2020 .....	XXX	XXX		1	1
5.	2021 .....	XXX	XXX	XXX	350,569	421,982
6.	2022 .....	XXX	XXX	XXX	XXX	865,323

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	0	0	0	0	
2.	2018 .....					
3.	2019 .....	XXX				
4.	2020 .....	XXX	XXX		1	1
5.	2021 .....	XXX	XXX	XXX	458,951	422,667
6.	2022 .....	XXX	XXX	XXX	XXX	977,139

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2018 .....				0.0	0	0.0			0	0.0
2. 2019 .....				0.0	0	0.0			0	0.0
3. 2020 .....		1		0.0	1	0.0			1	0.0
4. 2021 .....	470,424	422,667	3,407	0.8	426,074	90.6	685	37	426,796	90.7
5. 2022 .....	1,038,032	977,139	115,256	11.8	1,092,395	105.2	113,283	3,011	1,208,689	116.4

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	..... (13,215)	..... (13,215)	..... (13,214)	..... (13,213)	..... (13,213)
2.	2018 .....	..... 139,123	..... 137,008	..... 137,008	..... 137,008	..... 137,008
3.	2019 .....	..... XXX	..... 186,901	..... 177,294	..... 177,294	..... 177,289
4.	2020 .....	..... XXX	..... XXX	..... 190,347	..... 178,167	..... 178,167
5.	2021 .....	..... XXX	..... XXX	..... XXX	..... 229,262	..... 201,304
6.	2022 .....	..... XXX	..... XXX	..... XXX	..... XXX	..... 249,033

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	..... (6,214)	..... (13,214)	..... (13,214)	..... (13,213)	..... (13,213)
2.	2018 .....	..... 147,000	..... 139,508	..... 137,008	..... 137,008	..... 137,008
3.	2019 .....	..... XXX	..... 195,618	..... 177,394	..... 177,294	..... 177,289
4.	2020 .....	..... XXX	..... XXX	..... 204,958	..... 181,724	..... 178,167
5.	2021 .....	..... XXX	..... XXX	..... XXX	..... 248,856	..... 203,304
6.	2022 .....	..... XXX	..... XXX	..... XXX	..... XXX	..... 276,435

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2018 .....	..... 176,202	..... 137,008	..... 4,462	..... 3.3	..... 141,470	..... 80.3	.....	.....	..... 141,470	..... 80.3
2.	2019 .....	..... 205,482	..... 177,289	..... 693	..... 0.4	..... 177,982	..... 86.6	.....	.....	..... 177,982	..... 86.6
3.	2020 .....	..... 227,538	..... 178,167	..... 6,571	..... 3.7	..... 184,738	..... 81.2	.....	.....	..... 184,738	..... 81.2
4.	2021 .....	..... 255,039	..... 203,304	..... 6,583	..... 3.2	..... 209,887	..... 82.3	..... 2,000	.....	..... 211,887	..... 83.1
5.	2022 .....	..... 254,058	..... 276,435	..... 26,456	..... 9.6	..... 302,891	..... 119.2	..... 27,401	..... 253	..... 330,545	..... 130.1

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	.....558,743	.....717,637	..... 718,006	..... 718,008	..... 718,009
2.	2018 .....	..... 6,301,749	..... 6,894,230	..... 6,902,490	..... 6,902,966	..... 6,902,688
3.	2019 .....	.....XXX	..... 6,672,706	..... 7,345,147	..... 7,347,943	..... 7,349,283
4.	2020 .....	.....XXX	.....XXX	..... 6,698,656	..... 7,166,402	..... 7,183,317
5.	2021 .....	.....XXX	.....XXX	.....XXX	..... 7,814,015	..... 8,322,243
6.	2022 .....	.....XXX	.....XXX	.....XXX	.....XXX	..... 8,275,882

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2018	2 2019	3 2020	4 2021	5 2022
1.	Prior .....	..... 575,998	.....717,638	..... 718,006	..... 718,008	..... 718,009
2.	2018 .....	..... 7,096,992	..... 6,926,442	..... 6,902,490	..... 6,902,966	..... 6,902,688
3.	2019 .....	.....XXX	..... 7,564,643	..... 7,356,131	..... 7,347,943	..... 7,349,283
4.	2020 .....	.....XXX	.....XXX	..... 7,608,754	..... 7,193,192	..... 7,183,317
5.	2021 .....	.....XXX	.....XXX	.....XXX	..... 8,744,235	..... 8,336,730
6.	2022 .....	.....XXX	.....XXX	.....XXX	.....XXX	..... 9,223,816

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2018 .....	.....9,069,392	..... 6,902,688	..... 202,545	..... 2.9	..... 7,105,233	.....78.3	.....0	.....0	..... 7,105,233	.....78.3
2. 2019 .....	.....8,919,232	..... 7,349,283	..... 68,673	..... 0.9	..... 7,417,956	.....83.2	.....0	.....0	..... 7,417,956	.....83.2
3. 2020 .....	.....9,134,984	..... 7,183,317	..... 472,462	..... 6.6	..... 7,655,779	.....83.8	.....0	.....2	..... 7,655,781	.....83.8
4. 2021 .....	.....9,277,098	..... 8,336,730	..... 488,741	..... 5.9	..... 8,825,471	.....95.1	.....14,487	.....291	..... 8,840,249	.....95.3
5. 2022 .....	.....10,318,915	..... 9,223,816	..... 922,134	.....10.0	.....10,145,950	.....98.3	.....1,058,729	.....20,831	.....11,225,510	.....108.8

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other
1. Unearned premium reserves .....	0												
2. Additional policy reserves (a) .....	99,971,649			77,756,080								22,215,569	
3. Reserve for future contingent benefits .....	0												
4. Reserve for rate credits or experience rating refunds (including \$ .....120,295,947 for investment income) ..	120,295,947						120,295,947						
5. Aggregate write-ins for other policy reserves .....	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Totals (gross) .....	220,267,596	0	0	77,756,080	0	0	120,295,947	0	0	0	0	22,215,569	0
7. Reinsurance ceded .....	0												
8. Totals (Net)(Page 3, Line 4) .....	220,267,596	0	0	77,756,080	0	0	120,295,947	0	0	0	0	22,215,569	0
9. Present value of amounts not yet due on claims .....	0												
10. Reserve for future contingent benefits .....	2,425,879											2,425,879	
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	2,425,879	0	0	0	0	0	0	0	0	0	0	2,425,879	0
13. Reinsurance ceded .....	0												
14. Totals (Net)(Page 3, Line 7)	2,425,879	0	0	0	0	0	0	0	0	0	0	2,425,879	0
DETAILS OF WRITE-INS													
0501. ....													
0502. ....													
0503. ....													
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0	0
1101. ....													
1102. ....													
1103. ....													
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes \$ ..... 9,555,534 premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ ..... 21,952,749 for occupancy of own building) .....	4,656,364	6,851,942	11,098,027		22,606,333
2. Salary, wages and other benefits .....	186,840,988	214,936,210	576,562,376		978,339,574
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....			189,136,196		189,136,196
4. Legal fees and expenses .....	535,348	202,853	8,634,389		9,372,590
5. Certifications and accreditation fees .....	302,276	297,016	9,139,273		9,738,565
6. Auditing, actuarial and other consulting services ...	10,335,038	18,026,336	29,328,532		57,689,906
7. Traveling expenses .....	476,673	1,051,042	4,082,697		5,610,412
8. Marketing and advertising .....	369,900	619,293	19,741,173		20,730,366
9. Postage, express and telephone .....	2,709,183	5,832,785	11,618,852		20,160,820
10. Printing and office supplies .....	962,610	4,068,674	15,178,226		20,209,510
11. Occupancy, depreciation and amortization .....	(7,866,966)	(11,187,320)	(26,310,262)		(45,364,548)
12. Equipment .....	170,052	251,701	355,258		777,011
13. Cost or depreciation of EDP equipment and software .....	63,789,985	97,566,038	133,315,267		294,671,290
14. Outsourced services including EDP, claims, and other services .....	103,790,170	64,486,285	62,240,257	25,818,489	256,335,201
15. Boards, bureaus and association fees .....	1,434,703	297,672	5,402,279		7,134,654
16. Insurance, except on real estate .....			12,119,817		12,119,817
17. Collection and bank service charges .....	27,320	296,297	8,733,641		9,057,258
18. Group service and administration fees .....	4,594,064	53,907,719	11,697,982		70,199,765
19. Reimbursements by uninsured plans .....	(104,075,282)	(199,761,635)	(99,694,150)		(403,531,067)
20. Reimbursements from fiscal intermediaries .....	(26,324,514)	(50,527,156)	(24,024,036)		(100,875,706)
21. Real estate expenses .....	(1,369,043)	(3,281,703)	(94,375)	6,284,886	1,539,765
22. Real estate taxes .....	562,398	856,531	1,215,484		2,634,413
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....					0
23.2 State premium taxes .....			153,607,534		153,607,534
23.3 Regulatory authority licenses and fees .....	5,454	8,653	121,297		135,405
23.4 Payroll taxes .....	10,410,431	13,671,021	17,606,562		41,688,014
23.5 Other (excluding federal income and real estate taxes) .....			85,542,402		85,542,402
24. Investment expenses not included elsewhere .....					0
25. Aggregate write-ins for expenses .....	(2,423,814)	1,253,674	(3,258,795)	0	(4,428,935)
26. Total expenses incurred (Lines 1 to 25) .....	249,913,339	219,723,927	1,213,095,903	32,103,375	(a) ..... 1,714,836,545
27. Less expenses unpaid December 31, current year .....		21,123,518	585,731,545		606,855,063
28. Add expenses unpaid December 31, prior year .....	1,904,228	19,004,102	791,726,069	0	812,634,399
29. Amounts receivable relating to uninsured plans, prior year .....	56,709,585	101,612,253	252,552,794	0	410,874,632
30. Amounts receivable relating to uninsured plans, current year .....	68,816,393	60,503,406	334,039,331		463,359,130
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	263,924,375	176,495,664	1,500,576,964	32,103,375	1,973,100,379
DETAILS OF WRITE-INS					
2501. Donations .....			337,233		337,233
2502. Interest expense .....		4,655,754			4,655,754
2503. Amortization of Goodwill & Intangibles .....	(2,423,814)	(3,402,080)	(3,596,028)		(9,421,922)
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	(2,423,814)	1,253,674	(3,258,795)	0	(4,428,935)

(a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds .....	(a) .....11,057,649	..... 11,115,974
1.1	Bonds exempt from U.S. tax .....	(a) .....	.....
1.2	Other bonds (unaffiliated) .....	(a) ..... 107,822,465	..... 105,840,214
1.3	Bonds of affiliates .....	(a) ..... 0	..... 0
2.1	Preferred stocks (unaffiliated) .....	(b) ..... 15,583,761	..... 15,478,126
2.11	Preferred stocks of affiliates .....	(b) ..... 0	..... 0
2.2	Common stocks (unaffiliated) .....	..... 15,025,278	..... 15,109,895
2.21	Common stocks of affiliates .....	..... 0	..... 0
3.	Mortgage loans .....	(c) ..... 0	..... 0
4.	Real estate .....	(d) ..... 0	..... 21,952,750
5	Contract Loans .....	..... 0	..... 0
6	Cash, cash equivalents and short-term investments .....	(e) ..... 4,703,511	..... 5,714,288
7	Derivative instruments .....	(f) ..... 0	..... 0
8.	Other invested assets .....	..... 30,283,760	..... 30,283,760
9.	Aggregate write-ins for investment income .....	..... 2,931,814	..... 2,931,814
10.	Total gross investment income .....	187,408,239	208,426,820
11.	Investment expenses .....		(g) ..... 32,103,375
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g) ..... 0
13.	Interest expense .....		(h) ..... 0
14.	Depreciation on real estate and other invested assets .....		(i) ..... 6,111,755
15.	Aggregate write-ins for deductions from investment income .....		..... 0
16.	Total deductions (Lines 11 through 15) .....		..... 38,215,130
17.	Net investment income (Line 10 minus Line 16)		170,211,690
DETAILS OF WRITE-INS			
0901.	Miscellaneous Income .....	..... 2,931,814	..... 2,931,814
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	..... 0	..... 0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	2,931,814	2,931,814
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		..... 0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ .....6,735,406 accrual of discount less \$ .....20,333,042 amortization of premium and less \$ .....2,289,234 paid for accrued interest on purchases.
- (b) Includes \$ ..... 0 accrual of discount less \$ .....53,836 amortization of premium and less \$ ..... 0 paid for accrued dividends on purchases.
- (c) Includes \$ ..... 0 accrual of discount less \$ ..... 0 amortization of premium and less \$ ..... 0 paid for accrued interest on purchases.
- (d) Includes \$ ..... 0 for company's occupancy of its own buildings; and excludes \$ ..... 0 interest on encumbrances.
- (e) Includes \$ .....283,802 accrual of discount less \$ ..... 2,472 amortization of premium and less \$ .....18,765 paid for accrued interest on purchases.
- (f) Includes \$ ..... 0 accrual of discount less \$ ..... 0 amortization of premium.
- (g) Includes \$. ..... 0 investment expenses and \$ ..... 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... 0 interest on surplus notes and \$ ..... 0 interest on capital notes.
- (i) Includes \$ .....6,111,756 depreciation on real estate and \$ .....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	..... (12,340,932)	..... 0	..... (12,340,932)	..... 0	..... 0
1.1	Bonds exempt from U.S. tax .....	.....	.....	..... 0	.....	.....
1.2	Other bonds (unaffiliated) .....	..... (25,323,587)	..... (2,570,618)	..... (27,894,205)	..... (25,664,316)	..... 0
1.3	Bonds of affiliates .....	..... 0	..... 0	..... 0	..... 0	..... 0
2.1	Preferred stocks (unaffiliated) .....	..... (5,430,233)	..... 0	..... (5,430,233)	..... (50,429,166)	..... 0
2.11	Preferred stocks of affiliates .....	..... 0	..... 0	..... 0	..... 0	..... 0
2.2	Common stocks (unaffiliated) .....	..... 34,858,913	..... 0	..... 34,858,913	..... (163,665,009)	..... 0
2.21	Common stocks of affiliates .....	..... 0	..... 0	..... 0	..... (87,188,136)	..... 0
3.	Mortgage loans .....	..... 0	..... 0	..... 0	..... 0	..... 0
4.	Real estate .....	..... (1,068,833)	..... 0	..... (1,068,833)	..... 0	..... 0
5.	Contract loans .....	..... 0	..... 0	..... 0	..... 0	..... 0
6.	Cash, cash equivalents and short-term investments .....	..... (75,169)	..... 0	..... (75,169)	..... 0	..... 0
7.	Derivative instruments .....	..... 0	..... 0	..... 0	..... 0	..... 0
8.	Other invested assets .....	..... 20,771,332	..... 0	..... 20,771,332	..... 19,778,132	..... 0
9.	Aggregate write-ins for capital gains (losses) .....	..... 0	..... 0	..... 0	..... 0	..... 0
10.	Total capital gains (losses)	11,391,490	(2,570,618)	8,820,872	(307,168,495)	0
DETAILS OF WRITE-INS						
0901.	.....					
0902.	.....					
0903.	.....					
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	..... 0	..... 0	..... 0	..... 0	..... 0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....	15,436,905	25,622,057	10,185,152
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens .....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			0
4.2 Properties held for the production of income .....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....	0		0
9. Receivables for securities .....			0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0
11. Aggregate write-ins for invested assets .....	6,042	78,542	72,500
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	15,442,947	25,700,599	10,257,652
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	42,756,900	3,173,416	(39,583,484)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due ..			0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	12,441,152		(12,441,152)
16.2 Funds held by or deposited with reinsured companies .....			0
16.3 Other amounts receivable under reinsurance contracts .....			0
17. Amounts receivable relating to uninsured plans .....	82,374,275	64,894,036	(17,480,239)
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....			0
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....	415,323,116	550,515,588	135,192,472
21. Furniture and equipment, including health care delivery assets .....	17,466,829	15,523,681	(1,943,148)
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....			0
24. Health care and other amounts receivable .....	226,706,378	208,448,255	(18,258,123)
25. Aggregate write-ins for other than invested assets .....	90,874,928	232,809,133	141,934,205
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	903,386,525	1,101,064,708	197,678,183
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27)	903,386,525	1,101,064,708	197,678,183
DETAILS OF WRITE-INS			
1101. Goodwill .....	6,042	78,542	72,500
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	6,042	78,542	72,500
2501. Prepaid Retirement .....		157,162,975	157,162,975
2502. Prepaid Expenses .....	81,860,344	69,318,313	(12,542,031)
2503. Note Receivable .....		2,000,000	2,000,000
2598. Summary of remaining write-ins for Line 25 from overflow page .....	9,014,584	4,327,845	(4,686,739)
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	90,874,928	232,809,133	141,934,205



EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....	498,304	518,589	525,484	540,058	564,058	6,383,851
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....	831,716	253,691	247,069	243,399	845,425	10,022,902
4. Point of Service .....	248,472	834,428	830,831	838,571	237,613	2,954,662
5. Indemnity Only .....	194,020	190,077	189,517	189,912	189,989	2,280,293
6. Aggregate write-ins for other lines of business.....	387,469	497,507	504,866	516,504	524,554	6,079,139
7. Total	2,159,981	2,294,292	2,297,767	2,328,444	2,361,639	27,720,847
DETAILS OF WRITE-INS						
0601. Dental .....	210,118	293,855	297,429	303,069	306,861	3,577,939
0602. Vision .....	177,351	203,166	206,961	212,963	217,226	2,495,465
0603. Long-Term Care .....		486	476	472	467	5,735
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	387,469	497,507	504,866	516,504	524,554	6,079,139

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Blue Cross and Blue Shield of North Carolina (Blue Cross NC or the Company) have been prepared in conformity with accounting practices and procedures prescribed by the North Carolina Department of Insurance (NCDOI).

