



ANNUAL STATEMENT

MESSAGE FROM THE CHAIRMAN AND THE PRESIDENT

We are pleased to share this condensed financial report on Central States Health & Life Co. of Omaha (CSO). Like all Americans, we are happy to see covid-19 pandemic impacts coming to an end. The effect from the pandemic on our business resulted in unplanned outcomes, both good and bad.

Leading up to and during the pandemic, CSO was successful in maintaining service levels with nearly 80% of our workforce having the ability to work from home. The biggest challenge we faced was isolation from business partners, agents, business prospects and coworkers. The resulting impact limited our ability to achieve certain production goals related to our Senior Market Medicare Supplement line and the development of our Consumer Lending Market plans, specifically to the credit union market. In spite of these hurdles, our company had a very good year.

On the positive side, on a GAAP basis, net income exceeded \$17,000,000 before Federal Income Tax; unassigned surplus/policyholders' reserves exceeded \$283,000,000, an all-time high, with significant gains derived from exceptional investment results.

In 2022, we expect business to normalize, giving us the ability to resume development of our business plans. In the Consumer Lending Market, our focus continues to dedicate resources to enhance new business production through extending value-oriented lending products and services. CSO's Consumer Lending Market portfolio of products reduce risk to both borrowers and lenders, while adding needed fee income to the lenders. In the Senior Market area, in addition to providing Medicare Supplement coverage, we will soon release a new Dental, Vision & Hearing product. The addition of this product serves a valuable need in the market and continues to diversify the company's product portfolio.

When we reflect on what could have been, we are fortunate to have been an essential part of the economy. We remain optimistic about continuing to fulfill our company mission. We will continue to live by and direct all business decisions in accordance with our company motto, "To Care is to Grow"! In 2022, CSO will celebrate its 90th Anniversary. To all our partners, agents and employees past and present we are grateful for your support. Thank you!

Richard T. Kizer
Chairman

T. Edward Kizer
President

FINANCIAL SUMMARY AS OF DECEMBER 31, 2021

Based on Generally Accepted Accounting Principles

Admitted Assets	2020	2021
Fixed Maturities	\$ 275,763,562	\$ 267,971,381
Stocks	10,238,276	16,902,082
Real Estate, EDP and Equipment	4,698,482	4,273,611
Cash, CD's and Commercial Paper	23,058,648	15,959,579
Other Invested Assets	87,369,669	89,765,538
Reinsurance Recoverable	68,572,682	71,825,955
Deferred Policy Acquisition Costs	68,869,620	71,112,540
Other Assets	27,667,891	24,025,689
Total Assets	\$ 566,238,830	\$ 561,836,375

Liabilities	2020	2021
Life Reserves	\$ 101,241,109	\$ 102,107,928
Accident & Health Reserves	66,085,735	60,264,529
Unpaid Claims	19,227,907	17,382,663
Other Liabilities	55,162,648	51,863,653
Funds Held Under Reinsurance Treaties	42,678,313	38,904,287
Total Liabilities	\$ 284,395,712	\$ 270,523,060

Policyowner Contingency Reserves	2020	2021
Policyowner Reserves	\$ 268,715,924	\$ 283,322,330
Net Unrealized Investment Gain/(Loss)	13,127,194	7,990,985
Total Policyowner Contingency Reserves - Surplus	\$ 281,843,118	\$ 291,313,315

Total Liabilities and Policyowner Contingency Reserves	\$ 566,238,830	\$ 561,836,375
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About CSO

CSO is a mutually owned insurance company based in Omaha, Nebraska employing a team of dedicated individuals focused on the needs of the company's client institutions, agents, customers and policyholders. CSO conducts business in every state (except New York and California), as well as Guam and Saipan. The company strives to be the provider of choice in the markets they serve with its motto, "To Care is To Grow" the guiding philosophy behind how business is done.

A solid history of successful business practice has provided CSO with an exceptionally strong financial base. In 2021, CSO and its subsidiaries, Censtat Life Assurance Company and Censtat Casualty Company, were assigned an AM Best Financial Strength credit rating of A- (Excellent)*. Since 2012, CSO has completed annual Service Organization Control (SOC) audits covering the financial, information systems controls, and related applications used by CSO for administration of its business partner's programs.