The NCDOI recognizes only Statutory Accounting Practices (SAP) prescribed or permitted by the state of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the North Carolina Insurance laws, regulations and general administrative rules. The NCDOI has adopted the National Association of Insurance Commissioners’ (NAIC) Accounting Practices and Procedures manual (NAIC SAP) as a component of prescribed or permitted practices by the State of North Carolina (NC SAP). There is no deviation from the NAIC SAP. There were no differences between the statutory practices prescribed or permitted by the state of North Carolina and those prescribed or permitted by NAIC SAP which would materially affect the statutory basis net income or surplus.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of North Carolina is shown below:

NET INCOME					
	SSAP #	F/S Page	F/S Line #	2022	2021
1. Blue Cross NC state basis (Page 4, Line 32, Columns 2&3)	XXX	XXX	XXX	\$203,748,462	\$262,695,636
2. State Prescribed Practices that are an increase/(decrease) from NAIC SAP:				\$0	\$0
3. State Permitted Practices that are an increase/(decrease) from NAIC SAP:				\$0	\$0
4. NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$203,748,462</u>	<u>\$262,695,636</u>
SURPLUS					
5. Blue Cross NC state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$4,638,320,276	\$4,563,778,860
6. State Prescribed Practices that are an increase/(decrease) from NAIC SAP:				\$0	\$0
7. State Permitted Practices that are an increase/(decrease) from NAIC SAP:				<u>\$0</u>	<u>\$0</u>
8. NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$4,638,320,276</u>	<u>\$4,563,778,860</u>

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

The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses during the reporting period. The Company uses estimates and assumptions based on analytical and/or actuarially accepted quantitative methods in determining contract reserves and claims incurred but not yet reported, valuation of pension and other benefit plans, deferred income taxes, fair value of investments, other-than-temporary investments, and other valuation accruals. Actual results could differ materially from those estimates.

C. Accounting Policies

Premiums written are earned over the period of coverage on a pro rata basis. Premiums billed to policyholders are recorded as uncollected premiums when the coverage period begins. Payments received in advance of coverage are recorded as premiums received in advance until earned. Delinquent uncollected premiums are charged directly to reserves and unassigned funds once delinquent for 30 days and 90 days for non-group and group subscribers, respectively.

In addition, the Company uses the following accounting policies:

- 1. Short-term investments consist of readily marketable securities with maturities greater than three months but less than one year at the time of purchase. These investments are recorded at amortized cost.
- 2. Bonds rated 1 and 2 by the NAIC are stated at cost adjusted for amortization of premiums and accretion of discounts using the scientific amortization method. Bonds rated 3 through 6 are carried at the lower of amortized cost or fair value with the change recorded in capital and surplus, net of applicable taxes. Prepayment assumptions are determined by using broker data.

The Company holds two Securities Valuations Office (SVO)-Identified bond ETFs reported on Schedule D-1. The ETFs are reported at fair value.

Declines in the fair value of invested assets below cost are compiled on a monthly basis and reviewed quarterly to assess whether any other-than-temporary impairment loss should be recorded. Various thresholds are used to identify those securities which are at the greatest risk of an other than temporary impairment.

3. Common stocks of subsidiaries are stated in accordance with SSAP 97. Common stocks, excluding common stock of subsidiaries, are stated at the estimated market value provided by the Securities Valuation Office (SVO) of the NAIC or are based on quoted market prices. Estimated SVO market values are based on published quotations of the SVO. However, for certain investments for which the SVO does not provide a value, Blue Cross NC uses the amortized cost amount as its estimate of market value in accordance with prescribed guidance.
4. Preferred stocks are stated at the estimated market value provided by the Securities Valuation Office (SVO) of the NAIC or are based on quoted market prices. Estimated SVO market values are based on published quotations of the SVO. However, for certain investments for which the SVO does not provide a value, Blue Cross NC uses the amortized cost amount as its estimate of market value in accordance with prescribed guidance.
5. The Company does not have any mortgage loans.
6. Mortgage-backed and other asset-backed securities rated 1 and 2 by the NAIC are adjusted for unamortized premiums and discounts, which are amortized using the scientific method over the estimated remaining term of the securities, adjusted retrospectively for changes in anticipated prepayments.

For loan-backed or structured securities, factors considered by management in determining whether an other-than-temporary impairment exists include the Company's stated intent to not sell, the Company's ability to hold such investments until the fair value recovers, and the discounted cash flows of the security based on the yield at the date of acquisition. If the Company intends to sell or if the Company does not have the ability and intent to hold the security for a period of time sufficient to recover its amortized cost basis, an other-than-temporary impairment exists, and the security is written down to fair value with the amount of the write-down recorded as a realized loss. If the Company does not intend to sell the security and has the ability and intent to hold the security for a period of time sufficient to recover the amortized cost basis, the Company calculates the cash flows expected to be collected. In this calculation, the Company compares the present value of cash flows expected to be collected, discounted at the security's effective interest rate at date of purchase, to the amortized cost basis. If the present value of cash flows is less than the amortized cost basis, a realized loss is recorded for the difference. The present value of cash flows then becomes the new cost basis.

As of December 31, 2022, Blue Cross NC had five wholly-owned subsidiaries: Beacon Health Holdings (Beacon); Corium, LLC (Corium); Blue Cross and Blue Shield of North Carolina Senior Health (Senior Health); NobleHealth, Inc. (NobleHealth) and Meridian Re Company (Meridian Re). Beacon holds a non-controlling interest in a joint venture: Experience Health (ExpH). ExpH is a consolidated variable interest entity (VIE). ExpH is licensed as a health insurance company and provides Medicare plans. Corium owns, operates, and manages financed office buildings of the Company. Senior Health began providing Medicare plans effective January 1, 2021. NobleHealth holds non-controlling interest in certain strategic investments and has five wholly-owned subsidiaries: Mosaic Group Services, LLC (Mosaic Group); Mosaic Health Solutions, LLC (Mosaic Health Solutions); ACS Benefit Services, LLC (ACS); NC Health Affiliates, LLC (NCHA); and Brighton Health Plan Services Corp (Brighton). Mosaic Group functions as an insurance agency selling third-party life and disability and death and dismemberment products and is licensed as a third-party administrator. Mosaic Health Solutions holds non-controlling interests in certain strategic investments and health services companies. ACS provides self-funded plans with complete third-party administration services for group medical, dental and disability benefits. NCHA operates as a staff augmentation service. Brighton is a healthcare enablement company undertaking TPA, health plan management, patient engagement and direct contracting services. Meridian Re is a North Carolina captive insurance company that was formed in October 2021, licensed to provide insurance products effective January 1, 2022.

7. As of December 31, 2022, the Company holds ownership interest in limited partnerships. The company carries these interests based on the underlying audited GAAP equity of the investee, adjusted for certain provisions as described by SSAP 48, Joint Ventures, Partnerships and Limited Liability Companies or net asset value (NAV).
8. The Company does not have derivative instruments.
9. The Company calculates premium deficiency reserves in accordance with SSAP No. 54, *Individual and Group and Health Contracts*. The Company establishes a premium deficiency reserve in current operations to the extent that the sum of expected future costs, claim adjustment expenses, and maintenance costs exceeds related future premiums under contract without consideration of investment income. For purposes of determining premium deficiencies, contracts are grouped in a manner consistent with the Company's method of acquiring, servicing, and measuring the profitability of such contracts.
10. Claims and claims adjustment expenses are expensed as incurred. The claims unpaid liability includes management's estimate of the ultimate cost of the claims in process of settlement and claims incurred but not yet reported.

The process of estimating reserves requires a high degree of judgment and a number of factors are taken into consideration. The Company actuarially estimates the liability for claims in process of settlement and claims incurred but not reported based on the most current historical claims payment patterns, changes in number of members, changes in products and benefits, and estimates of health care trend changes (cost, utilization, and intensity of services). Management also estimates the amount of claims adjustment expense needed to settle claims by determining the total administrative cost incurred to process claims as a percentage of total insured claims

expense and applying that percentage to total claims in process of settlement and claims incurred but not yet reported.

Estimates for contract reserves are continually reviewed and revised as changes in experience and other factors occur. Changes to the valuation basis are reflected in capital and surplus in the period in which the change in estimate is identified. Changes in the medical cost trend or in claims payment patterns used in estimating reserves would impact the balance of contract reserves and would be recognized in the Statement of Revenue and Expenses.

Estimates for the claims unpaid liability are continually reviewed and revised as changes in experience and other factors occur, and revisions are accordingly reflected in the hospital and medical expense line of the Statement of Revenue and Expenses in the period in which the change in estimate is identified. Changes in the medical cost trend and claims payment patterns used in estimating reserves would impact the balance of claims unpaid and unpaid claims adjustment expense. These estimates may change as actuarial methods change or as underlying facts upon which these estimates are based change. There have been no significant changes to our actuarial methods in the last two fiscal years.

11. The Company has not modified its capitalization policy from the prior period.

12. The Company's pharmacy benefit manager (PBM) contracts with pharmaceutical manufacturers, some of whom provide rebates based on use of the manufacturers' products by the PBM for the Company's insured and self-funded customers. The Company accrues the rebates receivable monthly based on the terms of the applicable contracts. The PBM bills these rebates to the manufacturers on a quarterly basis. The Company is reimbursed either annually or quarterly for these rebates. The Company records the rebates attributable to insured customers as a reduction to claims and medical expenses. The rebates attributable to self-funded customers are accrued in accordance with their contracts, as rebates receivable as well as a corresponding payable to self-funded customers. Of these receivables, \$197,906,166 and \$150,603,892 at December 31, 2022 and 2021, respectively, were nonadmitted because they were outstanding in excess of 90 days.

**D. Going Concern**

At December 31, 2022, as required by SSAP No. 1, *Accounting Policies, Risk and Uncertainties, and other Disclosures*, the Company has assessed its ability to continue as a going concern and is unaware of any conditions or events that create substantial doubt regarding its ability to do so.

**2. Accounting Changes and Corrections of Errors**

There have been no significant accounting changes since the fiscal year 2021 filing.

At June 30, 2022, management identified an accounting error whereby amortization expense and accumulated amortization pertaining to non-admitted assets were understated in prior filings. The total understatement was \$4,818,140, \$19,166,684 and \$52,337,817 for the fiscal years ended 2019, 2020 and 2021, respectively. The Company has treated this issue as a Correction of an Error in accordance with SSAP No. 3 and made correcting entries in June, 2022 and recorded the tax impact of the correction at December 31, 2022 within surplus.

**3. Business Combinations and Goodwill**

**A. Statutory Purchase Method**

There have been no significant changes since the fiscal year 2021 filing.

**B. Statutory Mergers**

There have been no significant changes since the fiscal year 2021 filing.

**C. Assumption Reinsurance**

The Company has not assumed any reinsurance related to statutory purchase or mergers since the fiscal year 2021 filing.

**D. Impairment Loss**

There have been no significant changes since the fiscal year 2021 filing. The Company did not recognize any impairment losses.

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

	Calculation of Limitation Using Prior Quarter Numbers	Current Reporting Period
(1) Capital & Surplus	4,476,592,163	XXX
Less:		
(2) Admitted Positive Goodwill	-	XXX
(3) Admitted EDP Equipment & Operating System Software	13,036,013	XXX
(4) Admitted Net Deferred Taxes	145,823,399	XXX
(5) Adjusted Capital and Surplus (line 1-2-3-4)	4,305,630,466	XXX
(6) Limitation on amount of goodwill (adjusted capital and surplus times 10% goodwill limitation [Line 5 *10%])	430,563,047	XXX
(7) Current period reporting Admitted Goodwill	XXX	\$-
(8) Current Period Admitted Goodwill as a % of prior period		
Adjusted Capital and Surplus (line 7/line 5)	XXX	0%

4. Discontinued Operations

The Company did not have any discontinued operations since the fiscal year 2021 filing.

A. Discontinued Operations Disposed of or Classified as Held for Sale.

- (1) Not Applicable.
- (2) Not Applicable.
- (3) Not Applicable.
- (4) Not Applicable.

B. Change in the Plan of Sale of Discontinued Operations

Not Applicable.

C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal

Not Applicable.

D. Equity Interest Retained in the Discontinued Operation After Disposal

Not Applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company did not have any mortgage or mezzanine real estate loans.

- (1) No applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable
- (9) Not applicable

B. Debt Restructuring

The Company did not have any debt restructuring in which it is a creditor.

(4) Not applicable

C. Reverse Mortgages

The Company did not have any reverse mortgages.

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable

D. Loan-Backed Securities

- (1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker-dealer survey values or internal estimates.
- (2) The Company did not have any other than impaired loan-backed securities for the period ended December 31, 2022.
- (3) Loan-backed securities with a recognized other-than-temporary impairment, currently held by the Company, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities are as follows as of December 31, 2022:

1	2	3	4	5	6	7
	Book/Adjusted Carrying Value	Present Value of Projected Cash Flows	Recognized Other-than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of financial statement Where Reported
CUSIP	Amortized Cost Before Current Period OTTI					
None	\$-	\$-	\$-	\$-	\$-	\$-

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

A.	The aggregate amount of unrealized losses:	
1.	Less than 12 Months	\$38,170,524
2.	12 Months or Longer	\$29,760,884
B.	The aggregate related fair value of securities with unrealized losses:	
1.	Less than 12 Months	\$570,976,355
2.	12 Months or Longer	\$171,805,236

- (5) For loan-backed or structured securities, factors considered by management in determining whether an other-than-temporary impairment exists include the Company's stated intent to not sell, the Company's ability to hold such investments until the fair value recovers, and the discounted cash flows of the security based on the yield at the date of acquisition. If the Company intends to sell or if the Company does not have the ability and intent to hold the security for a period of time sufficient to recover its amortized cost basis, an other-than-temporary impairment exists, and the security is written down to fair value with the amount of the write-down recorded as a realized loss. If the Company does not intend to sell the security and has the ability and intent to hold the security for a period of time sufficient to recover the amortized cost basis, the Company calculates the cash flows expected to be collected. In this calculation, the Company compares the present value of cash flows expected to be collected, discounted at the security's effective interest rate at date of purchase, to the amortized cost basis. If the present value of cash flows is less than the amortized cost basis, a realized loss is recorded for the difference. The present value of cash flows then becomes the new cost basis.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

The Company did not have any Repurchase Agreements and/or Securities Lending Transactions.

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable

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

The Company did not have any Repurchase Agreements Transactions Accounted for as Secured Borrowing.

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable
- (9) Not applicable
- (10) Not applicable
- (11) Not applicable

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

The Company did not have any Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing.

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable
- (9) Not applicable
- (10) Not applicable

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

The Company did not have any Repurchase Agreements Transactions Accounted for as a Sale.

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable
- (9) Not applicable

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

The Company did not have any Reverse Repurchase Agreements Transactions Accounted for as a Sale.

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable

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(8) Not applicable

J. Real Estate

- (1) The Company has not recognized any impairment losses related to real estate.
- (2) The Company has not experienced changes to a plan of sale for an investment in real estate.
- (3) The Company does not hold real estate investments with participating mortgage loan features.
- (4) The Company did not engage in retail land sales operations.
- (5) The Company does not hold real estate investments with participating mortgage loan features.

K. Investment in Low-Income Housing Tax Credits (LIHTC)

The Company did not have any LIHTC investments.

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable

L. Restricted Assets

(1) On deposit with government authorities as required by law:

Restricted Asset Category	1 Total gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	-	-	-
b. Collateral held under security lending agreements	-	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreement	-	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale—excluding FHLB capital stock	-	-	-	-	-	-	-
i. FHLBA capital stock	3,743,500	6,778,000	(3,034,500)	-	3,743,500	0.043%	0.049%
j. On deposit with states	1,000,004	1,000,004	-	-	1,000,004	0.012%	0.013%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-
l. Pledged as collateral to FHLBA (including assets	-	760,843,388	(760,843,388)	-	-	0.000%	0.000%



backing funding agreements)						
m. Pledged as collateral not captured in order categories	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-
o. Total Restricted Assets	\$4,743,504	\$768,621,392	(\$763,877,888)	\$-	\$4,743,504	0.055%

- (2) The Company does not have any other assets pledged as collateral not captured in other categories.
- (3) The Company does not have any other restricted assets.
- (4) The Company does not have collateral that is reflected as assets.

M. Working Capital Finance Investments

- (1) The Company did not have any working capital finance investments.
- (2) Not applicable
- (3) Not applicable

N. Offsetting and Netting of Assets and Liabilities

The Company did not offset or net any assets and liabilities.

O. 5\* Securities

The Company did not have any 5\* securities.

P. Short Sales

- (1) Not applicable
- (2) Not applicable

Q. Prepayment Penalty and Acceleration Fees

(1)	Number of CUSIPS	General Account
(2)	Aggregate Amount of Investment Income	14 \$1,179,711

R. Not Applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or, Limited Liability Companies that exceed 10% of its admitted assets.
- B. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies:  
  
The Company did not recognize any impairment write down for investments in joint ventures, partnerships and limited liability companies during the statement periods.

7. Investment Income

- A. Due and accrued income are excluded from surplus on the following basis:  
  
All investment income due and accrued with amounts that are over 90 days past due.
- B. The total amount excluded was \$0.

8. Derivative Instruments

The Company does not hold any derivative instruments.

# ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

## 9. Income Taxes

A. The changes in components of the net deferred tax asset (DTA) recognized in the Company's Statement of Assets, Liabilities, Capital and Surplus at December 31, 2022, are as follows:

	12/31/22		12/31/21		Change	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(Col 1+2)	Total	Ordinary	Capital	Total	(Col 1+4)  (Col 2+5)
						(8)  (9)
						(Col 7+8)  (Col 9)
			Ordinary	Capital	Total	Total
(a) Gross deferred tax assets	24,454,144	52,656	255,637,536	52,656	255,713,792	(21,203,792)
(b) Stationary valuation allowance adjustments	(1,073,909)	-	(1,073,909)	-	(1,073,909)	-
(c) Adjusted gross deferred tax assets (1a - 1b)	24,380,235	52,656	254,564,027	52,656	254,635,883	(21,203,792)
(d) Deferred tax assets nonadmitted	-	-	-	-	-	-
(e) Subtotal net admitted deferred tax asset (1c - 1d)	24,380,235	52,656	254,564,027	52,656	254,635,883	(21,203,792)
(f) Deferred tax liabilities	28,204,235	63,405,433	97,609,692	146,855,603	157,454,213	19,055,849
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	215,175,916	(63,352,777)	255,995,517	(144,802,547)	107,182,670	(40,099,541)
						79,450,370
						38,640,729

2.										
Admission Calculation Components SSAP No. 101										
(a) Federal income taxes paid in prior years recoverable through loss carrybacks										
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b) and 2(b)2 below)										
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date										
2. Adjusted gross deferred tax assets allowed per limitation threshold										
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities										
(d) Deferred tax assets admitted as the result of application of SSAP No. 101.										
Total 2(a) + 2(b) + 2(c)										
	12/31/22			12/31/21			Change			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
		1+2			4+5	1+4	(Col 2,5)	(Col 7,8)		
Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total		
7,760,824	-	7,760,824	4,319,908	-	4,319,908	(34,159,084)	-	(34,159,084)		
156,712,912	-	156,712,912	147,100,388	-	147,100,388	9,612,525	N/A	9,612,525		
N/A	N/A	156,712,912	N/A	N/A	149,042,769	N/A	N/A	7,670,143		
N/A	N/A	680,718,254	N/A	N/A	665,828,588	N/A	N/A	14,889,666		
78,906,498	52,856	78,959,354	75,563,731	52,856	75,616,587	3,342,767	-	3,342,767		
243,380,235	52,856	243,433,091	264,584,027	52,856	264,636,883	(21,203,792)	-	(21,203,792)		

3.
  - a. The ratio percentage used to determine recovery period and threshold limitation amount was 833% and 1070% in 2022 and 2021, respectively.

b. The amount of adjusted capital and surplus used to determine recovery period and threshold limitation was \$4,492,496,877 and \$4,438,857,255 in 2022 and 2021, respectively.

c. No tax planning strategies have been used to increase adjusted gross or net admitted deferred tax assets.

**B. The Company had no deferred tax liabilities that are not recognized.**

C. Current income taxes incurred consist of the following major components for 2022 and 2021:

	12/31/2022	12/31/2021	(Col 1-2)
1 Current income tax			
(a) Federal	(\$203,327,007)	\$68,744,221	(\$272,071,228)
(b) Foreign	-	-	-
(c) Subtotal	(\$203,327,007)	\$68,744,221	(\$272,071,228)
(d) Federal income tax on net capital gains	-	(\$24,448,636)	\$24,448,636
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	(\$203,327,007)	\$44,295,585	(\$247,622,591)
2 Deferred tax assets			
(a) Ordinary			
(1) Discounting of unpaid losses	\$2,548,431	\$3,394,551	(\$846,120)
(2) Unearned premium reserve	-	-	-
(3) Policyholder reserve	2,006,662	19,086,648	(17,079,986)
(4) Investments	-	-	-
(5) Deferred acquisition costs	16,131,007	16,366,210	(235,203)
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	16,721,797	-	16,721,797
(8) Compensation and benefits accrual	6,373,376	5,455,271	918,105
(9) Pension accrual	-	20,751,568	(20,751,568)
(10) Receivables - nonadmitted	68,913,910	54,193,448	14,720,462
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	57,593,290	78,622,272	(21,028,982)
Other (including items for both <=3% and >3% of total ordinary tax assets) (Items >5% listed separately)	74,165,671	67,787,968	6,377,703
(13) Total	\$244,454,144	\$265,657,936	(\$21,203,792)
Statutory valuation allowance adjustment	1,073,909	1,073,909	0
Nonadmitted	-	-	-
Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$243,380,235	\$264,584,027	(\$21,203,792)
Capital			
(1) Investments	\$52,856	\$52,856	\$
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
Other (including items for both <=3% and >3% of total capital tax assets) (Items >5% listed separately)	-	-	-
(4) Total	\$52,856	\$52,856	\$
(99) Total	-	-	-
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted capital deferred tax assets (2a99 - 2f - 2g)	\$52,856	\$52,856	\$
(e) Admitted deferred tax assets (2d + 2h)	\$243,433,091	\$264,636,883	(\$21,203,792)

3 Deferred Tax Liabilities - Ordinary				
(a) Ordinary				
(1) Investments	\$	-	\$	-
(2) Fixed assets	-	-	-	-
(3) Deferred and uncollected premium	-	-	-	-
(4) Policyholder reserves	24,645,200	2,151,701	22,493,499	
Other (including items for both <=5% and >5% of total				
(3) ordinary tax liabilities) (items >5% listed separately)	3,559,059	6,446,709	(2,887,650)	
(99) Total	\$28,204,259	\$8,598,410	\$19,605,849	
(b) Capital				
(1) Investments	\$69,139,104	\$148,824,171	\$ (79,685,067)	
(2) Real estate	-	-	-	
Other (including items for both <=5% and >5% of total				
(3) capital tax liabilities) (items >5% listed separately)	266,329	31,632	234,697	
(99) Subtotal	\$69,405,433	\$148,855,803	(\$79,450,370)	
(c) Deferred tax liabilities (3a99 + 3b99)	\$97,609,692	\$157,454,213	(\$59,844,521)	
4 Net deferred tax assets/liabilities (2i - 3c)	\$145,823,399	\$107,182,670	\$38,640,729	

The changes in tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	12/31/2022	12/31/2021	Change
Total deferred tax assets	\$243,433,091	\$264,636,883	(\$21,203,792)
Total deferred tax liabilities	\$97,609,692	157,454,213	(\$59,844,521)
Net deferred tax asset (liability)	\$145,823,399	\$107,182,670	\$38,640,729
Tax effect of unrealized gains (losses)			(78,240,702)
Pension Adjustments to Surplus			22,628,155
Subsidiary Transfers/PY True-up			-
Change in net deferred income tax			<u>(\$16,971,818)</u>

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	Effective
	12/31/2022
Provision computed at statutory rate	\$ 88,506 21.0%
Tax Contingency	(207,786,755) -49302.1%
Change in Nonadmitted Assets	44,754,168 10618.9%
Tax Exempt Income	(6,335,163) -1503.2%
Energy and Rehabilitation Credits	(4,315,884) -1024.0%
Other	2,423,358 575.0%
Donation of Appreciated Securities	(2,526,366) -599.4%
ACA Compensation Limitation	3,119,926 740.3%
Total	<u>\$ (170,578,210) -40473.6%</u>
Federal income taxes incurred	(203,327,007) -48243.9%
Change in net deferred income taxes	32,748,797 7770.4%
Total statutory income taxes	<u>\$ (170,578,210) -40473.6%</u>

E. The Company had no net capital loss carryforwards and no federal income tax net operating loss (NOL) carryforwards.

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

	Ordinary	Capital	Total
Y ear ended 2022	\$7,352,143	\$0	\$7,352,143
Y ear ended 2021	\$0	\$7,760,824	\$7,760,824

F. The Company's federal income tax return is consolidated with the following entities:

Corium, LLC  
NobleHealth, Inc.  
Mosaic Group Services, LLC  
ACS Benefit Services, LLC  
Mosaic Health Solutions, LLC  
Blue Cross and Blue Shield of North Carolina Senior Health  
NC Health Affiliates, LLC

Beacon Health Holdings, Inc.  
Meridian Re Company  
Brighton Health Plan Services Holdings Corp.

Current taxes are allocated among all affiliated companies based on a written tax sharing agreement. Allocation of taxes is made primarily on a separate return basis. Payment for losses and other tax items occurs once a company could have utilized the items in a separate return and the group has utilized the items in the consolidated return. This is referred to as the wait-and-see method. Inter-company balances are settled annually within two months of filing the consolidated return.

**G. Federal or Foreign Federal Income Tax Loss Contingencies**

Not applicable

**H. Repatriation Transition Tax (RTT)**

Not applicable

**I. Alternative Minimum Tax (AMT) Credit**

The 15% Corporate Alternative Minimum Tax (CAMT) was enacted as part of the Inflation Reduction Act of 2022 on August 16, 2022. The Company has determined that it does not expect to be liable for the CAMT in 2023.

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

**A. & B.**

At December 31, 2022 and December 31, 2021, the Company earned management fees of \$9,892,118 and \$6,517,981, respectively, from its subsidiaries. The Company has agreed to provide its subsidiaries, administrative services, which include but are not limited to management duties, production of business and servicing of the subsidiaries business. At December 31, 2022 and December 31, 2021, the Company also paid management fees of \$8,408,851 and \$7,799,188, respectively, to its subsidiaries for services primarily related to certain administrative service agreements.

A new agreement was signed with NC Health Affiliates, a subsidiary of NobleHealth, effective January 1, 2022. NC Health Affiliates will perform payroll and benefits services to Blue Cross NC at cost, without mark up; there will be no fees provided for under this Agreement. Blue Cross NC will reimburse NC Health only for the costs related to payroll, benefits and other expenses as authorized under the terms of the Agreement.

**C. Transactions with Related Parties Not Reported on Schedule Y**

At December 31, 2022 and December 31, 2021, the Company earned management fees of \$5,069,191 and \$2,583,384, from Experience Health, Inc.

**D.** At December 31, 2022 and December 31, 2021, the Company reported \$43,053,860 and \$39,929,355 as amounts due from its subsidiaries, respectively. At December 31, 2022 and December 31, 2021, the Company reported \$0 and \$36,477,777 as amounts due to its subsidiaries, respectively.

**E.** See note 14 for disclosure related to affiliate guarantee.

**F.** The Company has insurance and other cost sharing arrangements with ACS. The Company's portion of the insurance cost sharing arrangement with ACS was \$11,825 for the periods ended December 31, 2022 and December 31, 2021. In addition, Blue Cross NC paid ACS \$37,877 and \$29,903 for electronic data interchange services for the periods ended December 31, 2022 and December 31, 2021, respectively.

**G.** The Company is organized as a taxable not-for-profit insurance company; therefore, no outstanding shares exist at December 31, 2022 or December 31, 2021.

**H.** The Company had no ownership in any upstream intermediate entities or ultimate parent companies owned.

**I.** The Company owns 100% interest in Corium, Senior Health, Beacon, Meridian and NobleHealth whose carrying values are less than 10% of the Company's admitted assets. Beacon and Meridian are nonadmitted because neither is audited. The Company carries NobleHealth and Senior Health at GAAP audited equity. Corium is recorded on a consolidated basis.

**J.** The Company did not recognize any impairment write down for its investments in subsidiaries, controlled or affiliated companies for the periods ended December 31, 2022 and December 31, 2021.

**K.** The Company has no investment in a foreign insurance subsidiary.

**L.** The Company has no investment in a downstream non-insurance holding company for which the look-through method is used.

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

M. All SCA Investments

1. Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
Total SSAP No. 97 8a Entities	XXX			
b. SSAP No. 97 8b(ii) Entities				
Total SSAP No. 97 8(ii) Entities	XXX			
c. SSAP No. 97 8b (iii) Entities				
NobleHealth, Inc.	100%	\$969,269,238	\$969,269,238	
Beacon Health Holdings	100%	\$5,589,559	\$0	\$5,589,559
Meridian Re Company	100%	\$9,626,824	\$0	\$9,626,824
Total SSAP No. 97 8b(iii) Entities		\$984,485,621	\$969,269,238	
d. AP No. 97 8b(iv) Entities				
Total SSAP No. 8b(iv) Entities	XXX			
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	100%	\$984,485,621	\$969,269,238	\$15,216,383
f. Aggregate Total (a+e)	XXX	\$984,485,621	\$969,269,238	\$15,216,383

2. NAIC Filing Response Information

SCA Entity (Should be same entities as shown in M(1) above)	Type of NAIC Filing	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8a Entities	XXX					
b. SSAP No. 97 8b(ii) Entities						
Total SSAP No. 97 8(ii) Entities	XXX	XXX	\$-	XXX	XXX	XXX
c. SSAP No. 97 8b (iii) Entities Beacon Health Holdings NobleHealth, Inc. Meridian Re Company Total SSAP No. 97 8b(iii) Entities	S2 S2 S2 XXX	11/04/2022 11/02/2022 12/01/2022 XXX	\$20,480,228 \$498,570,052 \$4,900,000 \$523,950,280	Y Y Y XXX	N N N XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 8b(iv) Entities	XXX	XXX	\$-	XXX	XX	XXX
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	\$523,950,280	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	\$523,950,280	XXX	XXX	XXX

N. Investment in Insurance SCAs

Not applicable

O. SCA and SSAP No. 48 Entity Loss Tracking

Not applicable

11. Debt

A. Blue Cross NC has established three credit lines providing a total borrowing capacity of approximately \$885,000,000 to support its daily working capital requirements. The three credit lines include two revolving lines of credit and a secured line of credit with the Federal Home Loan Bank of Atlanta (FHLBA).

In November 2013, Blue Cross NC entered into a revolving line of credit agreement with an unaffiliated lender. This line of credit is amended from time to time as business conditions necessitate to increase or decrease the total borrowing capacity and to extend the maturity date. Most recently, in July 2021, Blue Cross NC extended the termination date an additional two years to July 2023. Our current borrowing capacity under this agreement is \$100,000,000 and the benchmark rate is LIBOR. The outstanding balance was \$0 and \$1,956,254 at December 31, 2022 and December 31, 2021, respectively.

In September 2015, Blue Cross NC entered into a second revolving line of credit agreement with an unaffiliated lender. This line of credit is also amended from time to time as business conditions necessitate. Most recently, in September 2021, Blue Cross NC extended the termination date to September 2023. Our current borrowing capacity under the revolving credit agreement is \$50,000,000 and the benchmark rate is the Bloomberg Short-Term Bank Yield Index. The outstanding balance was \$0 and \$2,697,585 at December 31, 2022 and December 31, 2021, respectively.

In January 2022, Blue Cross NC entered into a \$500,000,000 unsecured loan with an unaffiliated lender to finance the acquisition of Brighton Health Solutions. In June 2022, this loan was converted to an unsecured 5-year term

loan at a rate of 3.80% maturing June 24, 2027. Beginning September 30, 2022, the term loan requires a \$5,000,000 quarterly principal repayment. The outstanding balance was \$490,000,000 and \$0 at December 31, 2022 and December 31, 2021, respectively.

Blue Cross NC must maintain certain covenants including limits on indebtedness to capital, indebtedness to EBITDA, and risk-based capital ratio. As of December 31, 2022 and December 31 2021, the Company was in compliance with all such covenants.

B. Federal Home Loan Bank Agreements

1. Federal Home Loan Bank of Atlanta (FHLBA) a cooperative bank that offers competitively priced financing and banking services to member financial institutions. To be eligible for these benefits, The Company must become a member of the FHLBA which entails a purchase of FHLBA stock. The stock is generally illiquid. There are two types of FHLBA stock as outlined below, Membership Stock and Activity Stock. Membership stock is the minimum amount of stock The Company must purchase to be a member of FHLBA. Activity Stock is purchased in conjunction with any borrowings from FHLBA and represent 3.75% of the amount advanced.

In September 2016, Blue Cross NC entered into a secured credit agreement with the FHLBA providing secured borrowing capacity up to \$200,000,000. The capacity is based on our internal limits, approval by the North Carolina Department of Insurance (NCDOI) of the upper limit of collateral available to support borrowings, and the cash and securities in our investment portfolio deemed eligible collateral by the FHLA. In December 2022, the NCDOI approved our request to increase the amount of assets we can pledge as collateral to \$810,000,000 which was approximately 10% of our admitted assets as of June 30, 2022. We estimate our maximum borrowing capacity to be at least \$735,000,000 if fully collateralized; this has been approved by the Company’s Board of Trustees.

Due to a change in our investment custodian bank as of January 3, 2023, the FHLBA released all pledged assets as of December 31, 2022. The pledged assets were reestablished as of January 6, 2023, when the transition was finalized, with a total market value of \$604,094,000 and a borrowing capacity of \$569,522,000. Collateral is only encumbered to the extent borrowings are outstanding. The outstanding balance was \$0 and \$88,000,000 at December 31, 2022 and December 31, 2021, respectively.

2. FHLBA Capital Stock

a. Aggregate Totals

1. Current Year	
	Total
(a) Membership Stock – Class A	-
(b) Membership Stock – Class B	\$3,743,500
(c) Activity Stock	-
(d) Excess Stock	-
(e) Aggregate Total	\$3,743,500
(f) Actual or estimated borrowing capacity as determined by the insurer	\$735,000,000

2. Prior Year-end

	Total
(a) Membership Stock – Class A	-
(b) Membership Stock – Class B	\$3,478,000
(c) Activity Stock	\$3,300,000
(d) Excess Stock	-
(e) Aggregate Total	\$6,778,000
(f) Actual or estimated borrowing capacity as determined by the insurer	\$735,000,000

b. Membership Stock (Class A and B) Eligible and Not Eligible for redemption

		Eligible for Redemption					
		1.	2.	3.	4.	5.	6.
			Not Eligible for Redemption	Less Than 6 Months	6 Months to Less than 1 Year	1 to Less than 3 Years	
Membership Stock	Current Year Total						3 to 5 Years
1. Class A	-	-	-	-	-	-	-
2. Class B	3,743,500	-	-	-	-	-	3,743,500

## ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

### 3. Collateral Pledged to FHLBA

a.	Amount Pledged as of Reporting Date
----	-------------------------------------

	1.	2.	3.
	Fair Value	Carry Value	Aggregate Total Borrowing
1. Current Year Maximum Collateral Pledged	\$0	\$0	\$0
2. Prior Year-end Total Maximum Collateral Pledged	\$800,344,786	\$760,843,388	\$88,000,000

**b. Maximum Amount Pledged During Reporting Period**

	1.	2.	3.
	Fair Value	Carry Value	Amount Borrowed at time of Maximum Collateral
1. Current Year Maximum Collateral Pledged	\$831,456,292	\$861,899,933	\$427,100,000
2. Prior Year-end Total Maximum Collateral Pledged	\$800,344,786	\$760,843,388	\$88,000,000

#### 4. Borrowing from FHLBA

a. Amount as of the Reporting Date

## 1. Current Year

	Total	Funding Agreements Reserves Established
(a) Debt	\$0	XXX
(b) Funding Agreements	-	-
(c) Other	-	XXX
(d) Aggregate Total	\$0	-

## 2. Prior Year-end

	Total	Funding Agreements Reserves Established
(a) Debt	\$88,000,000	XXX
(b) Funding Agreements	-	-
(c) Other	-	XXX
(d) Aggregate Total	\$88,000,000	-

## b. Maximum Amount During Reporting Period (Current Year)

	Total
1. Debt	\$516,600,000
2. Funding Agreements	-
3. Other	-
4. Aggregate Total	\$516,600,000

### c. FHLB – Prepayment Obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	No
2. Funding Agreements	No
3. Other	No

## 12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Other Postretirement Benefit Plans

### A. Defined Benefit Plan

(1) Change in Benefit Obligation

Prior to September 2022, The Company maintained a noncontributory, defined benefit pension plan. The Plan covered most employees hired before January 1, 2006. Benefits were determined according to the covered employee's years of credited service and final average compensation while an eligible participant. Effective



December 31, 2013 the Plan was frozen and no longer recognized service or compensation earned after this date for retirement benefit determination purposes. In July 2021, the Blue Cross NC Board of Directors took action to terminate the Plan, consistent with all applicable regulatory requirements and subject to Plan amendments necessary to facilitate the termination. Following receipt of final regulatory approval in March 2022 and before the distribution date, participants who had not previously elected to commence their benefits had the option to receive their benefit as a lump sum payment.

Lump sum distributions totaling \$194,912,546 as a result of the Plan termination were paid in August 2022. Also in 2022, the Plan paid normal settlements of \$12,042,207 that occurred outside of the Plan termination process. For those participants that did not elect a lump sum payment, the Plan purchased annuity contracts in the amount of \$252,753,531 through American General Life Insurance Company and The United States Life Insurance Company in the City of New York. The remaining market value of the assets after the lump sum distributions and annuity payment was \$107,255,013. The Company elected to have the excess assets transferred into its defined contribution plan and are now reflected in cash and investments.

The Company also maintains four separate non-contributory, non-qualified defined benefit SERPs for certain executives. Two of the SERPs have benefits based on years of service, retirement age and certain final average pay calculations. Benefits are offset by benefits payable from other defined benefit retirement plans. The other two SERPs have benefits based on years of service and individual agreements that generally require payment of a fixed monthly dollar amount for 15 years upon retirement.

Effective January 1, 2017 retirees and dependents who were age 65 and older obtained coverage through a private health exchange, Blue Cross Blue Shield (BCBS) Medicare Marketplace. Eligible retirees and dependents who enrolled through the BCBS Medicare Marketplace received a sponsor subsidy in the form of a health reimbursement account contribution. This modification did not have a material impact on the cost of the program.

A summary of assets, obligations and assumptions of the Retirement and Other Postretirement Plans, are as follows at December 31, 2022 and 2021:

(1) Change in Benefit Obligation		Over Funded		Underfunded	
		2022	2021	2022	2021
<b>a Pension Benefits</b>					
1. Benefit Obligation, Beginning of Year	529,769,197	579,592,082	-	-	-
2. Service Cost	1,000,000	1,300,000	-	-	-
3. Interest Cost	8,252,555	10,658,059	-	-	-
4. Contribution by plan participants	-	-	-	-	-
5. Actuarial (Gain)/Loss	-	(27,658,304)	-	-	-
6. Foreign currency exchange rate changes	(12,042,207)	(19,025,796)	-	-	-
7. Benefits Paid	-	-	-	-	-
8. Plan Amendments	-	-	-	-	-
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	(526,979,545)	(15,096,844)	-	-	-
10. Benefit Obligation, End of Year	-	529,769,197	-	-	-
<b>b Postretirement Benefits</b>					
		2022	2021	2022	2021
1. Benefit Obligation, Beginning of Year	43,682,596	61,813,043	68,593,631	79,784,878	
2. Service Cost	528,042	947,448	488,059	551,111	
3. Interest Cost	999,668	1,166,389	1,496,252	1,243,434	
4. Contribution by plan participants	911,607	828,856	-	-	
5. Actuarial (Gain)/Loss	(9,949,668)	(5,518,887)	(15,188,575)	(3,985,817)	
6. Foreign currency exchange rate changes	-	-	-	-	
7. Benefits Paid	(3,002,913)	(2,083,023)	(2,984,112)	(3,066,938)	
8. Plan Amendments	-	(13,471,230)	-	-	
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	(245,156)	(5,933,037)	
10. Benefit Obligation, End of Year	33,169,332	43,682,596	52,160,099	68,593,631	
<b>(2) Change in Plan Assets</b>					
Change in Plan Assets		Pension Benefits		Postretirement Benefits	
		2022	2021	2022	2021
		Special or Contractual		2022	2021
a Plan Assets as Fair Value, Beginning of Year	686,932,172	721,962,739	79,032,651	71,724,562	-
b Actual Return on Plan Assets	(118,822,406)	(907,927)	(9,267,546)	8,479,855	-
c Foreign currency exchange rate changes	-	-	-	-	-
d Company Contributions	-	-	183,404	9,082,376	-
e Plan participants' contributions	-	-	911,607	828,856	-
f Benefits Paid	(12,042,207)	(19,025,796)	(3,127,413)	(5,149,961)	-
g Plan Settlements	(556,067,559)	(15,096,844)	-	(5,333,037)	-
h Plan Assets as Fair Value, End of Year	\$0	686,932,172	\$ 67,732,703	79,032,651	\$ -



(3) Funded Status

	Pension Benefits		Postretirement Benefits	
	2022	2021	2022	2021
a Components				
1. Prepaid benefit costs	-	164,919,672	7,360,079	2,658,303
2. Overfunded plan assets	-	(7,756,697)	27,203,292	32,691,752
3. Accrued benefit costs	-	-	(38,990,193)	(38,565,415)
4. Liability for pension benefits	-	-	6,830,094	(10,028,216)
b Assets and liabilities recognized				
1. Assets (nonadmitted)	-	157,162,975	34,563,371	35,350,055
2. Liability recognized	-	-	(52,160,099)	(68,593,631)
c Unrecognized liabilities	-	-	-	-

(4) Components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	2022	2021	2022	2021
a Service Cost	-	1,300,000	1,016,101	1,498,559
b Interest cost	-	10,658,059	2,495,920	2,409,823
c Expected return on plan assets	-	(24,809,627)	(3,509,820)	(3,179,881)
d Expense Load	-	-	-	-
e Amortization of actuarial (gain)/loss	-	2,479,622	538,659	2,246,488
f Amortization of prior service cost/(credit)	-	-	(1,556,032)	(124,445)
g Gains or losses recognized due to a settlement, curtailment, or special termination benefit	-	221,043	26,346	1,407,821
h Total net periodic benefit cost	-	(10,150,903)	(988,826)	4,258,365

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	2022	2021	2022	2021
a Items not yet recognized as a component of net periodic cost - prior year	-	12,398,112	(22,663,536)	9,142,236
b Net transition asset or obligation recognized	-	-	-	-
c Net prior service cost or credit arising during the period	-	-	-	(13,471,230)
d Net prior service (cost) or credit recognized	-	-	1,556,032	124,445
e Net gain and loss arising during the period	-	(1,940,750)	(12,360,877)	(14,804,678)
f Net gain and (loss) recognized	-	(2,700,665)	(565,005)	(3,654,309)
g Items not yet recognized as a component of net periodic cost-current year	-	7,756,697	(34,033,386)	(22,663,536)

(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost.

	Pension Benefits		Postretirement Benefits	
	2022	2021	2022	2021
a Net transition asset or obligation	-	-	-	-
b Net prior service (cost) or credit	-	-	12,838,244	14,394,276
c Net recognized gain and (loss)	-	(7,756,697)	21,195,142	8,269,260

(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost.

The following table presents assumptions used in determining the actuarial present value of the benefit obligation and the subsequent year's net periodic benefit cost for the qualified, non-qualified and other postretirement plans:

Discount Rate	Qualified		Non-Qualified		Other Postretirement	
	2022	2021	2022	2021	2022	2021
See detail below	See detail below	See detail below	See detail below	See detail below	See detail below	See detail below
Rate of Compensation Increase	N/A	N/A	N/A	N/A	3.00%	3.00%
Expected return on plan assets	N/A	3.50%	N/A	N/A	4.50%	4.50%

Effective Discount Rate for Benefit Obligations by Benefit Plan		
	2022	2021
Qualified	4.82%	2.77%
Nonqualified:		
Partners SERP	5.14%	2.42%
ACS SERP	5.00%	2.10%
Senior SERP	5.20%	2.70%
Restoration SERP	5.22%	2.70%
Effective Rate for Interest on Benefit Obligations by Benefit Plan		
	2022	2021
Qualified	4.65%	2.39%
Nonqualified:		
Partners SERP	5.06%	1.91%
ACS SERP	4.99%	1.76%
Senior SERP	5.09%	2.33%
SERP	5.12%	2.26%
Effective Discount Rate for Benefit Obligations by Benefit Plan		
	2022	2021
Retiree Medical and Dental	5.22%	2.76%
Retiree Life Insurance	5.21%	2.74%
Effective Rate for Interest on Benefit Obligations by Benefit Plan		
	2022	2021
Retiree Medical and Dental	5.14%	2.34%
Retiree Life Insurance	5.12%	2.30%
Effective Discount Rate for Service Cost by Benefit Plan		
	2022	2021
Retiree Medical and Dental	5.24%	2.91%
Retiree Life Insurance	5.23%	2.82%
Effective Rate for Interest on Service Cost by Benefit Plan		
	2022	2021
Retiree Medical and Dental	5.24%	2.83%
Retiree Life Insurance	5.17%	2.61%

The above trend rates were used for the PPO plan options. Different rates were used for some post-65 plan options to better model gross costs and expected government subsidies.

(8) The amount of the accumulated benefit obligation for defined benefit pension plans was \$0 for the current year and \$529,769,197 for the prior year.

(9) The Company provides certain health care and life insurance benefits for retired employees. The Plan is a contributory health and welfare plan, which provides health benefits (medical, hospital, surgical, dental and drug) for eligible retirees. Retirees are eligible for coverage upon retirement at age 55 or later with five or more years of service. In addition, substantially all of those employees hired prior to January 1, 2006 and who reach retirement age with at least 15 years of service may become eligible for both Company subsidized health care insurance and a company-paid life insurance benefit. The Company funds retiree health care benefits by making contributions to the Voluntary Employees Beneficiary Association (VEBA) administered by the BCBSA.

- (10) The Company did not make a contribution for the years 2022 or 2021 to fund the liability for eligible retired employees
- (11) Future expected benefit payments are as follows:

	Retirement Benefits		Other Postretirement Benefits	
	Qualified	Non-Qualified		
a. 2023	\$0	\$2,645,291		\$3,309,325
b. 2024	\$0	\$2,742,341		\$3,214,404
c. 2025	\$0	\$2,669,681		\$3,276,732
d. 2026	\$0	\$2,671,472		\$3,342,208
e. 2027	\$0	\$2,617,841		\$3,401,190
f. Thereafter Total	\$0	\$13,156,002		\$17,808,047

(12) The Company anticipates that it will make cash contributions in 2023 of \$2,645,291 and \$1,183,799 to the non-qualified and postretirement pension plan respectively. The Plan does not expect to make a cash contribution to the qualified pension plan. Expected contributions are dependent on many variables, including the variability of the market value of the assets as compared to the obligation and other market or regulatory conditions. The Plan takes into consideration its business investment opportunities and resulting cash requirements. Accordingly, actual funding may differ from current estimates. The Pension Protection Act established certain minimum funding standards for defined benefit plans, and the Plan is in compliance with these funding standards.

(13) Not Applicable

(14) In 2022 and 2021, Blue Cross NC recognized the amortization of the cumulative net loss from past experience as measured by comparing the expected position of the plan at year-end (based on the beginning of the year actuarial assumptions and prior year census data) with the actual position of the plan at year-end (based on the end of year actuarial assumptions and current year census data) prior to recognizing any plan provision changes.

(15) The Company did not have a significant benefit increase during the period. Additionally, the Company does not have any substantive commitment, such as a past practice or history of regular benefit increases, used as the basis for accounting for the benefit obligation.

(16) No significant special or contractual termination benefits were recognized during the period.

(17) There was no significant change in the benefit obligation or plan asset in 2022 or 2021 not otherwise apparent in the disclosures herein.

(18) The accumulated postretirement and pension benefit obligation, fair value of plan assets and funded status of the benefit plans are disclosed in the tables herein.

(19) The full surplus impacts of SSAP No. 102 and SSAP No. 92 have been recognized. There is no transition liability, nor will there be any future recognition of the initial application if this guidance.

B. Investment Plan Policies for Plan Assets

Blue Cross NC's plan weighted-average asset allocations at December 31, by asset category, are as follows:

Asset Category:	Retirement Benefits			Other Postretirement Benefits		
	Target	2022	2021	Target	2022	2021
Equity securities:	0%	0%	34%	0%	0%	0%
Mutual funds	0	0	2	0	50	56
Common stock	0	0	36	50%-60%	50	56
Total						
Fixed income securities:	0	0	12	0	0	0
State and U.S. government obligations	0	0	50	0	49	43
Domestic corporate fixed income securities						
International corporate fixed income securities	0	0	0	0	49	0
Total	0	0	62	40%-50%	49	43
Cash and cash equivalents	0	0	0	0%-3%	1	1
Total	0%	0%	100%	100%	100%	100%

C. Fair Value Measurement of Plan Assets

Not Applicable

**D. Rate of Return on Assets Assumption**

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

**E. Defined Contribution Plans**

Blue Cross NC sponsors a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code, the Blue Cross and Blue Shield of North Carolina 401(k) Plan (401(k) Plan).

Eligible Blue Cross NC employees may contribute pretax and Roth contributions that are matched at the rate of 100% of the first 4% and 50% of the next 2% of compensation contributed. Additional Company contributions include profit sharing contributions that range from 2% to 5% of eligible compensation, based on the employee's years of service with the Company, and transition contributions that range from 1% to 8% of eligible compensation for eligible employees who were participants in the defined benefit pension plan on December 31, 2013. Transition contributions will cease after December 31, 2023. Employee and Company contributions are subject to certain regulatory limits and service conditions.

The Company's contributions to the plans totaled \$59,154,750 and \$37,630,852 for the years ended December 31, 2022 and 2021, respectively.

The Company also maintains a restoration plan, a non-qualified defined contribution plan, to ensure that designated participants receive the full amount of benefits to which they would have been entitled under the Blue Cross and Blue Shield of North Carolina 401(k) Plan except for limits on compensation imposed by the Internal Revenue Service. The Company's contributions to the plan totaled \$5,185,825 and \$4,944,603 for the years ended December 31, 2022 and 2021, respectively.

**F. Multiemployer Plans**

Blue Cross NC is a multiple employer defined contribution plan that covers eligible employees of the Participating Employers: Blue Cross NC, Echo Health Ventures, LLC (Echo) and Experience Health, Inc. Contributions are determined separately by each Participating Employer and are allocated to participants employed by such Participating Employer.

**G. Consolidated/Holding Company Plans**

The Company does not participate in any qualified, noncontributory defined benefit pension plans sponsored by any affiliates.

**H. Post-Employment Benefits and Compensated Absences**

The Company does not have any post-employment benefits that are not accrued for in accordance with SSAP No. 11 *Post-Employment Benefits and Compensated Absences*.

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

(1) The Medicare Prescription Drug, Improvement and Modernization Act of 2003 allows employers who offer actuarially equivalent prescription drug benefits to retirees to receive a federal subsidy starting in 2006. The Plan did not apply for these federal subsidies during 2022 and does not expect to apply for them in 2023.

(2) Not applicable.

(3) Not applicable.

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

A. The Company has no shares authorized, issued or outstanding since the Company is incorporated as a taxable not-for-profit organization.

B. The Company has no preferred stock outstanding.

C. The Company does not declare dividends as it does not have shares authorized, issued or outstanding.

D. The Company did not pay any dividends as of December 31, 2022 or 2021.

E. The Company did not pay any dividends to stockholders as of December 31, 2022 or 2021.

F. There were no restrictions placed on the Company's unassigned funds as of December 31, 2022 or 2021.

G. The Company had no unpaid advances of surplus as of December 31, 2022 or 2021.

H. The Company did not hold any shares of stock for purposes such as conversion of preferred stock, employee stock options or stock purchase warrants as of December 31, 2022 or 2021.

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- I. Not applicable.
- J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses were (\$165,834,567) and (\$541,857,599) in December 31, 2022 and December 31, 2021, respectively.
- K. The Company does not have any surplus notes debentures or similar obligations as of December 31, 2022 or 2021.
- L. The Company does not have any quasi-reorganizations as of December 31, 2022 or 2021.
- M. The Company was not involved in any quasi-reorganizations; therefore, there is no effective date(s) for quasi-reorganization.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

Effective 2019, The Company has a capital management agreement with Senior Health in which the Company unconditionally guarantees the capital obligations of Senior Health (i) for the protections against insolvency as required under § 58-67-110; (ii) to ensure Applicant maintains North Carolina’s statutory minimum levels of the initial net worth of \$1.5 million dollars; (iii) to ensure Applicant maintains satisfactory risk-based capital level of 375% RBC. If Senior Health fails to any of the above obligations, the Company shall promptly contribute to Senior Health amounts sufficient to meet such obligation.

The Company has a long-term debt obligation due September 2044, future interest payments on this debt obligation are as follows: 2023, \$24,006,322; 2024, \$24,173,287; 2025, \$24,347,287; 2026, \$24,528,383 and thereafter \$530,452,669.

B. Assessments

- 1. The National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. State life and health insurance guaranty associations, working together with NOLHGA, provide a safety net for their state’s policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. On March 1, 2017, Pennsylvania courts released an Order of Liquidation for Penn Treaty & American Network Insurance Company. This liquidation triggered state guaranty fund actions and statutory accounting actions by insurers in 2017, including a payment of the assessment in the amount of \$50,813,852.
- 2. Payment of the assessments is expected to be recovered over future years through premium tax credits allowable by the state of North Carolina. In accordance with SSAP No. 35R, Guaranty Fund and Other Assessments, the Company recorded a discounted premium tax credit asset of \$41,711,988, using a whole life discount rate of 3.5% over the five year recovery period.
  - a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end \$16,310,044
    - a. Decreases current year: Premium Tax offset applied \$10,280,591
    - b. Increases current year: \$0
  - c. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end \$6,029,453
- 3. The tables below show the Company’s discounted premium tax offsets at December 31, 2022:
  - a. Discount Rate Applied 3.5%

b. The Undiscounted and Discounted Amount of the Guaranty Fund Assessments and Related Assets by Insolvency:

		Guaranty Fund Assessment		Related Assets	
Names of the Insolvency		Undiscounted	Discounted	Undiscounted	Discounted
Penn Treaty		\$50,813,852	\$26,730,351	\$50,813,852	\$26,730,351

c. Number of Jurisdictions, Ranges of Years Used to Discount and Weighted Average Number of Years of Discounting Time Period for Payables and Recoverables by Insolvency:

Name of the Insolvency		Payables		Recoverables	
		Weighted Average		Weighted Average	
		Number of Jurisdictions	Range of Years	Number of Jurisdictions	Range of Years
Penn Treaty		1	2-10	8	2-10

C. Gain Contingencies

The Company does not have any material gain contingencies as of December 31, 2022.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

The Company did not pay any amounts to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

E. Joint and Several Liabilities

The Company did not have joint and several liabilities as of December 31, 2022.

F. All Other Contingencies

The Company is involved in litigation (In Re: Blue Cross Blue Shield Antitrust Litigation (United States District Court, Northern District of Alabama) which is a multi-district case that consolidates multiple state and national class actions against the Company, the BCBSA and multiple other Blue Cross and Blue Shield plans. The Company is a named defendant in forty-five of the consolidated cases (thirty-one provider cases and fourteen subscriber cases). The cases all allege an ongoing conspiracy in violation of the Sherman Antitrust Act among the Blues and the BCBSA and seek (1) a permanent injunction prohibiting enforcement of any agreements which restrict the BCBSA member operating territories; (2) treble damages for (a) alleged artificially inflated premiums in the case of subscribers and (b) alleged suppressed provider compensation in the case of providers and (3) attorneys' fees and costs. Additionally, one of the consolidated cases against the Company makes antitrust allegations based on most favored nations (MFN) clauses in the Company's provider contracts and seeks reformation of the Company's provider contracts to strike MFN clauses and monetary damages.

The Blue plan defendants, including the Company, reached a total class settlement of \$2.67 billion with the subscriber plaintiffs that included monetary and various injunctive relief. The Company has satisfied its financial obligations under the settlement following final approval of the settlement by the United States District Court for the Northern District of Alabama. However, the majority of the settlement funds remain in escrow pending resolution of appeals that were filed of the final approval order with the United States Court of Appeals for the Eleventh Circuit. The Company is vigorously defending the remaining provider case.

The Company is also a defendant in six cases that were filed by plaintiffs that opted out of the subscriber class settlement. The allegations in those cases mirror those in the class action that has been settled. Each of those cases remains in an early stage of procedural development and is being vigorously defended by the Company.

Additionally, the Company is involved in various claims and legal actions arising in the ordinary course of business. Some of the lawsuits may be class actions, or purport to be, and some may include claims for unspecified or substantial punitive and treble damages. Management believes that proceedings arising in the ordinary course of business and those referenced above will not have a material adverse impact on the financial position of the Company.

15. Leases

A. Lessee Operating Lease

- (1)

a. The Company leases office space and certain office equipment under various non-cancelable operating leases. Rental expense was \$5,423,083 and \$9,379,005 for periods ended December 31, 2022 and December 31, 2021, respectively.

b. The Company does not have contingent rental payments.

c. Certain rental commitments have renewal options extending through the year 2023 and are subject to adjustments in future periods.

d. The Company does not have lease agreement that include restrictions.

e. The Company does not have lease agreements that were terminated early or for which the Company is no longer using the leased property benefits, and the liability recognized in the financial statements.
- (2)

a. At December 31, 2022, the minimum aggregate rental commitments are as follows:

<u>Year Ending December 31</u>	<u>Operating Lease Payments</u>
1. 2023	\$5,297,088
2. 2024	\$1,945,967
3. 2025	\$254,430
4. 2026	\$255,995
5. 2027	\$275,994
6. 2028 and thereafter	\$653,286
7. Total	\$8,682,760

b. At December 31, 2022, the minimum aggregate rental receivables are as follows:

<u>Year Ending December 31</u>	<u>Rentals from Subleases</u>
1. 2023	\$2,061,038
2. 2024	\$1,680,171
3. 2025	\$537,571
4. 2026	\$537,571
5. 2027	\$358,381
3. 2028 and thereafter	\$0
4. Total	\$5,174,731

(3) The Company is not involved in any sales-leaseback transactions as of December 31, 2022 and 2021.

**B.**

(1) For Operating Leases:

There have been no significant changes since the fiscal year 2022 or 2021 filing.

(2) For leveraged Leases

Not applicable

**16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

The Company does not have any financial instruments with off-balance sheet risk..

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

A. Transfers of Receivables Reported as Sales

The Company had no transfers of receivables reported as sales during 2022 or 2021.

B. Transfer and Servicing of Financial Assets

The Company had no transferring or servicing of financial assets during 2022 or 2021.

C. Wash Sales

The Company had no wash sales during 2022 or 2021.

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

**A. ASO Plans**

The loss from operations from ASO uninsured plans and the uninsured portion of partially insured plans were as follows during 2022:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ (42,883,891)	\$ -	\$ (42,883,891)
Total net other income or expenses (including interest paid to or received from plans)	-	-	-
Net loss from operations	<u>\$ (42,883,891)</u>	<u>\$ -</u>	<u>\$ (42,883,891)</u>
Total claim payment volume	<u>\$2,757,724,377</u>	<u>\$ -</u>	<u>\$2,757,724,377</u>

Administrative fees incurred under this plan were \$73,248,916 during 2022.



In December 2022, the Company was informed that it lost the bid for the State of North Carolina contract effective January 1, 2025. The Company has filed a formal protest and may continue to appeal through available avenues. The Company will continue to serve the State of North Carolina through termination of the current contract as well as for a runout period in 2025 as claims are processed and customer and provider inquiries are addressed. The Company has evaluated the impact on its financial statements and termination of the current contract is not material to 2022 or 2023.

B. ASC Plans

The income from operations from ASC uninsured plans and the uninsured portion of partially insured plans were as follows during 2022:

	Uninsured Portion of		
	ASC Uninsured Plans	Partially Insured Plans	Total ASC
Gross reimbursement for medical cost incurred (including Other BlueCard Claims)	\$9,824,442,526	\$	- \$9,824,442,526
Gross administrative fees accrued	496,929,002	-	496,929,002
Other income or expenses (including interest paid to or received from plans)		-	-
	\$10,321,371,528		10,321,371,528
Gross expenses incurred (claims and administrative)	10,235,016,503	-	10,235,016,503
Total gain from operations	\$86,355,025	\$	- \$86,355,025

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

The funds received, and payments made for claims are treated as payments made by or to a partial self-insured plan since they are to be completely reconciled under the MMA of 2003.

1. Reinsurance subsidy cash receipts deposit from Centers for Medicare and Medicaid Services (CMS) net of claims incurred for the period ended December 31, 2022 is a payable of \$3,236,399. These cash receipts are subject to quarterly true up for actual claims incurred.
2. Low Income Subsidy cash deposits from CMS net of claims incurred for the period ended December 31, 2022 is a receivable of \$873,119. These cash receipts are subject to quarterly true up for actual claims incurred.
3. The Company has no recorded allowances and reserves for adjustment of recorded revenues as of December 31, 2022.
4. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

The Company had no direct written premiums that were written through managing general agents or third-party administrators during 2022.

20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date:

	Net Asset Value (NAV)			
As of December 31, 2022	Level I	Level II	Level III	Total
Cash equivalents	\$114,639,773	\$0	\$0	\$114,639,773
Bond securities	19,088,294	74,836,707	-	93,925,001
Unaffiliated preferred stock	-	200,554,244	-	200,554,244
Unaffiliated common stock	599,776,078	-	4,845,019	604,621,097
Other invested assets	-	-	-	1,061,347,677
Total	\$733,504,144	\$275,390,951	\$-	\$1,136,572,629 \$2,075,087,792



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

Description	Beginning Balance at 01/01/2022	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements at 12/31/2022	Ending Balance at 12/31/2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Common Stock	\$ 3,417,607	-	-	-	1,427,412	-	-	-	-	\$ 4,845,019
Other Long Term Assets	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 3,417,607	\$ -	\$ -	\$ -	\$ 1,427,412	\$ -	\$ -	\$ -	\$ -	\$ 4,845,019

(3) There were no material transfers between Levels I, II or III during the quarter to date ended December 31, 2022..

B. Assets measured at Fair Value on a Nonrecurring Basis

Non-financial assets and liabilities including long-lived assets and goodwill are recognized at fair value when they are considered to be other-than-temporarily impaired. There was no required fair value measurement for assets and liabilities measured at fair value on a non-recurring basis.

C. Assets measured at Fair Value and Admitted Values

The assets on the table below are located on the Statement of Assets, lines 1, 2, and 5 (cash is excluded).

As of December 31, 2022	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Net Asset Value (NAV)	Not Practical (Carrying Value)
Cash equivalents	\$114,639,773	\$114,639,773	\$114,639,773	\$0	\$0	-	\$0
Bond securities	3,089,656,504	3,381,091,969	408,303,135	2,681,353,349	-	-	-
Unaffiliated preferred stock	210,326,049	211,379,091	-	210,326,049	-	-	-
Unaffiliated common stock	604,621,097	84,749,220	599,776,078	-	4,845,019	-	-
Affiliated common stock	1,031,212,388	976,598,458	-	-	-	991,814,840	-
Other invested assets	1,061,347,678	1,061,347,678	-	-	-	1,061,347,678	-
Total	\$6,111,803,490	\$5,829,806,189	\$1,122,719,006	\$2,891,679,398	\$4,845,019	\$1,061,347,678	\$991,814,840

D.

The carrying amounts reported in the Statements of Assets, Liabilities, Capital and Surplus, for cash, cash equivalents, investment income due and incurred, premiums receivable, and other receivables, amounts receivable relating to uninsured plans, income tax receivable, premiums received in advance, medical and other benefits payable, accounts payable and accrued expenses, and payable for securities approximate fair value because of the short term nature of these items.

Non-financial instruments such as property and equipment, other current assets, deferred income taxes and certain financial instruments such as policy liabilities are excluded from the fair value disclosures. Therefore, the fair value amounts cannot be aggregated to determine our underlying economic value.

Not Practicable to Estimate Fair Value:

Investments available for sale	Carrying Value	Effective Int Rate	Maturity Date	Explanation
--------------------------------	----------------	--------------------	---------------	-------------

E.

The Company holds ownership interest in limited partnerships which include alternatives investments, private equity, and venture capital and real estate investments. The company carries these interests based on the underlying audited GAAP equity of the investee, adjusted for certain provisions as described by SSAP 48, Joint Ventures, Partnerships and Limited Liability Companies or NAV. Our limited partnership investments are not liquid and most of the funds do restrict our ability to sell.

21. Other Items

A. Unusual or Infrequent Items

The Company faces risks and uncertainties related to systems, regulatory and legislative issues, competitors, providers, and COVID-19. These risks and uncertainties could impact our membership levels, premium and fee revenues, results of operations, financial position, cash flows and reputation.

Additionally, we are highly reliant upon our health plan administrative technologies to run our business. Any inability to maintain secure and scalable health plan administrative systems, offering capabilities including enrollment, claims-processing and customer services could adversely affect our business. While we are not aware of any imminent threats, we recognize that if these core systems were found to be unreliable, we could experience problems in determining medical cost estimates and establishing appropriate pricing and reserves, have disputes with customers and providers, face regulatory problems, including sanctions and penalties, incur increases in operating expenses or suffer other adverse consequences, including a decrease in membership.

Federal and state regulatory agencies may restrict changes in premium rates or reduce reimbursements, impose additional restrictions or higher taxes, make changes to eligibility or funding for government health programs, or mandate levels of coverage and new benefits. These regulatory changes could impact our results of operations, financial position, and cash flows.

The traditional payer-provider dynamic is being challenged by providers looking to expand into the payer space and create their own health plans, as well as the emergence of venture-backed startups expanding into payer roles. As new entrants enter the insurance marketplace, there could be changes to how we operate our business. These new entrants may focus heavily on automation and lower administrative expenses, creating competition for payers, impacting our results of operations.

As providers continue to consolidate and integrate physician groups and hospitals, we may experience upward pressure on reimbursement amounts. Additionally, ACOs, physician practice management companies, and other organizational structures that physicians, hospitals and other care providers choose may change the way in which these providers interact with us. These changes could impact our results of operations.

**B. Troubled Debt Restructuring: Debtors**

The Company had no troubled debt restructurings.

**C. Other Disclosures**

The Company had no other disclosures

**D. Business Interruption Insurance Recoveries**

The Company had no business interruption recoveries recognized.

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

- (1) Carrying Value of Transferable and Non-transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-transferable State Tax Credits by State in Total.

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Non-transferable Tax credits	NC	\$10,981,355	\$10,339,051
Total		\$10,981,355	\$10,339,051

- (2) Method of Estimating Utilization of Remaining Transferable and Non-transferable State Tax Credits

The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining transferable and non-transferable state tax credits.

**(3) Impairment Loss**

The Company recognized an impairment loss of \$0 related to the write-down as a result of impairment analysis of the carrying amount for state transferable and non-transferable tax credits.

**(4) State Tax Credits Admitted and Non-admitted**

	<u>Total Admitted</u>	<u>Total Non-admitted</u>
A. Transferable	\$0	\$0
B. Non-Transferable	\$1,991,825	\$8,990,742

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

The Company did not have any subprime mortgage related risk.

**G. Retained Assets**

The Company did not have any retained assets.

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

The Company did not have any ILS contracts.

**22. Events Subsequent**

The Company has evaluated subsequent events through February 28, 2022, which is the date that the financial statements were available to be issued and has determined that there are no events that require disclosure, except for the following:

On January 18, 2023, the Company signed an agreement with one of its former insurance carriers related to outstanding coverage litigation. Under the terms of the agreement, the Company will receive a payment of \$46,500,000 no later than March 19, 2023.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?  
(X) No

2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?  
(X) No

Section 2 – Ceded Reinsurance Report – Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?  
(X) No

2. Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?  
(X) No

Section 3 – Ceded Reinsurance Report – Part B

1. What in the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.  
NONE

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?  
(X) No

B. Uncollectible Reinsurance

The Company does not have any uncollectible reinsurance balances due as of December 31, 2022 and 2021.

C. Commutation of Ceded Reinsurance

The Company had no commutation of reinsurance agreements during 2022 and 2021.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

1. Reporting Entity ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation

The Company does not have certified reinsurer with a rating downgrade or a status subject to revocation.

- a. Not applicable
- b. Not applicable

2. Reporting Entity's certified Reinsurer Rating Downgraded or Status Subject to Revocation.

The Company does not have certified reinsurer with a rating downgraded rating or a status subject to revocation.

- 1. Not applicable
- 2. Not applicable

E. Reinsurance Credit

- 1. Not applicable
- 2. Not applicable

- 3. Not applicable
- 4. Not applicable
- 5. Not applicable
- 6. Not applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

The Company estimates accrued retrospective premium adjustments for its group health insurance business through a mathematical approach using an algorithm of the company's underwriting rules and experience rating practices.

B. Accrued Retrospective Premium Disclosure

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

C. Net Premiums Written Disclosure

The amount of net premiums written by the Company for the period ended December 31, 2022 that are subject to retrospective rating features was \$10,691,510,027, that represented 95% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

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

		Individual	Small Group	Large Group	Other	Total
Prior Reporting Year						
(1)	Medical loss ratio rebates incurred	-	-	-	2,929,678	2,929,678
(2)	Medical loss ratio rebates paid	3,943,755	-	-	6,033,559	9,977,314
(3)	Medical loss ratio rebates unpaid	-	-	-	1,696,119	1,696,119
(4)	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5)	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6)	Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	1,696,119
Current Reporting Year-to-Date						
(7)	Medical loss ratio rebates incurred	-	-	-	526,962	\$526,962
(8)	Medical loss ratio rebates paid	-	-	-	2,223,082	2,223,082
(9)	Medical loss ratio rebates unpaid	-	-	-	-	-
(10)	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11)	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12)	Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$0

E. Risk-Sharing Provisions of the ACA

- (1) In 2022, the Company did write accident and health insurance premium that is subject to the ACA risk-sharing provision.

(2) Impact of risk-sharing provision of the ACA on Admitted Assets, Liabilities and Revenue for the Current Year:

a Permanent Risk Adjustment Program Assets											
1.	Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)										\$239,298,197
Liabilities											
2.	Risk adjustment user fees payable for ACA Risk Adjustment										\$702,527
3.	Premium adjustments payable due to ACA Risk Adjustment (including high risk pool payments)										\$0
Operations (Revenue & Expense)											
4.	Reported as revenue in premium for accident and health contracts (written/collected) due to ACA risk Adjustment										\$215,869,732
5.	Reported in expenses as ACA risk adjustment user fees (incurred/paid)										\$1,254,324
b Transitional Reinsurance Program Assets											
1.	Amounts recoverable for claims paid to ACA Reinsurance										\$0
2.	Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)										\$0
3.	Amounts receivable relating to uninsured plans for ACA Reinsurance										\$0
Liabilities											
4.	Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium										\$0
5.	Ceded reinsurance premiums payable due to ACA Reinsurance										\$0
6.	Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance										\$0
Operations											
7.	Ceded reinsurance premiums due to ACA Reinsurance										\$0
8.	Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments										\$0
9.	ACA Reinsurance contributions – not reported as ceded premium										\$0
c Temporary Risk Corridors Program Assets											
1.	Accrued retrospective premium due to ACA Risk Corridors Liabilities										\$0
2.	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors										\$0
Operations											
3.	Effect of ACA Risk Corridors on net premium income (paid/received)										\$0
4.	Effect of ACA Risk Corridors on change in reserves for rate credits										\$0

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balance, along with the reasons for adjustments to prior year balance.

		Differences				Adjustments				Unsettled Balances as of the Reporting Date		
		1	2	3	4	5	6	7	8	9	10	11
	Accrued during the Prior Year on Business Written Before December 31 of the Prior Year			Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Prior Year Accrued Less Payments (Col 1-3)	Prior Year Accrued Less Payments (Col 2-4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1-3+7)	Prior Years (Col 2-4+8)	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	Ref	Receivable	(Payable)
<b>a. Permanent ACA Risk Adjustment Program</b>												
1	Premium adjustments receivable		209,098,512		185,674,679	-	23,423,833	-	(21,721,748)	-	1,702,086	-
2	Premium adjustments (payable)				-			-			-	
3	Subtotal ACA Permanent Risk Adjustment Program		209,098,512		185,674,679	-	23,423,833	-	(21,721,748)		1,702,086	-
<b>b. Transitional ACA Reinsurance Program</b>												
1	Amounts recoverable for claims paid	(0)		-	-	(0)		-	-	3	(0)	-
2	(contra liability)		-		-		-		-		-	
3	Amounts receivable relating to uninsured plans		-		-		-		-		-	
4	Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium		-		-		-		-		-	
5	Ceded reinsurance premiums payable		-		-		-		-		-	
6	Liability for amounts held under uninsured plans		-		-		-		-		-	
7	Subtotal ACA Transitional Reinsurance Program	(0)	-		-	(0)		-	-		(0)	-
<b>c. Temporary ACA Risk Corridors Program</b>												
1	Accrued retrospective premium	-	-		-	-		-	-		-	-
2	Reserve for rate credits or policy experience rating refunds	-	-		-	-		-	-		-	-
3	Subtotal ACA Risk Corridors Program		-		-			-	-		-	-
<b>Total for ACA Risk Sharing Provisions</b>												
			209,098,512		185,674,679	-	23,423,833	-	(21,721,748)		1,702,086	-



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Explanations of Adjustments:

- a. Adjustment is based on updated data
- (4) Roll-forward of Risk Corridors Asset and Liability Balances by Program Benefit Year
  - Not applicable
- (5) ACA Risk Corridors Receivable as of Reporting date:
  - Not applicable

25. Change in Incurred Claims and Claim Adjustment Expenses

- a. Reserves as of December 31, 2021 were \$666,912,829. As of December 31, 2022, \$570,695,121 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years of \$40,028,347 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive lines of business. Therefore, there has been a \$56,189,361 favorable prior-year development since December 31, 2021 to December 31, 2022, primarily due to favorable claims development offset by unfavorable healthcare receivable development.
- b. There have been no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses as of December 31, 2022.

26. Intercompany Pooling Arrangements

The Company had no intercompany pooling arrangements recognized in December 31, 2022.

27. Structured Settlements

Not applicable

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

In accordance with SSAP No. 84, Certain Health Care Receivables and Receivables Under Government Insured Plans, the Company accrued \$371,169,708 and \$290,100,069 as pharmaceutical rebate receivables at December 31, 2022 and December 31, 2021, respectively. The admitted portion of this receivable was \$173,263,543 and \$139,496,177 at December 31, 2022 and December 31, 2021, respectively.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2022	173,209,992	0	0	0	0
9/30/2022	171,409,075	141,571,258	2,152,224	0	0
6/30/2022	160,162,089	162,635,915	135,482,067	0	0
3/31/2022	161,129,839	147,739,353	140,208,152	857,421	0
12/31/2021	137,197,317	141,833,623	135,676,183	1,717,398	-291,135
9/30/2021	129,812,583	137,104,746	131,480,246	2,587,738	44,984
6/30/2021	117,564,903	128,909,788	123,892,923	2,781,164	-270,965
3/31/2021	117,638,927	122,643,993	117,866,804	1,705,159	2,609,588
12/31/2020	116,106,148	121,255,883	116,363,123	1,802,493	25,412
9/30/2020	107,615,881	117,050,549	112,382,223	1,389,252	234,781
6/30/2020	97,203,029	107,721,850	103,354,819	281,966	2,597,781
3/31/2020	91,770,342	100,184,244	9,109,214	87,325,048	1,128,862

B. Risk Share Receivables

The Company had no risk sharing receivable as of December 31, 2022.

29. Participating Policies

The Company had no participating policies recognized in December 31, 2022

30. Premium Deficiency Reserves

1.	Liability carried for premium deficiency reserves	\$9,555,534
2.	Date of most recent evaluation of this liability	12/31/2022
3.	Was anticipated investment income utilized in the calculation?	No

31. Anticipated Salvage and Subrogation

No Change.

32. Contingency Reserve in Stockholders' Equity

<b>Gross Premiums</b>	
Total premiums, excluding reinsurance	
Add: Premiums Due and Unpaid PY	\$11,309,709,103
Less: Premiums Due and Unpaid CY	329,089,044
Add: Advance Premiums CY	(321,684,308)
Less: Advance Premiums PY	108,677,316
<b>Premiums collected, excluding reinsurance</b>	<b>(102,037,558)</b>
	<b><u>\$11,323,753,597</u></b>
<b>Contingency Reserve Calculation</b>	
First \$200,000 @ 4%	\$8,000
Second \$200,000 @ 2%	4,000
Remaining amount @ 1%	113,233,536
Total	\$113,245,536
Blue Cross NC Contingency Reserve @ 12/31/2021	1,390,648,559
<b>Blue Cross NC Contingency Reserve @ 12/31/2022</b>	<b><u>\$1,503,894,095</u></b>

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....  
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.

Yes [ X ] No [ ]

1.2

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

Yes [ X ] No [ ] N/A [ ]

1.3

State Regulating? .....

North Carolina

1.4

Is the reporting entity publicly traded or a member of a publicly traded group? .....

Yes [ ] No [ X ]

1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes [ ] No [ X ]

2.2

If yes, date of change: .....

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2021

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

12/31/2016

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

06/20/2018

3.4

By what department or departments?  
North Carolina Department of Insurance .....

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes [ X ] No [ ] N/A [ ]

3.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes [ X ] No [ ] N/A [ ]

4.1

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

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

4.2

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

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....  
If yes, complete and file the merger history data file with the NAIC.

Yes [ ] No [ X ]

5.2

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

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

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....

Yes [ ] No [ X ]

6.2

If yes, give full information: .....

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? .....

Yes [ ] No [ X ]

7.2

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

1 Nationality	2 Type of Entity



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GENERAL INTERROGATORIES

8.1

Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? .....

Yes [ ] No [ X ]

8.2

If the response to 8.1 is yes, please identify the name of the DIHC.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms? .....

Yes [ ] No [ X ]

8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

8.5

Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company? .....

Yes [ ] No [ X ]

8.6

If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? .....

Yes [ ] No [ X ] N/A [ ]

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Ernst & Young, LLP 4131 Parklake Avenue, Raleigh, NC 27612 .....

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? .....

Yes [ ] No [ X ]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? .....

Yes [ ] No [ X ]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? .....

Yes [ X ] No [ ] N/A [ ]

10.6

If the response to 10.5 is no or n/a, please explain

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Ryland Pigg, AVP, Head of Actuarial Services and Valuation (Employee), Blue Cross Blue Shield of North Carolina, 4613 University Drive, Durham, NC 27707 .....

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? .....

Yes [ ] No [ X ]

12.11

Name of real estate holding company ...

12.12

Number of parcels involved .....

12.13

Total book/adjusted carrying value .....

\$ .....

12.2

If, yes provide explanation:

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? .....

Yes [ ] No [ ]

13.3

Have there been any changes made to any of the trust indentures during the year? .....

Yes [ ] No [ ]

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? .....

Yes [ ] No [ ] N/A [ ]

14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? .....

Yes [ X ] No [ ]

a.

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b.

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c.

Compliance with applicable governmental laws, rules and regulations;

d.

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e.

Accountability for adherence to the code.

14.11

If the response to 14.1 is No, please explain:

14.2

Has the code of ethics for senior managers been amended? .....

Yes [ X ] No [ ]

14.21

If the response to 14.2 is yes, provide information related to amendment(s).  
In February 2022, the Board approved a revised code of conduct for all employees of Blue Cross NC. ....

14.3

Have any provisions of the code of ethics been waived for any of the specified officers? .....

Yes [ ] No [ X ]

14.31

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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [ X ] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers\$

20.12 To stockholders not officers\$

20.13 Trustees, supreme or grand (Fraternal Only) \$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers\$

20.22 To stockholders not officers\$

20.23 Trustees, supreme or grand (Fraternal Only) \$
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others\$

21.22 Borrowed from others\$

21.23 Leased from others \$

21.24 Other \$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [ X ]
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment \$

22.22 Amount paid as expenses \$

22.23 Other amounts paid \$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$0
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? Yes [ ] No [ X ]
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

Name of Third-Party	Is the Third-Party Agent a Related Party (Yes/No)

INVESTMENT

- 25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03) Yes [ ] No [ ]

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

GENERAL INTERROGATORIES

25.02 If no, give full and complete information relating thereto

25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$

25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$

25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [ X ]

25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [ X ]

25.08 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [ X ]

25.09 For the reporting entity's securities lending program state the amount of the following as of December 31 of the current year:

25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0

25.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ 0

25.093 Total payable for securities lending reported on the liability page. \$ 0

26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). Yes [ X ] No [ ]

26.2 If yes, state the amount thereof at December 31 of the current year:

26.21 Subject to repurchase agreements \$

26.22 Subject to reverse repurchase agreements \$

26.23 Subject to dollar repurchase agreements \$

26.24 Subject to reverse dollar repurchase agreements \$

26.25 Placed under option agreements \$

26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$

26.27 FHLB Capital Stock \$ 3,743,500

26.28 On deposit with states \$ 1,003,250

26.29 On deposit with other regulatory bodies \$

26.30 Pledged as collateral - excluding collateral pledged to an FHLB \$

26.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ 0

26.32 Other \$

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

27.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [ X ]  
If no, attach a description with this statement.

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

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

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

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

27.42 Permitted accounting practice Yes [ ] No [ ]

27.43 Other accounting guidance Yes [ ] No [ ]

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

The reporting entity has obtained explicit approval from the domiciliary state.

Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.

Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.

Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

GENERAL INTERROGATORIES

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Mellon Bank, NA .....	One Mellon Center, Pittsburgh, PA .....	Written to comply with provisions contained in the Model Custodian and Fiscal Agency agreement. Does not contain specific language cited by the Handbook, but has been reviewed and approved by NCDOL .....

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?..... Yes [ ] No [ X ]

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

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

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

1 Name of Firm or Individual	2 Affiliation
Robert W. Baird & Co. Incorporated .....	U.....
Wellington Management Company .....	U.....
Madison Investment Advisors, LLC .....	U.....
Stran Summers .....	I.....
Crescent Capital Group LP .....	U.....
NISA Investment Advisors, LLC .....	U.....
J.P. Morgan Investment Management INC. ....	U.....
Flaherty & Crumrine Inc .....	U.....
Bruce Sickel .....	I.....
Maticia Sims .....	I.....
.....	.....

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [ X ] No [ ]

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

29.06 For those firms or individuals listed in the table for 29.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
8158 .....	Robert W. Baird & Co. Incorporated .....	549300772UJAHRD6L053 .....	SEC .....	DS.....
106595 .....	Wellington Management Company .....	549300VHP12TEZNL CX41 .....	SEC .....	DS.....
110297 .....	Madison Investment Advisors, LLC .....	254900V4G6P208GA3B11 .....	SEC .....	DS.....
153966 .....	Crescent Capital Group LP .....	5493002789CX3LOCJP65 .....	SEC .....	DS.....
107313 .....	NISA Investment Advisors, LLC .....	549300L8Z46F3ZAWSB82 .....	SEC .....	DS.....
107038 .....	J.P. Morgan Investment Management INC. ....	549300L1IG2JOW7XNY28 .....	SEC .....	DS.....
105499 .....	Flaherty & Crumrine Inc .....	7H6GLXDRUGQFU57RNE97 .....	SEC .....	DS.....
.....	.....	.....	.....	.....

30.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? ..... Yes [ X ] No [ ]

30.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
09258N-60-4 .....	BLACKROCK:MC GRO K .....	47,213
19247U-10-6 .....	COHEN&STEERS INST RS .....	70,846
233203-42-1 .....	DFA EMG MKTS CORE EQ I .....	77,958
261941-10-8 .....	DREYFUS TRS SEC INST .....	75,464
315792-23-4 .....	FIDELITY ABERDEEN STREET TRUST - FIDELITY FREEDOM .....	664,458
315792-24-2 .....	FIDELITY ABERDEEN STREET TRUST - FIDELITY FREEDOM .....	667,832
315794-79-2 .....	FIDELITY FREEDOM 2015 .....	38,633
315792-66-3 .....	FIDELITY FREEDOM® 2025 .....	119,462
316200-85-6 .....	FIDELITY GRO COMPANY K .....	131,292
315911-72-7 .....	FIDELITY INTERNATIONAL IX .....	(219)
316345-80-0 .....	FIDELITY LOW-PRCD STK K .....	4,005
316146-26-5 .....	FIDELITY MID CAP INDEX .....	120,947
316146-18-2 .....	FIDELITY SMALL CAP INDEX .....	48,334
316389-32-9 .....	FIDELITY SM CAP GR K6 .....	35,594
316146-35-6 .....	FIDELITY US BOND INDEX .....	195,460
000000-00-0 .....	FIDELITY:GOVT MNY MKT .....	27,075
315911-87-5 .....	FIDELITY® INTERNATIONAL INDEX PREMIUM .....	1,271
31846V-41-9 .....	FIRST AMER:TRS OBG V .....	1,000,004
38141W-61-2 .....	GOLDMAN:SM CAP VAL A .....	7,081
412295-10-7 .....	HARDING LOEVNER:IE I .....	37,617
57630A-59-2 .....	MASSMUTUAL S:MCG I .....	1,844
592905-76-4 .....	METWEST:TOTAL RTN PLAN .....	422,564
55273W-47-5 .....	MFS MID CAP VALUE R6 .....	1,524
64953A-BN-9 .....	NEW YORK LIFE ANCHOR FUND .....	106,950,584
922908-71-0 .....	VANGUARD 500 IDX ADM .....	498,379
92206J-20-6 .....	VANGUARD DEV MKT INST+ .....	178,895,232

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1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
922040-20-9 .....	VANGUARD INSTL INDX INSP .....	37,242,320
922908-87-6 .....	VANGUARD S-C ID INST .....	11,054,743
30.2999 - Total		338,437,517

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

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
FIDELITY ABERDEEN STREET TRUST - FIDELITY FREEDOM .....	TF Float 07/31/23 .....	11,456	12/31/2022 ..
.....	APPLE INC .....	8,270	12/31/2022 ..
.....	MICROSOFT CORP .....	8,163	12/31/2022 ..
.....	TF Float 01/31/23 .....	8,128	12/31/2022 ..
.....	EXXON MOBIL CORP .....	7,956	12/31/2022 ..
FIDELITY ABERDEEN STREET TRUST - FIDELITY FREEDOM .....	TF Float 07/31/23 .....	15,310	12/31/2022 ..
.....	TF Float 01/31/23 .....	10,862	12/31/2022 ..
.....	T 4 10/31/29 .....	8,730	12/31/2022 ..
.....	T 1¼ 05/31/28 .....	8,681	12/31/2022 ..
.....	APPLE INC .....	7,310	12/31/2022 ..
FIDELITY FREEDOM 2015 K .....	T 4 10/31/29 .....	601	12/31/2022 ..
.....	T 1¼ 05/31/28 .....	598	12/31/2022 ..
.....	T 2 08/15/51 .....	431	12/31/2022 ..
.....	T 2 ? 05/15/32 .....	341	12/31/2022 ..
.....	TF Float 07/31/23 .....	313	12/31/2022 ..
DREYFUS TRS SEC INST .....	B 0 01/24/23 .....	6,329	12/31/2022 ..
.....	B 0 01/10/23 .....	5,798	12/31/2022 ..
.....	B 0 01/03/23 .....	4,481	12/31/2022 ..
.....	B 0 01/31/23 .....	4,475	12/31/2022 ..
.....	B 0 01/19/23 .....	3,519	12/31/2022 ..
FIDELITY:GOVT MNY MKT .....	TF Float 07/31/23 .....	2,322	12/31/2022 ..
.....	TF Float 10/31/23 .....	1,375	12/31/2022 ..
.....	B 0 01/03/23 .....	885	12/31/2022 ..
.....	FHLBDN 0 02/08/23 .....	846	12/31/2022 ..
.....	TF Float 07/31/24 .....	725	12/31/2022 ..
FIRST AMER:TRS OBG V .....	TF Float 01/31/23 .....	157,028	12/31/2022 ..
.....	TF Float 07/31/23 .....	124,737	12/31/2022 ..
.....	TF Float 07/31/24 .....	110,655	12/31/2022 ..
.....	TF Float 10/31/23 .....	101,643	12/31/2022 ..
.....	TF Float 01/31/24 .....	93,246	12/31/2022 ..
BLACKROCK:MC GRO K .....	CADENCE DESIGN SYSTEMS INC .....	1,719	12/31/2022 ..
.....	MSCI INC .....	1,619	12/31/2022 ..
.....	COPART INC. ....	1,506	12/31/2022 ..
.....	SYNOPSYS INC .....	1,483	12/31/2022 ..
.....	CINTAS CORPORATION .....	1,308	12/31/2022 ..
COHEN&STEERS INST RS .....	Prologis Inc. ....	7,099	12/31/2022 ..
.....	Welltower Inc. ....	5,094	12/31/2022 ..
.....	American Tower Corporation .....	4,888	12/31/2022 ..
.....	Public Storage .....	4,860	12/31/2022 ..
.....	Digital Realty Trust Inc. ....	4,570	12/31/2022 ..
DFA EMG MKTS CORE EQ I .....	TENCENT HOLDINGS LTD COMMON STOCK HKD.00002 .....	2,289	12/31/2022 ..
.....	SAMSUNG ELECTRONICS CO LTD COMMON STOCK KRW100.0 .....	2,242	12/31/2022 ..
.....	TAIWAN SEMICONDUCTOR MANUFAC COMMON STOCK TWD10. ....	2,050	12/31/2022 ..
.....	TAIWAN SEMICONDUCTOR SP ADR ADR .....	889	12/31/2022 ..
.....	CHINA CONSTRUCTION BANK H COMMON STOCK CNY1.0 .....	788	12/31/2022 ..
FIDELITY FREEDOM® 2025 .....	T 4 10/31/29 .....	1,436	12/31/2022 ..
.....	T 1¼ 05/31/28 .....	1,428	12/31/2022 ..
.....	APPLE INC .....	1,151	12/31/2022 ..
.....	T 2 08/15/51 .....	1,098	12/31/2022 ..
.....	MICROSOFT CORP .....	1,097	12/31/2022 ..
FIDELITY INTERNATIONAL IX .....	NESTLE SA-REG .....	(5)	12/31/2022 ..
.....	NOVO NORDISK A/S-B .....	(3)	12/31/2022 ..
.....	ROCHE HOLDING AG-GENUSSCHEIN .....	(3)	12/31/2022 ..
.....	ASML HOLDING NV .....	(3)	12/31/2022 ..
.....	ASTRAZENECA PLC .....	(3)	12/31/2022 ..
FIDELITY® INTERNATIONAL INDEX PREMIUM .....	NESTLE SA-REG .....	29	12/31/2022 ..
.....	NOVO NORDISK A/S-B .....	20	12/31/2022 ..
.....	ROCHE HOLDING AG-GENUSSCHEIN .....	20	12/31/2022 ..
.....	ASML HOLDING NV .....	19	12/31/2022 ..
.....	ASTRAZENECA PLC .....	19	12/31/2022 ..
FIDELITY SMALL CAP INDEX .....	HALOZYME THERAPEUTICS INC .....	164	12/31/2022 ..
.....	SHOCKWAVE MEDICAL INC .....	156	12/31/2022 ..
.....	EMCOR GROUP INC .....	153	12/31/2022 ..
.....	INSPIRE MEDICAL SYSTEMS INC .....	151	12/31/2022 ..
.....	CROCS INC .....	140	12/31/2022 ..
FIDELITY MID CAP INDEX .....	O'REILLY AUTOMOTIVE INC .....	682	12/31/2022 ..
.....	PHILLIPS 66 .....	645	12/31/2022 ..
.....	SYNOPSYS INC .....	627	12/31/2022 ..
.....	AUTOZONE INC .....	618	12/31/2022 ..
.....	AFLAC INC .....	581	12/31/2022 ..
FIDELITY US BOND INDEX .....	T 2¾ 08/15/32 .....	3,260	12/31/2022 ..
.....	T 1½ 02/15/30 .....	2,435	12/31/2022 ..
.....	T 2 ? 07/31/29 .....	2,347	12/31/2022 ..
.....	T 2¼ 03/31/24 .....	2,228	12/31/2022 ..
.....	FR SD8121 .....	2,177	12/31/2022 ..
FIDELITY GRO COMPANY K .....	APPLE INC .....	15,379	12/31/2022 ..
.....	NVIDIA CORP .....	9,565	12/31/2022 ..
.....	MICROSOFT CORP .....	8,720	12/31/2022 ..
.....	AMAZON.COM INC .....	7,090	12/31/2022 ..
.....	ALPHABET INC-CL A .....	6,745	12/31/2022 ..
FIDELITY LOW-PRCD STK K .....	UNITEDHEALTH GROUP INC .....	205	12/31/2022 ..
.....	AUTOZONE INC .....	190	12/31/2022 ..
.....	METRO INC/CN .....	171	12/31/2022 ..

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1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
	ELEVANCE HEALTH INC .....	130	12/31/2022 ..
	NEXT PLC .....	97	12/31/2022 ..
FIDELITY SM CAP GR K6 .....	FIDELITY SEC LEND CSH CENTRL .....	1,513	12/31/2022 ..
	US DOLLAR .....	1,216	12/31/2022 ..
	CROCS INC .....	646	12/31/2022 ..
	PERFORMANCE FOOD GROUP CO .....	486	12/31/2022 ..
	ISHARES RUSSELL 2000 GROWTH .....	453	12/31/2022 ..
GOLDMAN:SM CAP VAL A .....	GS SM CAP VAL FD .....	93	12/31/2022 ..
	GS SM CAP VAL FD .....	79	12/31/2022 ..
	GS SM CAP VAL FD .....	79	12/31/2022 ..
	GS SM CAP VAL FD .....	78	12/31/2022 ..
	GS SM CAP VAL FD .....	74	12/31/2022 ..
HARDING LOEVNER:IE I .....	L'Oréal .....	1,279	12/31/2022 ..
	Atlas Copco .....	1,241	12/31/2022 ..
	Samsung Electronics .....	1,241	12/31/2022 ..
	AIA Group .....	1,241	12/31/2022 ..
	DBS Group .....	1,204	12/31/2022 ..
MFS MID CAP VALUE R6 .....	PG&E Corp .....	23	12/31/2022 ..
	Hartford Financial Services Group Inc .....	0	12/31/2022 ..
	Johnson Controls International PLC .....	0	12/31/2022 ..
	KBR Inc .....	0	12/31/2022 ..
	LKQ Corp .....	0	12/31/2022 ..
METWEST:TOTAL RTN PLAN .....	T 4 ½ 11/30/24 .....	33,209	12/31/2022 ..
	T 3 ? 11/30/27 .....	28,326	12/31/2022 ..
	T 4 ? 10/31/27 .....	24,581	12/31/2022 ..
	T 2 11/15/41 .....	19,090	12/31/2022 ..
	T 2 ? 02/15/42 .....	18,746	12/31/2022 ..
VANGUARD INSTL INDX INSP .....	Apple Inc. ....	2,236,812	12/31/2022 ..
	Microsoft Corp. ....	2,058,143	12/31/2022 ..
	Amazon.com Inc. ....	858,305	12/31/2022 ..
	Berkshire Hathaway Inc. Class B .....	640,735	12/31/2022 ..
	Alphabet Inc. Class A .....	606,650	12/31/2022 ..
VANGUARD DEV MKT INST+ .....	Nestle SA .....	2,782,317	12/31/2022 ..
	ASML Holding NV .....	1,961,960	12/31/2022 ..
	Roche Holding AG .....	1,947,371	12/31/2022 ..
	Samsung Electronics Co. Ltd. ....	1,921,913	12/31/2022 ..
	Novo Nordisk A/S Class B .....	1,896,969	12/31/2022 ..
VANGUARD 500 IDX ADM .....	Apple Inc. ....	30,017	12/31/2022 ..
	Microsoft Corp. ....	27,619	12/31/2022 ..
	Amazon.com Inc. ....	11,518	12/31/2022 ..
	Berkshire Hathaway Inc. Class B .....	8,598	12/31/2022 ..
	Alphabet Inc. Class A .....	8,141	12/31/2022 ..
VANGUARD S-C ID INST .....	IDEX Corp. ....	42,838	12/31/2022 ..
	Targa Resources Corp. ....	41,391	12/31/2022 ..
	Steel Dynamics Inc. ....	40,537	12/31/2022 ..
	Atmos Energy Corp. ....	39,282	12/31/2022 ..
	First Solar Inc. ....	37,738	12/31/2022 ..

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GENERAL INTERROGATORIES

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds .....	3,383,392,091	3,091,956,626	(291,435,465)
31.2 Preferred stocks .....	211,379,091	210,326,049	(1,053,041)
31.3 Totals	3,594,771,182	3,302,282,675	(292,488,506)

31.4 Describe the sources or methods utilized in determining the fair values:  
Pricing, when available, is obtained from the SVO database; otherwise, custodian pricing is used. The custodian utilizes IDC and other vendors to price the portfolio. ....

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

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

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

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

33.2 If no, list exceptions:  
.....

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:  
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.  
b. Issuer or obligor is current on all contracted interest and principal payments.  
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.  
Has the reporting entity self-designated 5GI securities? ..... Yes [ ] No [ X ]

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
a. The security was purchased prior to January 1, 2018.  
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
Has the reporting entity self-designated PLGI securities? ..... Yes [ ] No [ X ]

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:  
a. The shares were purchased prior to January 1, 2019.  
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.  
d. The fund only or predominantly holds bonds in its portfolio.  
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.  
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.  
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? ..... Yes [ ] No [ X ]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:  
a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.  
b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.  
c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.  
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.  
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? ..... Yes [ X ] No [ ] N/A [ ]

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

GENERAL INTERROGATORIES

- 38.1

Does the reporting entity directly hold cryptocurrencies? .....

Yes [ ☐ ] No [ ☒ ]
- 38.2

If the response to 38.1 is yes, on what schedule are they reported?  
.....
- 39.1

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

Yes [ ☐ ] No [ ☒ ]
- 39.2

If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?  
39.21 Held directly ..... Yes [ ☐ ] No [ ☐ ]  
39.22 Immediately converted to U.S. dollars ..... Yes [ ☐ ] No [ ☐ ]
- 39.3

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

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

OTHER

- 40.1

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

\$ ..... 4,069,820
- 40.2

List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1	2
Name	Amount Paid
Blue Cross and Blue Shield Association .....	..... 4,069,820
- 41.1

Amount of payments for legal expenses, if any? .....

\$ ..... 6,551,590
- 41.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
- 42.1

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

\$ ..... 557,965
- 42.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers, or departments of government during the period covered by this statement.

1	2
Name	Amount Paid



ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force? .....

Yes [ X ] No [ ]

1.2

If yes, indicate premium earned on U.S. business only. ....

\$ 385,490,080

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....

\$ 0

1.31

Reason for excluding .....

.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above .....

\$ 0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance. ....

\$ 293,371,184

1.6

Individual policies:

Most current three years:

1.61

Total premium earned .....

\$ 40,964,865

1.62

Total incurred claims .....

\$ 40,743,148

1.63

Number of covered lives .....

34,133

1.64

Total premium earned .....

\$ 344,525,215

1.65

Total incurred claims .....

\$ 252,628,036

1.66

Number of covered lives .....

121,516

1.7

Group policies:

Most current three years:

1.71

Total premium earned .....

\$ 0

1.72

Total incurred claims .....

\$ 0

1.73

Number of covered lives .....

0

1.74

Total premium earned .....

\$ 0

1.75

Total incurred claims .....

\$ 0

1.76

Number of covered lives .....

0

2.

Health Test:

2.1

Premium Numerator .....

10,248,223,778

9,277,097,782

2.2

Premium Denominator .....

10,248,223,778

9,277,097,782

2.3

Premium Ratio (2.1/2.2) .....

1.000

1.000

2.4

Reserve Numerator .....

1,293,483,755

1,260,696,570

2.5

Reserve Denominator .....

1,293,483,755

1,260,696,570

2.6

Reserve Ratio (2.4/2.5) .....

1.000

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? .....

Yes [ ] No [ X ]

3.2

If yes, give particulars: .....

.....

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? .....

Yes [ X ] No [ ]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? .....

Yes [ ] No [ ]

5.1

Does the reporting entity have stop-loss reinsurance? .....

Yes [ X ] No [ ]

5.2

If no, explain: .....

.....

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical .....

\$ 5,000,000

5.32

Medical Only .....

\$

5.33

Medicare Supplement .....

\$

5.34

Dental & Vision .....

\$

5.35

Other Limited Benefit Plan .....

\$

5.36

Other .....

\$

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
NC Life and Guaranty Associations; appropriate provisions in provider agreements protecting members in case of insolvency, as required by law. ....

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?.....

Yes [ X ] No [ ]

7.2

If no, give details .....

.....

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year ....

76,795

8.2

Number of providers at end of reporting year .....

81,182

9.1

Does the reporting entity have business subject to premium rate guarantees? .....

Yes [ X ] No [ ]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months.. \$.....

534,431

9.22

Business with rate guarantees over 36 months .....

\$.....

0

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes [ X ] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses.....\$ .....110,795,806

10.22 Amount actually paid for year bonuses.....\$ .....49,472,329

10.23 Maximum amount payable withholds.....\$ .....

10.24 Amount actually paid for year withholds.....\$ .....

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, ..... Yes [ ] No [ X ]

11.13 An Individual Practice Association (IPA), or, ..... Yes [ ] No [ X ]

11.14 A Mixed Model (combination of above)? .... Yes [ ] No [ X ]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? ..... Yes [ X ] No [ ]

11.3 If yes, show the name of the state requiring such minimum capital and surplus. .... North Carolina

11.4 If yes, show the amount required. .... \$ 1,503,894,095

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes [ X ] No [ ]

11.6 If the amount is calculated, show the calculation

See footnote #32 .....

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
North Carolina .....
.....

13.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... \$ .....

13.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

13.4 If yes, please provide the balance of funds administered as of the reporting date. .... \$ .....

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? ..... Yes [ X ] No [ ] N/A [ ]

14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
Meridian Re Company .....	.....	NC.....	.....0	.....0	.....0	.....0
.....	.....	.....	.....	.....	.....	.....

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written ..... \$ .....

15.2 Total Incurred Claims ..... \$ .....

15.3 Number of Covered Lives ..... .....

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurantee)
Universal Life (with or without secondary gurantee)
Variable Universal Life (with or without secondary gurantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? ..... Yes [ ] No [ X ]

16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? ..... Yes [ ] No [ X ]

FIVE-YEAR HISTORICAL DATA

	1 2022	2 2021	3 2020	4 2019	5 2018
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	7,703,376,980	7,504,642,091	6,955,831,951	6,296,577,751	5,707,644,445
2. Total liabilities (Page 3, Line 24) .....	3,065,056,704	2,940,863,231	2,913,675,943	2,446,018,299	2,291,097,764
3. Statutory minimum capital and surplus requirement .....	1,503,894,095	1,390,648,559	1,293,682,720	1,203,634,044	1,114,076,146
4. Total capital and surplus (Page 3, Line 33) .....	4,638,320,276	4,563,778,860	4,042,156,008	3,850,559,452	3,416,546,681
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	10,275,337,453	9,468,364,836	8,998,958,453	8,989,659,376	9,140,687,129
6. Total medical and hospital expenses (Line 18) .....	8,886,694,711	8,266,543,815	7,316,709,926	7,354,153,510	6,849,335,394
7. Claims adjustment expenses (Line 20) .....	469,637,266	414,512,527	598,634,871	532,230,252	546,531,926
8. Total administrative expenses (Line 21) .....	1,213,095,903	933,164,078	898,515,564	964,321,570	1,132,612,630
9. Net underwriting gain (loss) (Line 24) .....	(208,594,215)	(18,385,868)	(23,986,886)	142,391,818	613,231,769
10. Net investment gain (loss) (Line 27) .....	179,032,562	298,758,649	261,678,444	262,905,750	196,180,013
11. Total other income (Lines 28 plus 29) .....	29,983,107	26,618,434	23,363,440	26,993,500	24,743,550
12. Net income or (loss) (Line 32) .....	203,748,461	262,695,636	163,580,487	365,904,046	650,382,086
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	(280,758,296)	200,189,072	187,021,646	434,064,124	729,554,842
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	4,638,320,276	4,563,778,860	4,042,156,008	3,850,559,452	3,416,546,681
15. Authorized control level risk-based capital .....	539,627,959	468,028,144	382,177,103	372,574,896	328,388,651
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	2,361,639	2,159,981	1,669,865	1,634,809	1,580,203
17. Total members months (Column 6, Line 7) .....	27,720,847	22,943,604	20,240,143	19,764,795	19,311,234
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	86.7	87.9	81.7	82.3	75.1
20. Cost containment expenses .....	2.4	2.0	3.3	2.8	2.7
21. Other claims adjustment expenses .....	2.1	2.4	3.4	3.1	3.3
22. Total underwriting deductions (Line 23) .....	102.3	100.8	100.8	99.0	93.5
23. Total underwriting gain (loss) (Line 24) .....	(2.0)	(0.2)	(0.3)	1.6	6.7
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5) .....	610,723,466	497,807,426	692,055,680	631,842,765	573,890,103
25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)] .....	666,912,829	688,319,268	751,331,978	669,515,357	680,670,568
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....			0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....		0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	991,814,840	545,047,607	347,436,294	282,924,003	202,288,801
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. Total of above Lines 26 to 31 .....	991,814,840	545,047,607	347,436,294	282,924,003	202,288,801
33. Total investment in parent included in Lines 26 to 31 above.					

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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories											
		1	Direct Business Only								
			2	3	4	5	6	7	8	9	10
States, etc.		Active Status (a)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	CHIP Title XXI	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 8	Deposit-Type Contracts
1.	Alabama .....	AL	N							0	
2.	Alaska .....	AK	N							0	
3.	Arizona .....	AZ	N							0	
4.	Arkansas .....	AR	N							0	
5.	California .....	CA	N							0	
6.	Colorado .....	CO	N							0	
7.	Connecticut .....	CT	N							0	
8.	Delaware .....	DE	N							0	
9.	District of Columbia	DC	N							0	
10.	Florida .....	FL	N							0	
11.	Georgia .....	GA	N							0	
12.	Hawaii .....	HI	N							0	
13.	Idaho .....	ID	N							0	
14.	Illinois .....	IL	N							0	
15.	Indiana .....	IN	N							0	
16.	Iowa .....	IA	N							0	
17.	Kansas .....	KS	N							0	
18.	Kentucky .....	KY	N							0	
19.	Louisiana .....	LA	N							0	
20.	Maine .....	ME	N							0	
21.	Maryland .....	MD	N							0	
22.	Massachusetts .....	MA	N							0	
23.	Michigan .....	MI	N							0	
24.	Minnesota .....	MN	N							0	
25.	Mississippi .....	MS	N							0	
26.	Missouri .....	MO	N							0	
27.	Montana .....	MT	N							0	
28.	Nebraska .....	NE	N							0	
29.	Nevada .....	NV	N							0	
30.	New Hampshire .....	NH	N							0	
31.	New Jersey .....	NJ	N							0	
32.	New Mexico .....	NM	N							0	
33.	New York .....	NY	N							0	
34.	North Carolina .....	NC	L	6,904,897,551	991,008,025	2,075,081,645	1,338,721,881			11,309,709,102	
35.	North Dakota .....	ND	N							0	
36.	Ohio .....	OH	N							0	
37.	Oklahoma .....	OK	N							0	
38.	Oregon .....	OR	N							0	
39.	Pennsylvania .....	PA	N							0	
40.	Rhode Island .....	RI	N							0	
41.	South Carolina .....	SC	N							0	
42.	South Dakota .....	SD	N							0	
43.	Tennessee .....	TN	N							0	
44.	Texas .....	TX	N							0	
45.	Utah .....	UT	N							0	
46.	Vermont .....	VT	N							0	
47.	Virginia .....	VA	N							0	
48.	Washington .....	WA	N							0	
49.	West Virginia .....	WV	N							0	
50.	Wisconsin .....	WI	N							0	
51.	Wyoming .....	WY	N							0	
52.	American Samoa ....	AS	N							0	
53.	Guam .....	GU	N							0	
54.	Puerto Rico .....	PR	N							0	
55.	U.S. Virgin Islands ..	VI	N							0	
56.	Northern Mariana Islands .....	MP	N							0	
57.	Canada .....	CAN	N							0	
58.	Aggregate Other Aliens .....	OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal .....	XXX	6,904,897,551	991,008,025	2,075,081,645	0	1,338,721,881	0	0	11,309,709,102	0
60.	Reporting Entity Contributions for Employee Benefit Plans .....	XXX								0	
61.	Totals (Direct Business)	XXX	6,904,897,551	991,008,025	2,075,081,645	0	1,338,721,881	0	0	11,309,709,102	0
DETAILS OF WRITE-INS											
58001.	.....	XXX									
58002.	.....	XXX									
58003.	.....	XXX									
58998.	Summary of remaining write-ins for Line 58 from overflow page .....	XXX	0	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	

(a) Active Status Counts:

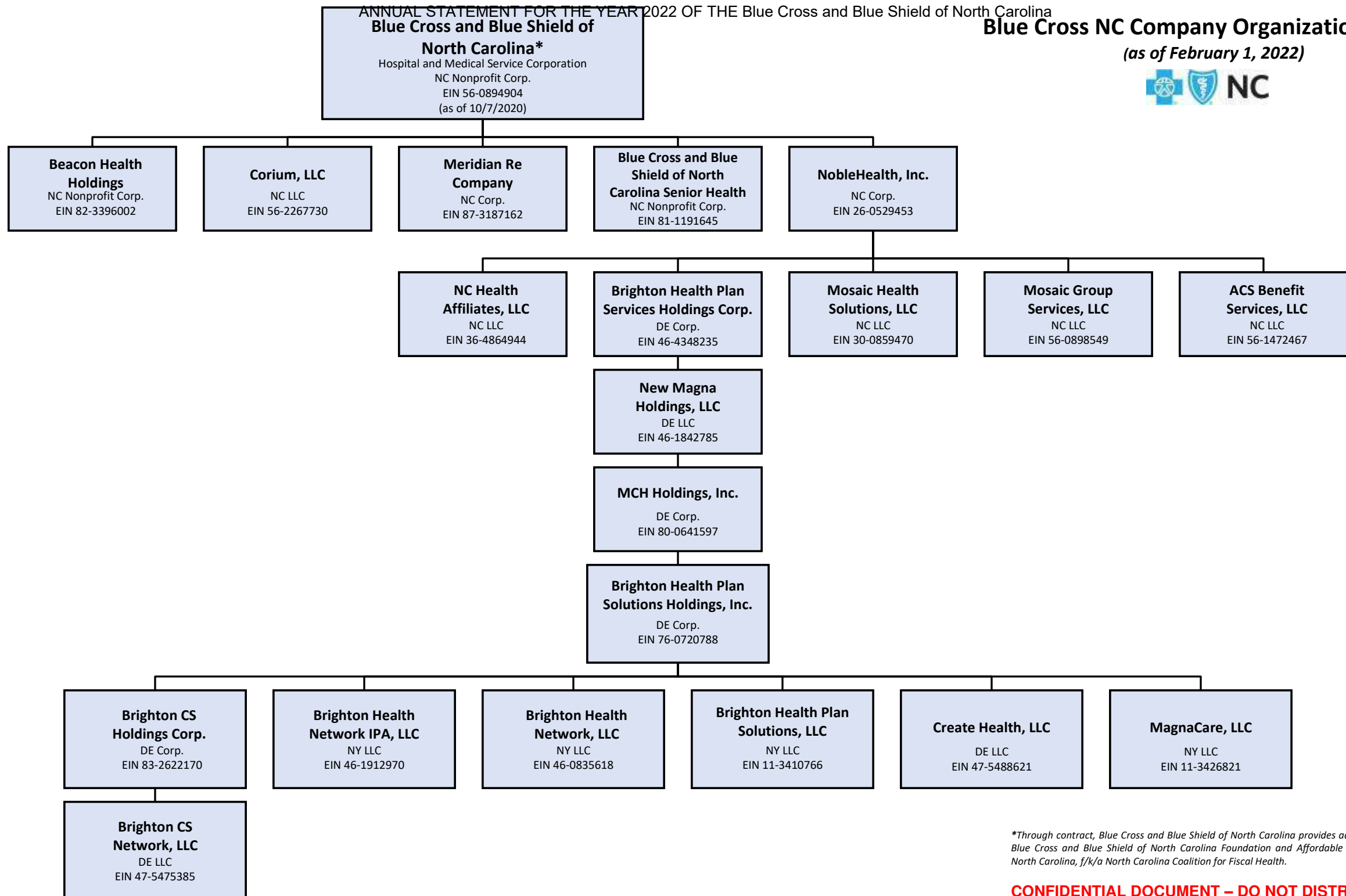
1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	1	4. Q - Qualified - Qualified or accredited reinsurer.....	0
2. R - Registered - Non-domiciled RRGs.....	0	5. N - None of the above - Not allowed to write business in the state.....	56
3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state. ....	0		

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

The Company only has business in North Carolina

# Blue Cross NC Company Organizational Chart

(as of February 1, 2022)



*\*Through contract, Blue Cross and Blue Shield of North Carolina provides administrative services to Blue Cross and Blue Shield of North Carolina Foundation and Affordable Healthcare Coalition of North Carolina, f/k/a North Carolina Coalition for Fiscal Health.*

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ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Blue Cross and Blue Shield of North Carolina

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504.	Cash Surrender Value of Life Insurance .....	10,360,374		10,360,374	10,052,032
2505.	AR- VEBA .....	1,743,536	0	1,743,536	1,329,212
2506.	Automobiles .....	23,842	23,842	0	
2597.	Summary of remaining write-ins for Line 25 from overflow page	12,127,752	23,842	12,103,910	11,381,244

Additional Write-ins for Liabilities Line 23

		Current Year			Prior Year
		1	2	3	4
		Covered	Uncovered	Total	Total
2304.	Unearned Rent .....	0		0	420,171
2305.	Intercompany Tax Payable .....	12,034,344		12,034,344	34,344
2306.	Escheat Payable .....	0		0	19,869
2397.	Summary of remaining write-ins for Line 23 from overflow page	12,034,344	0	12,034,344	474,384

Additional Write-ins for Statement of Revenue and Expenses Line 47

		1	2
		Current Year	Prior Year
4704.	Prior Year Correction of Subsidiary .....	0	97,620,728
4797.	Summary of remaining write-ins for Line 47 from overflow page	0	97,620,728

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504.	Renewable Energy Credits .....	8,990,742	4,327,845	(4,662,897)
2505.	Automobiles .....	23,842		(23,842)
2597.	Summary of remaining write-ins for Line 25 from overflow page	9,014,584	4,327,845	(4,686,739)